

INTERNAL AUDIT - REPORTS
WDA/18/16

Recommendation

That:

1. Members note the contents of the Internal Auditor's reports

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INTERNAL AUDIT - REPORTS**WDA/18/16****Report of the Treasurer****1. Purpose of the Report**

- 1.1 The report shows Members the outcome of recent Internal Audit reviews of whether the Authority's controls on its Performance Management Framework and those on the Waste Management Contracts are adequate and effective.

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.
- 2.2 As a part of their work programme Internal Audit planned to review the Authority's Performance Management Framework. Internal Audit also planned to carry out work reviewing the way the Authority operates its Waste Management Contracts. Internal Audit's findings are set out in their reports which are attached at Appendix 1 and Appendix 2.

3. Review of Performance Management Framework

- 3.1 The Internal Audit review of the Performance Management Framework considered the following arrangements:
- The Corporate Plan and the Service Delivery Plans;
 - The Aims and Objectives of the plans;
 - Quarterly monitoring by Executive Management Team (EMT); and
 - The new reporting arrangements for Members
- 3.2 The review considered the way that the Authority's new arrangements for performance monitoring and reporting had been implemented in practice, recognising that they had not been in place for a long time

Overall conclusion

3.3 The overall conclusion of the review was that the Authority's arrangements give:

'Substantial assurance'

3.4 in other words:

'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.'

3.5 This is a strong level of assurance for the Authority and while there were two recommendations for improvement arising from the review, which have been agreed by officers there were no Key Issues to draw to the attention of Members.

4. Review of Waste Contracts

4.1 The Internal Audit review of the Authority's Waste Contract Arrangements considered the following elements:

- Verification of the accuracy of the monthly payment to Veolia under the Waste Management and Recycling Contract (WMRC); and
- Verification of the accuracy of the monthly payment under the Landfill Contracts

Overall conclusion

4.1 The overall conclusion of the review was that the Authority's arrangements give:

'High assurance'

4.2 in other words:

'all expected controls are in place and being applied consistently and there is a sound system of control designed to ensure the achievement of the service or system's business objectives.'

- 4.3 This is the highest level of assurance for the Authority; there were no recommendations for improvements and there were no Key Issues to draw to the attention of Members.

5. Risk Implications

- 5.1 The levels of opinion provided as a result of these reviews by Internal Audit gives assurance that the controls on the performance management framework and the Waste Contracts operated by the Authority are adequate and effective.

6. HR Implications

- 6.1 There are no HR implications associated with this report

7. Environmental Implications

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

8. Financial Implications

- 8.1 There are no new financial implications arising from this report

9. Legal Implications

- 9.1 There are no legal implications associated with this report

10. Conclusion

- 10.1 Internal Audit complete their agreed programme of work to ensure the Authority is managing the risks it faces. In the case of these pieces of work the risks attached to the Performance Management Framework have been reviewed and the conclusion is that the Authority can take a substantial level of assurance about the way those systems are being managed and controlled.

- 10.2 For the Contract Management Arrangements the Internal Audit Conclusion is that the Authority can take a High level of assurance from the way the system is being managed and controlled.

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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.