

INTERNAL AUDIT - FOLLOW UP OF RECOMMENDATIONS**WDA/30/14****Recommendation**

That:

1. Members note the progress made in relation to the Internal Auditor's report (Appendix 1).

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INTERNAL AUDIT - FOLLOW UP OF RECOMMENDATIONS**WDA/30/14****Report of the Treasurer****1. Purpose of the Report**

1.1 The report provides Members with an update on how far the recommendations for improvement made by Internal Audit have been implemented at the Authority. The review of the implementation of recommendations was carried out by Internal Audit as a part of their planned work and provides Members with assurance that recommended improvements are acted upon appropriately by officers.

2. Background

2.1 The Authority is required to maintain an adequate and effective internal audit. This service is provided for the Authority by St Helens Council's Internal Auditors, under the terms of an annual service level agreement. Each year Internal Audit prepares an audit plan, carries out audit reviews and where appropriate makes recommendations for improvements. As a part of their plan Internal Audit also reviews the implementation of the agreed recommendations and reports back to Members so that they can take assurance about the improvements being implemented in practice.

3. Follow up of internal audit recommendations

3.1 Internal Audit made recommendations following their reviews, which were included in Action Plans and reported to Members during the year. They have followed up on the implementation of agreed recommendations and a summary of their findings is attached at Appendix 1 to this report.

3.2 Internal Audit's follow up took account of their reviews of:

- The Waste Prevention Programme
- The Resource Recovery Contract – Evaluation of final bids
- Financial systems
- Waste contract arrangements; and
- The Capital Programme

- 3.3 For each of the reviews Internal Audit have concluded that the recommendations are being implemented fully, with the exception of the capital programme.
- 3.4 For the capital programme review a recommendation was made that:
 - A procedure be implemented to ensure that appropriate checks are undertaken to confirm a contractor's financial standing prior to their engagement.
- 3.5 At the time of Internal Audit's follow up this had not yet been implemented as it would require either the engagement of an external contractor to carry out such work, or the agreement from St Helens Council that their contracts team could carry out such work on the Authority's behalf. These considerations were not complete at the time of the review.
- 3.6 Since Internal Audit's follow up of the recommendations discussions have continued with St Helens Council over this and in principle they may agree to carry out such financial checks on the Authority's behalf. Further consideration needs to be given by St Helens Council and the Authority's Waste Facilities section as to how this may be carried out in practice. The risk is not high at this stage as there are no new schemes or new contractors being appointed where such financial checks would be required for the remainder of the current year.

4. Risk Implications

- 4.1 The only recommendation outstanding relates to financial checks on contractors. The risks are considered low as arrangements for these checks are being developed and there are no such checks required in the immediate future. The implementation of the remaining recommendations reduces risks for the Authority.

5. HR Implications

- 5.1 There are no HR implications associated with this report

6. Environmental Implications

- 6.1 There are no environmental implications associated with this report.

7. Financial Implications

7.1 There may be a financial implication arising from implementing the outstanding recommendation, but this will be relatively small and will depend on the scale of service used by this Authority. In the event that the costs grow significantly Members will be asked for their views.

8. Legal Implications

8.1 There are no legal implications associated with this report.

9. Conclusion

9.1 Internal Audit follows up on the implementation of recommendations agreed and included in Action Plans after their reviews of the Authority's activities. This report shows at Appendix 1 that the Authority has responded effectively to almost all the recommendations. Where one recommendation is outstanding action is being taken to address the matter and the risk is considered low at this stage.

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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.