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**Derry City & Strabane**  
District Council

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Comhairle  
**Chathair Dhoire &  
Cheantar an tSratha Báin**

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**Derry Cittie & Stràbane**  
Destrict Cooncil



# Internal Audit of Waste and Environmental Management

## Final Report

### May 2018

## Professional Standards

Internal Audit is committed to ensuring high standards of service to Derry City and Strabane District Council. Our work complies with the Public Sector Internal Audit Standards (PSIAS) which apply the Institute of Internal Auditors International Standards to the UK Public Sector. These standards are issued by the relevant Internal Audit standard setters such as the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Chartered Institute of Internal Auditors (CIIA).

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## Executive Summary

| <p><b>System Priority:</b></p> <p style="text-align: center;"><a href="#"><u>Refer to Appendix (i)</u></a></p>               | <p><b>A</b></p> <p>Failure to implement the recommendations is likely to result in a major failure of a key Council objective, significant damage to the reputation of the Council or the misuse of public funds.</p>   | <p><b>Audit Opinion:</b></p> <p style="text-align: center;"><a href="#"><u>Refer to Appendix (ii)</u></a></p> | <p><b>Improvement Needed</b></p> <p>Significant control weaknesses were noted and recommendations raised. There is considerable risk that the system will fail to meet its objectives.</p> | <p><b>Implementation Priority:</b></p> <p style="text-align: center;"><a href="#"><u>Refer to Appendix (iii)</u></a></p> | <table border="1" style="margin: auto; border-collapse: collapse;"> <thead> <tr> <th style="padding: 5px;">Category</th> <th style="padding: 5px;">No of Recommendations</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; padding: 5px;"><b>A1</b></td> <td style="text-align: center; padding: 5px;">17</td> </tr> <tr> <td style="text-align: center; padding: 5px;"><b>A2</b></td> <td style="text-align: center; padding: 5px;">55</td> </tr> <tr> <td style="text-align: center; padding: 5px;"><b>A3</b></td> <td style="text-align: center; padding: 5px;">1</td> </tr> <tr> <td style="text-align: center; padding: 5px;"><b>Total</b></td> <td style="text-align: center; padding: 5px;"><b>73</b></td> </tr> </tbody> </table> | Category | No of Recommendations | <b>A1</b> | 17 | <b>A2</b> | 55 | <b>A3</b> | 1 | <b>Total</b> | <b>73</b> |
|--|---|---|--|--|---|----------|-----------------------|-----------|----|-----------|----|-----------|---|--------------|-----------|
| Category   | No of Recommendations   |   |  |  |   |          |                       |           |    |           |    |           |   |              |           |
| <b>A1</b>  | 17  |   |  |  |   |          |                       |           |    |           |    |           |   |              |           |
| <b>A2</b>  | 55  |   |  |  |   |          |                       |           |    |           |    |           |   |              |           |
| <b>A3</b>  | 1   |   |  |  |   |          |                       |           |    |           |    |           |   |              |           |
| <b>Total</b>   | <b>73</b>   |   |  |  |   |          |                       |           |    |           |    |           |   |              |           |
| <div style="text-align: center;">  </div> | <p><b>Introduction</b></p> <p>This audit was requested by the Head of Service and included in the Audit Needs Assessment and Audit Plan of work for 2017/18. The purpose of this review was to provide senior management with an assurance about the adequacy and effectiveness of internal control over the audit area of waste and environmental management. The objectives and scope for this review were agreed with the Head of Environment prior to commencement of the audit.</p> <p>The Audit work performed was as follows:</p> <ul style="list-style-type: none"> <li>• Establishing the system of controls</li> <li>• Evaluating the adequacy of the controls</li> <li>• Designing and completing the audit programme to test the effectiveness of the controls</li> <li>• Reporting on the adequacy and effectiveness of the controls to achieve system objectives</li> </ul> |   |  |  |   |          |                       |           |    |           |    |           |   |              |           |



## Objectives

The objectives of this audit are:

- To ensure that there is adequate enforcement of and compliance with Environmental legislation.
- To ensure compliance with site licences and ensure that there are adequate site management plans in place.
- To ensure that all standards of the Litter (NI) Order 1994 are being complied with.
- To ensure that commercial service refuse contracts are monitored on a regular basis.
- To ensure that third party service providers are monitored on a regular basis.
- To ensure that there are adequate controls in respect of payments to Waste Management Contractors.
- To ensure that returns submitted to NIEA are accurate and made in a timely manner.
- To ensure there is adequate security at the recycling centres.
- To ensure that Waste Management targets have been identified.



## Scope

This particular audit will encompass a review of the following areas:

- Environmental legislation
- Compliance with site licences and working plans
- Site environmental controls
- Street cleansing
- Bulky Waste Collections
- Commercial waste contracts
- Commercial Waste at Recycling Centres
- Third party service providers
- Payments to Waste Management Contractors

- Northern Ireland Environment Agency (NIEA) returns
- Site Security and Access
- Waste Management Targets

### **Limitation of Scope**

This audit was requested by the Head of Service and included in the Audit Needs Assessment and Audit Plan of work for 2017/18. Waste Management is a huge auditable area and so the audit was limited in scope to cover a high level review. More detailed audits of specific areas of waste management i.e. Domestic refuse collection, Street Cleansing, Commercial Waste, Civic Amenity Sites and Education and Awareness are included within the Audit Needs Assessment to be undertaken in subsequent years.

## **Basis of Audit Opinion**

The Waste and Environmental Management System achieved the highest score of all systems in the Council on the Audit Needs Assessment carried out and reported to Committee in 2017. There are multiple sub systems such as Domestic Refuse Collection, Street Cleansing, Commercial Waste, and Civic Amenity Sites and as such the overall control environment is huge. Overall, this audit found that although many of the key expected controls were in place, there were a large number of areas where recommendations have been made to improve and enhance the control environment.

The detailed findings and recommendations are contained in the main body of this report, however an overview of the main areas in which recommendations have been made is provided in the 'summary of the key recommendations' section below.

As a result of the number and priority of recommendations raised, this audit has been given the audit opinion of 'Improvement Needed'.

Management have responded positively to the recommendations raised, and in some instances have advised that they have already introduced measures to address some of the recommendations made. Internal Audit will verify the implementation of recommendations in a subsequent follow-up audit.

## Summary of Key Recommendations

- **Recommendations have been made to improve controls around the enforcement of environmental legislation.**
  - These include: review of the Enforcement Strategy and Policy, review of the levels of staffing undertaking enforcement duties, plan of work and allocation of workload amongst enforcement officers, approval of officers undertaking enforcement work including an authorised identification card and PACE notebook for Strabane staff undertaking this role, review of the arrangements for the database used to check car registration numbers when the offence of littering from a vehicle takes place. Recommendations have also been made to improve controls around the litter capture process to include: streamlining processes within Derry and Strabane, review of the system used to capture litter information, defined criteria as to why a case will not be progressed, improving the integrity of information on the database, and improvements to the management review processes over the littering database. Internal Audit have also made recommendations to review the level of indiscriminate dumping fines, to address weaknesses in the payment process, to improve performance information in relation to enforcement, timeframe for maintenance of records, classification of 'abandoned' vehicle and cost of collection of abandoned vehicles.
- **Recommendations have been made to review and update working plans and also to improve onsite controls to ensure compliance with site licences and working plans.**
  - These include development of operational procedures including weighbridge procedure, training of staff on operational processes, requesting and filing weighbridge calibration certificates for contractor weighbridges and improving controls onsite in relation to the completion of Site Diary, completion of Pre use Checklist – compactors, completion of General Pre use checklist, maintaining Waste Rejection Sheets on site, completion of staff log records, and improvements to security and access controls.
- **Recommendations have been made to improve the waste management site environmental controls**
  - These include formalising and improving the internal programme of sampling on site, collation of sampling results, ensuring evidence is maintained of internal environmental audits on site, review of risk WEM14 to ensure it reflects issues identified by the Northern Ireland Environment Agency (NIEA) Audits and consideration of a business case for the restoration of the former landfill sites.
- **Recommendations have been made to improve the street cleansing processes**
  - These include improvements in activity monitoring by operational staff, independent internal surveys of littering, development of standard operating procedures and improvement to the current processes in place for dealing with cleansing complaints.

- **Recommendations have been made to improve the bulky waste collection process**
  - These include review of the 'Globeweigh' system, retention of bulky waste scheduling documentation, improvements to the performance monitoring of bulky waste collections and improvements to controls to ensure accurate updating of the information on the 'Globeweigh' system.
  
- **Recommendations have been made to improve controls around commercial waste contracts**
  - These include streamlining the processes within Derry and Strabane, reviewing the entitlement to free waste collections, reviewing the processes around the application of discount for direct debit payment, improving controls around the return of duty of care information, management of the fee for the Council completion of duty of care documentation, and taking action if duty of care information is not returned. Internal Audit have also recommended controls to improve the storage and security arrangements over commercial waste stickers, to improve the timeliness of issue of these stickers, improve the process used to notify operations to halt collections, and improve the audit trail over amendments to commercial waste contracts.
  
- **Recommendations have been made to improve controls over commercial waste processes at Recycling Centres**
  - These include streamlining of processes between Derry and Strabane, and addressing the problems with the Number Plate Recognition software.
  
- **Recommendations to improve contract management**
  - These include developing DCSDC contract management guidelines, having clearly defined roles and responsibilities, and improving the monitoring arrangements through appointment of contract managers, regular site visits, having regular performance review meetings with contractors, reporting regularly on contractor performance and maintaining a clear audit trail that any contract management issues identified have been addressed.
  
- **Recommendations to improve control around payments to waste management contractors**
  - These include having a plan for the rollout of further DCSDC weighbridges on sites, review of the current process for checking 100% invoices given the limitation of assurance that is provided by this check in the absence of DCSDC weighbridges at some sites, requesting weighbridge calibration certificates from contractors, identifying a threshold variance at which investigation of the differences between DCSDC records and contractor records would take place, review of the stage of invoice payment, improvements to the process for notifying staff checking invoices of changes in council vehicles, recording the reason for delays in completion of checks, improvements to recording driver details on weighbridge dockets, review of the level of contractor handwritten weighbridge dockets and improvements in the level of detail on invoices.

- **Recommendations to improve controls over the submission of returns to the NIEA**

- These include access to the Waste Data Flow (WDF) system, procedure and staff training in the WDF process, and ensuring recommendations from the NIEA Northern Ireland Landfill Allowance Scheme audits are addressed.

- **Recommendations to improve site security and access controls**

- These include maintaining evidence of staff training on security of premises, review of site barriers, improvements to key holding arrangements, and ensuring all contractors on site have a site specific induction.

## Audit Work Undertaken

This section provides an overview of the audit work and testing undertaken and key findings arising from these tests. The 'Table of Recommendations' starts on page 76.

The layout of this report is as follows:

**Section 1** – 'Enforcement of Environmental legislation'

**Section 2** – 'Onsite testing at Recycling Centres'

**Section 3** – 'Waste Management Site Environmental Controls'

**Section 4** – 'Street Cleansing'

**Section 5** – 'Bulky Waste'

**Section 6** – 'Commercial Waste Contracts'

**Section 7** – 'Commercial Waste – Recycling Centres'

**Section 8** – 'Monitoring of Third Party Service Providers'

**Section 9** – 'Payments to Waste Management Contractors'

**Section 10** – 'Northern Ireland Environment Agency (NIEA) returns'

**Section 11** – 'Site Security and Access Controls'

**Section 12** – 'Waste Management Targets'

## Section 1 – Enforcement of Environmental Legislation

### Test Description

Internal audit reviewed the controls operating to ensure that Environmental legislation was being applied in practice.

### Findings

This revealed the following:

#### 1A – Enforcement Strategy and Policy

The DEFRA guidance recommends that the council have an effectively planned, resourced and endorsed enforcement strategy which would set the goalposts and provide the framework in which fixed penalty notice enforcement would operate. In addition to this strategy DEFRA recommend that an operational policy should be developed that translates the aims of the enforcement strategy into a day to day operational set of rules to be followed for officers and frontline staff, tasked with issuing and managing the stages of a fixed penalty notice.

The Head of Service advised Internal Audit that there is an approved policy in place known as 'The Enforcement Concordat'. Internal Audit review of this highlighted that it is a generic enforcement policy and isn't really a day to day operational set of rules to be followed for officers and frontline staff, tasked with issuing and managing the stages of a fixed penalty notice, as recommended by the DEFRA guidance. In addition, at the time of audit fieldwork the Enforcement Officers were unaware of any policy. As such there is a lack of assurance regarding compliance with the DEFRA guidance.

#### Recommendation 1

##### Enforcement Strategy and Policy

Senior Management should review the 'Enforcement Concordat' to ensure it covers all areas as recommended by the DEFRA guidance, and following this all staff should be trained on the policy.

#### 1B – Staffing of the enforcement function

Internal Audit was advised that there are 3 full time litter Wardens in Derry and 1 Enforcement Officer and within Strabane there is 1 officer who undertakes both roles. There is a separate officer who deals with dog fouling though this role sits under the Environmental Health directorate and not waste, and therefore this element was excluded from this audit. Internal Audit noted that currently the same grade and role of staff do not all report to the same manager. This makes the management of the enforcement process more difficult.

In addition audit testing highlighted a number of instances when follow-up action had not been taken on offences for a period of time. Upon querying this, Internal Audit were advised that two of the Derry litter wardens had been temporarily transferred in November 2017 to work at the recycling centres in the short term until recruitment of supervisors at the recycling centres was complete. At the date of audit fieldwork February 2018 there was no indication of their return and no temporary cover provided for their role as litter warden in the interim period. Given the time bar in taking litter cases to court this could mean that some of the cases would have to be disregarded, resulting in lost income and potential reputational damage to the Council.

### Recommendation 2

#### Staffing of the Enforcement Section

Internal Audit recommend that the structure of the enforcement function should be reviewed, to streamline the management process and address the weaknesses identified.

In addition Internal Audit recommend that management consider how the service can be appropriately staffed at all times to ensure a sufficient level of litter warden coverage in the council area.

### **1C – Plan of work and allocation of workload amongst enforcement officers**

Internal Audit acknowledge there are hotspots which the litter wardens will regularly visit, however there is no schedule of work in place, or method of allocation of workload between the litter wardens. This therefore makes the management of the processes more difficult if no overall routes or schedules are known. Internal Audit appreciate that if schedules were established to visit a particular location on a particular day then members of the public may become aware of this and it may affect littering in the area. However from an audit perspective, there is a lack of assurance as there is no overall methodology. From an audit perspective, a schedule should be established by DCSDC to demonstrate that geographically all areas are covered and help ensure an even allocation of workload amongst staff. This would also assist with the monitoring process.

### Recommendation 3

#### Plan of work and allocation of workload amongst enforcement officers

Internal Audit recommend that management establish a methodology and agreed route plan to demonstrate that geographically all areas are covered and to help ensure an even allocation of workload amongst staff. This would also assist for monitoring, review and compliance purposes.

## **1D – PACE training**

All officers involved in the issue of Fixed Penalty Notices (FPN's) are required to have undergone PACE (Police and Criminal Evidence Act) training. Internal Audit confirmed that all the Enforcement Officers had undergone PACE training.

However, audit testing showed that within the 2016/17 financial year 20 FPN numbers had been given to the Refuge Supervisor and one to another member of staff. From these 20 cases, on 8 occasions, name and address details were noted of offenders, however no follow up action on these cases was recorded on the database. In addition for the remaining 12 instances, FPN numbers allocated had no details at all recorded on the database. The Enforcement Officer advised that the Refuge Supervisor had requested the FPN numbers as a clean-up operation was ongoing and the intention was he would issue FPN's at the same time as undertaking the clean-up operation. The Enforcement Officer advised that the Refuge Supervisor was one of a number of persons previously approved by Council who could issue FPN's, however she was unaware if this officer had received PACE training.

In addition, Internal Audit were advised of 1 instance when a temporary member of staff who was not at the time PACE trained was taking follow-up action on a case under a different officer's name who was PACE trained.

### Recommendation 4

#### Officers undertaking enforcement work

Internal Audit recommend that consideration should be given as to whether staff outside of the Enforcement Section should be permitted to undertake an Enforcement role. Management should ensure that under no circumstances should an officer be undertaking follow-up action on a case under a different officer's name.

## **1E – Identification passes and PACE notebooks**

Internal audit noted that the identification pass which the Strabane officer is using is just his normal DCSDC work pass, and on the back he has his old Strabane pass with the caution statement written so that he has direct access to the precise wording of the statement. However this is different from the Derry officers who have a distinct pass for enforcement separate from their normal work pass, which states that they are authorised enforcement officers of DCSDC, authorised by the Chief Executive.

Internal Audit also noted that the Strabane Officer is using a normal black notebook to record all potential instances of offence, however more specific PACE notebooks with the caution written on them are used by the Derry litter wardens.

#### Recommendation 5

##### Identification passes and PACE notebooks

Internal Audit recommend that the Strabane Officer should have the same identification pass as the Derry officers and also use the same specific PACE notebook.

### **1F – Weaknesses in the process currently used to check car registration numbers when the offence of littering from a vehicle takes place**

Currently if litter is disposed from a vehicle the litter warden or member of the public will record the vehicle registration number of the car. This will then be checked against the DVLA database to identify the registered owner of the vehicle. An article 20 (letter) will then be issued to the registered owner to advise of the offence and request they provide details of who the offender was. NB the offender may be the driver or passenger/s within the car on the day in question.

Currently DCSDC have only 1 computer from which the DVLA database can be accessed. This computer is currently based within the Strabane offices. The Enforcement Officer advised that this means that all supporting hard copy paperwork is required to be maintained in Strabane also. From an operational perspective this is not practical for the Derry officers responsible for enforcement. Also it results in inefficient processes and delays in the checking of car registration numbers and therefore delays in progressing cases. The Head of Service advised that there is currently no database installed at Derry due to the conditions which DVLA require to be in place to ensure only secure access is achieved. He advised as a result of the current office accommodation at Derry it is not feasible currently to comply with DVLA conditions.

Internal audit are aware that there are alternative databases available which provide up to date information e.g. National Anti-Fraud Network database.

#### Recommendation 6

##### Database used to check car registration numbers

Internal Audit acknowledge that DVLA require strict access controls to be in place. However, Internal Audit recommend that management consider what alternative options are available (including alternative systems) so that access for checking number plates could take place at Derry as well as Strabane, given the volume of checks required in Derry.

## 1G – Weaknesses in the littering data capture process

- Not all potential complaints are being logged. Internal Audit were advised that the Enforcement Officer responsible for review of indiscriminate litter would receive this information via a phone call or on her work answer machine. Currently an audit trail only exists when the complaint has been investigated if there is a case to progress. If the initial communication from a member of the public is not captured there is a lack of assurance that all complaints are being adequately investigated and addressed.
- In addition differing capture methods of the information is taking place between Derry and Strabane. In Derry, information is recorded on an Access database, while in Strabane information is not captured in a database but rather only the official paperwork exists i.e. article 20, FPN's issued etc. As such there is no system in Strabane to easily retrieve information on the level of FPN's issued or to easily identify the progress of cases without going through these on an individual basis. Also Internal Audit noted that the officers are responsible for writing the Fixed Penalty Notice number on the documentation. As a result, each FPN issued is given a consecutive number by the litter warden / enforcement officers. However Derry and Strabane are each using separate systems therefore it is possible that 2 FPN's issued could have the same number.

The Derry databases consist of a number of different worksheets as follows:

- Indiscriminate dumping (fly tipping)
- Littering from vehicle
- Littering in person (very little names on this worksheet)
- Dog fouling (very little names on this worksheet) – Dog fouling is managed by the Environmental Health section and not waste management
- FPN's issued

Internal Audit have concerns over the robustness of the Derry database to identify a full picture of each offence, e.g. the FPN worksheet does not record the overall outcome of the case but rather records the level of fine and when the fine was paid. To identify the outcome of each case i.e. whether it was paid prior to the court, at the court hearing, whether the case was closed for other reasons, or whether the offence resulted in prosecution the other worksheets require to be reviewed alongside the FPN worksheet. As such the audit trail is fragmented and key performance information cannot easily be identified e.g. how many tickets issued, how many of these paid, how many were prosecuted, how many were not followed up due to reasons provided etc. In addition it is a time consuming process to identify if appropriate action was taken to ensure that all money due from FPN's to the council is received.

Internal Audit testing of the Derry databases revealed a number of weaknesses as to the integrity of the data held on the database as follows:

- The information recorded is not complete and accurate. E.g. Internal Audit were advised that the FPN worksheet records information on the level of fine and when this was paid or whether the FPN was cancelled. Initial review of this worksheet showed that 27 of the 90 FPN's issued in the 2016/17 year were not paid. However when Internal Audit checked this information against the other worksheets i.e. fly tipping and vehicle this revealed in numerous instances the FPN had been paid and this had not been updated to the FPN worksheet. Also if the case was closed for a specific reason this is not recorded within the FPN worksheet– rather review of the FPN worksheet only would infer that the case is still open with non-payment of the FPN.
- Review of the other worksheets also showed that on a number of occasions the case was closed perhaps after referring to legal but the exact reason for closure was not noted. Internal Audit also noted instances where the case was closed when there was no reason recorded as to why it should have been closed and (this was particularly the case on the indiscriminate dumping worksheet). In other instances the case was open when the FPN had since been paid and so the case should have been showing as closed.
- In addition testing of the database showed a lack of follow up action on the cases. In numerous cases initial contact had been made with the offender but then no subsequent follow up action had been taken. The Enforcement Officer advised 2 of the litter wardens from the Derry offices had more recently been taken from the section to cover shortages in other waste locations, however this explanation did not explain all the exceptions as numerous of the cases dated previous to the time period when the officers were moved. In a lot of instances the cases have now exceeded the time limit as to when they could be taken to court.
- In addition explanations given to audit as to why cases were not taken further were varied. In numerous instances discretion was applied by the officer. However there is no agreed protocol as to the reasons as to when discretion may be applied. As a result, from an audit perspective some of the reasons provided to Internal Audit appeared to be unjustified.

The Enforcement Officer advised that since the initial date of audit fieldwork, the weaknesses in the current system were recognised by management, and they were planning to develop a new system that would capture everything to be used by both the Derry and Strabane offices.

#### Recommendation 7

##### Streamlined processes within Derry and Strabane

Internal Audit recommend that the processes operational within Derry and Strabane are streamlined so that all information from both council areas is captured and maintained on the one database.

#### Recommendation 8

#### System to capture litter information

Internal Audit recommend that a system is used to record all information to allow a complete trail from cradle to grave of each potential offence, i.e. right from the initial communication from the member of the public right through to issue / payment of FPN, and /or closure of the case. Officers should be given clear guidance as to the amount of information to be recorded on the database to provide a satisfactory audit trail as to the progress of each case. This would provide assurance that all potential offences have been investigated, FPN's issued where appropriate and all income appropriately received, or follow up legal action taken when the FPN is not paid unless a satisfactory reason for not following this exists. (Internal Audit note that the Tascomi system used in other areas of the council could be used for this purpose. This would allow all calls to be logged, and would allow a complete audit trail to demonstrate how officers reacted to the call. It would allow information to be more easily retrieved on repeat offenders, etc. and facilitate the easy extraction of information for performance information purposes).

#### Recommendation 9

##### Defined criteria agreed as to why a case will not be progressed

Internal Audit recommends that a documented policy is developed confirming the reasons that can be accepted as to why payment of a FPN may not be pursued. This would provide management with a level of assurance that all potential offenders are treated equally.

#### Recommendation 10

##### Integrity of database

Internal Audit recommend that staff are reminded of the importance of ensuring that the databases are updated with actions on a live basis and that action on all cases should be undertaken on a timely basis. Training should be provided to staff as to the level of detail to be recorded on the database.

#### Recommendation 11

##### Management review of littering database

Internal Audit recommend that management regularly review the database to ensure that satisfactory action is being taken on all cases and to ensure a satisfactory level of audit trail exists.

## 1H – Enforcement Action

Internal Audit testing of indiscriminate dumping covered 2 areas, the level of fines issues and the recording and payment of these fines.

Review of the database showed that in the 2015/16 year, a total of 26 fines were issued, and in the 2016/17 year, this had reduced to only 6 fines being recorded on the database. From an audit perspective, this level of fines for indiscriminate dumping appears low.

In addition Internal Audit noted that of those fines issued only a small amount had been paid. Of the 26 fines issued in the 2015/16 year only 5 were recorded as paid on the database with 4 being recorded as being cancelled. In the 2016/17 year, all 6 fines recorded on the database were showing as closed. Internal Audit noted that in only 1 of these instances had the fine been paid, in 3 instances discretion was applied (without clear criteria as to whether the reasons offered should have been accepted) and in 2 instances no explanation was noted on the database as to why the case had been closed. Internal Audit queried the reason for closure with the Enforcement Officer however the officer advised that they could not remember the reason.

At the time of audit 12 fines relating to the 2017/18 year had been recorded within the database.

Internal Audit are aware that more recently a Fly tipping Sub Working Group has been established under the Joint Local and Central Governing working group to consider and agree protocols with regard to incidents of indiscriminate dumping on a regional / local basis. The purpose of this group is to examine how agreement can be reached between central and local government on the response to fly tipping.

### Recommendation 12

#### Level of indiscriminate dumping fines

Internal Audit recommend that management review the reasons why such a low level of fines are being recorded as issued for indiscriminate dumping.

Furthermore, management should consider a review of the process and methodology used to record indiscriminate dumping information on the database. (This is linked to recommendation number 8 above).

## 1I – Weaknesses in the payment process

Internal Audit review of the Derry FPN worksheet and payment of fines showed that in numerous instances the discounted payment of £50 had been accepted even though the

timeframe for the discounted amount had been exceeded, and the full fine payment of £75 should have been paid. Internal Audit note that the database currently in use within Derry is formatted with a column to show the FPN issue date and another column to show the last payment date when the £50 should be accepted (which should be 14 calendar days from the date when the FPN was issued). Internal audit noted that within the database the date recorded for the £50 payment is often more than 14 days after the FPN issue date and testing showed that payment of £50 was accepted in numerous instances way after the 14 day timeframe had passed from issue of the FPN. Internal audit queried this with the Enforcement Officer and were advised that extra time would be given and that any payment offered would be accepted rather than no payment. Internal Audit noted that the cashiers accept the payment given by the offender and no check is made to confirm if the correct amount of payment has been received whether £50 or £75. This is resulting in a loss of income to the Council. The Enforcement Officer advised Internal Audit that the cashiers are given a copy of all FPN's when issued which states the date of issue of the FPN and 14 day timeframe within which the reduced fine would be accepted.

#### Recommendation 13

##### Weaknesses in the payment process

Internal audit recommend that a check is performed at the time of payment to ensure the correct amount is being received in line with Council policy.

## **1J – Performance Information**

The litter information for Strabane is not captured in a database. Instead, only the official paperwork exists so there is no way of easily identifying performance information in relation to littering. The Enforcement Officer Strabane advised that with the exception of Freedom of information requests he is not asked to provide any performance information in relation to littering. As such the current performance information collated for the 'Keep NI Beautiful' survey and APSE surveys is based upon information held in the Derry database only.

Due to the weaknesses identified above with the databases, there is a risk that performance information is not reported accurately and consistently to different organisations, i.e. information is currently reported within the 'Keep NI Beautiful report' and APSE surveys in relation to the number of FPN's issued. Internal monitoring of performance does not take place on an ongoing basis, nor is any information reported to committee or published on the DCSDC website relating to the level of FPNs issued, level paid, number of offenders prosecuted etc. Department for Environment Food and Rural Affairs (DEFRA) recommends monitoring of the percentage number of FPN's paid and states that the target should be a minimum payment rate of 75%.

#### Recommendation 14

#### Performance Information

Internal Audit recommends that improvements are made to the capture of performance information. This should be a consideration within the database used to record information, which should have the capability to allow information to be easily collated for both the Derry and Strabane locations.

### **1K – Timeframe for maintenance of records**

Internal Audit noted that the information on the databases dates back to the formation of the new Council in April 2015, whereas the Enforcement Officer for fly tipping advised Internal Audit that this information is required to be maintained for a maximum of 18 months after the case has been closed i.e. after the fine has been paid, or the FPN written off for whatever reason. The Enforcement Officer advised they may receive requests for Freedom of Information (FOI) from 4 to 5 years ago.

#### Recommendation 15

##### Timeframe for maintenance of records

The new Data Protection Regulation GDPR requires that processes are established to ensure that data is only maintained for the length of time it is required. As such Internal Audit recommend that management confirm the legal period of time for which this information should be retained and establish processes to ensure that data is maintained for a maximum of this period only after the case has been closed. If FOI requests are received for information outside of this time period the legal requirement can be outlined as part of the response.

### **1L – Purpose for which FPN income can be used**

#### **Purpose for which FPN income can be used**

Legislation defines that income received from FPNs relating to litter must be used for either litter, dog control, graffiti and fly-posting. The Enforcement Officer for fly tipping advised that currently any monies received from FPN's is allocated to the central funds of the Council and are not specifically given back to the unit.

#### Recommendation 16

##### Purpose for which FPN fines can be used

Internal Audit recommend that senior management consider reviewing the use for which monies from FPN's is allocated.

## 1M – Classification of ‘abandoned vehicle’

Internal Audit identified via discussions with the enforcement officers that Derry and Strabane are currently using different criteria to determine whether a vehicle is to be regarded as an abandoned vehicle. Within Strabane the officer will identify if the vehicle is at least 1 month out of tax and this will be the determining factor in classifying it as abandoned, whereas in Derry an untaxed vehicle will not be the sole factor considered in this determination. Rather the officer in Derry advised a multitude of factors will be considered including how long the vehicle had been at that location, where it is parked, if there is rubbish in vehicle etc.

### Recommendation 17

#### Classification of ‘abandoned vehicle’

Derry and Strabane need to use the same criteria to determine whether a vehicle is to be regarded as abandoned, in compliance with the relevant legislation and Code of Practice.

## 1N – Cost of collection of abandoned vehicles

Internal audit testing noted that one supplier was responsible for the collection of abandoned vehicles. Internal Audit reviewed the level of spend in this area for the 2016/17 year and given the level of spend identified, this should be subject to a quotation exercise. The Head of Service subsequently provided to Internal Audit the committee paper which showed that the award of abandoned vehicle contract was subject to a competitive exercise and that at that time the award of this contract was considered value for money.

However the Enforcement Officer advised that the current rate charged per vehicle on the DCSDC contract now appears to be expensive in comparison to the rate payable by other councils to their contractors for this service. This officer advised that she compared costs at the Enforcement Officers Meeting with representatives from other councils.

At the time of audit the contract documents (including the timeframe for the award of the contract) was not available for audit review and the timeframe for the award of contract was not specified within the committee paper. Therefore from an audit perspective there is a risk that the council contract may not currently demonstrate value for money if the contract period has run out.

### Recommendation 18

#### Cost of collection of abandoned vehicles

#### **Recommendation**

Internal Audit recommend that management locate the detailed contract documents to identify the contract award period and when the contract should be subject to another competition exercise. This would assure management that value for money is being achieved in the collection cost for abandoned vehicles.

## Section 2 – Onsite testing at Recycling Centres

### Test description

Internal Audit reviewed compliance with site licences and operational working plans by selecting and visiting 2 Recycling Centres to determine compliance of the operational processes with the directives prescribed within the licences and working plans. The 2 sites selected were Pennyburn Recycling Centre and Strahan's Road Recycling Centre. Where applicable, controls were tested for all sites e.g. site licences and working plans.

### Overview

Internal Audit reviewed controls in the following areas:

- Signage;
- Copy of Site Licence / Site Working Plan retained on site;
- Training;
- Site Diary;
- Pre use Checklist – compactors;
- General Pre use checklist, Weekly log sheets;
- Waste Rejection Sheets;
- Staff log record;
- Visitors Book;
- Weighbridge;
- Hazardous waste processes;
- Containers / storage facilities;
- Operator monitoring on site;
- Processes regarding commercial waste on site;
- Review of security and access controls on site;
- Site rules.

From the testing undertaken at 2 locations Pennyburn and Strahan's road, Internal Audit confirmed the following controls were in place:

#### Signage:

Overall both locations are complying with the requirements of their working plans regarding signage. Internal Audit confirmed that signs are in place to advise users of hazards, traffic control, recycling containers etc.

For the Pennyburn Site, at the time of audit fieldwork, there was no sign specifically stating that contractors must report to the site office as outlined within the working plan, however

as key fobs are used in Pennyburn the operatives would not need to report to site office unless the weighbridge machine is not working.

The working plans for both locations requires the noticeboard to be inspected at least once per week, however there was no evidence available for audit review to confirm this takes place. The Waste Services Officer advised that a record would only be maintained if there was an exception and then the defect would be reported accordingly.

The working plans requires signage to be in place clearly displaying up-to-date licences and permissions. Internal Audit noted that the licence numbers are displayed on the entrance signs, however the licences are not displayed on this sign. The Head of Service advised only the licence number is required to be displayed on the main entrance sign.

#### **Copy of licence and working plan on site:**

##### Pennyburn site

Internal Audit confirmed that a copy of the Working Plan was maintained on a file within the site office. However only the old licence was contained within this file. The Waste Services officer advised that the new licence has subsequently been placed on file within the site.

##### Strahan's Road site

Internal Audit confirmed that a copy of both the current licence and Working Plan was maintained on a file within the site office.

#### **Visitors Book**

##### Pennyburn site

Internal Audit viewed the visitor's book for a period of time and confirmed that it recorded all the required details as per the working plan.

##### Strahan's Road site

Internal Audit were advised there is not a separate visitor's book currently in place, rather she advised details of any visitors would be recorded in the site diary. Internal Audit review of the site diary for a period of time showed contractor information being recorded but during this period no other visitors were recorded onsite.

#### **Documentation**

For both locations consignment notes i.e. Waste Transfer Notes (WTN) plus dockets are being left on site by all drivers (with the exception of DCSDC drivers).

#### **Storage of waste**

For both locations Internal Audit is satisfied that appropriate containers / storage facilities are in place for the receipt and storage of acceptable waste types, and these containers / bays are clearly defined and labelled.

**Issues identified:**

However as a result of onsite testing a number of weaknesses were identified. The Head of Service advised that management have now appointed an additional supervisor to the Pennyburn site and are in the process of appointing a further supervisor. The role of these 2 new supervisors will be to specifically and exclusively manage the operational aspects of this site. This will be an additional resource to assist in addressing some of the weaknesses identified within the Pennyburn site.

## **2A – Site Licences**

At the time of audit fieldwork Internal Audit reviewed the site licences for all Recycling Sites and noted that all Strabane sites were still stating Strabane District Council on their licence and not DCSDC. The Head of Service has since advised that all licences have now been updated to state DCSDC.

## **2B – Working plans**

### **Findings**

A number of the working plans for the Derry sites reviewed by Internal Audit relate to legacy councils even when the licence has been updated to DCSDC. In addition, at the time audit testing, Strahan's Road was the only Strabane site with a working plan available for review. Also, Internal Audit noted that a lot of working plans are generic and are not site specific. For example, the working plan for Pennyburn requires a pre use checklist to be completed for a forklift truck, however, there is no forklift truck on the Pennyburn site. Similarly the working plan for Pennyburn requires the completion of a weekly log sheet, however there is no weekly log sheet maintained at Pennyburn but rather a weighbridge report is printed from the system and a copy of the controlled waste transfer note kept for each collection.

Internal Audit were advised that the Waste Manager is currently working on updating all the available working plans. This is due to upgrades that have taken place at Recycling Centres, as a result of which the operational practices have changed and also as a result of the name change to the new Council.

### Recommendation 19

#### Working Plans

Internal Audit recommend that:

- (i) For assurance purposes, all Working Plans should be available for review at all times.
- (ii) Working Plans should be updated to reflect the change in council name and ensure the plans are site specific and reflect the operational practices at each site, including the security elements on site.
- (iii) Evidence should be retained that the updated plans are approved by the NIEA for all DCSDC sites.
- (iv) Given the volume of work which this will entail Internal Audit recommend that a timetable is created for the development of these working plans and progress regularly reviewed.
- (v) In addition to maintaining a copy of both the licence and working plan on site, a central file should be maintained in the waste section at Strand Road containing all the licences and working plans as these took a period of time to locate during the audit.

## **2C – Operational procedures including weighbridge procedure**

### Findings

There are no operational procedures onsite setting out clear instructions for the completion of onsite records or, for example, a procedure covering all aspects of the operation of the weighbridge for DCSDC sites which have a weighbridge. The exception was Strahan's Road which had a weighbridge manual but Internal Audit review of this document showed that it was more of a software manual provided by the suppliers when the weighbridge was installed, and is not a user friendly document for site operatives.

### Recommendation 20

#### Operational procedures including weighbridge procedure

Internal Audit recommend that a procedures manual is developed setting out clear instructions for the completion of onsite records and a separate procedure developed on the operation of weighbridges for the relevant facilities.

## **2D – Training of staff on operational processes**

### Findings

Staff on site are required to attend a range of formal health and safety courses and attendance is documented and maintained within a matrix. However other training from a system and operational perspective (including the operation of the weighbridges) is not formal. Rather the Waste Services Officer advised this would be received 'on the job' and the new staff member would be given mentoring for a limited period of time.

#### Recommendation 21

##### Training of staff on operational processes

Internal Audit recommend formal training is delivered to staff on the various operational procedures and processes including the operation of the weighbridge where relevant. Records should be maintained of attendance at this training.

## **2E – Weighbridge calibration certificates**

### **Findings**

Internal Audit were advised all DCSDC weighbridges are calibrated annually and certificates were obtained at the time of audit fieldwork to confirm this. However Internal Audit noted that a number of these had to be requested from the suppliers subsequent to audit request.

In addition, for those sites which do not have a weighbridge DCSDC are placing reliance upon the weights provided by the contractor. As such it is imperative that DCSDC confirm that the contractor's weighbridges are regularly calibrated by a reputable firm. Currently DCSDC do not request evidence of this calibration having taken place from the contractors and therefore this is a lack of assurance that the tonnages charged to DCSDC are accurate.

#### Recommendation 22

##### Weighbridge calibration certificates

Internal Audit recommend that DCSDC request a copy of the calibration certificate from contractors.

Internal Audit recommend that a file is maintained in the central waste office of all the calibration certificates both for DCSDC weighbridges and the contractor's weighbridges. A summary log should be maintained at the front of the file to ensure the calibration certificates are always up to date.

## **2F – Removal of hazardous wastes**

### **Findings**

Internal Audit were advised that on the rare occasion when hazardous waste is identified on site firms are contacted on an ad-hoc basis to remove the waste.

Testing at the Pennyburn site confirmed that staff on site at the date of the audit visit were aware of how hazardous waste should be dealt with from a health and safety perspective. Internal Audit were advised in January 2018 that in the last 3 months there had been about 4 instances of hazardous waste being deposited at the Pennyburn site. On one occasion the temporary supervisor identified the offender and issued an illegal dumping fine. Internal Audit confirmed this via the sample reviewed in the littering test fine. The Working Plan for Pennyburn states:

‘All incoming waste will be checked to ensure compliance with the categories of waste permitted for disposal in the waste management licence. Any unauthorised wastes i.e. asbestos that have been left on the site will be isolated and reported to the NIEA’

The Head of Service explained that sites are permitted to accept some forms of hazardous waste in terms of oils, paints, electrical fittings etc. and have proper arrangements in place for the safe collection and storage of these items. There are other items that are out with the site licence with the Working Plan detailing what actions staff should take on site in terms of non-conforming wastes. He advised that Working plans do provide guidance around non-conforming materials, for example, that they are moved to a quarantined area. However, the non-conforming materials may not be identified initially, for example, asbestos may be hidden inside the waste initially. However he advised the difficulty is that on some occasions it is only post disposal that the non-compliance or hazardous nature of the wastes may be identified making it difficult to identify and take action against the person responsible. Also, these hazards have been identified in the Safe Systems of Work documents used in Tool Box Talks with all staff. The hazards / associated risks and enforcement action will be communicated to staff as part of future training.

## **2G – Issues identified from onsite testing**

### **(i) Site Diary**

#### Pennyburn site

Internal Audit confirmed that a site diary was in place. Internal Audit viewed this for a period of time to ensure it recorded the appropriate information as prescribed in the working plan. Internal Audit noted the following exceptions for the Pennyburn site for the period reviewed:

- Overall limited information is included within the diary. On the majority of days little is written. On some days reviewed by Internal Audit nothing at all was written within the diary.
- Not all persons on site are recorded each day.
- Weather conditions are not stated

- Nothing was noted re rejected waste
- Nothing was noted re spillages
- Nothing was noted regarding the monitoring of ariel emissions
- Nothing was noted regarding pest control
- Nothing was noted regarding PPE
- Although the name of the technically competent person was noted on the day when they were on site, in only 1 instance was the arrival and departure times noted as required by the working plan. Also Internal Audit note that the working plan requires a technically competent person to be on site. The Head of Service advised Internal Audit that the Operator Competence Certificate requires that this person spend 20% of their time on site. However there is currently no method to evidence the percentage of time which this person spends on site.
- Monthly inspection of engineered containment was not recorded although maintenance of the compactor was recorded.
- Site security inspections were not recorded within the diary, however review of security arrangements is contained within a separate Attendant's Daily checklist.
- In the period reviewed there was evidence in the diary of equipment breaking down and the Waste Services Officer being informed of this, however there was no evidence of any repairs recorded within the diary.
- No construction work was noted in the period reviewed
- No start and finish times are recorded of daily waste management activities on site, initials or sometimes names of the operatives were noted in most instances but not all.
- In the period reviewed there was nothing noted in the diary re any problems with waste received.
- In the period reviewed there was no evidence of site inspections
- No specific instruction noted regarding compliance with licence conditions.
- Nothing noted in diary re despatch of records to the Department
- No complaints noted within the diary
- No environmental problems noted
- No actions noted in relation to site monitoring

#### Strahan's Road Site

Internal Audit confirmed that a site diary was in place. Internal Audit viewed this for a period of time to ensure it recorded the appropriate information as prescribed in the working plan. Internal Audit noted the following exceptions for the Strahan's Road site for the period reviewed:

- Although there was evidence of staff initials being recorded, this was not the case for every day.
- Nothing was noted re rejected waste, though challenges were recorded to persons potentially considered to be depositing commercial waste.
- Nothing was noted re spillages

- Nothing was noted regarding pest control
- Nothing was noted regarding PPE
- In the period reviewed the name of the technically competent person was noted only twice, in 1 of these instances the time was noted. As per the finding in the Pennyburn site there is currently no method to evidence the percentage of time which this person spends on site.
- Monthly inspection of engineered containment was not recorded
- No construction work was noted in the period reviewed
- No start and finish times are recorded of daily waste management activities on site, initials or sometimes names of the operatives were noted in most instances but not all.
- In the period reviewed there was no evidence of site inspections by the operator
- No specific instruction noted regarding compliance with licence conditions.
- Nothing noted in diary re despatch of records to the Department
- No complaints noted within the diary
- No environmental problems noted
- No actions noted in relation to site monitoring

#### **(ii) Pre use Checklist – compactors**

The pre use checklist requires the operator to confirm a number of checks to the compactor and a number of other pre use checks. It also has a separate section when any defects should be recorded. The sheet is required to be signed by the operative / attendant and reviewed by a supervisor.

Internal audit selected a 2 week period of this checklist for review and noted the following:

##### Pennyburn site

- For 2 days the pre use checklist for compactors was not completed at all
- In 3 instance the sheet had not been signed by the attendant, in 1 instance it was signed 'Pennyburn' and in 2 instances it was not signed at all.
- The checklists were not signed by the supervisor for any of the dates reviewed. The Waste Services officer advised he would sign if something was wrong, however in 1 instance when there was something wrong, no signature was recorded. Internal Audit also noted that in 1 instance when a defect was identified the follow up action taken was not documented.

##### Strahan's Road site

For the period reviewed on a number of occasions the sheets were not completed. There was also nearly a 2 week gap between the date of the last sheet available for review and the date of the site visit and there was no written evidence that these checks had been completed

during this time period. Internal Audit were advised that the operatives were waiting on a new book, but this should have been on site prior to the old one being completed.

### **(iii) General Pre use checklist**

Internal Audit reviewed the pre use checklist and noted that it requires the attendant's name, date and time of check to be recorded. It also require checks to be undertaken on:

- Site building
- Fences / gates
- Gully's drain interceptor
- Waste compactor
- And then each type of skip / bottle bank, type of waste for disposal container to be reviewed.

The sheet has also space where any defects should be recorded together with action taken. The sheet is formatted to allow this to be signed and dated by the supervisor.

#### **Issues:**

For both locations the general pre use checklist does not specifically state what security and access checks were undertaken, camera checks, shutter etc.

#### Pennyburn site

Internal Audit reviewed the pre use checklist for a 2 week period and noted the following:

- Of the period reviewed on 2 occasions the sheet not completed at all
- On 2 occasions the check was recorded as being undertaken after the opening time of the centre to members of the public
- On 1 occasion the sheet was not signed, dated or the time recorded by the person performing the check
- None of the sheets had been signed by a supervisor. The Waste Services Officer advised he would only sign if there had been a defect, in which case he would refer to Property Management to get the defect repaired.

#### Strahan's Road site

Strahans Road have a lot of different material types which require to be individually listed by operators within the 'other' sections of the checklist. Internal Audit review of forms showed that the information recorded here relating to the additional types of material was not always being recorded consistently. As such it would be beneficial if the format of this form for Strahan's Road could be changed to mirror the materials on the Strahan's Road site rather than a number of the materials always having to be handwritten within the 'other' category.

Internal Audit reviewed the pre use checklist for a 2 week period and noted the following:

- For all days reviewed, a checklist had been completed (with the exception of Sundays when the site doesn't open). However Internal Audit noted that 2 sheets had been written for the same day with different information recorded.
- On 1 occasion operators did not fully complete the sheet, i.e. they did not sign their names, and ticks were not included on the sheet as evidence of the checks having taken place. Also on a number of occasions only the operator's initials were recorded on the sheets rather than their full name.
- On 5 occasions, defects were recorded, however the action taken was only written on 1 of these sheets. Internal Audit acknowledge that some of the successive days the same defect is recorded but action taken is not noted.
- On only 1 occasion was the sheet signed within the supervisory space

#### **(iv) Waste Rejection Sheets**

On the date of audit fieldwork no rejection sheets could be located for either site.

#### **(v) Staff log record**

##### Pennyburn site

The staff log record is not being completed daily, nor does it accurately record the number of attendants / supervisors on site. At the date of audit fieldwork Internal Audit viewed a new book starting at ref no 3802 on 11/03/17 (therefore only 4 days entries at the date of the fieldwork visit). The previous staff log books to this could not be located on site.

Internal Audit reviewed the log record for the 4 days since it commenced and noted the following:

- Agency staff names were not being recorded on occasions. Therefore there was a lack of assurance that 4 site attendants were on site as is required by the licence.
- On 1 occasion when the names were recorded the time on site was not recorded.
- Regarding the requirement that the Waste Services Officer / Lead Charge Hand should be on site. This is signed off by the Waste Services Officer when he visits the site and is signed off approximately once per week.

##### Strahan's Road site

A separate staff log record is not maintained at the Strahan's Road site, rather Internal Audit were advised that names would be recorded within a staff rota. However from an audit perspective this is not sufficient as changes to the rota could take place and it is important to demonstrate that the number of attendants / supervisors on site complies with licencing and work plan requirements. Review of the diary showed that initials of those working were recorded within the diary in some instances.

#### **(vi) Weighbridge**

Internal Audit noted that for the Pennyburn site reliance is placed upon the driver to identify the correct material type at the weighbridge key fob machine. If the wrong type is selected DCSDC is likely to be invoiced for an incorrect amount. Internal Audit confirmed by subsequent testing that the invoicing of incorrect material types is on occasions an issue. Also, as noted earlier in this report, weighbridge procedures are also absent.

#### **(vii) Security and access controls**

The licence requires boundary walls / fences of a height of 1.8m to be in place surrounding the site. Internal Audit performed a walk around on the days of the site visit and it appeared that for the Pennyburn site at certain places the walls fences were not this height. However without a way to measure, this was difficult to ascertain with any degree of certainty. In addition, Internal Audit noted that there were no barriers on the Pennyburn site at the time of the visit.

Internal Audit were advised that the main entrance is locked, other containers are left open.

Internal Audit also noted issues re key holders – however this is raised below at section 11D.

For both locations Internal Audit viewed a copy of the site rules while on site. However these do not explicitly state that it is a requirement for operatives to sign in at each site.

Additionally, the Head of Service advised there is a red eye system in place at Pennyburn at night which is monitored 24/7.

### Recommendation 23

#### **Onsite testing – working plan compliance**

Taking into consideration the detailed exceptions noted by Internal Audit, it is recommended that management ensure that staff on site comply with all the requirements of the working plan specifically with regard to all the areas highlighted by Internal Audit. All documentation should be completed as prescribed and retained securely for evidence and review purposes.



## Section 3 – Waste Management Site Environmental Controls

### Test Description

Internal Audit reviewed the adequacy of the Waste Management Site environmental controls in place.

### Findings:

Internal audit identified the following controls in place:

- Site licences and discharge consent forms for each site will stipulate what environmental monitoring is required to be undertaken.
- The NIEA undertakes monitoring at all sites and issues a report to DCSDC of any concerns they have with their sampling programme.
- There are dedicated staff allocated to undertake Environmental Monitoring on site. There is an Environmental Engineer Officer and Environmental Monitoring Assistant in post, however Internal Audit noted that the person undertaking the Environmental Assistant Monitoring post is required to also spend a significant amount of his time undertaking invoice checking which impacts on the amount of time he has left to undertake the environmental role.
- These officers undertake quarterly water sampling within the Derry Recycling Centre (RC) sites, the Strahans Road site in Strabane, CODA and the former Duncastle landfill site. In addition groundwater, surface water and landfill gas monitoring takes place at the Culmore and Duncastle landfill sites. (For the Culmore landfill site this is undertaken on a monthly basis. The sampling Programme for the 2 landfill sites was agreed with the Northern Ireland Environment Agency (NIEA). These samples are sent to an accredited UKAS laboratory for analysis and the council receive regular reports back from them analysing each sample in both a PDF and spreadsheet format. The Environmental Monitoring Officer will collate the results into a master spreadsheet to more clearly show the sample history per site.
- Based upon sample results the Environmental Engineer Officer will prepare a quarterly report to NIEA for the Culmore site.
- A contractor has been appointed to regularly remove the leachate from the pond within the former Duncastle landfill site. Internal Audit were advised that the leachate is generated by rainfall, as such there will always be leachate from this site. Maintenance is completed on this landfill site as and when required.

- Internal Audit were advised that in addition to water sampling the Environmental Engineer Officer and Environmental Monitoring Assistant in post would undertake internal environmental audits on site.
- A leachate treatment plant is now operational at the former Culmore landfill site.
- DCSDC have made financial provision for aftercare costs for the Culmore site for the next 20 years and also have generated income from royalties received from the sale of gas on the site.

Internal Audit identified the following issues to be addressed:

### **3A – Internal programme of sampling on site**

#### **Findings**

At the time of audit fieldwork the only Strabane site included on the DCSDC internal monitoring sampling programme was Strahans Road. Since the audit visit the Environmental Engineer Officer has advised that he will include all the Strabane sites on the schedule going forward although obviously this will have time commitment implications. The Officer advised that currently he doesn't receive many queries from the NIEA on the other Strabane sites.

#### Recommendation 24

##### Internal programme of sampling on site

A formal programme of inspections should be developed including the Strabane sites to ensure that all sites are subject to review and for evidence / assurance purposes. From an audit perspective, there is a need for management to be able to demonstrate that there is a more formal approach to the inspections regime and that the finite resources are being applied to the areas of greatest risk. There is a need for waste management to be able to plan and carry out the inspections and have the resources to do so. If the resources are not available, then the inspections regime should be targeted demonstrably at the areas of greatest risk or through cyclical inspections e.g. if the Strabane sites are considered to be lesser risk then they could be inspected less frequently. Waste Management should aim to provide management information around the inspection regime and have a targeted programme of inspections. It is then up to management to monitor the programme for completions and ensure that the planned inspections are being completed.

#### Recommendation 25

#### Internal programme of sampling on site

Additionally, management should consider guidance to ensure clarity around the inspections carried out by waste management staff and detail on what assurances are being provided by Council as a result of these inspections and in what areas. Furthermore, any gaps in the assurance framework identified should be evaluated and action taken if necessary, for example, through the provision of training.

### **3B – Collation of sampling results**

#### **Findings**

Internal Audit noted that at the date of audit fieldwork the master record of results had not been updated for a period of time. The Environmental Engineer Officer advised this was due to workload and time pressures. As such there is a lack of assurance that results are being collated and reviewed as necessary.

#### Recommendation 26

#### Collation of sampling results

Internal Audit recommend that the master spreadsheet of laboratory results is updated as soon as possible so that a clear audit trail is available for each site. Action should be taken on any issues identified by these lab results on a timely basis.

### **3C – Internal Environmental audits on site**

#### **Findings**

At the time of initial audit fieldwork the Environmental Engineer Officer advised that environmental audits would be undertaken, however he advised no record would be maintained on these inspections but rather any issues identified would be recorded in his work diary for follow-up. While the audit was progressing and upon audit recommendation the Environmental Engineer Officer developed a standardised checklist of areas to be reviewed as part of these internal environmental audits. These would provide senior management with a level of assurance that these audits took place. However more recent fieldwork showed that these sheets were still not being completed on a regular basis as evidence of the audits having taken place. The officer advised this was due to workload and time commitments.

In addition the officer confirmed that there is not currently a structured timetable as to when these internal environmental audits should take place. Rather he advised he would try to undertake them at the sites on the same day that he is visiting the sites to take the water samples. However given the number of sites to visit and time commitment required, he

advised this is not feasible with the current resource. From an audit perspective there is therefore a lack of assurance that the internal environmental audits are taking place in line with Best Practice.

#### Recommendation 27

##### Internal environmental audits on site

Internal Audit recommend that resources are allocated to undertake internal environmental audits. These should be evidenced not just on an exception basis by noting exceptions within the diary but rather that the environmental checklist developed should be completed for each audit and any follow-up action required noted by the officer on the checklist. These checklists should be retained on file as evidence and assurance that these checks have taken place.

### **3D – On site daily inspection sheets**

#### **On Site Daily Inspection sheets**

##### **Findings**

Daily inspection sheets are completed by the attendants on site as a check to ensure that the site is in compliance with the licencing requirements and to check that everything on the site is in working order. Internal Audit were advised that these sheets include environmental areas, however Internal Audit review of these checklists highlighted that they did not include environmental / health and safety controls on the following areas:

- Pest control measures
- Odour
- Dust control
- Interceptor tank
- Spillage
- Drains
- Compound / service area
- Condition of containers for all waste types

##### **Recommendation**

See recommendation 23 above

### **3E – Northern Ireland Environment Agency (NIEA) Audits**

##### **Findings**

The NIEA undertakes monitoring at all sites and issues a report to DCSDC of any concerns they have with their sampling programme. Internal audit were advised by waste management that DCSDC respond effectively to regulatory environmental inspections by the NIEA. However, Internal Audit noted that in November 2017 the NIEA wrote to the council in relation to an alleged polluting discharge from the Pennyburn site. The council responded to this advising of actions that would be put into place to address the concerns raised. On this occasion the NIEA accepted the council's response and acknowledged that although this was a serious pollution incident, they proposed taking no further action on this occasion. However they advised that should any further discharge take place the Department would have no hesitation in referring the matter to the Public prosecution service.

Internal Audit reviewed the risk register and noted that management had identified a risk - risk no WEM14 Waste Management Site environmental controls are not adequate. This risk was scored residual likelihood 2, residual impact 4 giving a total score of 8 which placed it in the medium category in the Councils risk scoring matrix.

#### Recommendation 28

##### NIEA Audits

Internal Audit recommend that risk no WEM14 should be re-evaluated in light of the recent issue identified by NIEA and consideration given to whether the current controls are adequate.

Please note that it is standard practice at the completion of all audits that risk registers are reviewed to take account of any audit findings and recommendations raised.

### **3F – Consideration of restoration of the former landfill sites and Duncastle and Carricklee**

#### Recommendation 29

##### Restoration of the former landfill sites

Given the ongoing leachate costs removal from the Duncastle site, Internal Audit recommend that management consider developing a cost / benefit analysis of restoring and having an aftercare programme in place for both this site and the former Carricklee landfill site in Strabane.

## **Section 4 – Street Cleansing**

### **Overview of area provided by Head of Service**

The Head of Service advised that Waste Management were in the process of restructuring the cleansing service. He advised that as part of this exercise the allocation of responsibility for monitoring and reporting on the cleansing processes will be reviewed.

The Head of Service advised that the plan is to ensure that each supervisor will have a monitoring role over their crew, and each crew will be allocated a specific schedule of cleansing areas. He advised that management have recently attended a presentation for a software system that would support the proposed changes to the monitoring of street cleansing and this system would also improve health and safety risk assessments.

He advised that plan is to take this forward in the 2018/19 financial year and there will be new rotas / work schedules developed.

### **Test Description**

Internal Audit reviewed the controls in place over the area of Street Cleansing.

### **Findings:**

Internal audit identified the following controls in place:

- DCSDC are kept informed of changes in legislation via consultation processes with those issuing the legislation and also as a member of APSE ‘the Association for Public Service Excellence’.
- The ‘Keep NI Beautiful’ initiative was established as a result of the Litter Order. They carry out external audits and grade locations and a borough report is produced annually which is published on their website. DCSDC are part of this process. In addition DCSDC have engaged ‘Keep NI Beautiful’ to undertake an additional survey once per quarter in total covering 400 transects annually. Internal Audit were advised that at the date of fieldwork DCSDC were meeting their target.
- DCSDC have also recently embarked upon creating their own internal survey process for littering. The rationale was that the survey methodology employed by Keep NI Beautiful does not reflect the various factors and conditions that influence output achievements, factors such as work schedules, resource levels, weather conditions, public behaviour, external input, fresh or old litter and other miscellaneous factors. As such work is ongoing to develop a methodology that can be employed internally to assess DCSDC performance taking into consideration the above factors. To date some limited surveys have been undertaken by this officer so that the procedures for undertaking these surveys can be refined.
- Street Cleansing schedules / rotas are in place and the operator is required to complete a worksheet to confirm which locations were cleaned each day. The Streetscape Manager

advised that the operatives can be flexible as to the order in which they perform their schedule of work e.g. if a funeral is taking place due to roadworks, weather conditions etc. However if the operator is unable to complete their schedule of work locations for that day they are required to document the reason why on their worksheet.

**Internal Audit identified the following issues:**

#### **4A – Lack of activity monitoring by operational management**

##### **Findings**

Internal Audit were advised that previously supervisors would have undertaken formal monitoring however this practice stopped and the emphasis was placed on the new internal surveys of litter. Internal Audit were advised that the monitoring sheet completed by street cleansing staff is more from a health and safety perspective. As such to date there has only been a limited amount of surveys undertaken (see below) and as such there is a lack of assurance as to the level of operational monitoring of staff.

##### Recommendation 30

##### Activity monitoring by operational management

Internal Audit are aware that 2 new streetscape supervisors' posts have recently been established and the persons are now in post. As such Internal Audit recommend that more formal activity monitoring should take place by the supervisors.

#### **4B – Internal Surveys of littering**

##### **Findings**

Internal Audit were advised that work is ongoing to develop a methodology by which internal surveys can be carried out.

##### Recommendation 31

##### Internal Surveys of littering

Internal Audit recommend that this methodology and accompanying procedures should be finalised ASAP. There is also currently a resource issue as to who will carry out these surveys which needs to be addressed.

#### **4C – Lack of standard operating procedures in place for street cleansing staff**

##### **Findings**

There is currently a lack of standard operating procedures in place outlining basic principles to be followed for street cleansing staff. Internal Audit appreciate that a degree of flexibility needs to be inbuilt to the street cleansing operations, however the flexibility should be limited as much as possible. A standard set of principles still needs to be applied. These should outline to staff the working practices expected of them, and provide guidance as to how to cope with situations which they may encounter e.g. how to deal with complaints, aggressive behaviour by customers, etc. These procedures should also outline how their working practices will be monitored. This would also assist with training of new staff / succession planning. Without procedures there is a lack of assurance that staff are aware of their day to day responsibilities and a lack of assurance around compliance with what is expected by management based on set objectives.

##### Recommendation 32

##### Standard Operating Procedures for Street Cleansing

Internal Audit recommend that standard operating procedures should be developed outlining basic principles to be followed by street cleansing staff and addressing all the issues above.

Internal Audit recommend that staff receive formal training on these procedures when they are developed and they should be included in the induction programme for new members of staff.

#### **4D – Process for dealing with cleansing complaints**

##### **Findings**

From an audit perspective, the process for receiving complaints in relation to cleansing appears to be fragmented as complaints can be received in a number of ways:

1. Via a phone call direct to the supervisor. The Streetscape Manager advised that if complaints are received via this means they will be dealt with straight away.
2. Via the call centre as per above. This is manned by 2 operators, who can take the call and either pass this on directly to the supervisor, or advise the supervisor of the complaint or e-mail the supervisor. These operators are not trained to deal with the complaint directly. The Streetscape Manager advised he would prefer the e-mail from the operatives but advised this is not always practical as sometimes the customer is irate and wants to speak to someone. There is no formal documented policy to be followed if a complaint is

received via this means, i.e. no timeline for acknowledgement, timeline as to when the customer can expect a response to the complaint etc.

3. Via the online e-mail addresses on DCSDC's website. There are several e-mail addresses on this website directed to different persons from a corporate perspective within the council. If a complaint is received via the website it is managed by software. It will be received centrally and sent to the Information Records Officer. If the complaint relates to cleansing it will also be directed via e-mail to the Streetscape Manager who will then forward the e-mail onto the relevant supervisor to action.

The Information Officer advised her section have a judgement call to make whether the complaint should be treated as an official complaint and dealt with in compliance with the comments, compliments and complaints policy' or whether the complaint could be addressed more informally. The records officer advised they will only log the complaint if the customer has been waiting for a long time for the issue to be addressed or if it is a repeat complaint. If logged the complaint is then treated as an official complaint and the procedures within the corporate 'comments, compliments and complaints policy' will apply.

As such there is a lack of assurance that all complaints are captured and lack of audit trail to show that the customer was kept informed of any updates on complaints and lack of assurance that all complaints are adequately addressed.

### Recommendation 33

#### Process for dealing with cleansing complaints

Internal Audit recommend that a review should be undertaken of the complaints process that would allow a level of assurance to be provided to management that:

- All complaints are dealt with effectively
- To allow information about complaints to be collated so that trends can be identified. This would allow proactive rather than reactive action to be taken to address the issues raised by complaints.

## Section 5 – Bulky Waste

### Test Description

Internal Audit reviewed the controls in place over Bulky Waste Collections.

### Findings:

DCSDC currently undertake bulky waste collections free of charge. Requests are received from ratepayers, captured onto the 'Globeweigh' system and allocated for collection.

Internal Audit reviewed the process for bulky waste collection and noted the following weaknesses:

### 5A – The 'Globeweigh' System

#### Findings

This system is currently being used as a scheduling system only. It does not record anywhere the request date of the service by the customer, nor does it record when contact with the customer takes place to agree the timescale for collection. More importantly it does not confirm that the collection actually took place, nor the date of the collection, rather the presumption is that if notes are not entered onto the system then the collection took place.

#### Recommendation 34

#### The 'Globeweigh' System

Internal Audit recommends that the 'Globeweigh' system is reviewed to identify if the above information can be captured. Internal Audit also recommend that the configuration of the system should be reviewed to identify if reports can be developed to allow management to undertake performance monitoring of the bulky waste collection process.

### 5B – Retention of records to confirm collections within the Derry location

#### Findings

Currently the scheduling sheet is signed by the driver confirming the collection took place or alternatively the reason for non-collection is noted on this sheet. However after these sheets are returned to the call centre operatives and the reason for non-collection is entered onto the 'Globeweigh' system, the sheets are destroyed. Therefore there is currently a lack of

evidence to verify that the collections actually took place and confirm who undertook the collection.

#### Recommendation 35

##### Retention of bulky waste records

Internal Audit recommend that the signed scheduling sheets should be maintained by the section.

## **5C – Performance Monitoring**

### **Findings**

Currently there are no performance standards identified for bulky waste collection. In addition there is a lack of information captured that would allow performance to be adequately monitored.

#### Recommendation 36

##### Performance Monitoring

Internal Audit recommend that management identify a set of performance standards for this service, an example would be an identified target number of days between when the customer contacted the council to request collection, when the customer was advised of the collection date, and when the collection of waste actually took place. Regular monitoring of achievement of the performance standards should take place and Internal Audit would recommend that these are reported to relevant senior management / committee on an ongoing basis.

### **Detailed Testing of Bulky Waste Collections**

Internal Audit also undertook more detailed testing of this area at the Derry location to confirm collections had taken place, reviewed the timeliness of collection, ensured the material type collected was appropriate and ensured the 'Globeweigh' system had been accurately updated. Derry was selected for testing due to the volume of bulky waste collections that takes place i.e. Derry have approximately 50 – 60 collections per day, whereas Strabane have approximately 12 – 15 collections per week.

Internal Audit review of the Derry scheduling sheets for the day of audit fieldwork confirmed that the driver is signing and initialling the sheet as evidence that the collection took place or alternatively noting on the sheet that the collection did not take place. However as per above the weakness is that these sheets are not maintained.

Overall Internal Audit is satisfied that only appropriate materials are being collected.

#### **Timeliness of collection**

For the period reviewed the majority of collections were made between 1 and 8 calendar days. In 2 instances the collections were scheduled for 17 days and 18 days after the request. Internal Audit acknowledge this was over the Christmas period when collections were not being made by the Derry site.

### **5D – Accurate updating of the ‘Globeweigh’ system**

#### **Findings**

Testing showed that the capture of information onto the ‘Globeweigh’ system is not always complete and accurate. The transfer of information from the scheduling sheet to the ‘Globeweigh’ system requires manual intervention and Internal Audit noted that in 2 out of 10 instances reviewed information was not captured accurately onto the Globeweigh system. However Internal Audit noted that for one of these exceptions the collection related to the Strabane area and Internal Audit obtained evidence that this information had been captured on the Strabane ‘Globeweigh’ system. Therefore there are differences in the same system between different locations which needs to be investigated. In addition Internal Audit noted incomplete capture of information regarding collections of waste, as in one instance the collection was rescheduled however there were no notes recorded on the system to show that the collection wasn’t made in the first instance. The Head of Service advised that there are technical issues including a time delay within the system between locations. He advised the system is currently run from 3 computers and not servers.

#### Recommendation 37

##### Accurate updating of the ‘Globeweigh’ system

Internal Audit recommends improved supervisory controls to ensure the accuracy of the capture and recording of information onto the Globeweigh system.

Additionally, it is recommended that a management review is carried out to address the technical issues currently impacting the operation of the system.

## Section 6 – Commercial Waste Contracts

### Test Description

Internal Audit reviewed the level of Commercial Waste Contracts and controls in place over this area.

### Findings

Internal Audit identified the following:

#### 6A – Reduction in commercial contracts in place

### Findings

Internal Audit noted that the number of commercial contracts has substantially reduced from a number of years ago.

Internal Audit were advised that the waste section do not have up to date information on the number of businesses there are in the DCSDC area and therefore what percentage of the market the council has in comparison to other private sector providers. Similarly the council is unaware of how competitive its service is in comparison to the other providers and has not carried out any benchmarking against the other providers in an attempt to identify why the level of contracts has reduced. Similarly no surveys of businesses have been conducted to identify their opinion of the service and what other elements they would require or what changes could be made to improve the service.

However, the Head of Service advised that Council are obliged to provide commercial waste collection services on a full cost recovery basis. Additionally the services provided by Council replicate those offered to domestic properties i.e. alternate weekly collections. In many cases businesses require weekly residual waste services that Council are unable to provide. Private refuse collectors also permit the collection of side waste – black bags – as part of the service offered - something that Council are unable to do in consideration of Health and Safety requirements. In addition, the Head of Service advised that the largest private sector operator within the district also operates many of the waste treatment facilities that Council use affording them a distinct cost advantage in terms of commercial collections.

## 6B – Lack of streamlined processes for Derry and Strabane

### Findings

If customers request changes to their contract during the year e.g. end of Jan, Internal Audit were advised that different charging mechanisms are operating at Derry and Strabane. In Derry rather than charge the amount separately for January to March in the current year, this would be added retrospectively to the following year's invoice. However for Strabane customers the difference would be charged in the current year.

Internal Audit were advised there is no written procedure in place documenting the processes in place to confirm which method should be applied.

### Recommendation 38

#### Streamlined processes for Derry and Strabane

Internal Audit recommend that management develop a policy on Commercial Waste processes. The processes operational at Derry and Strabane should be streamlined. In relation to the difference in charging highlighted above. Internal Audit would recommend that charges should be made in the current year in line with accounting practices and to ensure that the service is not delivered without the income having been received.

## 6C – Entitlement to Free of Charge commercial waste collections

### Findings

Internal Audit were advised by the staff responsible for commercial waste contracts that organisations such as registered charities are not currently charged for waste collections. Neither are they charged the £30 admin fee if the Council completes their Duty of Care documentation. The Head of Service confirmed that under the Waste and Contamination Land Order 1997 some of the waste generated by these organisations is considered to be household waste and as such a charge cannot be applied to this waste per se. He advised this was subject to a recent legal challenge whereby it was ruled that charities and others are entitled to be designated as household and get their collections free of charge.

Under DCSDC processes those organisations claiming charitable status are asked to provide their charity commission registration number. However at the time of initial audit fieldwork no check was being made on the legitimacy of customers claiming charitable status. Upon audit recommendation the staff member advised that a check is now undertaken to the charity commission website for new contracts entered into to confirm charitable status, however this change in process was subsequent to audit testing being carried out.

The Head of Service advised that generally the council would ask for a charity number but there are exceptions depending upon where the waste is coming from. He advised there are a variety of definitions that would make some applicants eligible for free commercial waste collections.

Recommendation 39

Entitlement to Free of Charge commercial waste collections

Internal Audit recommends that a review is carried out on this area to provide assurance on the basis of which the service is provided free of charge.

**6D – Application of 5% discount for direct debit payment**

**Findings**

Internal Audit were advised that a commercial contract will be developed when the customer first requests the service, and this will be a rolling contract, rolled forward each year unless any changes are notified by the customer. The exception to this was when the new council DCSDC came into existence. Internal Audit were advised at this stage new contracts were issued to all customers.

To encourage customers to pay by direct debit a 5% discount was offered as part of the terms of the new contract if customers chose this payment method. However this discount was not payable immediately, but applied in the follow year. However this makes any reconciliation of contracts in place to income more difficult than it needs to be. Currently there is a lack of assurance that this reconciliation takes place.

Recommendation 40

Application of discount for direct debit payment

Internal Audit recommends that management review if the 5% discount for payment by direct debit is still applicable, and if so, if this can be applied in the current year.

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**6E – Return of ‘Duty of Care’ information**

**Findings**

Following the request from the customer to get their commercial waste lifted they are required to complete a contract and duty of care form. The Waste Management Officer advised that the contract is a rolling contract however the duty of care form is required to be completed annually. The Duty of Care form can either be completed manually by the customer

or alternatively DCSDC will complete an electronic version of the form dependent upon information provided by the customer. A £30 admin fee is applied by DCSDC if they complete the form on behalf of the customer. Review of the commercial waste databases showed that the duty of care documentation is not always completed prior to collections, therefore resulting in risks to the council.

The Environmental Monitoring Assistant advised that in April 2017 he would issue Duty of Care information, give 1 month for this to be returned, and issue a reminder if this was not returned.

The Environmental Monitoring Assistant advised even if the customer self-completes the form he rechecks and often has to change / amend the form due to incorrect coding of waste types and addresses etc. As such to ensure completion of Duty of Care forms is a resource intensive exercise. He also advised those customers who self-complete do not realise that the Duty of Care form has to be completed on an annual basis.

He advised in November 2016 there was a reminder letter sent from the Head of Service to Strabane customers re-emphasising the importance of the Duty of Care information being completed and a further reminder was posted to all customers in December 2017. The Environmental Monitoring Assistant advised as a result of the latest reminder in December 2017 some forms came back completed, some customers paid the £30 administration fee at the cash desk for DCSDC to complete the form, and in some cases the customer contacted the officer directly by telephone and asked DCSDC to complete the form with the £30 charge being agreed to being applied to the following year's contract and each subsequent year. The Environmental Monitoring Assistant advised approximately 15/16 customers requested service this way.

Internal Audit confirmed an improvement in the level of Duty of Care forms returned between the 2016 and 2017 databases, however emphasises there is still work needs to be undertaken in this area due to the importance of this documentation being received prior to waste being lifted from the customer's premises.

The Environmental Monitoring Assistant advised the retention period for these forms is 2 years as per the Departments website. He advised he will scan and keep an electronic copy of all forms and also maintain the hard copy. It is resource intensive for the Environmental Monitoring Assistant to complete all this Duty of Care information on top of his other workload. The Environmental Monitoring Assistant advised the government have now developed a website (DERA) whereby this information can be completed on line by the customer free of charge. He advised in any case as a minimum the Duty of Care form could be put on DCSDC website for download and completion by customers.

#### Recommendation 41

#### Return of 'Duty of Care' Information

Internal Audit recommend that, given resource limitations in DCSDC, customers should be encouraged to use the new government website to complete the Duty of Care form. Alternatively, the Duty of Care form could be included on DCSDC's website for download and completion by the customer.

#### Recommendation 42

##### Administration Fee for completion of 'Duty of Care' form

From an accruals based accounting perspective the £30 fee where applicable should be accounted for in the current year.

#### Recommendation 43

##### Implications of non-return of 'Duty of Care' information

Internal Audit recommends that action should be taken immediately to stop operations from customers who still have not returned their Duty of Care forms after the reminders have been issued.

## **6F – Loss of income to DCSDC**

### **Findings**

Each year a new set of coloured stickers will be issued to those customers who have entered into a contract. The refuse collectors will only collect bins on which the appropriate stickers have been placed. However Internal Audit noted that in the 2017/18 year the stickers were not issued to commercial customers until July 2017. In the interim 3 month period customers were using the 2016/17 stickers, therefore there is the potential that lifts could be made during this time period to customers who are terminating their contracts. I.e. service being provided but not being paid for.

In addition Internal Audit noted that on a monthly basis the finance Income Officer will issue a spreadsheet to one of the officers responsible for commercial waste to advise them of customers who have paid. The same spreadsheet is used each month and the payment details entered in the relevant column. New payments made in the month are highlighted in colour. This is the basis on which the officers responsible for commercial waste will instruct operations to halt collections if payment is not received. This instruction may take the form of the forwarding of an e-mail or phone call.

#### Recommendation 44

#### Commercial waste stickers

Internal Audit recommends that a timetable should be established for the development and issue of stickers to customers. This should take place in advance of the new financial year so that the correct stickers could be placed on bins and operations advised to only lift the bins if the correct stickers are in place.

#### Recommendation 45

##### Template form to stop collections

Internal Audit recommends the development of a form / template upon which communication to operations takes place to change / stop collections. A template would help to ensure that all information is captured consistently.

## **6G – Storage and security of commercial waste stickers**

#### **Findings**

As the commercial waste sticker is the key factor which determines whether a commercial waste bin should be lifted it is imperative that there are secure arrangements over the storage and issue of these stickers. During fieldwork Internal Audit noted that stickers are maintained in a cabinet within the general waste management office, they are not securely locked away. In addition a separate sequential log is not maintained of the issue of sticker numbers to customers to ensure all stickers can be accounted for, but rather the sticker number is recorded on either the Strabane or Derry database. However due to the way in which this information is recorded within the database this means it is difficult to easily account for all stickers.

#### Recommendation 46

##### Storage and security of commercial waste stickers

Internal Audit recommends that security arrangements over these stickers should be improved. They should be maintained in a secure locked cupboard at all times, with limited access given to the keys.

Internal Audit recommends that a separate log is maintained of all the sticker numbers in sequential order and it should be noted on this record which organisation has been issued with the stickers. This would provide a level of assurance to management that all stickers can be appropriately accounted for.

## 6H – Amendments to commercial waste contracts

### Findings

Internal Audit were advised that if an amendment is requested to a contract the officer responsible will endeavour to receive information in writing to confirm the change from the customer. They advised they encourage e-mail communication however if the customer telephones to advise of the change, the original contract will be updated, by scoring out the old element and overwriting this with the new arrangement. This will then be scanned and re-issued to the customer for information. A new contract is not reissued to the customer for signing as a result of changes.

### Recommendation 47

#### Amendments to commercial waste contracts

Internal Audit recommends that if any amendments are made to the contract this should result in a new contract being developed which requires to be signed by the customer and returned.

## Section 7 – Commercial Waste – Recycling Centres

### Test Description

Internal Audit reviewed the controls in place over Commercial Waste deposited at Recycling Centres.

### Findings:

Internal Audit identified the following:

#### 7A – Policy regarding Commercial Waste acceptance at Recycling Centres

There is currently no documented policy in place regarding the acceptance of commercial waste at Recycling Centres. Internal Audit were advised that this is difficult to manage due to the fact that if the commercial waste relates to a ratepayer it can be accepted at the site without further charge, whereas if it is not related to a ratepayer then a fee should be paid. As such, Internal Audit were advised that commercial vans may come on site and state that they are carrying the waste on behalf of a ratepayer and it is difficult to determine if this is the case.

The risks associated with a lack of policy were discussed with the Head of Service and he advised that Councils are obliged to charge for commercial wastes deposited at recycling centres on a full cost recovery basis. However, he advised that there are issues relating to the application of this that pose difficulties and have resulted in legal challenges and complaints to the Commissioner of Complaints. Commercial operators bringing domestic wastes from private properties can access sites free of charge even if they have charged the householder for the service i.e. gardening services, removal of rubbish etc. Furthermore, the Head of Service advised that this was confirmed most recently in a judgement against another Council where the Ombudsman ruled in favour of the person depositing the waste even though he was doing so commercially.

#### 7B – Different systems operational at Derry and Strabane for charging of commercial waste

There are differences in the systems currently operational for charging of commercial waste at the Derry and Strabane sites.

Within Derry the previous prepaid voucher system is still in operation whereby customers are required to purchase a voucher at the Strand Road offices dependent upon the type of vehicle and then present this to the attendants on site when they are depositing the waste. However audit testing showed that the sales of these vouchers were extremely low. In the last 3 financial years there were only a maximum of 3 ticket sales per year for DCSDC, all of which were charged at the lowest weight possible. More detailed review by internal audit showed that the incorrect weights may have been charged on some of these occasions as the charge per voucher is dependent upon weight tonnage, whereas the overall policy states the costs is dependent upon vehicle type i.e. car, trailer van etc.

In contrast within Strabane the prepaid voucher system is no longer operational, rather commercial waste customers are weighed in and out at the weighbridge and are charged dependent on the weight of material they are depositing. The exception to this is if the material they are depositing is recyclable in which case no charge will be applied.

Internal Audit were advised that the problems associated with acceptance and monitoring of commercial waste are well known and that management were planning to review the process in relation to sites/ weights/ prices etc.

#### Recommendation 48

##### Streamlining of processes at Derry and Strabane regarding commercial waste

Internal Audit recommends that a review is carried out to determine which charging system should become operational at both the Derry and Strabane sites.

### **7C – Residency matters in respect of Republic of Ireland cars using the amenity sites**

Internal Audit are aware that issues have been raised in the past with Republic of Ireland cars using the amenity sites with no associated charge. On previous occasions committee have requested a breakdown of the volume of republic of Ireland cars using the sites and as a result number plate recognition software was installed on some of the main sites where this may have been the case, to capture usage information.

At the time of fieldwork, Internal Audit were advised that this software was not fully operational at all sites due to issues around broadband, licences, cameras etc. As such information on usage was not available.

Recommendation 49

Number plate recognition software at Recycling Centres

Internal Audit recommends that the issues around the operation of this software at sites should be addressed, so that usage information can be captured and presented to Senior Management and Members if requested.

## Section 8 – Monitoring of third party service providers

### Test Description

Internal Audit reviewed the controls in place over monitoring of third party service providers.

### Findings:

Internal audit identified the following controls in place:

Overall from a small sample of contracts and specifications reviewed by Internal Audit, we can confirm that they include relevant clauses that would be required to assist in monitoring the contract e.g.

- clauses re service levels expected
- performance standards
- calculation of performance deductions for not meeting these standards
- requirement for contractor to supply monitoring information
- contingency arrangements – to include provision of failure of any plant, vehicle or labour.

However Internal Audit noted that although these pre award elements are considered at contract stage they are not necessarily all being implemented or applied in practice.

Internal audit did not review the detail of contracts but identified the following weaknesses in the system overall. More detailed review of contract monitoring arrangements will be included in the scope of future waste management audits as per the Audit Needs Assessment. This will allow time to implement the key recommendations outlined below re the overall system of contract management prior to reviewing the specifics of individual contracts.

**Internal Audit identified the following issues:**

### 8A – Lack of DCSDC contract management guidelines

Contract management not only ensures better relationships between contractual parties, but also enforces compliance and mitigates risk. Internal audit noted that there are no contract management guidelines in place at DCSDC to provide guidance to managers in how to manage long-term service contracts following contract award to ensure a sound, consistent and effective approach is adopted.

The purpose of such guideline would be to help manage the contract and the relationship to give value for money and improve performance.

Recommendation 50

#### DCSDC Contract Management Guidelines

Internal Audit recommend that contract management guidelines are developed by DCSDC to assist in managing the waste contracts. The key areas which Internal Audit recommend should be included in the procedures are:

- managing service delivery (formal governance),
- managing the relationship,
- contract administration,
- seeking performance improvements,
- and managing changes.

### **8B – Lack of clearly defined roles and responsibilities for contract monitoring**

From testing undertaken Internal Audit noted that different officers were allocated to monitor discrete elements relating to the contract e.g. there were specific officers allocated the responsibility of checking the invoices , another officer was allocated responsibility to monitor / supervise the operational elements on site and other officers were allocated responsibility for environmental monitoring.

However there is no officer to monitor and manage the contract overall. Therefore although some of these elements are considered in isolation there is no overall contract manager identified to monitor, manage and assess contractor performance overall.

#### Recommendation 51

##### Clearly defined roles and responsibilities for contract monitoring

Internal Audit recommend that each of the key waste management contracts are allocated a specific contract manager. This person should be responsible for managing the contract overall in compliance with contract management guidelines.

### **8C – Current weaknesses in monitoring contract performance**

**Internal Audit identified the following weaknesses in monitoring contract performance:**

- There are no regular monitoring forms completed for each contractor, for example, to review issues such as condition of vehicles, safety equipment, licences, certificates, receipt of information from contractors etc. As a result, from an audit perspective the response to any contractor problems appears to be reactive rather than proactive.

- In addition Internal Audit noted that contracts include the requirement for the contractor to supply monitoring information, and although some essential information is being provided for the purpose of Waste Data Flow this is not always in the required format. Additionally, it was noted that information is not provided on a monthly basis as stipulated within the contracts.
- Internal audit noted that DCSDC staff do not perform site visits to contractor locations to ensure the expectations of the contract are being complied with.
- Audit testing highlighted that contract performance review meetings are not regular and are only held with the 2 main contractors. No formal meetings are held with any of the other contractors.

For the contractor with the largest waste spend, Internal Audit were provided with evidence of performance review meetings commencing October 2016. Internal Audit confirmed that these took place bi monthly until February 2017. However, after that they have only been held at 4 monthly intervals. Internal audit review of the notes of meetings held with this contractor showed evidence of DCSDC raising concerns over the performance of the contract, however, Internal Audit noted that the same issues were continually being noted in several meetings suggesting that they were not being addressed. A separate action list is not maintained.

For the contractor with the second highest spend Internal Audit were provided with evidence of only 2 meetings held in October 2016 and February 2017. Internal audit review of notes from this meeting suggested that the agenda was driven more by the contractor rather than by the council reviewing the performance of the contractor.

- Internal Audit noted that contract performance data is not reported regularly to senior management / committee.
- In addition Internal Audit noted that reports are not completed and signed off by senior management where issues / problems are identified to ensure these are fully addressed.

#### Recommendation 52

##### Appointment of Contract Manager with monitoring responsibilities

Internal Audit recommends that firstly a contract manager is appointed for each of the contracts. The contract manager identified for each contract should complete a quarterly monitoring form to confirm all conditions of the contract have been complied with including the provision of performance information to DCSDC in compliance with the contract. In addition Internal Audit recommends that responsibility should be allocated to an officer to maintain an overall spreadsheet where records of these forms should be logged to confirm that all monitoring has taken place on a regular quarterly basis. If regular poor performance

is identified management should consider invoking the performance penalties as outlined with the contract.

#### Recommendation 53

##### Site visits to contractor locations

Internal audit recommend that DCSDC staff should attend site visits to contractor locations to ensure the expectations of the contract are being complied with. These should comprise a mixture of both planned and surprise visits. Documentation should be maintained as evidence of this visit having taken place and the elements reviewed during the visit.

#### Recommendation 54

##### Performance Review Meetings with Contractors

Internal Audit recommends that regular bi monthly contract performance review meetings should be scheduled with the main contractors and these should also be held with other contractors on a less frequent basis. Internal audit review of the types of issues raised at these meetings highlights the importance of these meetings taking place. Internal Audit recommends that a schedule of meetings for a calendar year is planned with all key contractors going forward. These would ensure that all those officers and contractor representatives who need to attend are in a position to make themselves available to attend. Internal Audit recommend that formal minutes are maintained for all meetings and a separate action log with allocated responsibility and date for actions is maintained and kept under review at each meeting.

#### Recommendation 55

##### Reporting of contractor performance

Internal Audit recommend that contract performance data is regularly reported to senior management / committee.

#### Recommendation 56

##### Evidence of issues being addressed

Internal Audit recommends that reports are completed and signed off by senior management where issues / problems are identified and to maintain an audit trail that these are fully addressed.

## Section 9 – Payments to Waste Management Contractors

### Test Description

Internal Audit reviewed the controls in place over payments made to waste management contractors.

### Findings:

Internal audit identified the following:

Internal Audit reviewed the level of payments made to waste management contractors and confirmed that in the period April 2017 to 8<sup>th</sup> December 2017 (date of fieldwork) a total of £4.8m had been paid. At this timeframe 79% of the payment related to one contractor. Another contractor accounted for 12% of the payments with other contractors accounting for only a minimum percentage.

Given the value of payments made to contractors it is essential that robust checks are in place to confirm the amounts payable prior to payment. One officer within DCSDC has been given the responsibility as part of his workload to perform checks on the invoices. He will check all invoices received against the source documentation available to confirm the validity of the amounts being charged. However Internal Audit identified the following weaknesses in the process:

**Internal Audit identified the following issues:**

### 9A – Assurance on checks performed

#### Findings

Currently the checking of invoices is resource intensive as a 100% check is being undertaken. However, even though a thorough 100% check of the invoices is being undertaken, there are limitations as to the level of assurance that can be provided as a result of this check. This is because only a few of the DCSDC sites have their own weighbridges, which means that the validity of weights being charged by the contractors can only be confirmed precisely for these sites. For the remaining sites that do not have a weighbridge there is no way of confirming the weights charged. Rather the officer is checking the invoices received from the contractor against the contractor weighbridge dockets (both contractor records), and against a log maintained by DCSDC of vehicles which have entered the site that day. However for those locations without a DCSDC weighbridge this check just confirms the validity of the vehicles being on site that particular day but does not confirm the tonnages being charged. Internal Audit were advised that a certain level of assurance can be obtained in that DCSDC would know the maximum amount of tonnages a container would hold e.g. compactor contained

would hold 3 ½ - 4 tonne maximum, therefore if an invoice was submitted in excess of this, this would be identified and queried by the officer performing the review of invoices.

However given the limited level of assurance that can be obtained from checking invoices for the DCSDC sites for which there is no weighbridge, there is potentially over control in this area given that reliance is still placed upon contractor weights.

#### Recommendation 57

##### Weighbridges on sites

Internal Audit were advised that there are plans to put into place weighbridges at some of the other DCSDC sites. Internal Audit recommends that a timetable is developed as to when weighbridges could be installed at these sites, given the importance of the check of invoices against DCSDC weighbridge records and the materiality involved.

#### Recommendation 58

##### Check of invoices

In the interim period, management should consider whether the 100% check of invoices for those sites for which there is no DCSDC weighbridge is an effective use of resource. Internal Audit would suggest that management review whether this check should be undertaken on a sample basis and the resource used in other areas of waste management.

#### Recommendation 59

##### Contractor Calibration Certificates

Given that DCSDC are currently relying upon the accuracy of contractor weighbridges to verify the tonnages charged for those sites for which there is no DCSDC weighbridge, Internal Audit re-emphasise their recommendation made to ensure that weighbridge calibration certificates are requested from contractors to verify that their weighbridges have been calibrated annually.

## **9B – Differences in checks between Derry and Strabane**

### **Findings**

Internal Audit noted that for those locations which do have a DCSDC weighbridge a threshold has not been established by DCSDC as to the level or percentage variance as to when a difference in DCSDC weight to contractor weight should be queried. Internal Audit acknowledge that the tonnages charged per invoice may differ slightly to DCSDC weighbridge tonnages to allow for e.g. fuel changes between both locations. Internal Audit noted a different trigger is used in Derry and Strabane, in that one location queries if the variance is ½ tonne, whereas the other will only query if the variance is 1 tonne or more. Also Internal Audit

noted that the rationale for querying a variance is not dependent upon the difference as a volume of the weight being collected in any load i.e. as a percentage basis.

#### Recommendation 60

##### Threshold variance for invoice checks

Internal Audit recommends that management determine a threshold variance at which investigation of the difference between DCSDC weights and the contractor's weights should take place. This should be communicated to those officers responsible for the checking of invoices to ensure the same processes are being applied in Derry and Strabane.

## **9C – Stage of invoice payment**

### **Findings**

Internal Audit are aware that some of the contracts in place with contractors stipulate that payments will be staged i.e. 10% payment to be made on collection, 40% when the material is processed and 50% when the end destination of the material is known.

However Internal Audit noted that all payments are currently being made when the invoice is received and checked against whatever source documentation is available (including waste transfer notes) to confirm that the collection or delivery took place to the contractor. DCSDC are not currently obtaining anything from the contractors to confirm when the material is processed. Information as to the final destination of materials is only received by DCSDC via the quarterly reports received from the contractors as part of the Waste Data Flow (WDF) exercise. Internal Audit were advised that it is at this stage that the officer responsible for WDF will ask the contractor for the last sign off sheet in the chain. As such only very limited information is sought from the contractors to confirm the end destination of the material and this is after the invoice has been paid.

#### Recommendation 61

##### Stage of invoice payment

Internal Audit recommends that management should review the control environment around the basis of payment.

## 9D – Changes in council vehicles

### Findings

The vehicle registration number is one of the key identifiers used when checking invoices for accuracy against DCSDC documentation (either the weighbridge docket or log records). Currently the officer responsible for checking invoices advised he will identify changes in council vehicles via his checking process and will then query this with the Waste Services Officer who will confirm with the DCSDC Fleet Manager whether there has been a change in council vehicle. However this could result in delays in the payment of invoices if these additional checks have to be undertaken at this stage.

### Recommendation 62

#### Change in council vehicles

Internal Audit recommends that the DCSDC Fleet Manager notify the waste officer responsible for invoice checks of changes in council vehicles as and when they occur. This would prevent delays in the payment of invoices.

## 9E – Issues re identification of waste type

### Findings

As some council vehicles can only carry one waste type this can be easily identified at invoice checking stage from the identification of the vehicle registration number e.g. street sweepers. However other vehicles can carry multiple types of waste and the onus is on the operative to advise the contractor's weighbridge operative the waste type which they are carrying. Internal audit were advised there has been a lot of problems and differences of opinion with some of the contractors regarding the waste type charged on invoices due to the verbal nature of this communication. As a result an additional separate docket has now been developed by DCSDC which requires all drivers to write down the waste type they are depositing with the contractors, this form is required to be signed by both the driver and the weighbridge operator.

### Detailed testing of invoices by Internal Audit

In addition to identifying the weaknesses in the process raised above Internal Audit undertook a more detailed review of 10 payments made to contractors to confirm that the appropriate checks were being evidenced as being undertaken.

In addition for a small sample of invoices Internal Audit re-performed the check to the original source documentation.

The following controls were identified:

- Overall there was good evidence that a robust check of the invoices had taken place. In all 10 invoices reviewed there was evidence of ticks of the checking of the individual loads within the invoice against source documentation. There was also good evidence of the completion of the payment grid stamp by the Waste management Section and the Head of Service.
- There was also good evidence of finance checks by the initialling of the grid stamp. However in 5 of the 10 invoices reviewed finance had not dated the grid stamp to confirm when their check had taken place.
- For the checks re-performed by audit: for the sample of 2 invoices selected where DCSDC weighbridge information was available (1 for Derry and 1 for Strabane), there was good evidence that thorough checks had taken place by DCSDC staff and discrepancies by the contractor on their invoice had been followed up. Internal Audit confirmed the unit price for the various waste types contained within the invoice was accurate. Internal Audit also confirmed the accuracy of calculations on the invoice and noted that in the majority of instances the weighbridge docket had been appropriately signed by both the driver and weighbridge operator.

**However review of the invoices and re-performance of a sample of checks identified the following weaknesses:**

### **9F – Delays in completion of the checks**

#### **Findings**

Of the 10 invoices reviewed, Internal Audit noted that on 3 occasion the timeframe was at least 28 days between receipt of the invoice and when the grid stamp was signed off by the Head of Services (1 occasion the timeframe was 28 days, 1 occasion the timeframe was 39 days and on 1 occasion the timeframe was 70 days). This was prior to the invoice going to finance for their checks. Internal audit were not provided with any explanation to explain the timeframe.

#### Recommendation 63

#### Recording of reason for delays in completion of checks

Internal Audit recommends that the waste section should continue to date and initial the invoice upon receipt, however the officer responsible for checking invoices should also record the date as to when their check was completed. Any reason for delay between the receipt of invoice and when it is authorised by the Head of Service should be clearly documented so there is a clear audit trail to explain any potential delays.

### **9G – Legibility of signatures on weighbridge docket**

#### **Findings**

The driver is required to both sign and print their name on contractor weighbridge dockets. These are then returned by the contractor along with the invoice to DCSDC. These are especially relevant for the sites where DCSDC does not have their own weighbridge. Internal Audit testing highlighted numerous instances when although the driver had signed the docket, they had not printed their name on the docket and from an audit trail perspective their signature was not legible. Internal Audit also noted that on some occasions the weighbridge operator signature was very faint and not identifiable.

#### Recommendation 64

##### Recording of driver details on weighbridge dockets

Internal Audit recommends that all drivers are reminded of the importance of both signing and printing their names on the weighbridge dockets.

Internal Audit recommends that weighbridge operators are reminded to ensure any print of their name can be sufficiently read on all copies of the weighbridge docket.

### **9H – Manual weighbridge tickets**

#### **Findings**

Internal audit noted that in a number of instances the copy of the docket obtained from the contractor that had been signed by the driver was in handwriting as opposed to being printed. Internal audit queried this with the officer responsible for checking the invoices and were advised that this relates to occasions when the contractor's weighbridge is not functioning. He advised in such instances manual intervention is required and a manual weighbridge ticket would be written. He advised the instances of this are increasing and although he has highlighted this as a concern, to date his concerns have not been addressed.

#### Recommendation 65

#### Contractor handwritten weighbridge docket

Internal Audit recommends that if the instances of handwritten dockets is prevalent this is something which should be addressed more formally with the contractor as otherwise there is a risk of inaccurate invoicing processes.

### **9I – Lack of information contained on invoices**

#### **Findings**

Detailed audit testing highlighted that the content of what was included on an invoice differed amongst contractors. Some contractors included very clear information e.g. registration number, dates and times which facilitated the check to DCSDC source documentation, however some invoices did not contain sufficient information to allow a clear trail to council records to be verified.

#### Recommendation 66

#### Lack of information on invoices

Internal Audit recommends that at the next meeting with the respective contractors the Waste Manager should include this area as an agenda item, so that it is clarified by both parties the information that needs to be included on invoices. As a minimum the date and registration number should be included.

## Section 10 – NIEA returns

### Test Description

Internal Audit reviewed the controls operating over the review and submission of data to the Northern Ireland Environment Agency via returns made via the Waste Data Flow (WDF) software.

### Findings:

NIEA returns are made via Waste Data Flow (WDF) software on a quarterly basis and require the understanding of a complex methodology and manipulation of source documentation and spreadsheet data to identify the appropriate values to be input.

### Issues identified:

#### 10A – Access to the WDF system

Access to the WDF system has been granted to different individuals. Access levels are set for data input, review, organisation reviewer (i.e. level 10 allows you to input and roll up the data, level 20 is the authority administrator user level, then it requires to be authorised by the Waste Management Group level 35, and subsequently by level 40 reviewed by NIEA. Internal Audit identified via fieldwork that staff who no longer worked in this area still had access to the WDF system and it would appear that access levels are not regularly reviewed.

#### Recommendation 67

##### Access to the WDF system

Internal Audit recommend that access levels are reviewed regularly to ensure that access is restricted to the personnel involved in this process only, and to ensure that the access level given is appropriate to the person's role in the process.

#### 10B – Lack of procedure and staff training in the WDF process

Currently DCSDC do not have a documented procedure in place as to the methodology to be followed for this complex piece of work.

DCSDC currently rely upon 1 member of staff to undertake this exercise and there is no contingency in the event of this staff member being unavailable.

### Recommendation 68

#### Procedure and staff training in the WDF process

Internal Audit recommend that a procedures manual be developed detailing the process to be followed to identify, collate and format the data to be input into the WDF database. Internal Audit acknowledge that this needs to be comprehensive so that it can be used as a training manual, to train other members of staff on this process.

Internal Audit recommend that other members of staff are formally trained in this process to reduce the reliance and risk upon 1 member of staff being able to undertake this process.

### **10C – Timeliness of WDF submissions**

Returns of WDF information to NIEA are required to be made quarterly, 2 months after the quarter end. Currently DCSDC do not have a timetable in place to ensure timely submission of this data which requires the collation of material from various sources, manipulation and review of this data into the various formats to allow the questions in WDF to be answered. Rather the officer is currently undertaking this process alongside other work activities, and advised that in the past the submission has just been made at the deadline timeframe.

Internal Audit discussed with the Head of Service whether it would be prudent to develop a timetable breaking down all the component parts of the process e.g. information return from officers within DCSDC, information return from contractors etc. The timetable could identify dates as to when each stage of the process should be completed. This would have ensured that all information is made available, collated appropriately, reviewed and entered onto the WDF database well in advance of the NIEA deadline.

However the Head of Service advised that although this is a complex process involving inputs from multiple sources including both in house and third party providers, much of the information is not immediately available and requires analysis before it can be inputted. The submission timeframes are set by NIEA and to date Council has met all of the submission dates.

## **10D – Reliance upon information submitted for contractors for WDF submissions**

The identification, collation and formatting of information to input for the various WDF questions is complex and the officer currently undertaking this role has developed her own methodology for this process. A lot of reliance is placed on information obtained from the contractors. In some instances this is verified to DCSDC records, such as monthly sheets, site log records and invoices. However in other instances DCSDC are relying solely upon the information provided within contractor reports. In addition, as mentioned previously, due to a lack of weighbridges at some of the DCSDC sites, reliance is placed upon the values supplied by contractors for these locations.

### **Recommendation**

See recommendation 68 above re ‘Procedure and staff training in the WDF process’ and recommendation 22 ‘Weighbridge Calibration Certificates’.

## **10E – Recommendations from the NIEA NILAS audits**

Internal Audit viewed an audit report from the NIEA NILAS team who had conducted an audit on the data recorded in WDF relating to DCSDC’s statutory NILAS monitoring return for the period July to September 2016.

This audit highlighted a number of issues in the WDF values and processes that need to be addressed.

### Recommendation 69

#### Recommendations from the NIEA NILAS team audits

Internal Audit recommend that any actions by the NIEA team via these reviews are addressed as soon as possible.

## Section 11 – Site security and Access controls

### Test Description

Internal audit reviewed the controls operating over the Recycling site security and access.

### Findings

Internal Audit were satisfied that controls were operating in the following areas:

- Internal Audit were advised that clear signage was in place in the majority of sites indicating that the removal of materials from the site is prohibited.
- Internal Audit was advised that staff were informed that removal of waste from council sites is prohibited. Internal Audit viewed a memo issued by the Waste Services Manager to the site attendants in 2016 to remind them of various issues including this.
- Internal Audit were advised that staff at all sites have access swipe control cards to get access to the main building on the site.
- For the 2 sites visited as part of audit testing, Internal Audit confirmed that boundary walls and fencing gates were in place. However these may not be the required height as required by the licence / working plan at all areas of the Recycling Centre perimeter.
- The requirement for the operator's to undertake security checks is included within the pre-use checklist. However this checklist could be more specific to each site as to which checks should be undertaken.
- The Head of Service confirmed that CCTV is operational at all sites, however broadband issues currently mean that some of these sites cannot be accessed remotely. Furthermore, he advised that the IT Manager and Property Management are aware of the issues around CCTV and are working to address these.

The following issues were identified:

### 11A – Training

The Waste Manager advised that all relevant staff have been trained in securing premises. She advised this training would be included as part of induction training. She advised there would be a checklist of areas to cover as part of the training. Internal Audit asked the Waste Officer to view this checklist but security of premises was not included in the checklist reviewed. The

Waste Officer advised this element would be covered as part of training and is included in the employee's job description. The Waste Officer advised new members of staff would be mentored by other staff members who had worked at the sites for a period of time.

#### Recommendation 70

##### Training on security of premises

Internal Audit recommend that evidence is maintained of the training given to new members of staff on security of premises.

### **11B – Working plans security element**

Internal Audit have already identified issues in relation to an absence of working plans for some of the Strabane locations and outdated working plans for a number of the other locations – see section 2A above.

Internal audit reviewed a sample of the plans to confirm if security considerations were included. Internal Audit noted that for the sample of 5 sites reviewed all working plans included a very brief section on security. These made reference to fencing, gates, and in 1 of the sample reviewed made reference to CCTV monitoring. However Internal Audit noted that for a number of plans the wording was exactly the same.

See recommendation number 19 above

### **11C – Site Barriers**

Internal Audit noted that barriers are not in place at all sites to prevent unauthorised access. Internal Audit also noted during fieldwork that although you are required to go through barriers to gain access to the waste transfer station at Strahans Road, there is no further barrier to gain access to the Recycling Centre, but rather, only a small chain is in place at the entrance / exit to this area. The operatives advised Internal Audit that they have had instances in the past when members of the public were coming on site when the site was closed.

#### Recommendation 71

##### Site Barriers

Internal Audit recommend that all sites are reviewed to identify whether it is possible or necessary to put a barrier in place to prevent unauthorised access.

## **11D – Key Holders**

The Waste Services Officer advised all sites would be locked at night, with each attendant having their own key. In addition managers also have keys to sites.

However there is no written policy / procedure currently in place for security of the sites and the safe custody of keys.

### Recommendation 72

#### Key Holders

Internal Audit recommends that management should document and agree a written policy / procedure for security of premises including the safe custody of keys. As part of this policy Internal Audit recommends that the number of key holders should be reduced.

## **11E – Site specific induction for contractors**

Internal Audit were advised that inductions for DCSDC drivers and some of the contractors were given for the Pennyburn site, but staff were unsure if contractor induction took place or was recorded for the other sites.

### Recommendation 73

#### Site specific inductions for contractors

Internal Audit recommend that management carry out a review to ensure contractors are given inductions for all sites which they attend.

## Section 12 – Waste Management Targets

### Test Description

Internal Audit reviewed what Waste Management targets were in place.

### Findings

The Head of Service advised they are two key waste management targets to be attained by 2020, i.e. NILAS targets - to limit the quantities of bio-degradable municipal waste sent to landfill to 35% of 1995 levels by 2020 (the allocations are based on local authority collected municipal waste and this equates to 220,000 tonnes by 2020; and for Council recycling to be 50% by 2020. The Head of Service explained that indications are that these targets will be achieved regionally and individually.

In addition he advised that the EU have issued a revised target from 2022 onwards. In addition he advised that the EU have laid down certain other requirements, e.g. around Paper and plastic. However as a result of UK leaving the EU, the impact of this upon councils is currently unclear.

Furthermore the Head of Service advised that a Central and Local Government Waste Working Group has been established. This consists of representatives from local and central government. This group are collectively working on plans and considering whether yearly targets should be established. He advised this will influence what happens going forward.

He advised on a more strategic level the UK (including DEFRA) are developing a 25 year environmental strategy. He advised this could potentially replace any EU target that may be set in the future. National targets awaiting guidance on.

Internal audit are aware that more recently DCSDC approved a zero circular waste strategy which provides long term objectives to tackle waste problems and ensure environment sustainable in long term. This involves partnership working with other bodies e.g. ensuring producers of material reduce the levels of plastic packaging.

### No recommendations made

## **Acknowledgements**

Internal Audit would like to take this opportunity to thank the various staff throughout the different areas of waste management visited as part of this review, for their assistance in compiling this report.

## Table of Recommendations

| Recommendations  | Management Response   | Implementation Date | Priority  |
|--|---|---------------------|-----------|
| <b><u>Enforcement of Environmental Legislation</u></b>   |   |                     |           |
| <p><u>Recommendation 1</u></p> <p>Enforcement Strategy and Policy</p> <p>Senior Management should review the 'Enforcement Concordat' to ensure it covers all areas as recommended by the DEFRA guidance, and following this all staff should be trained on the policy.</p>   | <p>The Compliance and Monitoring Manager will review the document in discussion with other enforcement leads i.e. Environment Health, Dog Control etc. and if required bring an updated document format for Members consideration in due course.</p>  | <p>June 2018</p>    | <p>A2</p> |
| <p><u>Recommendation 2</u></p> <p>Staffing of the Enforcement Section</p> <p>Internal Audit recommend that the structure of the enforcement function should be reviewed, to streamline the management process and address the weaknesses identified. In addition Internal Audit recommend that management consider how the service can be appropriately staffed at all</p> | <p>All of the enforcement staff within the Environment Directorate report to the Compliance and Monitoring Manager following a restructuring exercise. There are however still differences in terms of duties and responsibilities with these being taken forward as part of the wider Council realignment of roles and responsibilities.</p> | <p>June 2018</p>    | <p>A2</p> |

## Table of Recommendations

| Recommendations  | Management Response  | Implementation Date | Priority |
|--|--|---------------------|----------|
| <p>times to ensure a sufficient level of litter warden coverage in the council area.</p> | <p>The recruitment for supervisory staff for the recycling centres has commenced and it envisaged that this process will complete in 4 to 6 weeks with the Litter Wardens returning to their substantive post at that point. In the interim the Wardens have reviewed all open cases on a regular basis and have progressed these in consideration of agreed processes.</p> <p><b>Audit Comment</b><br/>At the time of audit fieldwork, one Enforcement Officer advised they reported directly to the Head of Service, which was different from the other officers in place.</p> <p>Audit testing of the Enforcement database showed that a substantial number of cases had not progressed, and audit were advised that this was due to 2 officers being redeployed on a temporary basis to cover other areas.</p> |                     |          |

## Table of Recommendations

| Recommendations   | Management Response  | Implementation Date | Priority |
|---|--|---------------------|----------|
| <p><u>Recommendation 3</u></p> <p>Plan of work and allocation of workload amongst enforcement officers</p> <p>Internal Audit recommend that management establish a methodology and agreed route plan to demonstrate that geographically all areas are covered and to help ensure an even allocation of workload amongst staff. This would also assist for monitoring, review and compliance purposes.</p> | <p>The Litter Wardens operate within a defined area within Derry City Centre as previously agreed by Elected Members. Over time they have identified litter hotspots and have modified their routes and actions to reflect this. These hotspots change for example seasonally, by location etc. with the Wardens modifying their schedule in consideration of this.</p> <p><b>Audit Comment</b><br/>Management should be able to demonstrate and clearly evidence that all defined areas are covered, and that the work of the litter wardens can be monitored, and if necessary spot checks carried out. As such, from an audit perspective there is a lack of assurance if route plans per litter warden are not more clearly defined.</p> | Complete            | A2       |
| <p><u>Recommendation 4</u></p> <p>Officers undertaking enforcement work</p>   | <p>Derry City Council had previously authorised a number of officers who could issue fixed penalty notices in consideration of fly tipping offences.</p>   | Complete            | A1       |

## Table of Recommendations

| Recommendations  | Management Response  | Implementation Date | Priority  |
|--|--|---------------------|-----------|
| <p>Internal Audit recommend that consideration should be given as to whether staff outside of the Enforcement Section should be permitted to undertake an Enforcement role. Management should ensure that under no circumstances should an officer be undertaking follow-up action on a case under a different officer's name.</p> | <p>These group of officers had received training on this particular aspect of enforcement and in particular the processes for gathering and securing evidence. These arrangements have however been discontinued in consideration of the existing enforcement arrangements. Only those who have been duly authorised by Council and trained to the required standard are permitted to undertake enforcement action. Management will reiterate this point to all relevant officers.</p> |                     |           |
| <p><u>Recommendation 5</u></p> <p>Identification passes and PACE notebooks</p> <p>Internal Audit recommend that the Strabane Officer should have the same identification pass as the Derry officers and also use the same specific PACE notebook.</p>  | <p>The Strabane based officer will be issued with identical documentation and ID as used within the Derry area.</p>  | <p>April 2018</p>   | <p>A1</p> |

## Table of Recommendations

| Recommendations   | Management Response   | Implementation Date | Priority  |
|---|---|---------------------|-----------|
| <p><u>Recommendation 6</u></p> <p>Database used to check car registration numbers</p> <p>Internal Audit acknowledge that DVLA require strict access controls to be in place. However, Internal Audit recommend that management consider what alternative options are available (including alternative systems) so that access for checking number plates could take place at Derry as well as Strabane, given the volume of checks required in Derry.</p> | <p>Management will review current arrangements in consideration of the DVLA requirements and consider what alternative options are in place to ensure compliance. The DVLA recently carried out an audit – 22<sup>nd</sup> of January 2018 - and were satisfied with the current arrangements.</p>  | <p>May 2018</p>     | <p>A2</p> |
| <p><u>Recommendation 7</u></p> <p>Streamlined processes within Derry and Strabane</p> <p>Internal Audit recommend that the processes operational within Derry and Strabane are streamlined so that all information from both council areas is captured and maintained on the one database.</p>  | <p>Management have commenced a review of the databases held and will look to have one agreed system in place and to ensure that all of the databases are linked to the master sheet so that once any of the sheets are updated these updates will automatically appear on the master. It must be noted that if a FPN is not paid the case, including all of the relevant documentation is passed to Legal Services to progress through the Courts. Once the matter passes to Legal services the matter then becomes a non-payment issue and ceases at that point to be litter related. It's for Councils legal team</p> | <p>June 2018</p>    | <p>A2</p> |

## Table of Recommendations

| Recommendations   | Management Response  | Implementation Date | Priority |
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|   | to determine if a case should proceed or not. Waste Services will discuss and agree with Legal Services how best to record / report these actions.   |                     |          |
| <p><u>Recommendation 8</u></p> <p>System to capture litter information</p> <p>Internal Audit recommend that a system is used to record all information to allow a complete trail from cradle to grave of each potential offence, i.e. right from the initial communication from the member of the public right through to issue / payment of FPN, or closure of the case. Officers should be given clear guidance as to the amount of information to be recorded on the database to provide a satisfactory audit trail as to the situation of each case. This would provide assurance that all potential offences have been investigated, FPN's issued where appropriate and all income appropriately received, or follow up legal action taken when the FPN is not paid unless a satisfactory reason for not following this exists. (Internal Audit note that the Tascomi system used in other areas of the council could be used for this purpose. This would allow all calls to be logged, and</p> | As detailed above Management have commenced a review of the systems in use and will modify the existing system in terms of the Internal Audit comments and to strengthen and enhance the information recorded. | September 2018      | A1       |

## Table of Recommendations

| Recommendations   | Management Response   | Implementation Date | Priority |
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| would allow a complete audit trail to demonstrate how wardens reacted to the call. It would allow information to be more easily retrieved on repeat offenders, etc. and facilitate the easy extraction of information for performance information purposes).  |   |                     |          |
| <p><u>Recommendation 9</u></p> <p>Defined criteria agreed as to why a case will not be progressed</p> <p>Internal Audit recommends that a documented policy is developed confirming the reasons that can be accepted as to why payment of a FPN may not be pursued. This would provide management with a level of assurance that all potential offenders are treated equally.</p> | Management will clarify this process in discussions with Legal Services and if required develop and bring forward a policy for Members consideration in due course. | June 2018           | A2       |
| <p><u>Recommendation 10</u></p> <p>Integrity of database</p> <p>Internal Audit recommend that staff are reminded of the importance of ensuring that the databases are updated with actions on a live basis and that action on all cases should be</p>   | All staff involved in the process will be retrained on the system and reminded of the obligation to update the details as cases progress.                           | June 2018           | A1       |

## Table of Recommendations

| Recommendations  | Management Response  | Implementation Date | Priority |
|--|--|---------------------|----------|
| undertaken on a timely basis. Training should be provided to staff as to the level of detail to be recorded on the database.   |  |                     |          |
| <p><u>Recommendation 11</u></p> <p>Management review of littering database</p> <p>Internal Audit recommend that management regularly review the databases to ensure that satisfactory action is being taken on cases and to ensure a satisfactory level of audit trail exists.</p>   | The Compliance and Monitoring Manager will undertake regular reviews of the information inputted onto the system for accuracy and detail.  | May 2018            | A2       |
| <p><u>Recommendation 12</u></p> <p>Level of indiscriminate dumping fines</p> <p>Internal Audit recommend that management review the reasons why such a low level of fines are being recorded as issued for indiscriminate dumping.</p> <p>Furthermore, management should consider a review of the process and methodology used to record indiscriminate dumping information on the database. (This is linked to recommendation 8 above).</p> | Any evidence found at fly tipping sites is acted upon with FPN's issued if appropriate. It has become evident however that serial offenders are aware of Council processes and remove any evidence from bags before dumping them indiscriminately. Officers have been reminded of the requirement to record all decisions on the database and in particular to detail all reasons for not progressing with a case. | April 2018          | A2       |

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| Recommendations  | Management Response  | Implementation Date   | Priority  |
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| <p><u>Recommendation 13</u></p> <p>Weaknesses in the payment process</p> <p>Internal audit recommend that a check is performed at the time of payment to ensure the correct amount is being received in line with Council policy.</p>  | <p>The Compliance and Monitoring will discuss and review payment arrangements with the Finance section.</p>  | <p>April 2018</p>     | <p>A2</p> |
| <p><u>Recommendation 14</u></p> <p>Performance Information</p> <p>Internal Audit recommends that improvements are made to the capture of performance information. This should be a consideration within the database used to record information, which should have the capability to allow information to be collated for both the Derry and Strabane locations.</p> | <p>As detailed above access to the database will be made available to employees at both offices with full training given. In developing the database management will ensure that performance information can be easily extracted from the newly configured system for both Derry and Strabane.</p> | <p>September 2018</p> | <p>A2</p> |
| <p><u>Recommendation 15</u></p> <p>Timeframe for maintenance of records</p> <p>The new Data Protection Regulation GDPR requires that processes are established to ensure that data is only</p>   | <p>This matter will be discussed and agreed with Councils Data Protection Manager and actioned accordingly.</p>  | <p>May 2018</p>       | <p>A1</p> |

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| maintained for the length of time it is required. As such Internal Audit recommend that management confirm the legal period of time for which this information should be retained and establish processes to ensure that data is maintained for a maximum of this period only after the case has been closed. If FOI requests are received for information outside of this time period the legal requirement can be outlined as part of the response. | The majority of FOI requests relating to this matter ask for details of numbers of FPN's issued, types of incident etc. this type of data is not subject to data protection obligations.   |                     |          |
| <p><u>Recommendation 16</u></p> <p>Purpose for which FPN fines can be used</p> <p>Internal Audit recommend that senior management consider reviewing the use for which monies from FPN's is allocated.</p>  | This is the case at present as confirmed by the Accountant Directorate.  | Complete            | A3       |
| <p><u>Recommendation 17</u></p> <p>Classification of 'abandoned vehicle'</p> <p>Derry and Strabane need to use the same criteria to determine whether a vehicle is to be regarded as abandoned, in compliance with the relevant legislation and Code of Practice.</p>   | Management have agreed that the criteria as set out in the Order will be determined in terms of abandoned vehicles. Council had previously agreed that it is not their role to remove untaxed or uninsured vehicles as this falls to DVLA or the PSNI. | April 2018          | A2       |

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| Recommendations  | Management Response  | Implementation Date | Priority |
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| <p><u>Recommendation 18</u></p> <p>Cost of collection of abandoned vehicles</p> <p>Internal Audit recommend that management locate the detailed contract documents to identify the contract award period and when the contract should be subject to another competition exercise. This would assure management that value for money is being achieved in the collection cost for abandoned vehicles.</p> | <p>This service will be retendered in consideration of Councils procurement obligations.</p> <p>Management have identified that a National Framework is in Place 'Crown Commercial Services - Section 6 Haulage, storage and disposal of vehicles'. Management are currently exploring how DCSDC can use this framework.</p>                                 | May 2018            | A1       |
| <b><u>Onsite testing at Recycling Centres</u></b>  |  |                     |          |
| <u>Onsite testing at Recycling Centres</u>   |  |                     |          |
| <p><u>Recommendation 19</u></p> <p>Working Plans</p> <p>Internal Audit recommend that:</p> <ul style="list-style-type: none"> <li>(i) For assurance purposes, all Working Plans should be available for review at all times.</li> <li>(ii) Working Plans should be updated to reflect the change in council name and ensure the plans are</li> </ul>   | <p>NIEA require Working plans prior to issuing site licences. Working Plans have been submitted and approved by NIEA in respect of all of the sites operated by Council. All Working Plans have now been reviewed and updated. The security arrangements are generic at the majority of sites as reflected in the plans. Officers will review all of the</p> | September 2018      | A1       |

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| <p>site specific and reflect the operational practices at each site, including the security elements on site.</p> <p>(iii) Evidence should be retained that the updated plans are approved by the NIEA for all DCSDC sites.</p> <p>(iv) Given the volume of work which this will entail Internal Audit recommend that a timetable is created for the development of these working plans and progress regularly reviewed.</p> <p>(v) In addition to maintaining a copy of both the licence and working plan on site, a central file should be maintained in the waste section at Strand Road containing all the licences and working plans as these took a period of time to locate during the audit.</p> | Plans to reflect that the details reflect arrangements on each individual site.  |                     |          |
| <p><u>Recommendation 20</u></p> <p>Operational procedures including weighbridge procedure</p> <p>Internal Audit recommend that a procedures manual is developed setting out clear instructions for the completion of</p>   | Details relating to the completion of on-site records are detailed within the Working Plans. A weighbridge procedure will be drafted and circulated to all relevant sites. | July 2018           | A2       |

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| Recommendations   | Management Response  | Implementation Date | Priority |
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| onsite records and a separate procedure developed on the operation of weighbridges for the relevant facilities.   |  |                     |          |
| <p><u>Recommendation 21</u></p> <p>Training of staff on operational processes</p> <p>Internal Audit recommend formal training is delivered to staff on the various operational procedures and processes including the operation of the weighbridge where relevant. Records should be maintained of attendance at this training.</p> | <p>An agreed programme of Train the Trainers is in place within Waste management with regard to the operation of weighbridges and other equipment such as waste compactors. Under this scheme one key member of staff is trained by the equipment provider with all subsequent training delivered in house. Records are kept of all such training. Management will review how such training is recorded going forward so as to ensure proper controls are in place.</p> <p><b>Audit Comment</b></p> <p>Internal Audit asked for evidence of training records during the fieldwork stage of the audit and were provided with a spreadsheet of different health and safety training but no specific record was available for review of training in the operational procedures and processes.</p> | Complete            | A2       |

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| Recommendations  | Management Response  | Implementation Date | Priority  |
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| <p><u>Recommendation 22</u></p> <p><b>Weighbridge calibration certificates</b></p> <p>Internal Audit recommend that DCSDC request a copy of the calibration certificate from contractors.</p> <p>Internal Audit recommend that a file is maintained in the central waste office of all the calibration certificates both for DCSDC weighbridges and the contractor's weighbridges. A summary log should be maintained at the front of the file to ensure the calibration certificates are always up to date.</p> | <p>DCSDC weighbridges are calibrated 6 monthly with certificates held on site. External providers will be asked to submit annual calibration certificates.</p>   | <p>May 2018</p>     | <p>A2</p> |
| <p><u>Recommendation 23</u></p> <p><b>Onsite testing – working plan compliance</b></p> <p>Taking into consideration the detailed exceptions noted by Internal Audit, it is recommended that management ensure that staff on site comply with all the requirements of the working plan specifically with regard to all the areas highlighted by Internal Audit above. All documentation should be completed as prescribed and retained securely for evidence and review purposes.</p>                             | <p>All staff have been reminded of the requirement to complete all checks and inspections and to complete follow up documentation as appropriate. As detailed permanent supervisors are to be appointed to the Pennyburn site with management also considering how to improve management functions at all other sites. Consideration will be given to appointing supervisors to other sites in due course.</p> | <p>May 2018</p>     | <p>A1</p> |

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| Recommendations  | Management Response   | Implementation Date                               | Priority  |
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| <b><u>Waste Management Site Environmental Controls</u></b>   |   |   |           |
| <p><u>Recommendation 24</u></p> <p>Internal programme of sampling on site</p> <p>A formal programme of inspections should be developed including the Strabane sites to ensure that all sites are subject to review and for evidence / assurance purposes. From an audit perspective, there is a need for management to be able to demonstrate that there is a more formal approach to the inspections regime and that the finite resources are being applied to the areas of greatest risk. There is a need for waste management to be able to plan and carry out the inspections and have the resources to do so. If the resources are not available, then the inspections regime should be targeted demonstrably at the areas of greatest risk or through cyclical inspections e.g. if the Strabane sites are considered to be lesser risk then they could be inspected less frequently. Waste Management should aim to provide management information</p> | <p>A structured sampling programme has now been put in place for the 2018 year with a copy forwarded to Internal Audit. This schedule, which incorporates all facilities, sets out the mandatory sampling requirements that Council is required to undertake as part of site licencing obligations. The sampling schedule is determined by the licence regulator – the Northern Ireland Environment Agency – in terms of licence / permits of Discharge Consents. The NIEA have reduced the sampling requirements in terms of Culmore – reduction from monthly to quarterly - with the EEO amending the schedule accordingly.</p> | <p>Complete – Implemented in full and ongoing</p> | <p>A1</p> |

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| around the inspection regime and have a targeted programme of inspections. It is then up to management to monitor the programme for completions and ensure that the planned inspections are being completed.   |  |                     |          |
| <p><u>Recommendation 25</u></p> <p>Internal programme of sampling on site</p> <p>Additionally, management should consider guidance to ensure clarity around the inspections carried out by waste management staff and detail on what assurances are being provided by Council as a result of these inspections and in what areas. Furthermore, any gaps in the assurance framework identified should be evaluated and action taken if necessary, for example, through the provision of training.</p> | <p>The sampling requirements are defined in terms of the licence / permits issued by the NIEA or in terms of any Discharge Consents. The sampling undertaken takes full account of the requirements detailed in the above documents with the Council team agreeing the requirements as part of the permitting process. The testing and analysis of the samples replicates the consent obligations with these results available for inspection by the regulator as part of the consent process.</p> | Complete            | A2       |
| <p><u>Recommendation 26</u></p> <p>Collation of sampling results</p>   | <p>A copy of all results received by the monitoring section is held by the Environmental Engineering Officer and are held in excel format and are filed</p>  | Complete            | A2       |

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| Recommendations   | Management Response   | Implementation Date | Priority  |
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| <p>Internal Audit recommend that the master spreadsheet of laboratory results is updated as soon as possible so that a clear audit trail is available for each site. Action should be taken on any issues identified by these lab results on a timely basis.</p>  | <p>chronologically in order of test date and by site. The EMO advised that previously the results had been sent through in PDF format and that he had created the master sheet transferring the data in order to create the record. All results are reviewed on receipt and any action required immediately initiated. The EMO has advised that he has updated the master sheet and with the NIEA having recently amended the sampling requirements in terms of Culmore he will be better able to ensure that the master sheet is updated in a timely manner.</p> |                     |           |
| <p><u>Recommendation 27</u></p> <p>Internal environmental audits on site</p> <p>Internal Audit recommend that resources are allocated to undertake internal environmental audits. These should be evidenced not just on an exception basis by noting exceptions within the diary but rather the environmental checklist developed should be completed for each audit and any follow-up action required noted by the officer on the checklist. These checklists should be retained on file as evidence and assurance that these checks have taken place.</p> | <p>A programme of internal audits has now been developed. The checklist will be digitised and added to the Asset HQ software with all inspections being recorded and held for further review and inspection.</p>  | <p>July 2018</p>    | <p>A2</p> |

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| <p><u>Recommendation 28</u></p> <p><b>NIEA Audits</b></p> <p>Internal Audit recommend that risk no WEM14 should be re-evaluated in light of the recent issue identified by NIEA and consideration given to whether the current controls are adequate.</p> <p>Please note that it is standard practice at the completion of all audits that risk registers are reviewed to take account of any audit findings and recommendations raised.</p> | <p>Management have identified the problem and a solution. The solution relates to increasing the depth of the inspection chamber and silt trap which should ultimately eliminate the problem. A quote has recently been issued to a Council Panel of Contractors with award of works to follow a review of the quotes received. It is envisaged that works will commence immediately after the Easter break.</p>   | <p>Complete</p>     | <p>A1</p> |
| <p><u>Recommendation 29</u></p> <p><b>Restoration of the former landfill sites</b></p> <p>Given the ongoing leachate costs removal from the Duncastle site, Internal Audit recommend that management consider developing a cost / benefit analysis of restoring and having an aftercare programme in place for both this site and the former Carricklee landfill site in Strabane.</p>   | <p>These sites closed in advance of the introduction of the EU Landfill Directive. As such the sites fall outside of the requirement of the Directive and in particular the need to remediate these sites in consideration of the Directives obligations. Any remediation works are likely to incur significant costs for both sites – several millions of pounds for each location. The Duncastle site is monitored internally with arrangements in place to tanker off</p> | <p>June 2018</p>    | <p>A2</p> |

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|  | and dispose of leachate arising at the site with this activity limiting development opportunities at this location at this time. Council has approved the appointment of consultants to review options for the Carricklee site with a tender currently being drafted setting out the scope of works and client brief. Potential end uses for this site include parkland and / or access to the Finn river in terms of leisure pursuits.   |                     |          |
| <b><u>Street Cleansing</u></b>   |   |                     |          |
| <p><u>Recommendation 30</u></p> <p>Activity monitoring by operational management</p> <p>Internal Audit are aware that 2 new streetscape supervisors' posts have recently been established and the persons are now in post. As such Internal Audit recommend that more formal activity monitoring should take place by the supervisors.</p> | <p>Management intend to introduce and ensure that employees self-monitor areas of work and that area supervisors validate and respond to variances identified. KPI's will be developed for each area of work in terms of the Litter (NI) Order with each employee / crew responsible for achieving defined targets. It must also be noted that Keep Northern Ireland Beautiful independently monitor cleansing standards and that these are reported into Council quarterly and annually.</p> | September 2018      | A2       |

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| <p><u>Recommendation 31</u></p> <p>Internal surveys of littering</p> <p>Internal Audit were advised that work is ongoing to develop a methodology by which internal surveys can be carried out. Internal Audit recommend that this methodology and accompanying procedures should be finalised ASAP. There is also currently a resource issue as to who will carry out these surveys which needs to be addressed.</p>   | <p>The Head of Service confirmed these surveys will continue and will work in parallel with the supervisor's new proposed monitoring role. It is anticipated that results from these surveys will inform cleansing activities going forward, be constantly reviewed and lead to service improvements.</p>  | <p>September 2018</p> | <p>A2</p> |
| <p><u>Recommendation 32</u></p> <p>Standard Operating Procedures for Street Cleansing</p> <p>Internal Audit recommend that standard operating procedures should be developed outlining basic principles to be followed by street cleansing staff and addressing all the issues above.</p> <p>Internal Audit recommend that staff receive formal training on these procedures when they are developed and they should be included in the induction programme for new members of staff.</p> | <p>Management are currently reviewing all aspects of the service and intend to standardise operations across the district. Additionally, management consider that employees must be empowered and take responsibility for cleansing schedules and activities with area supervisors monitoring compliance and adherence to work schedules. Management intend that a standardised set of operating procedures will be developed and communicated to all staff. Risk assessments and Safe Systems of work are in place for all work</p> | <p>September 2018</p> | <p>A2</p> |

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|   | activities undertaken by operatives in terms of dealing with complaints, aggressive behaviour etc.  |                     |          |
| <p><u>Recommendation 33</u></p> <p>Process for dealing with cleansing complaints</p> <p>Internal Audit recommend that a review should be undertaken of the complaints process that would allow a level of assurance to be provided to management that:</p> <ul style="list-style-type: none"> <li>○ All complaints are dealt with effectively</li> <li>○ To allow information about complaints to be collated so that trends can be identified. This would allow proactive rather than reactive action to be taken to address the issues raised by complaints.</li> </ul> | <p>The process for receiving and dealing with complaints needs to be reviewed and improved upon. However, not all of the issues reported fall within Council's area of responsibility and this can cause confusion and lead to frustration on behalf of the complainant.</p> <p>There is fragmentation in the waste management complaints process which needs to be addressed and the processes within waste management are currently under review.</p> | September 2018      | A2       |

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| <b><u>Bulky Waste</u></b>  |  |                     |           |
| <p><u>Recommendation 34</u></p> <p>The 'Globeweigh' System</p> <p>Internal Audit recommends that the Globeweigh system is reviewed to identify if the information identified by Internal Audit can be captured. Internal Audit also recommend that the configuration of the system should be reviewed to identify if reports can be developed to allow management to undertake performance monitoring of the bulky waste collection process.</p> | <p>A review of this software has commenced utilising the in house IT team and will consider what improvements can be made to the system in terms of reporting and monitoring as per IT recommendations.</p>  | <p>June 2018</p>    | <p>A2</p> |
| <p><u>Recommendation 35</u></p> <p>Retention of bulky waste records</p> <p>Internal Audit recommend that the signed scheduling sheets should be maintained by the section.</p>   | <p>Staff have been advised that completed jobs are to be recorded on the system along with any other relevant information. As mentioned previously officers are considering introducing 'in cab' devices that crews can utilise to record this detail immediately negating any further interventions by back room staff.</p> | <p>Complete</p>     | <p>A2</p> |

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| <p><u>Recommendation 36</u></p> <p>Performance Monitoring</p> <p>Internal Audit recommend that management identify a set of performance standards for this service, an example would be an identified target number of days between when the customer contacted the council to request collection, when the customer was advised of the collection date, and when the collection of waste actually took place. Regular monitoring of achievement of the performance standards should take place and Internal Audit would recommend that these are reported to relevant senior management / committee on an ongoing basis.</p> | <p>KPI's will be developed for this service based on the recommendations.</p> <p>Customers are advised of the collection day at the time of the booking.</p>  | <p>July 2018</p>    | <p>A1</p> |
| <p><u>Recommendation 37</u></p> <p>Accurate updating of the 'Globeweigh' system</p> <p>Internal Audit recommends improved supervisory controls to ensure the accuracy of the capture and recording of information onto the 'Globeweigh' system.</p>   | <p>A review of this software has commenced utilising the in house IT team and will consider what improvements can be made to the system in terms of reporting and monitoring as per IT recommendations.</p> | <p>July 2018</p>    | <p>A2</p> |

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| Additionally, it is recommended that a management review is carried out to address the technical issues currently impacting the operation of the system.  |  |                     |          |
| <b><u>Commercial Waste Contracts</u></b>  |  |                     |          |
| <p><u>Recommendation 38</u></p> <p>Streamlined processes for Derry and Strabane</p> <p>Internal Audit recommend that management develop a policy on Commercial Waste processes. The processes operational at Derry and Strabane should be streamlined. In relation to the difference in charging highlighted above, Internal Audit would recommend that charges should be made in current year in line with accounting practices and to ensure that the service is not delivered without the income having been received.</p> | A single system will be introduced to coincide with the next round of billing i.e. April 2018. All those involved in the process will be advised of the change in advance. | April 2018          | A2       |

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| <p><u>Recommendation 39</u></p> <p>Entitlement to free commercial waste collections</p> <p>Internal Audit recommends that a review is carried out on this area to provide assurance on the basis of which the service is provided free of charge.</p> | <p>Council do not provide free collection services to commercial customers. Checks are carried out where appropriate and charges applied if applicable. As detailed above there have been a number of legal challenges to these designations in the past with the definition of household waste subsequently expanded to reflect judgements in these cases. Management will review processes where appropriate taking account of any national / regional guidance.</p> | <p>Ongoing</p>      | <p>A2</p> |
| <p><u>Recommendation 40</u></p> <p>Application of discount for direct debit payment</p> <p>Internal Audit recommends that management review if the 5% discount is still applicable, and if so, if this can be applied in the current year.</p>        | <p>Councils finance section prefer that payments are made by Direct Debit and introduced the discount to encourage payment by this method. Internal Audit comments on this will be passed to the Finance section for review and comment.</p>   | <p>April 2018</p>   | <p>A2</p> |

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| Recommendations   | Management Response  | Implementation Date | Priority |
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| <p><u>Recommendation 41</u></p> <p>Return of 'Duty of Care' Information</p> <p>Internal Audit recommend that, given resource limitations in DCSDC, customers should be encouraged to use the new government website to complete the Duty of Care form. Alternatively, the Duty of Care form could be included on DCSDC's website for download and completion by the customer.</p> | <p>The Environmental Monitoring Assistant is no longer following up on DoC information, rather this role has now been allocated to another waste management officer.</p> <p>The NIEA are eager to ensure that all businesses complete this documentation annually using the E-Doc system and Council will encourage all businesses to use this format going forward.</p> | Ongoing             | A2       |
| <p><u>Recommendation 42</u></p> <p>Administration Fee for completion of 'Duty of Care' form</p> <p>From an accruals based accounting perspective the £30 fee where applicable should be accounted for in the current year.</p>  | <p>The £30 fee will be charged in the year the cost arises.</p>  | April 2018          | A2       |
| <p><u>Recommendation 43</u></p> <p>Implications of non-return of 'Duty of Care' information</p> <p>Internal Audit recommends that action should be taken immediately to stop operations from customers who still</p>  | <p>The Finance section notify Refuse Collection of non-payments on a timely basis with collections halted accordingly once confirmed. In addition management are also progressing with the procurement and installation of 'in-cab' devices</p>  | April 2018          | A1       |

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| <p>have not returned their Duty of Care forms after the reminders have been issued.</p>  | <p>linked to back office staff – including finance – enabling payment status to be sent directly to vehicles speeding up this process.</p>  |                     |           |
| <p><u>Recommendation 44</u></p> <p>Commercial waste stickers</p> <p>Internal Audit recommends that a timetable should be established for the development and issue of stickers to customers. This should take place in advance of the new financial year so that the correct stickers could be placed on bins and operations advised to only lift the bins if the correct stickers are in place.</p> | <p>The processes relating to this matter have been reviewed and additional controls introduced. This includes reviewing the process with regards to confirming collection arrangements and the storage, control and distribution of Trade Waste Stickers. It should be noted however that Finance permit up to 30 days grace in terms of making payment and it would be imprudent to issue stickers until payment has been confirmed. Likewise it would also be imprudent to stop collections during this period. As mentioned above management are considering introducing a new software system that could address this situation. This would allow the drivers to access information whether the business had paid or not from their cabs.</p> | <p>April 2018</p>   | <p>A2</p> |

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| <p><u>Recommendation 45</u></p> <p>Template form to stop collections</p> <p>Internal Audit recommends the development of a form / template upon which communication to operations takes place to change / stop collections. A template would help to ensure that all information is captured consistently.</p>   | <p>Management are progressing with the procurement of bespoke software that will facilitate this processes. In the interim arrangements will be put in place with the finance section and refuse collection management in terms of confirming payment status.</p> | <p>April 2018</p>   | <p>A2</p> |
| <p><u>Recommendation 46</u></p> <p>Storage and security of commercial waste stickers</p> <p>Internal Audit recommends that security arrangements over these stickers should be improved. They should be maintained in a secure locked cupboard at all times, with limited access given to the keys.</p> <p>Internal Audit recommends that a separate log is maintained of all the sticker numbers in sequential order and it should be noted on this record which organisation has been issued with the stickers. This would provide a level of assurance to</p> | <p>The processes relating to this matter have been reviewed and additional controls introduced. This includes reviewing the process with regards to confirming collection arrangements and the storage, control and distribution of Trade Waste Stickers.</p>     | <p>April 2018</p>   | <p>A2</p> |

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| management that all stickers can be appropriately accounted for.   |   |                     |          |
| <p><u>Recommendation 47</u></p> <p>Amendments to commercial waste contracts</p> <p>Internal Audit recommends that if any amendments are made to the contract this should result in a new contract being developed which requires to be signed by the customer and returned</p>     | New and amended contracts are now issued following any change to arrangements.                    | Complete            | A2       |
| <b><u>Commercial Waste – Recycling Centres</u></b>   |   |                     |          |
| <p><u>Recommendation 48</u></p> <p>Streamlining of processes at Derry and Strabane regarding commercial waste</p> <p>Internal Audit recommends that a review is carried out to determine which charging system should become operational at both the Derry and Strabane sites.</p> | Management will undertake a review and bring a report to Members for consideration in due course. | June 2018           | A2       |

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| <p><u>Recommendation 49</u></p> <p>Number plate recognition software at Recycling Centres</p> <p>Internal Audit recommends that the issues around the operation of this software at sites should be addressed, so that usage information can be captured and presented to Senior Management and Members if requested.</p>   | <p>This system is operational and will be used to analyse and report on the number of RoI vehicles accessing the site as requested previously by Members.</p> | <p>Complete</p>     | <p>A2</p> |
| <p><b><u>Monitoring of Third Party Service Providers</u></b></p>  |   |                     |           |
| <p><u>Recommendation 50</u></p> <p>DCSDC Contract Management Guidelines</p> <p>Internal Audit recommend that contract management guidelines are developed by DCSDC to assist in managing the waste contracts. The key areas which Internal audit recommend should be included in the procedures are:</p> <ul style="list-style-type: none"> <li>• managing service delivery (formal governance),</li> <li>• managing the relationship,</li> <li>• contract administration,</li> </ul> | <p>The NIEA have produced contract guidelines issued to all Councils. These will be used going forward as a basis for contract design.</p>                    | <p>Complete</p>     | <p>A1</p> |

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| Recommendations   | Management Response  | Implementation Date | Priority |
|---|--|---------------------|----------|
| <ul style="list-style-type: none"> <li>• seeking performance improvements,</li> <li>• and managing changes.</li> </ul>  |  |                     |          |
| <p><u>Recommendation 51</u></p> <p>Clearly defined roles and responsibilities for contract monitoring</p> <p>Internal Audit recommend that each of the key waste management contracts are allocated a specific contract manager. This person should be responsible for managing the contract overall in compliance with contract management guidelines.</p> | <p>At present contract management activities are carried out by a number of officers in terms of their substantive posts. This includes for example at the points of service delivery i.e. recycling centres etc. where attendants and managers monitor services provided and through to the administration and processing of invoices. Environment section resources presently do not allow for the appointment of a dedicated contracts manager.</p> | N/A                 | A1       |
| <p><u>Recommendation 52</u></p> <p>Appointment of Contract Manager with monitoring responsibilities</p> <p>Internal Audit recommends firstly that a contract manager is appointed for each of the contracts. The contract manager identified for each contract should complete a quarterly monitoring form to confirm all conditions of the contract</p>    | <p>See response above regarding contract manager.</p> <p>Review meetings are held with contractors and in consideration of the above will be organised on a scheduled basis and actions recorded and closed out. It must be noted however that the NIEA as</p>   | June 2018           | A2       |

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| Recommendations  | Management Response   | Implementation Date | Priority  |
|--|---|---------------------|-----------|
| <p>have been complied with including the provision of performance information to DCSDC in compliance with the contract. In addition Internal Audit recommends that responsibility should be allocated to an officer to maintain an overall spreadsheet where records of these forms should be logged to confirm that all monitoring has taken place on a regular quarterly basis. If regular poor performance is identified management should consider invoking the performance penalties as outlined with the contract.</p> | <p>regulator conduct regular inspections and audits of all 3<sup>rd</sup> party processors and in particular with regard to the validation of data. In addition regular H &amp; S audits are undertaken in consideration of the OHSS14001 system in terms of 3<sup>rd</sup> party contractors accessing Council facilities and Council crews accessing 3<sup>rd</sup> party facilities.</p>   |                     |           |
| <p><u>Recommendation 53</u></p> <p>Site visits to contractor locations</p> <p>Internal audit recommend that DCSDC staff should attend site visits to contractor locations to ensure the expectations of the contract are being complied with. These should comprise a mixture of both planned and surprise visits. Documentation should be maintained as evidence of this visit having taken place and the elements reviewed during the visit.</p>   | <p>Waste management staff undertake inspections of third party provider facilities on a scheduled basis as part of the contract management process. As detailed above management will consider how to further enhance this as part of the wider review of contract management activities and bring forward recommendations in due course. Management also advise that protocols have been agreed between district Councils and the NIEA re planned and unplanned inspections at third party facilities.</p> | <p>April 2018</p>   | <p>A2</p> |

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| Recommendations   | Management Response  | Implementation Date | Priority  |
|---|--|---------------------|-----------|
| <p><u>Recommendation 54</u></p> <p><b>Performance Review Meetings with Contractors</b></p> <p>Internal Audit recommends that regular bi monthly contract performance review meetings should be scheduled with the main contractors and these should also be held with other contractors on a less frequent basis. Internal audit review of the types of issues raised at these meetings highlights the importance of these meetings taking place. Internal Audit recommends that a schedule of meetings for a calendar year is planned with all key contractors going forward. These would ensure that all those officers and contractor representative who need to attend are in a position to make themselves available to attend. Internal Audit recommend that formal minutes are maintained for all meetings and a separate action log with allocated responsibility and date for actions is maintained and kept under review at each meeting.</p> | <p>Review meetings are presently held with contractors and in consideration of the above will be organised on a scheduled basis with the main providers with actions recorded and closed out as per audit recommendations.</p> | <p>April 2018</p>   | <p>A2</p> |

## Table of Recommendations

| Recommendations   | Management Response  | Implementation Date | Priority  |
|---|--|---------------------|-----------|
| <p><u>Recommendation 55</u></p> <p>Reporting of contractor performance</p> <p>Internal Audit recommend that contract performance data is regularly reported to senior management / committee.</p>   | <p>Key performance data is reported through to senior management and committee through updates to service Plans, Covalent etc. In consideration of the above management will consider additional reporting structures and mechanisms to reflect Internal Audit comments above.</p> | <p>June 2018</p>    | <p>A2</p> |
| <p><u>Recommendation 56</u></p> <p>Evidence of issues being addressed</p> <p>Internal Audit recommends that reports are completed and signed off by senior management where issues / problems are identified and to maintain an audit trail that these are fully addressed.</p> | <p>Management will agree and implement a reporting and sign of mechanism in consideration of the comments identified above.</p>  | <p>June 2018</p>    | <p>A2</p> |

## Table of Recommendations

| Recommendations   | Management Response   | Implementation Date | Priority |
|---|---|---------------------|----------|
| <b><u>Payments to Waste Management Contractors</u></b>  |   |                     |          |
| <p><u>Recommendation 57</u></p> <p><u>Weighbridges on sites</u></p> <p>Internal Audit were advised that there are plans to put into place weighbridges at some of the other DCSDC sites. Internal Audit recommends that a timetable is developed as to when weighbridges could be installed at these sites, given the importance of the check of invoices against DCSDC weighbridge records and the materiality involved.</p> | <p>Council are at present exploring options with regard to several of the sites including Eglinton, Killeen and Glendermott Rd. All of these sites are leased and limited in terms of expansion. A review of all other sites will be undertaken to determine the feasibility or otherwise of installing weighbridges. In the absence of weighbridges existing control methods will be reviewed to ensure robustness.</p> <p>Council are also exploring the feasibility of a waste transfer station which would result in some wastes being delivered to a Council-run premises in the first instance before being removed in bulk by waste contractors. This would greatly reduce the quantity of weighbridge tickets generated as amounts invoiced would be based on the tonnage of waste removed which would involve larger quantities as vehicles with greater payloads would be used.</p> | September 2018      | A1       |

## Table of Recommendations

| Recommendations   | Management Response   | Implementation Date | Priority  |
|---|---|---------------------|-----------|
| <p><u>Recommendation 58</u></p> <p>Check of invoices</p> <p>In the interim period, management should consider whether the 100% check of invoices for those sites for which there is no DCSDC weighbridge is an effective use of resource. Internal Audit would suggest that management review whether this check should be undertaken on a sample basis and the resource used in other areas of waste management.</p> | <p>Management note the comments and will further discuss with Internal Audit with regards to this matter. While the absence of weighbridges at Council Sites does mean that weights are not able to be cross-checked, checking 100% of the weighbridge tickets provided by the contractor at least offers the opportunity to identify weight errors which would not otherwise be identified if this percentage was reduced.</p> <p><b>Audit Comment</b><br/>Internal Audit made this recommendation to take into consideration the risk and reward i.e. to recommend management review the limitations on the level of assurance that can be provided taking into consideration the large resource intensive exercise which it is to check 100% of entries on invoices given that you are only checking contractor invoices against contractor records.</p> | <p>May 2018</p>     | <p>A2</p> |

## Table of Recommendations

| Recommendations  | Management Response   | Implementation Date | Priority  |
|--|---|---------------------|-----------|
| <p><u>Recommendation 59</u></p> <p><b>Contractor Calibration Certificates</b></p> <p>Given that DCSDC are currently relying upon the accuracy of contractor weighbridges to verify the tonnages charged for those sites for which there is no DCSDC weighbridge, Internal Audit re-emphasise their recommendation made to ensure that weighbridge calibration certificates are requested from contractors to verify that their weighbridges have been calibrated annually.</p> | <p>Calibration certificates are requested annually, this process will be formalised with copy documentation held on file for review and inspection.</p> | <p>April 2018</p>   | <p>A2</p> |
| <p><u>Recommendation 60</u></p> <p><b>Threshold variance for invoice checks</b></p> <p>Internal Audit recommends that management determine a threshold variance at which investigation of the difference between DCSDC weights and the contractor's weights should take place. This should be communicated to those officers responsible for the checking of invoices to ensure the same processes are being applied in Derry and Strabane.</p>                                | <p>A standardised variation of 0.5 of tonne will be set across both sites. This detail will be communicated to all staff involved.</p>                  | <p>April 2018</p>   | <p>A2</p> |

## Table of Recommendations

| Recommendations  | Management Response   | Implementation Date | Priority  |
|--|---|---------------------|-----------|
| <p><u>Recommendation 61</u></p> <p>Stage of invoice payment</p> <p>Internal Audit recommends that management should review the control environment around the basis of payment.</p>  | <p>It was agreed that the implementation of this payment strategy would be difficult to manage and would be very burdensome from an administration perspective. However this clause is included more as a protective measure for DCSDC with this staged payment process having been applied in the past in consideration of issues raised with regard to previous contract. The clause remains available should issues arise with regard to any of the contracts operated by Council.</p> | <p>Complete</p>     | <p>A2</p> |
| <p><u>Recommendation 62</u></p> <p>Change in council vehicles</p> <p>Internal Audit recommends that the DCSDC Fleet Manager notify the waste officer responsible for invoice checks of changes in council vehicles as and when they occur. This would prevent delays in the payment of invoices.</p> | <p>It has been agreed with the Fleet Manager that updates to the fleet inventory will be forwarded to the relevant officers as they occur. This will include both the addition and / or removal of vehicles from the list.</p>  | <p>Complete</p>     | <p>A2</p> |

## Table of Recommendations

| Recommendations  | Management Response  | Implementation Date | Priority  |
|--|--|---------------------|-----------|
| <p><u>Recommendation 63</u></p> <p>Recording of reason for delays in completion of checks</p> <p>Internal Audit recommends that the waste section should continue to date and initial the invoice upon receipt, however the officer responsible for checking invoices should also record the date as to when their check was completed. Any reason for delay between the receipt of invoice and when it is authorised by the Head of Service should be clearly documented so there is a clear audit trail to explain any potential delays.</p> | <p>These details will be actioned as part of the validation process. It should be noted however that the officer presently records the details relating to invoice queries directly onto the specific invoice and where appropriate will attach relevant e-mails to the documentation.</p> | <p>April 2018</p>   | <p>A2</p> |
| <p><u>Recommendation 64</u></p> <p>Recording of driver details on weighbridge docketts</p> <p>Internal Audit recommends that all drivers are reminded of the importance of both signing and printing their names on the weighbridge docketts.</p> <p>Internal Audit recommends that weighbridge operators are reminded to ensure any print of their name can be sufficiently read on all copies of the weighbridge docket.</p>   | <p>All drivers will be reminded of the need to record their signatures legibly on all relevant documentation.</p>  | <p>April 2018</p>   | <p>A2</p> |

## Table of Recommendations

| Recommendations   | Management Response   | Implementation Date | Priority  |
|---|---|---------------------|-----------|
| <p><u>Recommendation 65</u></p> <p>Contractor handwritten weighbridge dockets</p> <p>Internal Audit recommends that if the instances of handwritten dockets is prevalent this is something which should be addressed more formally with the contractor as otherwise there is a risk of inaccurate invoicing processes.</p>  | <p>This matter has been raised directly with the contractor who advised that the issue has only arisen following their relocation from Newbuildings to Maydown. The contractor has been instructed to remedy the matter as a matter of urgency and that Council cannot pay on manual inputs. The contractor advised that the issue had been resolved with the waste team monitoring the situation for compliance.</p> | <p>March 2018</p>   | <p>A2</p> |
| <p><u>Recommendation 66</u></p> <p>Lack of information on invoices</p> <p>Internal Audit recommends that at the next meeting with the respective contractors the Waste Manager should include this area as an agenda item, so that it is clarified by both parties the information that needs to be included on invoices. As a minimum the date and registration number should be included.</p> | <p>Contractors will be advised of this requirement.</p>   | <p>April 2018</p>   | <p>A2</p> |

## Table of Recommendations

| Recommendations  | Management Response  | Implementation Date | Priority  |
|--|--|---------------------|-----------|
| <b><u>NIEA Returns</u></b>   |  |                     |           |
| <p><u>Recommendation 67</u></p> <p>Access to the WDF system</p> <p>Internal Audit recommend that access levels are reviewed regularly to ensure that access is restricted to the personnel involved in this process only, and to ensure that the access level given is appropriate to the person's role in the process.</p>  | <p>A review of those authorised to access the system has been undertaken with former employees removed.</p>  | <p>Complete</p>     | <p>A1</p> |
| <p><u>Recommendation 68</u></p> <p>Procedure and staff training in the WDF process</p> <p>Internal Audit recommend that a procedures manual be developed detailing the process to be followed to identify, collate and format the data to be input into the WDF database. Internal Audit acknowledge that this needs to be comprehensive so that it can be used as a training manual, to train other members of staff on this process.</p> | <p>WDF have produced a training manual for this system and previously have hosted a number of sessions annually to which all users are invited. In addition an on-line training and assistance module is available to users. It had been the case until recently that several employees had received training on the system and were adept at inputting data. As detailed above several of these employees have left the organisation and re-organisation within the waste section ongoing. Management</p> | <p>June 2018</p>    | <p>A1</p> |

## Table of Recommendations

| Recommendations   | Management Response  | Implementation Date | Priority  |
|---|--|---------------------|-----------|
| <p>Internal Audit recommend that other members of staff are formally trained in this process to reduce the reliance and risk upon 1 member of staff being able to undertake this process.</p>                 | <p>have previously identified this gap in provision and are considering how best to rationalise and ensure cover.</p> <p>It must be noted that NIEA also carry out audits of third part providers as they do with Councils. During these audits they will cross reference details held by the processor and Councils to validate inputs.</p> |                     |           |
| <p><u>Recommendation 69</u></p> <p>Recommendations from the NIEA NILAS team audits</p> <p>Internal Audit recommend that any actions by the NIEA team via these reviews are addressed as soon as possible.</p> | <p>Any issues raised by NIEA are reviewed and actioned immediately following notification as these have to be closed out with defined periods.</p>   | <p>Complete</p>     | <p>A2</p> |

## Table of Recommendations

| Recommendations  | Management Response  | Implementation Date   | Priority  |
|--|--|-----------------------|-----------|
| <b><u>Site Security and Access Controls</u></b>  |  |                       |           |
| <p><u>Recommendation 70</u></p> <p>Training on security of premises</p> <p>Internal Audit recommend that evidence is maintained of the training given to new members of staff on security of premises.</p>                 | <p>All new members of staff receive induction training with records held either within the service or by HR. The training on security forms part of the induction training. The training documentation/forms will now be reviewed to ensure that there is a specific section for security training as evidence for assurance purposes.</p> | <p>June 2018</p>      | <p>A2</p> |
| <p><u>Recommendation 71</u></p> <p>Site Barriers</p> <p>Internal Audit recommend that all sites are reviewed to identify whether it is possible or necessary to put a barrier in place to prevent unauthorised access.</p> | <p>All of the sites are staffed when open with barriers not required. Additional barriers are to be installed at Strachan's Rd to prevent unauthorised access to the Recycling Centre outside of opening hours.</p>  | <p>September 2018</p> | <p>A2</p> |

## Table of Recommendations

| Recommendations  | Management Response  | Implementation Date | Priority  |
|--|--|---------------------|-----------|
| <p><u>Recommendation 72</u></p> <p>Key Holders</p> <p>Internal Audit recommends that management should document and agree a written policy / procedure for security of premises including the safe custody of keys. As part of this policy Internal Audit recommends that the number of key holders should be reduced.</p> | <p>A policy will be drafted and agreed with regard to this issue. The issue of access to keys has been considered and those who require keys have been issued with sets in consideration of shift patterns, single person sites etc.</p> | <p>July 2018</p>    | <p>A2</p> |
| <p><u>Recommendation 73</u></p> <p>Site specific inductions for contractors</p> <p>Internal Audit recommend that management review and ensure contractors are given inductions for all sites which they attend.</p>  | <p>All contractors are inducted to sites in consideration of OHSS18001 requirements</p>  | <p>Complete</p>     | <p>A2</p> |

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## Appendix (i) System Priority Level

Internal Audit have recently introduced a 'System Priority level' to audit reports. The system priority level identifies the significance of the system under review towards achievement of the Council's objectives.

This will help management to easily identify significant issues at an organisational level.

There are 3 ratings as follows:

| Rating | Description  |
|--------|--|
| A      | Failure to implement the recommendations is likely to result in a major failure of a key Council objective, significant damage to the reputation of the Council or the misuse of public funds. |
| B      | Failure to implement the recommendations could result in the failure of an important Council objective or could have some impact on a key Council objective.                                   |
| C      | Failure to implement the recommendation could lead to an increased risk exposure.  |

## Appendix (ii) Classification of Audit Assurance

The 3 Assurance levels are 'Satisfactory', 'Improvement needed' and 'Major Improvement needed'. The definitions have been reworded to match the new Assurance levels.

The new assurance levels and definitions are as follows:

| Level of Assurance       | Definition  |
|--------------------------|---|
| Satisfactory             | <i>Evaluation opinion:</i> Overall controls are adequate and effective to provide reasonable assurance that risks are managed. While there may be some issues identified and recommendations raised, this should not significantly impact on the achievement of objectives. |
| Improvement needed       | <i>Evaluation opinion:</i> Significant control weaknesses were noted and recommendations raised. There is considerable risk that the system will fail to meet its objectives.   |
| Major Improvement needed | <i>Evaluation opinion:</i> Numerous significant control weaknesses were noted and recommendations raised. The system has failed or there is a real risk that the system will fail to meet its objectives.   |

## Appendix (iii) Implementation Priority

Implementation priorities are based upon Internal Audit's opinion on how quickly the recommendations should be implemented, relevant to their importance in the system under review.

There are 3 different priority ratings as follows:

| Priority | Description  |
|----------|--|
| 1        | Weakness which should be addressed immediately.  |
| 2        | Weakness, which is not fundamental but should be addressed in the short term (6 months). |
| 3        | Improvement, which represents best practice.   |

The Action Plan contains the priority both of the system and the recommendation.