



St. Helens Council

Audit Report 2011/12

**Merseyside Recycling & Waste Authority
Bidston Materials Recovery Facility (MRF)**

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St. Helens Council

EXECUTIVE SUMMARY

Merseyside Recycling & Waste Authority

Bidston Material Recovery Facility (MRF)

Scope

Merseyside Recycling & Waste Authority (MRWA) has entered into a Service Level Agreements (SLA) for St Helens Council to provide its annual internal audit coverage for the financial year 2011/12. It was agreed with the Director of Finance that the 2011/12 audit work included a review of the arrangements at Bidston MRF for the collection, recycling and sale of waste.

Background

The Bidston MRF is a facility that accepts separately collected comingled dry recyclable waste and uses various mechanical separating techniques supported by hand-sorting to recover materials into separate recyclable waste streams. The Bidston MRF utilises conveyors, 2D/3D sorting technology and optical sorting techniques to recover various targeted recyclable materials.

After sorting the materials are bulked prior to collection by external processors/recyclers.

The MRF is operated by Veolia on behalf of MRWA in accordance with the Waste Management Recycling Contract (WMRC). The costs of operating the facility and income generated by the sale of certain recyclable materials are contained within the WMRC.

Audit Opinion

In our opinion there are adequate controls in place with regard to the operational management arrangements at Bidston MRF. Sample testing confirmed that appropriate controls are in place for monitoring recycled waste entering / leaving the MRF and income generated from the sale of recycled materials is properly accounted for.

Key Issues

No key issues were identified during this review.

Agreed Action

Actions to address the recommendations are contained in the Action Plan, which has been agreed with the Director of Finance.

INTERNAL AUDIT REPORT**Bidston Materials Recovery Facility (MRF)****1.0 Objectives**

To ensure that the following control objectives are being achieved within an appropriate control framework:

1. That adequate controls are in operation to record comingled recyclable waste entering the MRF.
2. An appropriate system is in place to reconcile comingled waste entering the MRF to sorted recycled waste / residual waste leaving the MRF.
3. An appropriate system is in place to evidence income received from the sale of recyclable waste.

2.0 Conclusions & Recommendations**2.1 Control Objective – That adequate controls are in operation to record comingled recyclable waste entering the MRF.**

- 2.1.1 This objective has been achieved in the main. However, sample testing of tickets issued at the weighbridge has identified that a number of drivers are not signing the weighbridge ticket.
- 2.1.2 The review confirmed the weighbridge was calibrated on the 6th February 2012 and is valid for 12months. Vehicles are weighed on entering Bidston MRF and the weight of the load established by deducting the vehicles tare weight (being the weight of the vehicle when empty) from the weight of the laden vehicle. It is the weighbridges computer software (Waste Information Management System – WIMS) that stores individual vehicles tare weight and calculates the weight of the commingled waste to be deposited at the site.
- 2.1.3 We were informed that if a tare weight is more than 10 days old, the vehicle must deposit waste and then weigh empty to provide a new tare weight. Sample testing confirmed that all tickets checked had a valid tare weight and all relevant information had been recorded. The only issue noted was for a number of the tickets checked, the driver had not signed the ticket.

Recommendations

1. *The driver should sign the weighbridge ticket to satisfy duty of care regulations.*

2.2 Control Objective – An appropriate system is in place to reconcile comingled waste entering the MRF to sorted recycled waste / residual waste leaving the MRF.

- 2.2.1 This objective is being achieved in full.
- 2.2.2 On a daily basis, recycled waste / residual waste will be weighed at the weighbridge prior to leaving the MRF. At the weighbridge a ticket (transfer note) is generated which provides information on the load, the weight, the destination, the vehicle details and the driver. This information is entered into the WIMS and provides the information used by Veolia for reconciling the recycled waste / residual waste leaving the site. A sample of weighbridge tickets was checked and we confirmed that all information had been recorded.
- 2.2.3 At the end of every month, the WIMS data is downloaded onto a spreadsheet and the information is used to populate mass balance calculations of the facility, these consider waste entering site, unprocessed/processed waste, stored waste and residual/recyclates that have left the site. Our testing confirmed that the analysis is supported by the appropriate weighbridge records. We reconciled a month's information and confirmed that the information on Veolia's system was accurate to the weighbridge records.

2.3 Control Objective – An appropriate system is in place to evidence income received from the sale of recyclable waste.

- 2.3.1 This control objective is being met in the main.
- 2.3.2 Discussion with Veolia staff at Bidston confirmed that all sales of recycled materials are co-ordinated by the company's London Head office. The company has several sites throughout England and are able to command higher prices for recycled materials due to the volume of recycled waste.
- 2.3.3 On a monthly basis, the Finance Section receive an e-mail from Head Office detailing the price received for the different recycled waste materials sold. These e-mails are then used to calculate the income generated from the recycled materials. Our testing identified that the e-mails are not being retained and therefore, we were unable to verify that income received was accurate for sales older than four weeks.
- 2.3.4 However, we sample checked the January spreadsheet and confirmed that the prices being used to calculate the income due were the correct figures.

Recommendation

2. That the Veolia Finance Section retain sales e-mails received from Head Office.

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Appendix 1

3.0 Action Plan**Merseyside Recycling & Waste Authority**

Rec. No.	Recommendation	Responsible Officer	Agreed Action and Date of Implementation	Actual Implementation Date
1	<i>The driver should sign the weighbridge ticket to satisfy duty of care regulations.</i>	Assistant Contract Manager	1 st August 2012	
2	<i>That the Veolia Finance Section retain sales e-mails received from Head Office.</i>	Assistant Contract Manager	1 st August 2012	