

INTERNAL AUDIT REVIEW OF ALLEGATIONS
WDA/07/13

Recommendation

That:

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

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INTERNAL AUDIT REVIEW OF ALLEGATIONS**WDA/07/13****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 attention the outcome of the latest review.

2. Background

- 2.1 The Internal Auditor has reported on the review of the response by the Authority and its Waste Management Recovery Contract (WMRC) contractor, Veolia, to allegations of improper practices that were made.
- 2.2 The detailed report is attached at Appendix to this report.

3. Allegations

- 3.1 The Authority received two complaints of improper practices at Transfer Stations operated for the Authority by Veolia. The allegations concerned private trade waste at weighbridges being treated inappropriately. If the alleged practices were taking place then there would be financial consequences for both the Authority and the contractor. At the same time it was alleged that corrupt payments were being made to individuals for allowing the improper practices.
- 3.2 The allegations were of a serious nature and both Veolia and the Authority took them seriously, undertaking detailed investigations of the circumstances and the practices and procedures in place at the sites. In the case of the Authority, Internal Audit were informed immediately and were asked to review the events to provide an independent view for Members of what may have taken place and the investigation of the allegations by Veolia.
- 3.3 Internal audit have made a number of recommendations for improvements to procedures which have been accepted by management, these are

detailed in their report which is attached as Appendix 1. These improvements will help to strengthen the Authority's and Veolia's control environments and the governance of the WMRC.

- 3.4 The Auditor has also concluded that the activities are highly unlikely to have taken place and that there is no evidence to support the allegations.

4. Risk Implications

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

5. HR Implications

- 5.1 There are no new HR implications

6. Environmental Implications

- 6.1 There are no new environmental implications

7. Financial Implications

- 7.1 There are no financial implications associated with this report

8. Conclusion

- 8.1 Internal Audit review of allegations and the Authority and Veolia's response to them has made some recommendations to improve the governance arrangements but finds no evidence that the alleged activities have taken place.

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