

AUDIT REPORT 18'202

BAILING PLANT AND RECYCLABLE WASTE REVIEW

EXECUTIVE SUMMARY

The Internal Audit annual plan for 2017/18 provided for a review to be undertaken of the scope and application of trade waste charges. This was a wide remit for a single audit and following receipt by management of a complaint about working practices at the Bailing Plant, it was agreed the review would focus on the arrangements for handling waste at the Plant and at Recycling Centres, and on associated charging procedures.

The Bailing Plant is the main receiving point for the various waste streams the council uplifts including household waste, garden waste, and plastic, glass and metal recyclables. Recyclable waste can also be deposited by commercial traders who have purchased an annual recycling pass. This waste material is sorted by category and then uplifted and transported either for onward recycling or to landfill. Most vehicles entering and leaving the Bailing Plant are required to pass over a weighbridge. This produces a ticket detailing the weight and refuse type. The exception is for small loads where weight is estimated depending on the type and volume of waste. This information is used for reporting volumes of waste handled. CCTV operates at the plant, principally for monitoring vehicle movements in real time, as opposed to retrospectively for charging or other control purposes.

Different types of waste have either a cost associated with disposal or an income from recycling. The council is committed to the recycling of waste, recognising not only the greater environmental footprint in disposing of waste to landfill but also the costs of doing so (including landfill tax) which are expensive when compared to other forms of disposal. The computation of landfill tax liabilities has been subject to separate review and did not form part of this audit.

For waste that does not go to landfill, various contractual arrangements are in place with external contractors in the private and voluntary sectors. At the time of the audit, for green waste, glass and plastic, the council incurred costs in arranging for the waste to be sorted, uplifted and disposed of in an environmentally sustainable manner, whereas for paper and card, and for metals, an income stream was generated. The audit noted that the contractual arrangements are longstanding and while volumes of waste processed for recycling are recorded to ensure charges and recoveries are fully accounted for, costs and income generated can fluctuate significantly year on year depending on market demand for recycled products.

The action plan makes a number of recommendations to strengthen control processes, principally calling for operational guidance for staff to be updated and for contract arrangements with recycling companies to be re-assessed to ensure these continue to offer best value.

Moray Council

Internal Audit Section

Recommendations – Bailing Plant and Recyclable Waste

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)	Comments	Responsible Officer	Timescale for Implementation
Key Control: Effective control environment for the management of the Bailing Plant and Recyclable Waste.						
6.1	Detailed operating procedures should be written for all systems and practices within the Bailing Plant. All officers should then be provided with a copy of these procedures.	Medium	Yes	The Moycroft Depot Integration Project will commence in January 2019 and the depot will be closed for a year. The traffic flow and layout will be completely different to current layout. Procedures will be written based on the upgraded facility and all staff affected will be trained and receive a copy of updated procedures.	Waste Disposal Officer/ Policy Officer (Waste)	Operating procedures for integrated facility completed by 31/07/2019 Staff trained on new procedures and training recorded by 31/12/2019

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No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Comments	Responsible Officer	Timescale for Implementation
				Operation will relocate to Dallachy for approximately one year. In advance of temporary move, systems at Dallachy will be reviewed.		31/12/2018
6.2	Management at the Bailing Plant should undertake regular and documented Health and Safety reviews.	Medium	Yes	Waste management Risk Assessments are reviewed and updated on an annual basis. The next review is due in January. This will include a review of existing and the need for any additional assessments.	Waste Disposal Officer	31/01/2019

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6.3	Regular reviews should be undertaken of the CCTV recordings at the Bailing Plant and any incidents or points of concern clearly recorded within the Incident Diary.	Low	Yes	CCTV footage will be viewed on a monthly basis at non specified times. Where there is a requirement to view CCTV between monthly reviews this will be carried out as necessary.	Waste Disposal Officer	31/10/2018
6.4	All commercial traders dumping recyclable material at the Bailing Plant should be asked for evidence that they hold a current Recycling Pass.	Low	Yes	The new integrated layout at Moycroft will make it easier to carry out the required checks. This is one of the procedures that will be implemented as per recommendation 6.1.	Waste Disposal Officer	29/02/2020 (When use of Bailing Plant resumes)

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				Pending the opening of the integrated facility, the process will be tightened to ensure that traders are registered waste carriers and have necessary documentation.		31/10/2018
6.5	Consideration should be given to reviewing arrangements entered into with current and prospective companies interested in purchasing recyclable metals from the council to ensure income from this source is optimised.	Medium	Yes	Procurement to review current arrangements and if necessary work with Service to introduce the required changes	Waste Management Officer	31/03/2019
6.6	Management should review all completed Household Declaration Forms submitted from the bailing plant and recycling centres and follow up any issues where loss of revenue is suspected.	Low	Yes	Process and method of recording to be reviewed.	Waste Disposal Officer	Review process and method of storage - 30/11/2018

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6.7	Contract arrangements with the various companies the council uses for recycling waste should be reviewed and updated if required	Medium	Yes	Waste Management Service with the support of the Procurement Section to review current arrangements and if necessary introduce the required changes.	Waste Management Officer	31/03/2019
6.8	Income received or expenditure paid should always be checked to the weighbridge ticket detailing the actual weight of the load transferred to a recycling company.	Medium	Yes	Ad-hoc checks to be carried out and recorded to ensure that income and expenditure ties in with weigh bridge ticket that details the total weight of the load.	Admin Officer and Policy Officer (Waste)	31/12/2018

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6.9	Incident Reporting Forms should always be reviewed and any issues or concerns highlighted to management.	Low	Yes	Recycling Centre Attendants need to advise Management that there has been an incident. Recycling Centre Attendants Handbook being rewritten and attendants will receive retraining. Ad-hoc checks to be carried out to ensure compliance.	Waste Disposal Officer	30/11/2018
6.10	A review should be undertaken in consultation with the Estate Management Section to determine the refuse disposal arrangements for all companies occupying Council owned Industrial Units.	Medium	Yes	Waste Services will in consultation with the Estate Management Section undertake a review of the companies occupying Council	Waste Disposal Officer	31/12/2019

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				owned Industrial Units, to ensure compliance with Waste Disposal Regulations and to maximise any additional income sources for the Service.		
6.11	The contract or Service Level Agreement for the disposal and recycling of fridges and freezers should be reviewed and updated.	Medium	Yes	We have an agreement with REPIC who have contracted VIRIDOR to remove WEEE from our sites. The agreement status should be reviewed each year. However, no other Body have indicated their willingness to enter	Waste Disposal Officer	30/11/2018

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				an agreement with the council and are unlikely to do so. The arrangements with REPIC have been quite satisfactory. Current arrangement to be reviewed by Procurement.		
6.12	Regular reviews of the Ready Reckoner Returns should be undertaken to ensure the maximisation of income from each recycling centre.	Medium	Yes	Reviews to be carried out quarterly and recorded.	Waste Disposal Officer	31/12/2018