

## Summary of the audit findings and recommendations

## Annex A

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Waste Management and Minimisation	<p>SCC as the waste disposal authority entered into a 25 year contract with SITA Surrey Ltd in 1999 for managing the waste collected by the districts and boroughs in Surrey. The contract has had a number of variations in the last 15 years including the most recent one to build an Eco Park to manage waste as a resource. SCC has been receiving a PFI grant from DEFRA since 1999 with a view to developing waste infrastructure.</p> <p>This audit reviewed the arrangements that were introduced in the last 18 months in order manage and minimize waste.</p>	<p>The National Audit Office (NAO) reviewed 3 PFI contracts including SCC and found that the involvement of a number of government departments over the years led to unclear guidance causing confusion to local authorities.</p> <p>Although beneficial work is done by the Surrey Waste Partnership (SWP) members, the buy-in for realising the full benefits across SWP is limited at present due to the 12 authorities in SWP having their own contracts for waste collection and recycling.</p> <p>Implementation of the IT system (IWDMS) which SCC took a lead in implementing across all SWP members, has been delayed.</p> <p>Various Committees within SCC have been regularly updated with the progress made in the last 18 months and have approved the revised Joint Municipal Waste Management Strategy (JMWMS) (2015) and approved the VFM assessment by</p>	Some Improvement Needed	<p>The Leadership within each SWP member authority should agree to delegate sufficient authority for SWP to operate effectively, meet the targets set and realise the benefits. <b>(M)</b></p> <p>The above recommendation should also enable an integrated waste management system to operate across the SWP.</p>

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Waste Management and Minimisation (Cont'd)		<p>the Director of Finance to start work on the Eco Park.</p> <p>The Action Plan linked to the JMWMS has 12 work streams but no risk register to monitor progress.</p> <p>The delay in meeting the conditions and obtaining all the required permissions for the Eco Park has resulted in SCC incurring additional costs even before starting work.</p>	Some Improvement Needed	<p>Risk registers should be established to monitor progress against work streams in the Action Plan. <b>(M)</b></p> <p>The amount of additional costs should be determined in order for SCC to budget for the construction of the Eco Park. <b>(H)</b></p>

#### <sup>1</sup> Audit Opinions

<b>Effective</b>	Controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
<b>Some Improvement Needed</b>	A few specific control weaknesses were noted; generally however, controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
<b>Significant Improvement Needed</b>	Numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met.
<b>Unsatisfactory</b>	Controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives should be met.

#### <sup>2</sup> Audit Recommendations

**Priority High (H)** - major control weakness requiring immediate implementation of recommendation

**Priority Medium (M)** - existing procedures have a negative impact on internal control or the efficient use of resources

**Priority Low (L)** - recommendation represents good practice but its implementation is not fundamental to internal control