

AUDIT REPORT 20'009

GARDEN WASTE PERMITS

EXECUTIVE SUMMARY

On 27 February 2019, at a special meeting of the Council, (para 4 of the minute refers), it was agreed that a £36 annual charge would be introduced for each brown bin containing garden waste. The collection of garden waste is not a statutory duty and a permit system was proposed as part of the council's income maximisation project.

The income target for the charge in 2019/20 was set at £669,000. At the time of preparing this paper in early November 2019, income of £734,000 had been received equating to over 20,300 permits sold, exceeding the target by some £65,000. Thus by this measure alone the project has achieved the intended outcomes.

The audit established that service management had endeavoured to keep procedures as straight forward as possible in order to have the scheme operational from 1 April. As such, permits were not given a control marking, and an external firm was engaged to undertake bulk mailings of information relating to the scheme and to issue permits at the start of the year. Council officers in a number of services then dealt with in year applications and other issues such as lost or damaged permits.

The involvement of these various parties meant it was not possible to effect a full reconciliation between permits issued and income received. However, from the information available it was concluded that noted variances were within acceptable limits, acknowledging that securing a fuller audit trail would add to the costs and complexity of the scheme.

The opportunity now presents to look at what worked well and less well, to tie up any matters outstanding in relation to the current year given that demand is likely to be minimal over the winter period and to make decisions to refine record keeping and improve audit trails as the scheme is taken forward into year 2. A number of recommendations have been made to aid this process.

Moray Council

Internal Audit Section

Recommendations: Garden Waste Permits

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: Procedures and practices in place secure appropriate levels of control over income from waste permits, while minimising costs and administrative requirements						
5.1	The contract for purchase of permits needs to be reviewed. Now that a clearer estimate of permits required has been established ideally a single batch of permits could be purchased at lower cost given economies of scale	Medium	Yes	To be reviewed	Admin Officer	Feb 2020
5.2	Should external bulk mailing be used in future years there needs to be a check of invoice charges to ensure these can be linked back to works instructed, and that permits passed to and returned from the mailing firm are accounted for correctly.	Medium	Yes	Systems to be developed by Admin team.	Admin Officer	Jan 2020

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No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Comments	Responsible Officer	Timescale for Implementation
5.3	In the current year there appears to be outstanding charges both for printing the final batch of permits and issuing some of the permits and this should be reviewed.	Medium	Yes	To be investigated	Admin Officer	Jan 2020
5.4	Record keeping centrally could usefully be improved by reviewing the documentation held to ensure there is a clearer audit trail comparing permit purchases by the Council and issues either chargeable or, where applicable, free of charge and the reason for same.	Medium	Yes	Systems to be developed by Admin team.	Admin Officer	Jan 2020
5.5	The working group established last year on waste permits should reconvene to consider	Medium	Yes	Already done		Implemented

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	the findings from this report and any other lessons learned that could usefully be taken forward into year 2 of the scheme.					