

**INTERNAL AUDIT REPORT - CAPITAL PROGRAMME**  
**WDA/36/13**

**Recommendation**

That:

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

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**INTERNAL AUDIT REPORT - CAPITAL PROGRAMME**  
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**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 review.

**2. Background**

2.1 The Internal Auditor has reported on:

- The Authority's Waste Capital Programme

2.2 The detailed report is attached at Appendix 1 to this report.

**3. Review of the Capital Programme**

3.1 The review considered the arrangements in place for the planning and prioritisation of capital works, the Authority approval of the Capital Programme, tendering procedures, expenditure control and the maintenance of contract documentation.

3.2 The Auditor concluded that in their overall opinion substantial assurance could be taken from the system and the way it was operated. This means that the majority of expected controls are in place but there is some inconsistency in their application. Whilst there is basically a sound system of controls, there may be weaknesses in the design and/or operation of these and recommendations have been made to enhance the control environment further.

**Merseyside Waste Disposal Authority**  
**27<sup>th</sup> September 2013**

3.3 The auditor has not identified Key Recommendations for Members but has made a number of recommendations for improvements to the way the programme is operated that will strengthen the Authority's controls. These recommendations have been agreed and an action plan for their implementation is in place.

3.4 The most significant recommendation related to ensuring that where the larger part of the capital programme as approved is for projects that are yet to be fully specified, that the Authority's approval is confirmed before major schemes are procured.

#### **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 reviews the Authority's governance arrangements. The recent review confirmed that arrangements were appropriate and there are no Key Findings for Members. Members are asked to note the report.

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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.