

WEST LONDON WASTE AUTHORITY

AUDIT COMMITTEE

Report of the Clerk

26 June 2020

Assurance Statements

SUMMARY

The attached Assurance Statements from the Authority's Chief Officers and Senior Managers form part of the overall governance framework and support the approval of the annual Statement of Accounts.

RECOMMENDATION(S)

The Authority is asked to:-

- 1) Note the Assurance Statements in Appendix 1

1. Introduction

Assurance statements are a self-assessment tool for senior managers to annually review and demonstrate ownership for the quality of governance arrangements around service areas for which they are responsible.

They form an integral part of the Authority's Code of Corporate Governance to support the Board's approval of the Annual Governance Statement contained in the Annual Statement of Accounts.

2. Assurance Statements

The two Senior Managers responsible for financial management and contracts/operations (the substantive majority of activity and transactions) have produced self-assessment statements for their area of activities. These have been subject to review by the Managing Director and subsequently reported to and considered by Chief Officers.

An overarching Chief Officers Statement affirms the Senior Managers' assessments and affirms the effectiveness of the overall control environment.

3. Financial Implications – Provides assurance about the financial position and performance reported in the Statement of Accounts.

4. Legal Implications – External audit of financial statements is a legal requirement.

Contact Officers	Jay Patel, Finance Director	01895 54 55 10
	jaypatel@westlondonwaste.gov.uk	
	Hugh Peart, Clerk	020 8424 1272
	Hugh.peart@harrow.gov.uk	

Appendix 1

Assurance statement from Chief Officers

The Senior Managers' Assurance Statements for the financial year ending 31 March 2020 were reviewed by the Managing Director and accompany this Chief Officer's Statement. Annual Manager's Assurance Statements provide an important element of the corporate governance arrangements and are an integral part of the framework that supports the production of the Annual Governance Statement.

The Assurance Statements take the form of a standard template. The templates identify each Senior Manager's area of responsibility. The Manager's review of their area includes a schedule of the key activities in place which provide assurance about the overall effectiveness of internal controls.

The Senior Managers' assurance statements indicate that a sound system of internal control was and is in place with no significant issues or indeed any requiring disclosure in the Annual Governance Statement.

No significant areas of operational improvement have been identified by Senior Managers in their assurance statements.

On the basis of the opinions of the senior managers and our ongoing oversight of action plans and operations, we are satisfied that the Authority's financial, governance, and operational assurance arrangements are adequate and are operating effectively and that the improvements identified will further enhance our assurance arrangements.

Hugh Peart, Clerk and Monitoring Officer
Ian O'Donnell, Treasurer
Paul Walker, Chief Technical Officer
Emma Beal, Managing Director

Chief Officers meeting dated 15/6/2020

Assurance Statement – Finance: Jay Patel

The table below identifies the key areas of responsibility within Finance and Performance operations and the main activities to ensure the effectiveness of the internal control environment within these areas.

FINANCE and GOVERNANCE	
Key areas of responsibility	Activities
Payment of invoices	<ul style="list-style-type: none"> • Robust supplier set up procedures • Invoice processing and payment procedures • Restricted system access for approval of invoices • Segregation of duties between spending managers and invoice processors • Delegated authorisation limits • Recording and reconciliation of payments • Restricted access to banking facilities • Restricted number of bank account signatories and dual signatory requirements for payments > £50k • Monthly bank reconciliation, treasury reconciliation, accounts receivables reconciliation and accounts payable reconciliation with review and authorisation • Reporting of accounts payable and debtor KPIs
Salary management	<ul style="list-style-type: none"> • LBE payroll service provider • Defined policies and procedures • Restricted system access for viewing, approval etc of payroll information • Monthly salary budget monitoring and reporting • Payroll reports checking and approval before processing • Adhering to Single Status guidelines • Applying NJC and Chief Officer pay scales • Auto enrolment processes in place
Income collection	<ul style="list-style-type: none"> • Invoicing procedure • Debt monitoring and collection • Debt recovery and chasing processes • Checks trade customers before opening credit accounts • Checks against weighbridge data • Monthly bank reconciliation and accounts receivable reconciliation with review and authorisation to ensure completeness and up to date • Reporting accounts receivable KPIs

Anti bribery counter fraud	<ul style="list-style-type: none"> • Overall Policy cascading into procedures • Controls/checks in place across business throughout processes • Whistle blowing policy and independent reporting service •
Budgets	<ul style="list-style-type: none"> • Budgets built from the bottom up using detailed service data • Budget holders detailed involvement preparing annual budgets • Using Boroughs provided data for budget setting and monitoring • Budget Challenge session • Budget approval by Officers and WLWA including levies and charges • Borough consultation on budget • Monthly budget monitoring and reporting to Authority as standing agenda item
Financial planning	<ul style="list-style-type: none"> • Long term financial models with sensitivity analysis approved by Authority • Operational long term business modelling informing business plan and activities • Treasury Strategy and performance reported to Authority • LB Ealing service provider for Treasury activities under an SLA • Standard forms and authorisations • Cashflow management and forecasting • Ready access to funds at short notice • Treasury processes • Financial guidance document and advice for managers undertaking projects • Use of independent financial advisors to support decision making • Registered with and access to funds through the PWLB • Financial modelling and feasibility analyses of opportunities
Governance	<ul style="list-style-type: none"> • Regular review, update and approval of the range of governance policies • Administration of governance arrangements through service level arrangements with the London Borough of Harrow • Forward planning for the Authority, Chief Officer and Borough Partnership meetings
Compliance	<ul style="list-style-type: none"> • Production and external audit of annual

	<ul style="list-style-type: none"> financial statements Routine submission of regulatory returns Information and expenditure published on WLWA website Disclosure and reporting of Authority meetings and completion of statutory returns to government
Audit	<ul style="list-style-type: none"> Internal audit provided by external independent organisation (LB Hillingdon) External auditors appointed by the Audit Commission and currently conducted by Deloitte Audit Committee meetings
INFORMATION TECHNOLOGY	
Key areas of responsibility	Activities
Infrastructure	<ul style="list-style-type: none"> Commercial service provider cloud solution with contractual requirements around service levels, business continuity, security and protocols Service level standards and support desk service Use of managed services Ability to access services and work from anywhere with an internet connection
Business continuity	<ul style="list-style-type: none"> Data on managed servers with comprehensive back-up/business continuity processes Virtualisation – access systems from any location
Applications	<ul style="list-style-type: none"> Full range of functionality Access to IT expertise to develop approach and consider alternatives Audit of migration of waste data and finance systems
Strategy	<ul style="list-style-type: none"> Updated and approved IT strategy with 3 year action plan culminating in new cloud based IT systems
Data protection	<ul style="list-style-type: none"> Permission based access to systems with secure login cards Access to files restricted on the basis of business needs Using encrypted USB drives Very low volume of personal data
HUMAN RESOURCES	
Key areas of responsibility	Activities
Establishment	<ul style="list-style-type: none"> Establishment agreed during budgeting process each year Changes to establishment approved by WLWA Officers

Recruitment	<ul style="list-style-type: none"> • Defined policies and procedures • Induction process • Probationary period
Appraisal	<ul style="list-style-type: none"> • Defined policies and procedures • Appraisal conducted annually • Organisation wide training plans developed annually • Training KPI and reporting
HR advice and support	<ul style="list-style-type: none"> • Range of policies regularly reviewed • SLA for provision by Hounslow Council for advice on more complex issues • Professional advice and consultancy
Staff Liaison	<ul style="list-style-type: none"> • Meetings with recognised trade union
PERFORMANCE	
Key areas of responsibility	Activities
Key Performance Indicators	<ul style="list-style-type: none"> • Defined manager responsibilities for particular KPIs • Regular review and reporting of KPIs and analysis/corrective action where appropriate • Range of indicators tailored for individual user/group needs • Monitoring and reporting of Authority approved KPIs
Compliance	<ul style="list-style-type: none"> • Monthly reporting of tonnage information to Boroughs • Agreed processes for information flows from Boroughs and service providers • Validation procedures and cross checks linking to spending patterns • Submission of statutory Waste Data Flow returns

RISK	
Risk	<ul style="list-style-type: none"> • Defined Risk Management Strategy with defined roles, responsibilities and activities • Maintaining Risk Register and reviewing regularly at Chief Officer meetings and Audit Committee meetings • Regular review of risk strategy
Insurance	<ul style="list-style-type: none"> • Reviewed and renewed annually for adequacy of cover • Professional advice and procurement support from Harrow Council
Contracts	<ul style="list-style-type: none"> • Updated and approved procurement and contract regulations

MANAGEMENT STRUCTURES AND REPORTING ARRANGEMENTS

Key areas of responsibility	Activities
Communication processes	<ul style="list-style-type: none"> • Regular team meetings ensuring staff are kept informed of management decisions • 1-2-1s and support on an individual basis • Publication and consultation on changing procedures and policies • Cross functional working groups and inter departmental meetings • Meetings with staff representatives
Performance management	<ul style="list-style-type: none"> • 1-2-1s and appraisals
Training and development	<ul style="list-style-type: none"> • Needs evaluated as part of appraisal process • Training arranged according to business needs and organisational training plan produced following the annual appraisal process

STRATEGY AND PLANNING

Key areas of responsibility	Activities
Operational business plans	<ul style="list-style-type: none"> • Contributing to Joint Waste Management Strategy • Delivering the approved Medium Term Business Plans and long term financial model • Annual Budgeting process • Annual Procurement Plans

Key actions to improve the effectiveness of the internal control environment

Nothing significant or material.
Continue developing contract monitoring and control processes in relation to the PPP contract
Continue involvement in all major projects

Assurance Statement

As a Senior Manager, I have responsibility for maintaining a system of sound internal controls within my areas of responsibility that support the achievement of WLWA's objectives and for reviewing their effectiveness.

I have reviewed the effectiveness of the system of internal control and summarised the key areas of responsibility and activities in the table above. I am satisfied that a sound system of internal control has been in place throughout the financial year and is ongoing.

Jay Patel
Finance Director

Sign:

Date: 27/05/2020

Managing Director's Statement

I have considered the list of areas of responsibility and activities set out above and from meetings of the Management Team and Chief Officers together with my knowledge of day to day activities, risk register and reporting during the year am satisfied with the accuracy of the statement above.

Emma Beal
Managing Director

Sign:

Date: 10/06/2020

Assurance Statement – Contracts & Operations: Tom Beagan

The table below identifies the key areas of responsibility within Contracts & Operations and the main activities considered to ensure the effectiveness of the control environment within these areas.

AUTHORITY MANAGEMENT	
Key areas of responsibility	Activities
Deputise for Director	<ul style="list-style-type: none"> • Stand-in for Director/MD as needed • Delegations
General Management	<ul style="list-style-type: none"> • Authority Reports • WLWA Officer Meetings • Operational team meetings • Agresso • iTrent
WASTE DISPOSAL	
Key areas of responsibility	Activities
Waste Disposal	<ul style="list-style-type: none"> • Ensure suitable arrangements in place for all waste streams. • Management of operational processes • On-going monitoring • Review performance
Borough liaison	<ul style="list-style-type: none"> • Develop JMWMS • Regular meetings • Notify service changes • Assist with collection arrangements/contracts • Direct when necessary • Manage and assist with service changes • Liaise and interface with borough contractors • Partner for mutual benefits
Budgets	<ul style="list-style-type: none"> • Assess financial requirements • Develop projected spending profiles • Ensure budgets approved and in place • Profile ongoing expenditure • Monitor expenditure v budget • Adjust budgets • Provide reports and feedback
Forward planning	<ul style="list-style-type: none"> • Track future needs and requirements • Development of Waste Management Plans and Policies

	<ul style="list-style-type: none"> • Business Plan • Review future service requirements • Management of change
Contingency/Business Continuity Provisions	<ul style="list-style-type: none"> • Determine potential need • Arrangements in place • Keep under review options available • Implement as required
Tonnage and related data	<ul style="list-style-type: none"> • Review accuracy of data • Review data and data analysis • Disseminate information • Monitor trends • Respond to information
Outside Agencies	<ul style="list-style-type: none"> • Liaison with outside agencies – i.e. Mayor of London, GLA, EA, WIDP, LWARB, WRAP. • Partner in new initiatives • Co-operate and collaborate.
CONTRACT MANAGEMENT	
Key areas of responsibility	Activities
Market testing	<ul style="list-style-type: none"> • Investigating options • Review market • Market Intelligence • Develop contacts • Interviews and meetings • Benchmarking • Focus groups • Networking
Procurements	<ul style="list-style-type: none"> • Assess requirements • Market Review • Procurement strategy development • Documentation compilation • Initiate, control and manage procurement process • Compliance with Standing Orders, Financial Regulations etc. • Compliance with legislative and regulatory requirements • UK and EU Contract requirements met • Tender enquiries monitored and managed • Safe Tender receipt and opening • Tender Evaluation and assessment • Reporting • Recommendations • Contract preparations

Contract Implementation	<ul style="list-style-type: none"> • Arrange and authorise Orders/contracts • Review Permits, Licences, permissions, etc. • Check Insurances • Pre-contract meetings
Contract Monitoring & Management	<ul style="list-style-type: none"> • Contractor liaison • Contract Management meetings • KPI review • Regular contract meetings internal and external • Record changes, variations etc. • Verify invoice data v weighbridge records • Authorise verified invoices and payments
Contract/Procurement Register	<ul style="list-style-type: none"> • Compile • Review and monitor • Amended and update
SITE & OPERATIONS MANAGEMENT & HR	
Key areas of responsibility	Activities
Management of Health & Safety	<ul style="list-style-type: none"> • Monitor Health and Safety performance of all contracts • Management of Health and Safety for the Authority waste sites including: <ul style="list-style-type: none"> ○ Risk assessment ○ Policy review
Site & Operations Management& staffing	<ul style="list-style-type: none"> • Agree staffing levels • Review staffing needs • Job descriptions and Person Specifications • Recruitment • Performance management • Monitor and authorise annual leave • Monitor and manage sickness absence • Monitor and authorise expense claims • Annual appraisals & performance management • Training needs and plans • Staff development • Staff Briefings • Trade Union liaison • Site security
Plant & equipment	<ul style="list-style-type: none"> • Agree requirements • Option reviews

	<ul style="list-style-type: none"> • Budget provisions • Procurement process • Lease and purchase agreements • Servicing & maintenance provision • Operational performance • Weight & Measures compliance
Repairs & maintenance	<ul style="list-style-type: none"> • Annual & Forward planning • Prioritising • Compile and agree budgets • Responsive maintenance management
Public Interface	<ul style="list-style-type: none"> • Information dissemination accuracy • Payments • Access (inc. DDI) • FoI responses • Enquiry & complaint management and recording
INFORMATION TECHNOLOGY	
Key areas of responsibility	Activities
Site Infrastructure	<ul style="list-style-type: none"> • Needs analysis • Provision of suitable & operationally competent and compliant equipment • Suitable software systems • Back-up systems • Security • Reliability monitoring • Electronic Payment transactions • Reconciliations
Applications	<ul style="list-style-type: none"> • Use of outside expertise
Data protection	<ul style="list-style-type: none"> • Personal discrete log-ins • Access restrictions • Encryption as suitable • Data storage
Website	<ul style="list-style-type: none"> • Accurate & current information • Regular updates • FoI advice & responses
PERFORMANCE	
Key areas of responsibility	Activities
KPI's	<ul style="list-style-type: none"> • Established structure of reporting • Regular reporting and review for remedial actions
Compliance	<ul style="list-style-type: none"> • Monthly reports to boroughs • On-gong review of data • Regular contract meetings • Remedial actions

RISK	
Risk	<ul style="list-style-type: none"> • Defined strategy outlining roles and responsibilities • Risk register reviewed regularly • Remedial action implementation
Key actions to improve the effectiveness of the internal control environment	
Develop contract monitoring and control processes in relation to the PPP contract	

Assurance Statement	
<p>As Head of Service Delivery, I have responsibility for maintaining a system of sound internal controls within my areas of responsibility that support the achievement of WLWA's objectives and for reviewing their effectiveness.</p> <p>I have reviewed the effectiveness of the system of internal control and summarised the key areas of responsibility and activities in the table above. I am satisfied that a sound system of internal control has been in place throughout the financial year and is ongoing.</p>	
Tom Beagan Head of Service Delivery	Sign:
	Date: 27/05/20

Managing Director Statement	
<p>I have considered the list of areas of responsibility and activities set out above and from meetings of the Contracts and Operations Management Team and Chief Officers together with my knowledge of day to day activities, risk register and reporting during the year am satisfied with the accuracy of the statement above.</p>	
Emma Beal Managing Director	Sign:
	Date: 10/06/20