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Senior Management Response to the Auditor's Annual Report for the year ended 31 March 2024 (draft received on 2nd May 2025)

Date of Response: 12th May 2025

Section	Comment / Consideration	Authority Response from Senior Management
Use of Auditor's powers	<p>Page 13</p> <p>Statutory recommendations were made in November 2021 as a result of findings during our financial statements audit. The issues relate to issues in producing accounts for audit since 2021/19 and continue to be relevant for 2023/24. See page 8 for details of the recommendations made. The Authority has made some progress to address issues but the identified weakness remains until financial statements can be completed to statutory timetables including comprehensive supporting working papers and capacity within the finance team to support timely delivery of the audit process.</p>	<p>A new Finance Team is place and has undertaken a full review of previous sets of accounts going back to the last version with a clean audit – 2017/18.</p> <p>Following discussions with External auditors, accounts for years 2022/23 and 2023/24 will be republished in order to correct errors discovered during the review process. This will take place at the end of May - subject to approval from the Audit Committee scheduled for 29 May.</p> <p>The Finance Team are confident that the accounts for 2024/25 will be published in line with the statutory deadline of 30 June 2025</p>
Financial sustainability	<p>Page 16</p> <p>ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;</p>	<p>We place the highest priority on addressing this matter. The entire Finance Department within MRWA has now been replaced and the training of additional resource to provide support is going well and should be completed within 12 months. The team has already made significant in-roads and progress on resolving these issues.</p> <p>The outcome of the review outlined above has ascertained an improved financial position for the Authority in respect of usable reserves. This is reflected in the accounts that are to be republished in May.</p>

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		<p>The Council is currently reliant on information supplied by St Helens Council in respect of day -to day budget monitoring and the management of cash. Discussions are ongoing with St Helens to enable the Authority to become more self-sufficient in this respect.</p> <p>The vast majority of information required to prepare the statutory accounts for 2024/25 has now been supplied.</p>
	<p>Page 17</p> <p>plans to bridge its funding gaps and identifies achievable savings</p>	<p>A comprehensive Medium Term Financial Plan (MTFP) is to be prepared as part of the budget setting process for 2026/27 and will be submitted to the Authority for approval.</p>
	<p>Page 18</p> <p>plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities</p>	<p>The Authority reviewed its Corporate Planning and Performance framework during 23/24. This resulted in recent improvements to the Corporate planning process which now provides for a 5 year Corporate Plan with annual delivery plan below which sit deliverables tracker and reporting down to manager level. Performance is reported to Authority members.</p>
	<p>Page 19</p> <p>ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system</p>	<p>As noted above, the Finance Department within MRWA has now been replaced and the training of additional resource to provide support is going well and should be completed within 12 months.</p> <p>This will be addressed through the preparation of the MTFP identified above.</p>

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	<p>Page 20</p> <p>identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans</p>	<p>Scenario panning will be undertaken when developing the MTFP.</p> <p>Budget monitoring reports. Variance analysis is anticipated to be included in budget reports from Q2 onwards.</p> <p>An updated position with respect to reserves and financial resilience will be presented to the Audit Committee on 29 May and ongoing requirements will be addressed as part of the MTFP process.</p>
Governance	<p>Page 21</p> <p>monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud</p>	<p>The Authority has recently revised its approach to risk management and have undertaken a full refresh and review of our risk register. This is reviewed at least quarterly by SLT along with internal/external audit actions. We will now also consider taking this to full Authority periodically or to the Audit and Risk Committee.</p>
	<p>Page 22</p> <p>approaches and carries out its annual budget setting process</p>	<p>MTFP will address potential implications of future legislative changes with appropriate consideration of financial risk and provision in reserves.</p>

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	<p>Page 23</p> <p>ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships</p>	<p>Budget monitoring reports will include corrective actions in future. Treasury and cash management – Discussions are ongoing with St Helens regarding bank accounts.</p> <p>The permanent solution for long term capacity has been addressed via the appointment of competent and experienced Director of Finance and Finance Manager.</p> <p>Treasury Management Outturn and the Half Year Review reports will be presented to the Authority in 2025/26.</p>
	<p>Page 24</p> <p>ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee</p>	<p>The commentary states we have live streamed since 2020. This was actually introduced by the Chief Executive during 2023</p> <p>In relation to portfolio holders, the Authority holds regular portfolio holder briefings and a bi-annual summit of portfolio holders, leaders and CEX via the LCR Resources and Waste Partnership which the Chief Executive co-leads</p>

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	<p>Page 25 to 26</p> <p>monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour and where it procures and commissions services.</p>	<p>Complaint reporting to Members now forms part of the Authority's Annual report and AGM June meeting going forwards.</p> <p>A programme of policy and procedure review is in place and well-established. Document owners are expected to review in accordance with the schedule and where this does not happen in a timely manner this is escalated to SLT. As part of this, the Whistleblowing policy is reviewed annually, was last reviewed in 2024 and due again in 2025.</p> <p>All policies and procedures are available to staff via our controlled document system and are up to date. The version on the website appears to be an old version. We will ensure these are updated when policies are reviewed and reissued. Staff do not use the website to access HR policies, they would access via the internal controlled document library. This should have been shared with auditors during the last Vfm audit.</p> <p>A whole scale review of governance arrangements, including improvement action plans will be undertaken during current financial year – new resource is in place that will ensure this is delivered.</p>
Improving economy, efficiency & effectiveness	<p>Page 27</p> <p>uses financial and performance information to assess performance to identify areas for improvement</p>	<p>The review of the Corporate Planning Framework over the last 12 months has focussed on delivering the MRWA zero waste strategy, refining the corporate plan and will now focus on performance management framework and KPI reporting. Accurate benchmarking may prove difficult owing to the unique nature of our organisation but we will seek best practice</p>

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	<p>Page 30</p> <p>evaluates the services it provides to assess performance and identify areas for improvement</p>	<p>Recycling rates are not within our control. We can and do influence via the LCR Waste Partnership and the work we are doing currently to address the requirements of Simpler Recycling and prepare for the expiry of the WMRC contract are all working towards the aim of reducing waste, increasing reuse and improving recycling. These are all part of the LCR and MRWA's zero waste strategies, including behaviour change and joint communications.</p>
	<p>Page 31</p> <p>ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, to assess whether it is meeting its objectives</p>	<p>Partnerships- We have a new LCR Zero Waste strategy which supersedes the JRWMS. This has been adopted now by the majority of LCR councils.</p> <p>Climate change – ZWS Strategy supersedes JWMRS. Climate change actions are monitored via the SDP and performance management framework. Climate Action plan reporting will be integrated with SDG and annual report going forward as part of the review of the corporate planning framework</p>
	<p>Page 32</p> <p>commissions or procures services, assessing whether it is realising the expected benefits</p>	<p>A Procurement team is well established and project governance is functioning well. All procurement documents are now updated and being revised again in light of new procurement legislation. A nominated procurement lead has been established within the Finance & Estates Directorate</p> <p>KR3 – in progress. This is in progress and the Authority has raised its concerns to the appropriate Executive Director and director within St Helens. The Authority is now working closely with St Helens to provide a satisfactory set of deliverables to enable adequate financial management going forward.</p>

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		<p>IR1 – the budget for 25/26 will be reviewed following the production of the statutory accounts</p> <p>IR2 – the Audit Committee will be updated in respect of usable reserves on 29 May.</p> <p>IR3 – new budget monitoring procedures will be implemented in 2025/26 following the establishment of a new financial system (Unit 4)</p> <p>IR4 – discussions have commenced with St Helen's with a view to improving cash forecasting and management.</p> <p>IR5 – risk management register improved. Formal strategy review to be conducted ASAP</p> <p>IR7 – to be addressed as part of governance review work ASAP</p> <p>IR8 – To be discussed within SLT</p> <p>IR9 – annual complaints update is already planned for June AGM</p> <p>IR10 – partway through, more work to do but on track</p> <p>IR11 – this is an ongoing piece of work and likely to be for some time</p> <p>IR12 – as above. It is also extremely difficult to demonstrate what is being asked for in terms of the impact of behavioural change only on recycling rates. Advice on how to do this most welcome</p> <p>IR14 – capital programme – The capital programme has been minimal in recent years. However, the MTFP will include a Capital Strategy identifying future capital expenditure and the associated implications to the Revenue Account.</p> <p>IR15 – procurement programme well underway and procurement process documentation updated and staff trained.</p> <p>IR16 – ongoing and in hand. Strategy embedded within ZWS and reporting to be combined with annual report</p> <p>IR17 – to be addressed via FWS project programme which is underway and will run to 2029</p> <p>Historical actions relating to the Levy – a working group of FDs is looking at options to revise the levy mechanism to encourage behaviour change and improve recycling. This work stalled during the</p>
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		last 12 months due to lack of District FD resource but is being picked up again.
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