

INTERNAL AUDIT REPORTS
WDA/31/12

Recommendation

That:

1. Members note the contents of the reports from the Internal Auditor

THIS PAGE INTENTIONALLY BLANK

INTERNAL AUDIT REPORTS

WDA/31/12

Report of the Treasurer

1. Purpose of the Report

- 1.1 The Authority is required to maintain an effective Internal Audit as a part of its statutory governance arrangements. The Authority's Internal Audit is provided by St Helens Council. The Auditor reviews the arrangements at the Authority and reports to Members on any weaknesses and recommends improvements. This report brings to Members attentions the outcome of the latest reviews.

2. Background

- 2.1 The Internal Auditor has reported on the review of:
- Bidston Materials Recovery Facility (MRF); and
 - Waste Contract Arrangements
- 2.2 The detailed reports are attached at Appendix 1 and Appendix 2 to this report.

3. Bidston Materials Recovery Facility (MRF)

- 3.1 As a part of the Audit Plan the Auditor reviewed the arrangements at Bidston MRF for the collection, recycling and sale of waste including:-
- that adequate controls are in operation to record comingled recyclable waste entering the MRF;
 - an appropriate system is in place to reconcile comingled waste entering the MRF to sorted waste / residual waste leaving the MRF; and
 - an appropriate system is in place to evidence income received from the sale of recyclable waste.
- 3.2 The Auditor concluded that there are adequate controls in place and operating effectively. No key matters were drawn to the attention of Members for their consideration.

- 3.3 There were two recommendations for improvement which have been agreed with management, these were to ensure that weighbridge tickets were always signed by drivers delivering waste and that the contractor Veolia's finance team ensured it retained e-mails from its head office regarding sales.

4. Waste Contract Arrangements

- 4.1 The Auditor regularly reviews the Authority's Contract arrangements as they are a fundamental part of the Authority's business. The review assessed:
- verification of the accuracy of the monthly payment to Veolia under the WMRC;
 - MRWA's work on the accuracy of the monthly WMRC report;
 - the procedures for the administration of the Permit Scheme, and that it is enforced at the HWRCs; and
 - verification of the monthly landfill payment
- 4.2 The auditor concluded that appropriate key controls are in place and operating effectively, both to manage the waste contracts and to ensure payments made were in line with the contract terms. No key issues were identified for Members.
- 4.3 The Auditor identified three recommendations for improvement which have been accepted by management and are being implemented. The recommendations are to: ensure the Contract Section procedures are documented and reviewed regularly; that a log of site visits be maintained; and that any non-compliance be formally recorded and followed up in line with procedures.

5. Risk Implications

- 5.1 There are no new risks arising from the auditors review

6. HR Implications

- 6.1 There are no new HR implications

7. Environmental Implications

- 7.1 There are no new environmental implications

8. Financial Implications

8.1 There are no financial implications associated with this report

9. Conclusion

9.1 Internal Audit reviews the Authority's governance arrangements. The recent reviews confirmed that arrangements were appropriate and that there are no key issues to draw to Members' attention. Where recommendations for improvements have been made these are being implemented.

The contact officer for this report is: Peter Williams
6th Floor, North House, 17 North John Street, Liverpool L2 5QY

Email: peter.williams@merseysidewda.gov.uk

Tel: 0151 255 2542

Fax: 0151 227 1848

The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 - Nil.