

Appendix 1 : Media coverage

March 2023 - May 2023

Date of publication	Story	Publication/website	Headline	URL (if applicable)
12th May	Mention	Let's Recycle	Ceremony reveals winners of 2023 Awards for Excellence	https://www.letsrecycle.com/news/ceremony-reveals-winners-of-2023-awards-for-excellence/
25th April	Behaviour change campaigns	Circular Economy Show	Cities acting to shift citizens to more circular and sustainable behaviours	https://ellenmacarthurfoundation.org/videos/episode-62-cities-latin-america-fashion?utm_source=linkedin&utm_medium=organic_social&utm_campaign=cshow&utm_content=ap_ikw0yjwioi
18th April	Mention	Ellen MacArthur Foundation	Cross-cutting collaboration to transform the food system: London	https://ellenmacarthurfoundation.org/circular-examples/cross-cutting-collaboration-to-transform-the-food-system-london
6th April	Mention	Let's Recycle	Awards for Excellence 2023 finalists announced	https://www.letsrecycle.com/news/awards-for-excellence-2023-finalists-announced/
26th March	Repair Week	Environmental Data Interactive Exchange	Patagonia's wild river campaign and London's 'repair week': The sustainability success stories of the week	https://www.edie.net/patagonias-wild-river-campaign-and-londons-repair-week-the-sustainability-success-stories-of-the-week/
24th March	CircularPSP	Mais Guimarães	CircularPSP reuniu cidades europeias para impulsionar a transição para uma economia circular (CircularPSP brought together European cities to boost the transition to a circular economy)	https://maisguimaraes.pt/circularpsp-reuniu-cidades-europeias-para-impulsionar-a-transicao-para-uma-economia-circular/
24th March	Repair Week	mrw (Materials Recycling W	News round up March 2023	https://www.mrw.co.uk/news/news-round-up-march-2023-24-03-2023/
23rd March	Op-ed	LocalGov.co.uk	Why a circular economy is good for local government	https://www.localgov.co.uk/Why-a-circular-economy-is-good-for-local-government/55874
22nd March	Repair Week	Envirotec Magazine	London event will coach public on repair skills	https://envirotecmagazine.com/2023/03/22/trash-to-treasure-london-event-will-coach-public-on-repair-skills/
22nd March	Repair Week	Circular Online	Londoners throw away £1.8 billion of repairable goods every	https://www.circularonline.co.uk/news/londoners-throw-away-1-8-billion-of-repairable-goods-every-year/
21st March	Repair Week broadcast	London TV	London Live News 21 March	https://london-tv.co.uk/londoners-threw-away-1-8-billion-worth-of-items-last-year-that-could-have-been-repaired/
21st March	Repair Week	Big Issue	Repair Week: We should all learn how to fix things – here's why	https://www.bigissue.com/news/environment/repair-week-we-should-all-learn-how-to-fix-things-heres-why/
21st March	Repair Week	Business Green	Londoners estimated to throw away £1.8bn of repairable items last year	https://www.businessgreen.com/news/4083542/londoners-estimated-throw-away-gbp-8bn-repairable-items-last
20th March	Repair Week	Big Issue	Here's how to save money and the environment at the same time	https://www.bigissue.com/news/environment/heres-how-to-save-money-and-the-environment-at-the-same-time/
20th March	Repair Week	South London Press	Londoners threw away £1.8bn worth of items last year that could have been repaired	https://londonnewsonline.co.uk/londoners-threw-away-1-8bn-worth-of-items-last-year-that-could-have-been-repaired/
14th March	Repair Week listing	Skiddle (Manchester)	Repair Week listing	https://www.skiddle.com/whats-on/Manchester/The-Renew-Hub/Repair-Week-join-the-Fixing-Revolution/36316507

Appendix 2: Events List

Date	Event	Organiser	Type of event	Topic	Attended by	Audience	Role
30/03/2023	edie Awards	edie	Awards ceremony	Sustainability in business	Wayne Hubbard	Business	Attendee
04/04/2023	A Circular Economy for Textiles in Cities	Circular Cities Declaration	Webinar	Textiles	Sarah Malone	Cities	Panellist
18/04/2023	London's Next Economy	Centre for London	Conference	London economy	Antony Buchan, Savina Venkova	Business, industry, local government	Attendee
20/04/2023	Re-launching the Circular Economy Matchmaker	ReLondon	Webinar	Circular Economy Matchmaker	ReLondon LAST and BT teams	Local authorities	Host
20/04/2023	Beyond Retro Earth Day Panel event	Beyond Retro	Event	Love Not Landfill / textiles	Elizabeth Woods	Citizens	Panellist
25/04/2023	CIRCUIT: Urban Decision Maker's Forum	ReLondon/CIRCUI London partners	Roundtable	Circular construction roadmaps	Colin Rose	Built environment industry	Host
26/04/2023	CIRCUI: Cross-Laminated Secondary Timber hackathon	ReLondon/CIRCUI London partners	Hackathon	CIRCUI - circular construction	Colin Rose	Built environment industry	Co-host
16/05/2023	Circular Connect	ReLondon	Event	Circular Economy Matchmaker	ReLondon staff	SMEs, investors, local authorities	Host
17/05/2023	London-wide waste composition - presentation of findings	ReLondon	Webinar	Waste composition	Liz Horsfield and local authority team (ReLondon)	Local authorities	Host
17/05/2023	Waltham Forest CEZ - Green Business Network	Waltham Forest council	Event	Green business	Savina Venkova, Nicky Bradley	SMEs, local authority	Speaker, attending
18/05/2023	Waste Prevention Exchange	NLWA	Conference	Systemic approaches to waste pre	Pauline Metivier	Local authorities, waste businesses	Speaker
24/05/2023	Congress of Business	Glasgow Chamber of Commerce	Conference	Net zero	Wayne Hubbard	Business, industry, government	Attendee
25/05/2023	NICER Hub showcase	CE-Hub	Conference	Textiles	Sarah Malone	Industry	Speaker
01/06/2023	LEDNet - Future Places Away Afternoon	LEDNet	Event	Placemaking	Lamia Sbiti	Local government	Attendee
07/06/2023	Shift gears - an evening of ideas and inspired action	Shift London	Event	Sustainable cities	Lamia Sbiti	Industry	Attendee
08/06/2023	CIRCUI London networking event	ReLondon, UKGBC, BRE	Event	circular construction	Tessa Devreese, Colin Rose, Georgie Eldridge	Built environment industry	Host
12-15/06/2023	LNL x GFW pop-up	Graduate Fashion Week	Event / pop-up	Fashion	Elizabeth Woods	Citizens, students, fashion industry	Co-host
15/06/2023	Innovate UK Showcase Event Climate Tech Investment Event S	Innovate UK	Conference	Climate tech innovation	Lamia Sbiti	Business, industry	Attendee
19/06/2023	Circular PSP Open Market Consultation	ReLondon	Workshop	Circular PSP project	Savina Venkova	Software providers, CE experts	Host
28/06/2023	CIRCUI: London Festival of Architecture, PEFC 'timber day'	London Festival of Architecture	Conference	CIRCUI	Colin Rose	Built environment industry	Speaker
28/06/2023	Textiles MFA launch event - London's fashion footprint	ReLondon	Panel event	Fashion	ReLondon staff	Fashion industry, cities, NGOs	Host
023-02/07/2023	Love Not Landfill pop-up shop	ReLondon	Pop-up	Fashion	Elizabeth Woods	Citizens, fashion industry	Host
29/06/2023	London Anchor Institutions' Network - Market Engagement Evc	London Anchor Institutions' Network	Event	Public sector institutions	Savina Venkova	Public sector institutions	Attendee

ReLondon - Project dashboard (2023/24)

Jun-23

Local Authority Service Support	Business and Sector Support	Communications and Behaviour Change	Food	Plastics	Textiles	Built Environment	Electricals	Corporate Projects
London Waste Composition Analysis	Business Transformation (ERDF)	Borough comms materials update	Food Purchasing Commitment	Plastics Material Flow Analysis	Love Not Landfill (core)	CIRCuiT	See Repair Week under Comms and Behaviour Change.	Change strategy and delivery - employee value proposition
Reduction & Recycling Plans development support	Business Transformation (UK Shared Prosperity Fund)	Commercial marketing ●	Food business roundtable		#Love Not Landfill partnership events	London Circular Construction Coalition		2030 Sustainability Routemap
Collection and Packaging reforms support (consistency, EPR, DRS)	Mindful Shopper ●	CE Week 2023	Circular food waste reduction project		Textiles Material Flow Analysis			Fundraising Strategy - ongoing development
Flats Above Shops	Circular PSP	London Recycles (core)	Food Wave		London circular fashion working groups			Commercial Development
Commercial preparedness research		Be that person' media campaign	Eat Like a Londoner					Impact Report
		Podcast						
		Repair Week 2024 ●						
		Corporate marketing/comms						
		Recycle Week 2023 ●						
Local Authority advice, support and training								
Ultra Low Waste Neighbourhood (Heston Village Project)								
One World Living								

Key

On track	Issue - being managed	Significant issue preventing delivery	No activity (not started or completed)	● ● ● ● Status in previous period
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Finance report (May 2023)

Current year budget and income (2023-24)

The budget was approved at the March board meeting on the assumption that the UKSPF funding bid for business transformation was successful. We are delighted to report that ReLondon has been awarded the full amount of £1.4m over two years to fund the business transformation team. As such the 'Plan A' budget will continue to be implemented. (Below)

	2023/4 Budget
Income	
Waste and recycling consultancy & training	40,000
Circular economy consultancy & training	35,000
Sponsorship	100,000
Campaigns	155,000
Grants and fundraising	1,266,950
Other income	120,000
Investment income	2,519
Total income	1,719,469
Core programme activity expenditure	
Local Authority Support	765,000
Core business sector support and transformation	450,500
Business sector support restricted grants projects*	984,000
Communications	934,000
Central costs	1,220,000
Investments - Fair value adjustments	
Total programme expenditure	4,353,500
Net programme expenditure	2,634,031

Midway Q1 there are no management accounts to report but the table below indicates income secured for the period which currently stands at 77% of total budget for the year.

	FY Budget	Secured to date (end April)	% of budget
Waste and recycling consultancy & training	£40,000	£23,090	58%
Circular economy consultancy & training	£35,000	£6,500	19%
Sponsorship	£100,000	0	0
Campaigns	£155,000	£180,500	116%
Grants for projects	£1,266,950	£1,116,950	88%
Investments income /interest	£122,519	0	0
Total	£1,719,469	£1,333,540	77%

Last year budget	Last year actual
£70,000*	£35,480*
£65,000**	£28,495**
£30,000	£19,500
£150,000	£208,250
£1,273,000	£880,840
£753,000	£269,219
£2,341,000	£1,441,784

*Income for consultancy (2022/23)

**Income for training academy (2022/23)

Q4 income and expenditure 2022/23

- Total income for the year was £1.85m (£487k or 21% below original budget)
- Programme expenditure was £4.18m (£504k or 11% below original budget)
- Net programme expenditure was £2.32m (£18k or 1% below original budget)
- Closing cash balance for the year is £6.07m (budget £6.06m)

Profit and loss summary for Q4 (to 31 March 2023)

	2022/23 Actual	2022/23 budget	FY Reforecast	Variance. Actual vs Budget	% Var
Income					
Consultancy	35,480	70,000	50,000	(34,520)	-49%
Training Academy	28,495	65,000	28,500	(36,505)	-56%
Sponsorship	19,500	30,000	30,000	(10,500)	-35%
Campaigns	208,250	150,000	195,000	58,250	0%
Grants and fundraising	880,840	1,273,000	950,000	(392,160)	-31%
Other income	413,460	1,000	390,000	412,460	41246%
Investments income	269,219	753,000	269,219	(483,781)	-64%
Total income	1,855,244	2,342,000	1,912,719	(486,756)	-21%
Core programme activity expenditure					
Local Authority Support	1,391,224	1,415,000	1,315,500	(23,776)	-2%
Core business sector support and transformation	469,264	487,000	466,500	(17,736)	-4%
Business sector support restricted grants projects*	825,473	1,206,000	879,468	(380,528)	-32%
Communications	416,903	470,000	420,000	(53,097)	-11%
Central costs	1,070,427	1,104,000	1,072,000	(33,573)	-3%
Investments - Fair value adjustments	4,377	0	4,377	4,377	
Total programme expenditure	4,177,668	4,682,000	4,157,845	(504,332)	-11%
Net programme expenditure	2,322,424	2,340,000	2,245,126	(17,576)	-1%
Investments expenditure	1,464,288	2,000,000	1,500,000	(535,712)	-27%
RELONDON NET SPEND	3,786,712	4,340,000	3,745,126	(553,288)	-13%

Opening cash balance at 1 April 2022	10,400,000	10,400,000	10,400,000
Movement in funds	(3,786,712)	(4,340,000)	(3,745,126)
Adjustment for Non-Cash items	(541,830)		(600,000)
Closing balance at 31 March 2023	6,071,458	6,060,000	6,054,874

Year end narrative to March 2023

Income

With one exception, income fell short across all lines of the budget, with the greatest shortfalls in the investments and grants lines.

Just £270k investment income was received from the wind up of the Foresight Environmental Fund. There were no other distributions from funds.

The £380k grants shortfall is a combination of delayed draw down and unsuccessful bids. ReLondon was unsuccessful in securing new funding for the plastics material flow analysis (Innovate UK £240k) and whilst the EU funded PSP Circular project was successful, partner status and contract issues as a result of Brexit delayed the start of the project and reduced the available draw down to £6,000 in the financial year. Direct project costs such as for events and travel for Circuit and ERDF were lower than budget as more activities were delivered online resulting in lower spend and therefore grant claims in the year.

As the treatment of restricted grants was standardized in the year, £412k of deferred income was released into the P&L, negating a large portion of the overall income shortfall.

Consultancy, training and sponsorship did generate income but did not achieve targets.

The comms team successfully raised £208k for the pan London food campaign Eat Like A Londoner, the team continue to bring new partners on board (c£180k secured for 23-24 currently).

Expenditure

As noted above, expenditure was below budget for the restricted grants projects. Small savings were made across other expenditure lines including short gaps between staff leaving and being replaced. As a result net programme expenditure was £18k lower than budget.

Year end position

The year end cash balance was £6,071,458, slightly higher than the target of £6m.

Balance Sheet

London Waste and Recycling Board

As at 31 March 2023

<u>Account</u>	<u>31-Mar-23</u>
Fixed Assets	
Tangible Assets	
Investment: Seeders/ Project equity Sustainable accelerator	300,001
Investment: Circularity European Growth Fund 1 LLP	2,162,153
Investment: Greater London Investment Fund (GLIF)/MMC	6,712,408
Total Tangible Assets	9,174,562
Current Assets	
Total Cash at bank and in hand	6,071,458
Debtors and prepayments	283,500
Total Current Assets	6,354,957
Total Creditors: amounts falling due within one year	737,046
Net Current Assets (Liabilities)	5,617,911
Total Assets less Current Liabilities	14,792,473
Total Creditors: amounts falling due after more than one year	0
Net Assets	14,792,473
Capital and Reserves	
Current Year Earnings	(2,322,424)
Profit and Loss Account	15,399,851
Unusable reserves - Capital adjustment fund	9,174,562
Unusable reserves - Accumulated absences account	(39,843)
Usable reserves - General fund	(7,419,673)
Total Capital and Reserves	14,792,473

Validera

London Waste & Recycling Board (T/A ReLondon)

Internal Audit Report

2022/23





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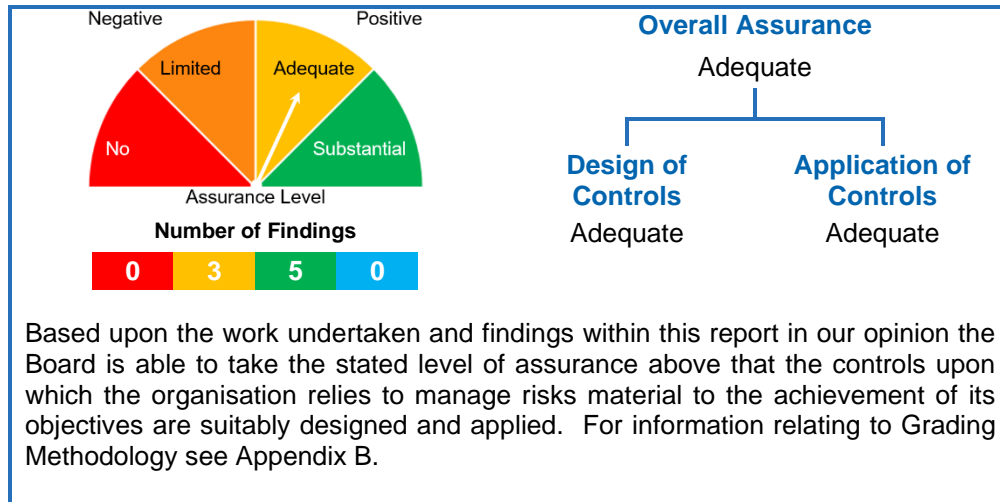
Table with 2 columns: Item Name and Page. Items include Audit Outcome (3), Executive Summary (4), Action Plan (5), Appendix A – Audit Brief (13), and Appendix B – Grading Methodology (15).

Version History

Table with 3 columns: Version, Issued, and Description. Rows include DR v1.0 (09/05/23), DR v1.1 (10/05/23), and FR v1.0 (10/05/23).



Audit Outcome



Based upon the work undertaken and findings within this report in our opinion the Board is able to take the stated level of assurance above that the controls upon which the organisation relies to manage risks material to the achievement of its objectives are suitably designed and applied. For information relating to Grading Methodology see Appendix B.

Risk Management

As part of the review we considered ReLondon’s risk management arrangements. There is a Risk Management Strategy and Risk Register in place, we have raised a finding surrounding improvement to these documents.

The review of the Risk Register is delegated by Board to Audit Committee; we note that the Audit Committee has been inquorate on two occasions.

Governance

The Board meets four times per annum; standing agenda items include a Chief Executive’s Report and Programme Update. The Board is supported by an Audit Committee which planned to meet four times during the year, however, was inquorate in September and December. The Audit Committee considers the Finance Report, Risk Register and Audit Reports.

Areas Relating to 5Es

When performing our work we are mindful of opportunities to improve upon Efficiency, Effectiveness, Economy, Equality and the Environmental impact (5Es) of the organisation.

Audit Committee meets four times per annum, however, was inquorate twice in the past year. Inquorate meetings are not an efficient use of time.

Improved control over credit cards and single supplier arrangements may yield Value for Money (VfM) benefits or better evidence efforts to always secure VfM.

Areas of Good Practice

We noted the following areas of good practice:

- ✓ Investments registers were complete, accurate and properly maintained.
- ✓ Compliance with process was generally considered high and accounting records suitably maintained.

Areas for Improvement

We noted the following areas for improvement:

- ✗ Purchase Orders are not raised for online credit card transactions.
- ✗ Better evidencing of segregation of duties.
- ✗ Risk Register format could be enhanced.
- ✗ Reconcile HR records to Payroll system.
- ✗ Maintain up to date Bank Mandate.

Executive Summary

London Waste & Recycling Board's (T/A ReLondon) internal audit has been completed in accordance with the requirements of the audit regime and this report constitutes the Annual Report by the Internal Auditor for the financial year ended 31 March 2023. The Annual Return needs to be fully completed before being sent to your external auditors.

The review was scoped to meet the requirements of Form 3 of the Annual Governance & Accountability Return; the scope of our work is detailed at Appendix A.

The internal audit process is an integral part of the organisation's new reduced audit regime which concerns itself with the principles of good governance, accountability and transparency. These are set out and considered in detail in the NALC publication entitled Governance and Accountability in Local Councils in England and Wales – A Practitioners Guide ("the Guide").

The Board's current Business Plan covers the period 2020-2025 and is publicly available via the website. The Risk Register is suitably aligned and referenced to the Objectives within the Business Plan.

The Board meets four times per annum; standing agenda items include a Chief Executive's Report and Programme Update. The Board is supported by an Audit Committee which planned to meet four times during the year, however, was inquorate in September and December. The Audit Committee considers the Finance Report, Risk Register and Audit Reports. Committee papers referred to the September Finance Report being taken by Board in October, there was no similar reference found regarding the handling of the Committee's December schedule of work or the Risk Register. When Committee's fail to reach quorum their schedule of business should be taken in full at the next available Board meeting.

The majority of funding comprises of carry forward of unspent funds, released commitments and recovered funds from previously invested projects, and repayments of interest and principal from loans. The Board aims at the end of the business plan period that its total cash bank balance plus estimated income over the period is all used. The Business Plan recognises the need to diversify its income streams and commercialise operations.

The Board budgeted net programme expenditure of £2.34m and the year-end financial position as provided to us by management reported £2.32m

The organisation utilises the established Xero finance system and has added other functionality such as ApprovalMax for purchasing. The HR system is YouManage and IRIS is utilised for payroll.

You may take comfort that your organisation operates a system of internal controls which is in our opinion adequate and effective, given the resources available to it, and for the most part adheres to the Guide and other accounting and control principles for the financial year 2022/23.

For each area of the scope we sought suitable evidence from management to demonstrate the application of the control to assess whether it was suitably operated and sampling testing was performed where appropriate.

We would like to thank staff for their co-operation and assistance during the course of our work.

Action Plan

1. Purchase Orders

Finding(s)	Rationale	Action(s)
<p>We selected a sample of ten purchases from the purchase ledger, all transactions were supported by a Purchase Order.</p> <p>However, one of these POs (£5,310 exc. VAT) did not suitably demonstrate segregation of duties, as was approved by the same individual who had raised the order. Tenders were evidenced to comply with Financial Regulations.</p>	<p>Application</p> <p>Risk(s)</p> <p>Increased risk of non-compliance and fraud where segregation of duties is not suitably exercised.</p> <p>Increased risk that the organisation is erroneously committed to expenditure and/or fails to operate within budget.</p>	<p>Ensure segregation of duties between raising and approval of POs.</p>




Management Response

Accepted	Comment
Yes	The Approval Max workflow has been re-configured as of September 22, which eliminated the risk going forward.
Responsible Officer	
Ineta Galdikiene, Financial Controller	
Target Date	
N/A (action completed - September 22)	

The Executive Summary may also contain comment in relation to minor issues of non-compliance or improvement to process.

2. Credit Cards

Finding(s)	Rationale	Action(s)
<p>We selected a sample of twelve credit card transactions. Seven of these transactions were online orders over £500 (exc. VAT) and did not have any corresponding Purchase Order (PO) in place.</p> <p>Upon querying we were informed that POs are not raised for online orders.</p>	<p>Application & Design. Financial Procedures, Systems & Controls February 2023 states that every purchase over £500 (exc. VAT) must be supported by a PO.</p> <p>Procedures should clarify where differences in approach are permitted.</p> <p>Risk(s)</p> <p>Increased risk of non-compliance or inconsistency of approach if expectations are not clearly defined within Policy or Procedure statements.</p> <p>Potential value for money implications.</p> 	<p>Raise POs for all credit card purchases over £500 (exc. VAT) to comply with Financial Procedures, Systems & Controls February 2023.</p> <p>Alternatively, amend the Financial Procedures, Systems & Controls to reflect alternative expectations if sufficient to manage risk within appetite.</p>

Management Response

Accepted	Comment
<p>Yes</p>	<p>The Financial Procedures, Systems & Controls will be amended to reflect the credit card spending approval process for transactions over £500.</p>
Responsible Officer	
<p>Ineta Galdikiene, Financial Controller</p>	
Target Date	
<p>May 2023</p>	

The Executive Summary may also contain comment in relation to minor issues of non-compliance or improvement to process.

3. Single Tender

Finding(s)	Rationale	Action(s)
<p>We have been informed that when services are unique and there are only a few suppliers in the market, the budget holder will request CEO approval.</p> <p>There is no formal single tender waiver form or record in place.</p>	<p>Design. A formal single tender waiver form process increases scrutiny of transactions where the organisation has been unable to suitably comply with its Financial Procedures, Systems & Controls.</p> <p>Risk(s)</p> <p>Increased risk of failure to comply with the organisation's financial regulations.</p> <p>Increased risk of failure to suitably evidence efforts to secure Value for Money in procurement processes.</p> <p>Lack of monitoring, scrutiny and challenge allows poor practice to continue.</p>	<p>We would recommend the use of a single tender waiver process when procuring services where the organisation has been unable to obtain quotes in line with its own financial regulations.</p> <p>Single tender waiver forms should be completed justifying why the officer raising the order has not been able to sufficiently comply with financial regulations, and formally document the approval of the CEO.</p> <p>It is good practice to report the number of single tender waivers exercised to Audit Committee for scrutiny; we would suggest annually unless issues arise which justify more regular review.</p>



Management Response

Accepted	Comment
<p>Yes</p> <p>Responsible Officer</p> <p>Adam Leibowitz, Governance and Project Management Lead</p> <p>Target Date</p> <p>June 2023</p>	<p>The single tender waiver form will be implemented to eliminate the risk, and the report to the Audit Committee will be produced on an annual basis.</p>

The Executive Summary may also contain comment in relation to minor issues of non-compliance or improvement to process.

4. Risk Management

Finding(s)	Rationale	Action(s)
<p>We reviewed the organisation’s Risk Management Strategy and Risk Register format.</p> <p>We made the following observations:</p> <p>The Strategy does not reflect new reduced audit arrangements (refers to risk based internal audit plan) and does not include version control.</p> <p>The Register does not include Inherent (pre-control) Risk Score.</p> <p>Where Residual Score (current post control) is beyond Risk Appetite there is no corresponding Action column detailing the further mitigating controls, timeframes and ownership.</p>	<p>Design.</p> <p>Risk(s)</p> <p>Stakeholders do not fully understand the organisation’s new audit arrangements.</p> <p>Users of the Risk Register cannot distinguish between those Residual Risks which are Inherently high or low and therefore which corresponding controls are of most importance to the organisation (Control Effectiveness).</p> <p>The organisation fails to take additional actions to manage risk within Appetite.</p>	<p>Ensure that the Risk Management Strategy is updated to reflect the new audit arrangements.</p> <p>Include a record of version control within the Risk Management Strategy.</p> <p>Introduce assessment of Inherent Risk within the Risk Register to aid transparency and inform assurance needs.</p> <p>Introduce a Further Mitigating Controls column to capture action plans in relation to risks scored beyond Appetite.</p>



Management Response

Accepted	Comment
<p>Yes</p> <p>Responsible Officer</p> <p>Jo Rogers, Director of Operations and Governance</p> <p>Target Date</p> <p>September 2023</p>	<p>The need to revise the risk register has been flagged at audit committee and we plan to implement in the coming year. We aim to improve Risk Management to reduce/eliminate the risks flagged by the internal auditors.</p>

The Executive Summary may also contain comment in relation to minor issues of non-compliance or improvement to process.

5. Bank Reconciliations

Finding(s)	Rationale	Action(s)
Bank reconciliations are completed monthly, however, there is no formal record to demonstrate their review.	Design.	Maintain a suitable record of these reviews and approvals taking place, including who approved and the date of sign off.

Risk(s)

Failure to maintain a sufficient audit trail for bank reconciliations demonstrating segregation and timeliness.



Increased risk of erroneous or fraudulent activities not being detected in a timely manner leading to financial loss.

Management Response

Accepted	Comment
Yes	A bank reconciliation form, approved by the Financial Controller, will be implemented to evidence the check being in place.

Responsible Officer

Ineta Galdikiene, Financial Controller

Target Date

May 2023

The Executive Summary may also contain comment in relation to minor issues of non-compliance or improvement to process.

6. Bank Mandates

Finding(s)	Rationale	Action(s)
<p>The bank mandate provided included an ex-Board Member.</p> <p>We were informed that a bank mandate amendment form removing him from the mandate is currently with the CEO to sign.</p>	<p>Application.</p> <p>Risk(s)</p> <p>Increased risk of financial loss from deliberate or accidental transactions being processed on the bank account by unauthorised persons.</p>	<p>Ensure that account signatories who have left the organisation are immediately removed from bank mandates to maintain control.</p>



Management Response

Accepted	Comment
<p>Yes</p>	<p>Action is in progress. All future mandate changes will be updated immediately.</p>
Responsible Officer	
<p>Ineta Galdikiene, Financial Controller</p>	
Target Date	
<p>May 2023</p>	

The Executive Summary may also contain comment in relation to minor issues of non-compliance or improvement to process.

7. HR Notification

Finding(s)	Rationale	Action(s)
<p>We selected a sample of four employees from the March payroll. From this we found one instance where the latest notification of a change in salary (Gross £92,700) didn't agree to the member of staff's payslip and payroll reports (Gross £95,020), as the result a typo in the HR communication letter.</p> <p>We are advised that the sum paid is correct.</p>	<p>Application.</p> <p>Risk(s)</p> <p>Increased risk of financial loss due to inappropriate or inaccurate sums being processed by payroll.</p> <p>HR records do not reflect employees' current terms and conditions of employment.</p>	<p>Correct the HR records in relation to the employee.</p> <p>Ensure that future HR notifications are subject to secondary review to reduce the likelihood of errors occurring.</p> <p>Perform a reconciliation between HR and Payroll at least annually to confirm information on both systems.</p>



Management Response

Accepted	Comment
<p>Yes</p> <p>Responsible Officer</p> <p>Ineta Galdikiene, Financial Controller</p> <p>Target Date</p> <p>N/A (already in place since August 2022)</p>	<p>The right checks have been in place since August 2022. The Financial Controller collates all the evidence from HR and checks the details before processing the payroll.</p>

The Executive Summary may also contain comment in relation to minor issues of non-compliance or improvement to process.

8. Governance

Finding(s)	Rationale	Action(s)
<p>The Audit Committee is scheduled to meet four times per annum, however, was inquorate in September and December 2022.</p> <p>Committee papers referred to the September Finance Report being taken by Board in October, there was no similar reference found regarding the handling of the Committee's December schedule of work or the Risk Register.</p> <p>The Scheme of Delegation establishes the quorate number as three members. The Audit Committee has five members.</p>	<p>Design & Application.</p> <p>Risk(s)</p> <p>Failure to achieve the benefits of devolved responsibilities through the established Committee structure.</p> <p>Failure to suitably review and scrutinise the Risk Register.</p> <p>Failure to exercise suitable governance over the operations of the organisation.</p>	<p>When Committee's fail to reach quoracy their schedule of business should be taken in full at the next available Board meeting.</p> <p>Consider ways in which to improve the quoracy of meetings; one such way in which this may be possible is the reduction in Board members required, but addition of co-opted members with specific skills and experience to support the Committee. We would not recommend reducing the required number of Board members to less than two.</p>



Management Response

Accepted	Comment
<p>Yes</p> <p>Responsible Officer</p> <p>Jo Rogers, Director of Operations and Governance</p> <p>Target Date</p> <p>September 2023</p>	<p>We are aware of the issues relating to quoracy of the meetings and are currently undertaking a skills audit of the board with a view to adding additional members to the Audit Committee to bring in additional skills and increase ability to achieve quorum.</p>

The Executive Summary may also contain comment in relation to minor issues of non-compliance or improvement to process.

Appendix A – Audit Brief

Management Objective:

ReLondon is classified as a smaller authority under the Local Audit and Accountability Act (2014) and is required to prepare an Annual Governance & Accountability Return which considers controls in respect of Finance, Operational Control and Governance, and Risk Management.

Audit Focus:

The review is driven by the requirements of the Annual Governance & Accountability Return, the internal audit requirements are established by the Annual Internal Audit Report (Form) and guidance issued by the National Association of Local Councils (NALC) Joint Panel on Accountability and Governance Practitioners Guide (“the Guide”).

Risk:

1. Failure to comply with the requirements of the Local Audit & Accountability Act (2014) and meet external stakeholder expectations leaves the organisation, its board and senior management open to financial and non-financial risk.

The applicable Internal Control Objectives (A-O) are specified within the Annual Governance and Accountability Return Form 3 for Local Councils, Internal Drainage Boards and other Smaller Authorities.

Internal Control Objective:

- A. Appropriate accounting records have been properly kept throughout the financial year.
- B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.
- C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.
- D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.
- E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.
- F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.
- G. Salaries to employees and allowances to members were paid in accordance with this authority’s approvals, and PAYE and NI requirements were properly applied.
- H. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.
- I. The authority has complied with the publication requirements for the previous year AGAR (see AGAR Page 1 Guidance Notes).
- J. The authority, during the previous year correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).
- K. Asset and investments registers were complete and accurate and properly maintained.
- L. Periodic bank account reconciliations were properly carried out during the year.
- M. If the authority certified itself as exempt from a limited assurance review in previous year, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its AGAR tick “not covered”)
- N. The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements.
- O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.

Limitations to Scope:

Our opinion will be derived based upon the results of our testing methodology to meet the expectations of the requirements above. We will utilise and interpret the latest published NALC Guidance to guide our work where appropriate and fulfil their expectations in relation to internal audit and certification. Testing will be undertaken to provide reasonable assurance that the specified internal control objectives are achieved. Audit testing is not intended to, and will not be sufficient to, provide an opinion on the accuracy and validity of ReLondon's data in its entirety. The work conducted does not constitute assurance that any data, claim or return submitted by ReLondon is accurate and correct; any such returns are prepared by and remain the responsibility of ReLondon. Our work does not provide any guarantee against material errors, loss or fraud or provide an absolute assurance that material error, loss or fraud does not exist.

Appendix B – Grading Methodology

KEY FOR RECOMMENDATION PRIORITY RATINGS



The organisation may be subject to levels of fundamental risk where immediate action should be taken. In the organisation's risk framework, this approximates to the Impact Risk Grading – 5/4.



Attention to be given to resolving the position as the organisation may be subject to significant risks. In the organisation's risk framework, this approximates to the Impact Risk Grading – 3/2.



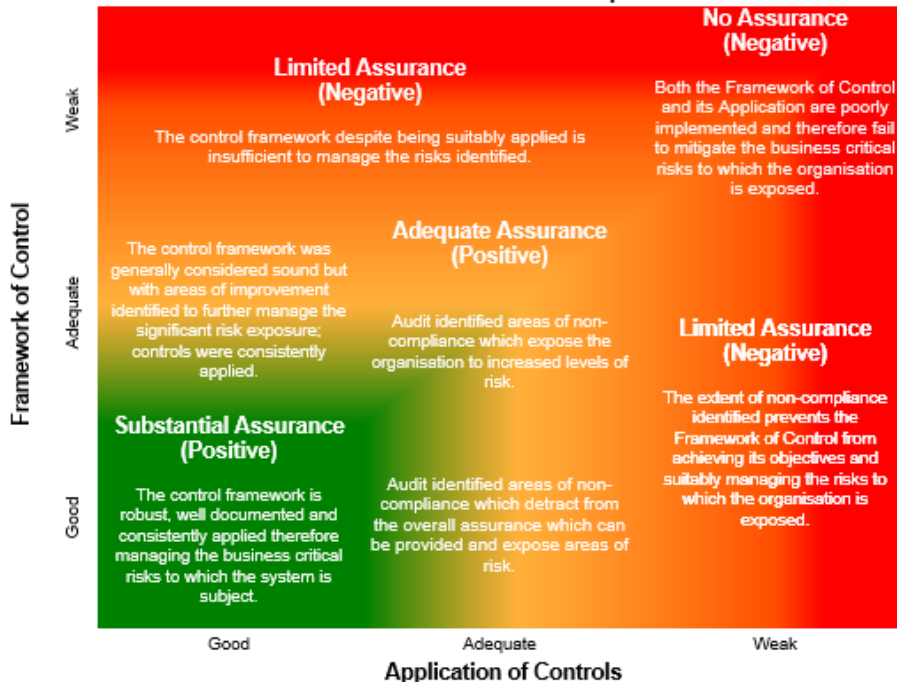
Desirable improvements to enhance value, the control, risk management or governance frameworks or strengthen their effectiveness. Minimal adverse impact on the achievement of objectives. In the organisation's risk framework, this approximates to the Impact Risk – 1.



These suggestions are of a good practice nature and do not represent any immediate risk to the organisation but may help it ensure that it remains effective and meets with external stakeholder expectations in the future.

KEY FOR OVERALL ASSURANCE RATINGS

Overall Assurance Map



IMPORTANT INFORMATION

The explanations provided are intended as a general guide; at all times, professional judgement is applied in the grading of individual recommendations and the overall assurance provided as a result of our audit work.

Should you have any queries over our general methodology or the grading of any specific recommendations or assignments please contact your Validera client management team who will be happy to explain further.

This report has been prepared for you as our client and should not be disclosed to any third parties, including in response to requests for information under the Freedom of Information Act, without our prior written consent.

Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, it is based upon the documentation reviewed, information provided, and explanations given to us during the course of our work. Thus, no guarantee or warranty can be given with regard to the advice and information contained herein.

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London Waste and Recycling

As at 31 March 2023

Detailed variance analysis

	2022	2023	Variance	Variance %	Explanation
Income					
Grant	1,744,380	473,096	(1,271,284)	-73%	Six grants have ended during 2022/23: CIRCE (-£13k); ECAP (-£3k); C&A Foundation (-£31k); GND (-£877k); Islington (-£200k); Ecosurety (-£143k); and only one has started- Circular PSP (+£6k).
Investment and loan repayments	180,210	269,219	89,009	49%	Final Distribution Notice in relation to Foresight Environmental Fund LP.
Bank interest	49,114	169,927	120,813	246%	Increased interest rates during 2022/23
Loan interest	-	-	-	-	
Other	91,717	297,932	206,216	225%	New food campaign "Eat Like a Londoner" sponsorship income (+£170k); Consultancy and Training Accademy (£32k).
	2,065,421	1,210,175	(855,247)	-41%	
Checkline	-	0	-		
All Other Payments					

Reconciliation between Box 7 and Box 8 in Section 2 - pro forma

(applies to Accounting Statements prepared on an income and expenditure basis only)

Please complete the highlighted boxes.

Name of smaller authority: London Waste and Recycling Board

County area (local councils and parish meetings only): n/a

There should only be a difference between Box 7 and Box 8 where the Accounting Statements (Section 2 of the AGAR) have been prepared on an income and expenditure basis and there have been adjustments for debtors/prepayments and creditors/receipts in advance at the year end. Please provide details of the year end adjustments, showing how the net difference between them is equal to the difference between Boxes 7 and 8.

	£	£
Box 7: Balances carried forward		5,763,433
Deduct: Debtors		
1100 - Debtors Control Account	(9,397)	
1301 - Bad debt provision	-	
	(9,397)	
Deduct: Payments made in advance (prepayments)		
1103 Prepayments	(22,495)	
1500 Other debtors	-	
	-	
	(22,495)	
Total deductions		(31,892)
Add:		
Creditors (must not include community infrastructure levy (CIL) receipts)		
1244 Credit Card - Financial Controller	624	
1290 Virtual Card	792	
2000 Creditors Control Account	151,714	
2100 Other Creditors	-	
2300 Net Wages	-	
2301 P.A.Y.E. & NI liability	68,101	
2303 Pension Fund	11,320	
2304 Childcare Vouchers	-	
2401 VAT Liability	1,720	
2503 Deferred income - Other	-	
2550 Accruals	75,071	
2551 Accruals - Accumulated Absences	30,574	
2556 National Insurance	-	
2800 Provisions - Committed Project Fundings		
2801 Provisions - GND Fundings		
860 Rounding		
	339,916	
Add:		
Receipts in advance (must not include deferred grants/loans received)		
1		
2		
	-	
Total additions		339,916
Box 8: Total cash and short term investments		6,071,458
Check cash balance		
1201 - RBS Current Account 10336667		25,000.00
1211 - RBS SIBA		22,105.57
1215 - GLA treasury deposit account		6,024,352.37
1216 - LWARB GND		-
		6,071,457.94

Reserves breakdown

(applies to Accounting Statements prepared on an income and expenditure basis only)

Please complete the highlighted boxes.

Name of smaller authority:

London Waste and Recycling Board

County area (local councils and parish meetings only):

n/a

EXPLANATION REQUIRED ON RESERVES TAB AS TO WHY CARRY FORWARD RESERVES ARE GREATER THAN TWICE INCOME FROM LOCAL TAXATION/LEVIES

Local taxation/levies for LWARB are £0 therefore any level of reserves will be greater twice the income from this. Breakdown of the usable and Unusable reserves is detailed below.

Usable reserves

General	4,556,122	(3,371,286)
Committed project loans	(1,260)	-

Unusable reserves

Capital Adjustment account	5,776,644	9,174,562
Accumulated Absences account	(30,574)	(39,843)

TOTAL

10,300,933	5,763,433
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13. Reserves

LWARB is required to maintain a number of reserves under the provisions of the Code. The reserves and their broad functions are as follows.

Usable Reserves

General Fund – this balance represents the cumulative surplus available to LWARB to support revenue spending.

Capital Grants Unapplied Account – this reserve represents the balance of capital grants that have been recognised as income but have yet to be used to finance investment expenditure.

Unusable Reserves

Capital Adjustment Account – this account exists to capture those elements of capital accounting required by the Code.

Accumulated Absences Account – this reserve exists to capture the difference between the amount of expenditure recognised in the Comprehensive Income and Expenditure Statement relating to accrued holiday pay and that required by Statute to be charged to the General Fund.

Bank reconciliation – pro forma

This reconciliation should include all bank and building society accounts, including short term investment accounts. It **must** agree to Box 8 in the column headed "Year ending 31 March 2020" in Section 2 of the AGAR – and will also agree to Box 7 where the accounts are prepared on a receipts and payments basis. Please complete the highlighted boxes, remembering that unpresented cheques should be entered as negative figures.

Name of smaller authority: London Waste and Recycling Board (operating as ReLondon)

County area (local councils and parish meetings only): n/a

Financial year ending 31 March 2023

Prepared by (Name and Role): Ineta Galdikiene, Financial Controller.

Date: 31/03/2023

	£	£
Balance per bank statements as at 31/3/23:		
RBS Current Account 10336667	25,000.00	
RBS SIBA	22,105.57	
GLA treasury deposit account	6,024,352.37	
		6,071,457.94

Petty cash float 0.00

Less: any unpresented cheques as at 31/3/23 (enter these as negative numbers)

	item 1		
	item 2		
	item 3		
	item 4		
[add more lines if necessary]	item 5		
	item 6		
	item 7		
	item 8		
			-

Add: any un-banked cash as at 31/3/23

Net balances as at 31/03/23 (Box 8) **6,071,457.94**