

INTERNAL AUDIT REPORTS
WDA/18/20

Recommendation

That:

1. Members note the contents of the reports from the Internal Auditor and the management response to recommended actions.

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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 reviews.

2. Background

- 2.1 The agreed audit plan for the year 2019-20 included reviews of:
- Trade Waste Disposal; and
 - The Veolia Contract.

3. Trade Waste Disposal

- 3.1 The review considered the contract arrangements, tonnage declarations and recharges to Council
- 3.2 The Auditor's detailed report is attached at Appendix 1 to this report.
- 3.3 The auditor identified no key issues for Members to consider.
- 3.4 The auditor concluded that in their overall opinion only **Limited Assurance** could be taken from the system and the way that it is operated. This is a lower than hoped for assessment and means that in the auditor's view:

"A number of expected controls do not exist or are not applied consistently or effectively. There are weaknesses in the design or operation of controls that could impact upon the achievement of the service or system's business objectives and may have resulted in the emergence of key issues."

- 3.5 The auditor identified one high priority recommendation and seven medium priority recommendations. The high priority recommendation related to obtaining and reviewing the trade waste tonnages delivered to the contractor by St Helens Council over a period and ensuring that where appropriate any charges to the Council for trade waste would be adjusted.
- 3.6 The high priority recommendation and the medium priority recommendations have all been agreed by management and plans are in place to ensure that the agreed actions are put into place as soon as possible.

4. Veolia contract

- 4.1 The audit considered compliance with the payment mechanism for expenditure and income and contract monitoring arrangements.
- 4.2 The Auditor's detailed report is attached at appendix 2 to this report.
- 4.3 The Auditor concluded that in their overall opinion **high assurance** could be taken from the system and the way it was operated. This means that:

"All expected controls are in place and being applied consistently and effectively and there is a sound system of control designed to ensure the achievement of the service or system's business objectives."
- 4.4 The auditor has confirmed there are no Key Issues arising from this review to bring to the attention of Members.
- 4.5 The auditor has made no recommendation for improvements to the arrangements

5. Risk Implications

- 5.1 In respect of Trade Waste Disposal the auditor raised a number of issues, these have been agreed and addressed through the management response to the action plan. Otherwise there are no new risks arising from the auditor's reviews.

6. HR Implications

- 6.1 There are no new HR implications

7. Environmental Implications

7.1 There are no new environmental implications

8. Financial Implications

8.1 In respect of the Trade Waste Disposal report when the management is complete there may be an adjustment to bring into the year end reconciliation of charges, albeit that this is unlikely to be significant.

9. Legal Implications

9.1 There are no legal implications associated with this report.

10. Conclusion

10.1 Internal Audit reviewed the arrangements for managing the Authority's:

- Trade Waste Disposal; and
- Veolia contract

And concluded that for Trade Waste arrangements a Limited assurance could be provided, as well as making a number of recommendations which have been agreed. For the Veolia Contract High Assurance was provided and no recommendations for improvement have been made.

10.2 There are no Key Issues for Members.

10.3 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.