



Final Internal Audit Report
Waste Strategy Follow Up
Date: February 2018

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Background and Context

The Lincolnshire Waste Partnership (LWP) has been set up to enhance the way that sustainable waste management is delivered within Lincolnshire through the identification of best value and long term goals. The LWP consists of one Member and one officer from each of the following Lincolnshire Authorities:

- Boston Borough Council
- City of Lincoln Council
- East Lindsey District Council
- Lincolnshire County Council
- North Kesteven District Council
- South Holland District Council
- South Kesteven District Council
- West Lindsey District Council

There is also representation from the Environment Agency.

The LWP hold three annual meetings that are attended by all representatives, as well as interim meetings that are attended by officers. These are all chaired and have secretarial support. It is a statutory requirement overseen by DEFRA for two-tier Authorities such as Lincolnshire to produce a Joint Municipal Waste Management Strategy (JMWMS). This Strategy is designed to sets a clear framework where the Authorities can consider and provide continuous improvement, reduce cost and meet challenging targets.

This area was reviewed in 2016 by Assurance Lincolnshire and was given Limited Assurance. The main findings were around the lack of an up to date strategy, no clear plans for creating a new one, and underlying relationship issues between the Authorities. Part of our testing involved creating a questionnaire that was sent to all Members and staff involved with the partnership to gauge their views as part of the audit review.

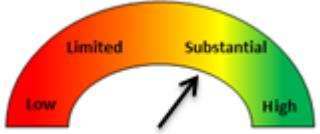
Scope

This audit has revisited the Strategy and the Lincolnshire Waste Partnership, and assessed the progress that has been made on the improvements identified. We have sought to provide an update on how the partnership have followed through on each of the original report's agreed actions via a new report that will be shared in the March 2018 partnership meeting.

The key risks identified are:

- Lack of a fit for purpose Strategy
- No approach planned for producing a new strategy
- Actions and requirements of the Partnership are not completed

Executive Summary

	<p>Substantial Assurance Significant assurance that the controls reduce the level of risk, but there are some reservations; most risks are adequately managed, for others there are minor issues that need to be addressed by management.</p>
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Risk	Rating (R-A-G)	Recommendations	
		High	Medium
Lack of a fit for purpose strategy	Medium	0	1
No approach planned for producing a new strategy	Low	0	1
Actions and requirements of the Partnership are not completed	Low	0	1
TOTAL		0	3

Executive Summary

Key Messages



We are pleased to report that considerable progress has taken place by the LWP since our audit in 2016. While this is still at draft stage, the creation of a new Joint Municipal Waste Management Strategy has commenced through the use of a dedicated team and input from the LWP. We found that there is an agreed timeline in place with regular updates on progress to the Partnership as part of a set agenda. The draft is currently receiving feedback from the LWP regarding format and content, with the intention to have the final draft ready for Summer 2018 before it is formally agreed by each Partner and adopted. This is a positive step forward for the Partnership compared to 18 months ago when there was no agreed plan in place for producing a new Strategy, no resource and no set date for completion. Our review found that the strategy's new objectives as well as its review process need to be re-examined to ensure that they are transparent

We are satisfied that the majority of the actions from our last review have been implemented by the LWP. We can see that the way that the Partnership operates has been discussed and agreed, and that the Terms Of Reference for the Group has been updated to reflect this. This document captures the need for the LWP to review its governance and effectiveness, as well as agreement and commitment of the secretariat support for the LWP through LCC. We were also made aware of the improved recording and monitoring of agreed actions from the LWP meetings.

As part of the review, our intention was to provide all current delegates with the questionnaire that we asked representatives to complete in the last audit. Predominantly negative responses were received in 2016 with delegates highlighting the problems with the relationships between Authorities within the Partnership, the lack of action being taken by the LWP, and the lack of an up to date Strategy with no plan on how this could be updated. This exercise was intended to allow for a comparison between those original responses and their thoughts on the LWP and Strategy at this time. However, limited responses were received back and we also noted that a number of the delegates in place had changed which would not allow for a fair comparison so this approach was not pursued.

While it is not appropriate to give an opinion just based upon the low number of responses received, I

Executive Summary

think it is still useful to bring out the two themes that I identified. From the questionnaires received it does appear that relationships are starting to improve which is echoed by my discussion with LCC staff. This was a key issue in the last audit and an area that the LWP was keen to address so this should be seen as encouraging. However representatives still felt that it was too soon to give a definitive view on the LWP as a whole and that this was still a work in progress. Therefore we would ask that the LWP completes a self reflection task once the JMWMS has been finalised and published to allow for identification of areas for improvement, and this becomes a scheduled annual process.

While the JMWMS still needs to be formally published and work is still required to ensure that the LWP meets it's goals, the work completed so far is very encouraging. We are satisfied that the LWP have taken our last review seriously and are working towards creating both the Partnership and Strategy that they aspired to based on the 2016 questionnaire responses.

Management Response

Management Response



Since the original audit, the Lincolnshire Waste Partnership has positively evolved with new members and officers helping to provide a refreshed way of working across all eight authorities, in the true spirit of an equal and working partnership. This has been achieved through more focused meetings for members and positive engaging leadership from the Chairman and Vice Chairman. This is demonstrated by there only being three actions left in the action plan, from the original 12 which were identified in the 2016 audit.

It is clear that the Partnership is looking forward to address the significant challenges which the Waste Service is facing, such as disposal capacity and recycling contamination which will require more collaborative working. A present example of this is the food waste trial which is being undertaken in South Kesteven, on behalf of the Partnership, to ascertain if this is a viable waste stream which could then be implemented countywide.

The Partnership has a more progressive and constructive sense of direction between the eight authorities and it is well placed to manage effectively and efficiently the collection and disposal of the presented waste streams for the public's benefit.

Action Plan

	Risk Description	Current Rating	Target Rating
	Lack Of A Fit For Purpose Strategy	Medium	Low
Findings			
While we are pleased to see that work has been completed on the Strategy with input from the LWP as well as progress monitoring, the JMWMS is still in draft form at this time.			
Implications			
The lack of an up to date and accurate Strategy means that the LWP does not have a clear framework to follow, and this will impact upon the effectiveness of the Partnership. Should DEFRA begin to enforce the requirement for an up to date Strategy, this could also mean that the LWP is in breach of Government legislation and could also suffer reputational damage.			
Recommendation			
LWP to continue in it's efforts to create and publish a new Joint Municipal Waste Management Strategy that is relevant to the current needs and requirements of Lincolnshire.			Medium
Agreed Action		Responsibility	Implementation date
The LWP has been working on developing a new Joint Municipal Waste Management Strategy, with workshops, Officers and Partnerships meetings to produce a jointly agreed strategy since early 2017. There has been significant progress and this will continue with a view to each authority adopting the Strategy by December 2018.		Sean Kent, Group Manager Environmental Services	End of December 2018
	Risk Description	Current Rating	Target Rating
	No Approach Planned For Producing A New Strategy	Low	Low

Action Plan

Findings

While the requirement to complete a review of the JMWMS has been captured within the document, this needs to contain more specific information.

Implications

Review of the plan at key stages is important for checking progress and allowing for corrective action as necessary. Without prompt this important monitoring may be overlooked or delayed.

Recommendation

Ensure that the specific detail of when this document will be reviewed and by whom are included. This should be scheduled in to the appropriate working group and minuted.

Medium

Agreed Action

Responsibility

Implementation date

This detail will be added to the JMWMS and measures will be put in place to ensure that it is regularly reviewed.

Sean Kent, Group
 Manager
 Environmental Services

End of December 2018

	Risk Description	Current Rating	Target Rating
	Actions And Requirements Of the Partnership Are Not Complete	Low	Low

Findings

Action Plan

As the LWP has focused on the completion and publication of the JMWMS, this has meant that the partnership has not had the capacity to complete a self assessment of its operational decisions and actions over the last 18 months.

Implications

If issues are left unchecked, this can have a significant impact on the effectiveness of the Partnership. This can also create frustration among delegates if improvement requests are not acted on, which could lead to issues with collaborative working.

Recommendation

Following the completion of the JMWMS, the LWP should review its achievements over the last 24 months and participate in a proactive review of the key decisions that it has made. This will allow the LWP to collaboratively identify if further support and engagement is required to ensure that all operations are performing effectively.

Medium

Agreed Action

From January onwards we expect that the JMWMS will have become a published document. We can then actively review the LWP's achievements and challenge if further work and support is required in any areas such as the Mixed Dry Recyclables Contract and WRAP.

Responsibility

Sean Kent, Group
Manager
Environmental Services

Implementation date

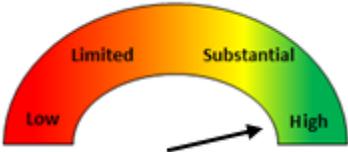
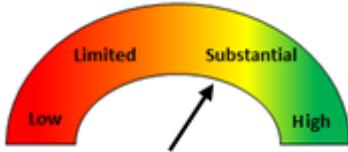
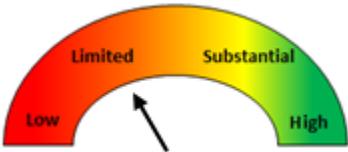
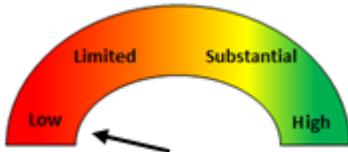
End of March 2019

Advisory Points - Adding Value through Efficiencies

The following items are advisory recommendations / comments arising from the audit, which management may wish to consider implementing to improve efficiency of the system or performance.

Ref	Finding	Advice
AP1	While the TOR states that it will be reviewed bi-annually, it was not clear when it was last reviewed due to the fact that it uses the wording "last amended".	Adjust the wording within the section on reviewing the document to state "last reviewed xx.xx.xx" as opposed to "last amended xx.xx.xx" to avoid confusion and to confirm that the review has occurred even if nothing changes.

Appendix 1 - Assurance Definitions

High	Substantial
<p>Our critical review or assessment on the activity gives us a high level of confidence on service delivery arrangements, management of risks, and the operation of controls and / or performance.</p>  <p>The risk of the activity not achieving its objectives or outcomes is low. Controls have been evaluated as adequate, appropriate and are operating effectively.</p>	<p>Our critical review or assessment on the activity gives us a substantial level of confidence (assurance) on service delivery arrangements, management of risks, and operation of controls and / or performance.</p>  <p>There are some improvements needed in the application of controls to manage risks. However, the controls have been evaluated as adequate, appropriate and operating sufficiently so that the risk of the activity not achieving its objectives is medium to low.</p>
Limited	Low
<p>Our critical review or assessment on the activity gives us a limited level of confidence on service delivery arrangements, management of risks, and operation of controls and / or performance.</p>  <p>The controls to manage the key risks were found not always to be operating or are inadequate. Therefore, the controls evaluated are unlikely to give a reasonable level of confidence (assurance) that the risks are being managed effectively. It is unlikely that the activity will achieve its objectives.</p>	<p>Our critical review or assessment on the activity identified significant concerns on service delivery arrangements, management of risks, and operation of controls and / or performance.</p>  <p>There are either gaps in the control framework managing the key risks or the controls have been evaluated as not adequate, appropriate or are not being effectively operated. Therefore, the risk of the activity not achieving its objectives is high.</p>

Appendix 1 - Assurance Definitions

Action Priority	
High	Immediate management attention is required - an internal control or risk issue where there is a high certainty of: substantial loss / non-compliance with corporate strategies, policies or values / serious reputational damage / adverse regulatory impact and / or material fines (action taken usually within 3 months).
Medium	Timely management action is warranted - an internal control or risk issue that could lead to financial loss / reputational damage / adverse regulatory impact, public sanction and / or immaterial fines (action taken usually within 6 to 12 months).



Distribution List



Delegates of the Lincolnshire Waste Partnership

Sean Kent – Group Manager, Environmental Services

External Audit

Disclaimer

The matters raised in this report are only those which came to our attention during our internal audit work. Our quality assurance processes ensure that our work is conducted in conformance with the UK Public Sector Internal Audit Standards and that the information contained in this report is as accurate as possible – we do not provide absolute assurance that material errors, fraud or loss do not exist.

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