

Audit Design Matrix

Does the organisation of municipal waste management comply with the planned objectives and the legal requirements?

Audit questions and sub-questions	Sources of audit evidence	Audit methods	Audit criteria
<i>1. Have local governments, by organizing municipal waste management, ensured that <u>only reasonable expenses</u> are included in the payment for waste management?</i>			
1.1. Does the local government monitor that its waste management enterprise in the payment for waste management has included only technologically and economically reasonable expenses necessary for the effective provision of the service?	<ul style="list-style-type: none"> • Publicly available information – web pages of local governments, waste managers, non-governmental organisations; • Employees of local governments; • Employees of waste management companies; • Decisions of local governments on the payment for waste management; • Accounting data of waste management companies; • Documentation of public procurements; • Tenders submitted by waste managers; • Other sources of audit evidence which will be identified during the audit. 	<ul style="list-style-type: none"> • Interviews; • Analysis of documents; • Analysis of accounting data; • Comparison. 	Waste management enterprise, owned by the local government, in the payment for waste management has included only technologically and economically reasonable expenses necessary for the effective provision of the service.
<p>1.2. Does the local government monitor whether the waste manager has made appropriate calculations for the payment for waste management and, if necessary, has made recalculations?</p> <p>1.2.1. When setting the payment for waste management per one m³, is appropriate methodology used for conversion of waste from weight units (tons) to volume units (cubic meters)?</p> <p>1.2.2. Have managers of municipal waste sorting lines (local governments and managers of waste landfills) payment for the disposal of municipal waste applied only for the disposed waste (not including the sorted and recycled waste)?</p>	<ul style="list-style-type: none"> • Publicly available information – web pages of local governments, waste managers, non-governmental organisations; • Employees of local governments; • Employees of waste management companies; • Documents defining methodology for conversion of waste from weight units (tons) to volume units (cubic meters); • Annual Waste statistical data; • Operation records of waste landfill sites; • Waste logbooks of waste managers; • Waste managers' reports to local governments; • Technical experts, if necessary; • Other sources of audit evidence which will be identified during the audit. 	<ul style="list-style-type: none"> • Interviews; • Analysis of documents. 	<p>If there is no possibility for waste managers to weigh the amount of waste on-spot, has the amount of waste in volume units (cubic meters) been declared as close as possible to the actual amount of waste, using methodology for conversion of waste from weight units (tons) to volume units (cubic meters), based on the previous experience or has another assessment been used (for example, by technological process, expert assessment or in other way)?</p> <p>Managers of municipal waste sorting lines (local governments and managers of waste landfills) payment for the disposal of municipal waste have applied only for the disposed</p>

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			waste (not including the sorted and recycled waste).
2. Have responsible institutions ensured that municipal waste managers, when organizing waste management, respect environmental requirements for municipal waste management?			
<p>2.1. Has local government, by organizing municipal waste management, taken steps to ensure that from the year 2015 there are separate waste collection sites established for paper, metal, plastic and glass?</p> <p>2.1.1 Have rules been set for separate waste collection in the local government's binding regulations on waste management?</p> <p>2.1.2. Have requirements been set for separate waste collection in the local government's documentation of public procurements?</p> <p>2.1.3. Have requirements been set for separate waste collection in the local government's agreements with waste manager?</p> <p>2.1.4. Has there already been established the separate waste collection system in the local government?</p>	<ul style="list-style-type: none"> • Publicly available information – web pages of local governments; • Employees of local governments; • Local governments' binding regulations on waste management; • Documentation of public procurements; • Agreements between local governments and waste managers; • Separate waste collection sites, including biological waste collection sites; • Other sources of audit evidence which will be identified during the audit. 	<ul style="list-style-type: none"> • Interviews; • Analysis of documents; • Observation (on-spot visits to separate waste collection sites, including biological waste collection sites). 	<p>By 2015, local government, in cooperation with waste managers, has established separate waste collection system (for paper, metal, plastic and glass).</p>
<p>2.2. Has local government, by organizing municipal waste management, taken steps to ensure that biological waste is separated before its disposal in</p>			<p>Biological waste² is separated before its disposal in landfill.</p> <p>According to the Directive³ by 16 July 2013 biodegradable municipal waste going to landfills must be reduced to 50 % of the total amount of</p>

² Biodegradable garden or park waste, household waste, food and kitchen waste from restaurants, catering establishments and retail premises, as well as other similar food-production waste.

³ Council Directive 1999/31/EC of 26 April 1999 on the landfill of waste, Article 5, paragraph 2(b).

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<p>landfill according to the targets set in the Directive¹?</p> <p>2.2.1. Have rules been set for biological waste separation in the local government's binding regulations on waste management?</p> <p>2.2.2. Have requirements been set for biological waste separation in the local government's documentation of public procurements?</p> <p>2.2.3. Have requirements been set for biological waste separation in the local government's agreements with waste manager?</p> <p>2.2.4. Has there already been established biological waste separation in the local government?</p>			<p>biodegradable municipal waste produced in 1995.</p>
<p>2.3. Has the State Environmental Service, by controlling the activities of waste managers, ensured that the municipal waste manager puts the municipal waste collected in the respective local government for disposal only in the municipal waste landfill of the respective waste management region?</p>	<ul style="list-style-type: none"> • Employees of local governments; • Employees of waste management companies; • Annual Waste statistical data; • Operation records of waste landfill sites; • Waste logbooks of waste managers; • Other sources of audit evidence which will be identified during the audit. 	<ul style="list-style-type: none"> • Interviews; • Analysis of documents; • Comparison. 	<p>The State Environmental Service must periodically monitor the operations of waste managers in accordance with the waste management regulations and the relevant waste management permit, in particular as regards the origin, properties, quantity and destination of the collected and shipped waste.</p> <p>Municipal waste collected in the local government has been disposed only in the municipal waste landfill of the respective waste management region or has been handled to the respective waste transfer stations.</p>

¹ Council Directive 1999/31/EC of 26 April 1999 on the landfill of waste, Article 5, paragraph 2(b).

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2.4. Does and how local government ensure that all waste producers have concluded agreements for waste management?	<ul style="list-style-type: none"> • Employees of local governments; • Statistics on concluded agreements between waste managers and waste producers; • Central Statistical Bureau's statistics on the number of households; • Other sources of audit evidence which will be identified during the audit. 	<ul style="list-style-type: none"> • Interviews; • Analysis of documents; • Comparison/ 	Proportion between households having agreements for waste management and total households in local government.
2.5. Does the State Environmental Service adequately monitor statistics prepared by waste managers about the amount of waste collected?	<ul style="list-style-type: none"> • Annual Waste statistical data; • Other sources of audit evidence which will be identified during the audit. 	<ul style="list-style-type: none"> • Interviews; • Analysis of documents; • Comparison. 	Annual Waste statistical data prepared by waste managers about the amount of waste collected is mutually coherent (for example, closing balance of the year 2012 corresponds to the opening balance of the year 2013) ⁴ .
<p><i>3. Has the Ministry of Environmental Protection and Regional Development, by coordinating implementation of the national waste management plan and drafting legal acts for waste management, ensured that in the agreements between local governments and waste managers, as well as in the agreements between waste managers and inhabitants only fair and clear rules should have been included for all parties of municipal waste management system?</i></p>			
3.1. Have local governments, by concluding agreements with waste managers, included essential rules according to legal acts and Ministry's recommendations, in order to provide fair and clear rules for all parties of municipal waste management system?	<ul style="list-style-type: none"> • Agreements between local governments and waste managers; • Other sources of audit evidence which will be identified during the audit. 	<ul style="list-style-type: none"> • Interviews; • Analysis of documents. 	<p>During the audit the waste managers' agreements with the local governments included in the sample will be assessed with regard to the following recommendations of the Ministry:</p> <p>1) necessity to prepare an annual report by the waste manager on the progress, results and problems of waste management;</p>

⁴ Discrepancies greater than 2% are considered as significant.

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			<p>2) rules and procedures for reviewing of the payment for waste management;</p> <p>3) procedures for informing inhabitants about changes in the payment for waste management;</p> <p>4) procedure for the transfer of information on agreements with inhabitants in cases of waste managers' changes.</p> <p>During the audit the waste managers' agreements with the local governments included in the sample will be assessed with regard to the following rules of legal acts:</p> <p>1) determining the procedure how waste manager shall coordinate with the local government the draft contracts with inhabitants;</p> <p>2) providing penalty to waste manager in cases when the agreement is not fully or partially fulfilled;</p> <p>3) determining the quality rules of the fulfilment of contract and measurable evaluation criteria.</p>
<p>3.2. Do agreements between municipal waste managers and inhabitants ensure protection of consumers' interests and fair rules?</p>	<ul style="list-style-type: none"> • Agreements between waste managers and inhabitants; • Documents of the Consumer Rights Protection Centre; • Other sources of audit evidence which will be identified during the audit. 	<ul style="list-style-type: none"> • Interviews; • Analysis of documents. 	<p>It is planned to rely on the work done by the Consumer Rights Protection Centre, summarizing the conclusions on the consequences of the waste managers' actions in the cases when in the agreements with inhabitants there</p>

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			are not included fair and consumer interests protecting rules.

Scope of the Audit

In order to obtain sufficient assurance concerning compliance of organisation of municipal waste management with the planned objectives and legal requirements, the audit was performed:

- 1) in the Ministry of Environmental Protection and Regional Development coordinating implementation of the national waste management plan and drafting legal acts for waste management;
- 2) in the State Environmental Service issuing respective permits to waste managers for performance of certain operations and controlling their operations on a periodic basis;
- 3) in selected eight local governments included in the audit sample, which are in charge for organisation of municipal waste management in their respective administrative territory by selecting a waste manager to perform collection, transportation and storage of municipal waste;
- 4) in selected three enterprises of municipal waste disposal service providers included in the audit sample (the managers of landfill sites), which are making estimates of draft tariff rates for disposal of municipal waste.

In order to test how the sample local governments are supervising the selected waste managers, information was obtained from them as well within course of the audit.