

Moray Council

Internal Audit Section

DEPARTMENT: Economy, Environmental & Finance

SUBJECT: Domestic Refuse Collection

REPORT REF: 23'016

Follow Up Audit Review

Risk Ratings for Recommendations					
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Date of Completion	Status / Explanation
Key Control: Service operations are planned to achieve best value principles.					
5.01	Consideration should be given to exploring software applications that could assist the process and provide value for money opportunities in the determination of operational routes and the resources required.	Low	Yes	31/05/2023	Implemented- Demonstrations of route optimisation software were sourced from multiple providers. Whilst the benefits of the products were clearly seen and would be welcomed as an improvement to the current manual route planning system, costings proved to be prohibitive with funding not available for the considerable costs of installation and ongoing provision.

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					Management decision has been taken that due to financial climate, the use of route optimisation software is not feasible.
Key Control: Staffing requirements are carefully assessed based on operational needs and payments made to staff are appropriately controlled.					
5.02	Documented business continuity plans should be agreed to ensure continuous delivery of services in the event of any disruption in meeting operational requirements.	Medium	Yes	31/01/2023	Implemented- Work has been undertaken by the Service and the Business Continuity & Risk Management Officer and a Business Impact Assessment is now seen to be in place which will be updated as required, on changes to operations and associated risks.
5.03	Officers should be reminded to ensure timesheets are carefully checked prior to authorisation, and supporting documentation is completed accurately before	Medium	Yes	12/01/2023	Implemented- Enhanced checking procedures are now embedded on submission of timesheets to the Administration Section and on preparing summary detail for the Payroll Service to process. Audit testing of a

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	being passed to the payroll service for payment.				sample of employee payments and supporting documentation has found no errors and the process in place is considered to be working effectively.
Key Control: Vehicle costs borne by the service are accurately calculated and allocated based on service requirements and resource planning.					
5.04	Consideration should be given to the apportionment of vehicle and transport costs to the green waste collection cost centre to enable further budgetary control of all elements of the domestic refuse collection service.	Low	Yes	31/01/2023	Implemented- Vehicle and transport costs pertaining to the green waste collection service are now separately identified in the financial ledger, with accompanying budget provision.
Key Control: Disposal of recyclable materials collected from kerbside is controlled by formalised contractual arrangements with approved external contractors and all payments made in line with contractual terms.					
5.05	Management should review current arrangements for plastic recycling to determine whether	Medium	Yes	31/01/2024	Outstanding- With the national Deposit Return Scheme (DRS) anticipated to capture up to 90% of materials currently processed, a

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	improvements can be made to decrease haulage costs and achieve higher quality submissions that could generate additional income for the Council.				review of plastic recycling arrangements was intended to be undertaken after the early impact of DRS was evaluated. However, the Scottish Government has now delayed the introduction of DRS from August 2023 until October 2027. A review of operations is not beneficial until the substantial change in the recycling landscape is effected which is outwith the control of the Service. Due to the revised date of possible implementation, another audit review of this subject will be included in a future Audit Plan to evidence implementation.
5.06	A contract should be agreed between the Council and a third sector organisation for providing a rediverting and recycling of waste service. The agreement should include the rates payable and	Low	Yes	30/04/2023	Part Implemented- Discussions have been held with the third sector organisation and efforts made by the Service to initiate a formal service level agreement. Support from Legal Services to progress the service level agreement is awaited but involves work

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	service specification.				prioritisation issues with Legal Services experiencing acute staffing shortages. As no revised date of completion could be provided, another audit review of this subject will be included in a future Audit Plan to evidence implementation.	
5.07	Supporting documentation should be provided of VAT applicable income received by the Service to the Payments Section to ensure proper accounting arrangements can be followed in compliance with HMRC regulations.	High	Yes	12/01/2023	Implemented- It has been evidenced that self-billing invoices are being sent by the Service to Payments on a monthly basis to ensure VAT is appropriately and fully accounted for at the point of receipt of paper income.	
5.08	Documented agreement should be undertaken to formalise arrangements for recycling aluminium and steel cans.	Medium	Yes	30/04/2023 (Revised Implementation Date 10/02/2025)	Outstanding- Aluminium and steel cans are being administered under the terms of the Dry Mixed Recyclates contract. The implementation of DRS was awaited to determine implications for can recycling but this has now been delayed nationally until	

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					October 2027. Advice has been obtained from the Procurement Service and aluminium and steel cans will be included as a separate lot in the new Dry Mixed Recyclates contract which will be awarded in February 2025.