

INTERNAL AUDIT REPORTS
WDA/15/22

Recommendation

That:

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

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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 included a review of the Authority's arrangements for managing the Resource Recovery Contract (RRC) with Merseyside Energy Recovery Ltd (MERL).
- 2.2 The plan also included a review of the arrangements for managing the Waste Management and Recycling Contract (WMRC) delivered for the Authority by Veolia ES Merseyside (Veolia).

3. The Resource Recovery Contract

- 3.1 The review considered the following:
- The arrangements in place to ensure that payments are made in accordance with the contract; and
 - The annual reconciliation process for 2020-21.
- 3.2 The Auditor's detailed report is attached at Appendix 1 to this report.
- 3.3 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."*

- 3.4 The auditor has confirmed there are no Key Issues arising from this review to bring to the attention of Members and that there were no recommendations for improvements.

4. The Waste Management and Recycling Contract

- 4.1 The purpose of the Audit was to provide an assessment of the adequacy of the control environment established, to ensure that objectives are achieved and risks are adequately managed.

- 4.2 The review considered compliance with the payment mechanism for both income and expenditure, and contract monitoring.

- 4.3 The Auditor's detailed report is attached at Appendix 2 to this report.

- 4.4 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.”

- 4.5 The auditor has confirmed there are no Key Issues arising from this review to bring to the attention of Members and that there were no recommendations for improvements

5. Risk Implications

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

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 There are no financial implications associated with this report

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 RRC Contract and concluded that they gave 'High Assurance'.
- 10.2 The auditor also reviewed the arrangements for managing the Authority's WMRC contract and concluded that they also gave 'High Assurance'.
- 10.3 There are no Key Issues for Members or recommendations for improvements arising from either review.
- 10.4 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.