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**Internal Audit**  
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cc Peter Williams, Director of Finance

Contact: Richard Thomas  
Head of Audit and Risk  
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20 March 2024

Dear Chair,

**Re: MRWA Audit Opinion 2023/24**

I write to confirm to Members of the Authority, based on audit work undertaken during the 2023/24 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.

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 2023/24 the following internal audit reports were reported to Members:

- |                                    |                       |
|------------------------------------|-----------------------|
| • Business Continuity              | Reasonable Assurance  |
| • Capital Programme and Accounting | Substantial Assurance |
| • Complaints                       | Reasonable Assurance  |
| • Contract Management              | Reasonable Assurance  |
| • Recycling Credits                | Substantial Assurance |
| • Corporate Governance             | Reasonable Assurance  |

Also outlined, where applicable, is the level of assurance given regarding the adequacy and effectiveness of internal control in relation to the areas under review. For information purposes, the assurance levels used were re-defined, and the attached Internal Audit definitions attached at Appendix 1.

At the time of writing, the following audit reviews are ongoing, and reports will be presented to the next Authority meeting:

- Waste Contracts
- Performance Management Framework
- Climate Change



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 2024/25.

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,



Richard Thomas  
**Head of Audit and Risk**



## Internal Audit Definitions

### Assurance Levels

<b>Substantial</b>	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
<b>Reasonable</b>	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
<b>Limited</b>	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
<b>No</b>	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

### Recommendation Priority

<b>Critical</b>	Failure to address the risk could potentially lead to catastrophic loss of council services; loss of life; significant environmental damage or major financial loss; with national press coverage and substantial damage to the council's reputation. Remedial action must be taken immediately.
<b>High</b>	Failure to address the address the risk could potentially lead to failure to achieve organisational objectives, serious injuries, significant disruption to council business or to users of its services, high financial loss, inefficient use of resources, failure to comply with law or regulations, damage to the council's reputation. Remedial action must be taken urgently.
<b>Medium</b>	Failure to address the risk could potentially lead to an impact on operational objectives, moderate injuries, moderate financial loss, moderate breach of law or regulations, moderate reputational damage. Prompt specific action should be taken.
<b>Low</b>	Matters that individually have no major impact on achieving the service's objectives. Specific remedial action is desirable.

