



St. Helens Council

Chairperson
Merseyside Recycling and Waste Authority (MRWA)

cc. Mr Peter Williams
Director of Finance
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Contact: Helen Fowler
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Date: 26th March 2021

Our Ref:BA/MRWA00
Your Ref:

Dear Chair,

Re: Audit Opinion – 2020/21 Financial Year

I write to confirm to Members of the Authority, based on audit work undertaken during the 2020/21 financial year and the sampling of transactions, that I am not aware of any significant control issues that require bringing to the Authority's attention in relation to the operation of its governance, risk management and internal control framework. This opinion is based on a reduced coverage due to the Covid 19 pandemic, however, the two high risk contracts have been reviewed in 2020/21.

During 2020/21, the Covid 19 Pandemic impacted on Internal Audit's ability to commence work against the Internal Audit Plan. Both MRWA officers and Internal Audit staff were involved in essential Covid related work for a significant period of time. In addition, a whistleblowing complaint was received by MRWA in August 2020, resulting in Internal Audit undertaking a joint investigation with the Assistant Director - Operations into allegations made regarding a number of operational practices by the Waste Contractor. The delay in commencing the Internal Audit Plan and the audit resource days on the Investigation, has resulted in a number of planned reviews not being completed.

However, from the work undertaken with regard to the complaint, I have been able to provide assurance on some of the operational practices within the Waste Contract, and some areas of improvement for the Contractor were identified.

In providing my opinion, I remind Members that no assurance can ever be absolute and it is inevitable that control issues will arise within the MRWA, given its size and scale of operation.

During 2020/21 the following internal audit reports were reported to Members. Also outlined, where applicable, is the level of assurance given with regard to the adequacy and effectiveness of internal control in relation to the areas under review.

Resource Recovery Contract	High Assurance
Trade Waste (19/20)	Limited Assurance
Whistleblowing Investigation	N/A

At the time of writing, the draft Waste Contract report had been issued and a high assurance opinion given.

Any control issues arising from our work have been addressed by way of action plans for improvement, which have been agreed with management together with specified timescales for implementation. Progress towards the implementation of agreed action plans will be updated and presented to the Authority in 2021/22.

In accordance with our Service Level Agreement and MRWA's reliance upon St Helens Council's financial systems, I also confirm that I am satisfied, based on audit work undertaken during the financial year, that the Council continues to maintain a sound control framework and there are no issues I consider require bringing to your attention.

I trust that this meets your requirements.

Yours sincerely,

Helen Fowler
Interim Head of Audit and Risk