

INTERNAL AUDIT - RRC
WDA/10/19

Recommendation

That:

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

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INTERNAL AUDIT - RRC**WDA/10/19****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 agreed audit plan for the year included a review of the Authority's waste contract management arrangements.
- 2.2 The review considered the contract between the Authority and Merseyside Energy Recovery Ltd, the Resource Recovery Contract (RRC) and in particular:
- The arrangements that are in place to ensure that payments are made in accordance with the contract and that performance monitoring and reporting mechanisms are robust.
- 2.3 The auditor's detailed report is attached at appendix 1 to this report.
- 2.4 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."

- 2.5 The auditor has confirmed there are no high priority recommendations arising from this review to bring to the attention of Members.
- 2.6 The auditor has made one medium priority recommendation for improvement which asks officers to carry out a gap analysis of the Wilton inspection process to establish whether there are shortfalls in performance and to inform a decision on the future scope and provision of inspections. This action is to be implemented within six months.

3. Risk Implications

- 3.1 There are no new risks arising from the auditor's review.

4. HR Implications

- 4.1 There are no new HR implications.

5. Environmental Implications

- 5.1 There are no new environmental implications.

6. Financial Implications

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

7. Legal Implications

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

8. Conclusion

- 8.1 Internal Audit reviewed the RRC arrangements and concluded that they gave 'Substantial Assurance'. There are no high priority recommendations to bring to the attention of Members.
- 8.2 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.