

## Waste Audit Case Collection Form

Name of SAI	Supreme audit office of the Slovak republic	
Title of audit	Effectiveness and efficiency of separate collection of municipal waste	
Publishing year	2019 (auditing years: 2015 – first half 2018)	
What risks/policy areas did the audit approach?	<p>Low rate of separation of municipal waste (in compare with European goal to recycling 50 % of municipal waste). Audit was focused on separation as a basic assumption for recycling</p> <p><b>Auditees:</b> <b>State (Ministry of environment)</b></p> <ol style="list-style-type: none"> <li>1) Fulfilment of measures in two strategic document <ul style="list-style-type: none"> <li>- Waste prevention plan 2014 – 2018 (in the end of its duration)</li> <li>- Waste management plan 2016 – 2020 (in the half of its duration)</li> </ul> </li> <li>3) Creating conditions for waste separation</li> <li>2) Implementation of new waste law instruments (from 1.1.2016)</li> </ol> <p><b>Municipalities</b> (58 auditees – mainly big towns – significant sample – 1/3 of total municipal waste)</p> <ol style="list-style-type: none"> <li>1) Effectiveness of sorting waste system of municipality</li> <li>2) Efficiency of sorting waste system of municipality</li> </ol>	
Main audit questions and corresponding criteria	<b>Audit questions:</b>	<b>Criteria:</b>
	1. Did Ministry of environment fulfil measures in two strategic documents?	<b>Criteria were set only for questions on the lowest level</b>
	2. Did Ministry of environment ensure its duties?	
	3. Were instruments of new waste effective?	
	4. Were systems of separation in municipalities efficient?	
5. Were systems of separation in municipalities effective?		
What were the data sources and how was data analysed?	<p><b>Source:</b> <u>state (Ministry of environment)</u> written statement of Ministry, evidence proving claims of Ministry, statistical data</p> <p><u>Municipalities</u> annual report of municipality about municipal waste, internal evidence of waste, evidence proving correctness of this data or claims of municipalities</p> <p><b>collecting data:</b> study of materials, interviews with auditee, benchmarking, observation</p> <p><b>analyzing data:</b> common analytical methods, cost effectiveness analysis (not used because municipalities weren't able to provide financial data at all, or this data weren't verifiable), regression analysis</p>	

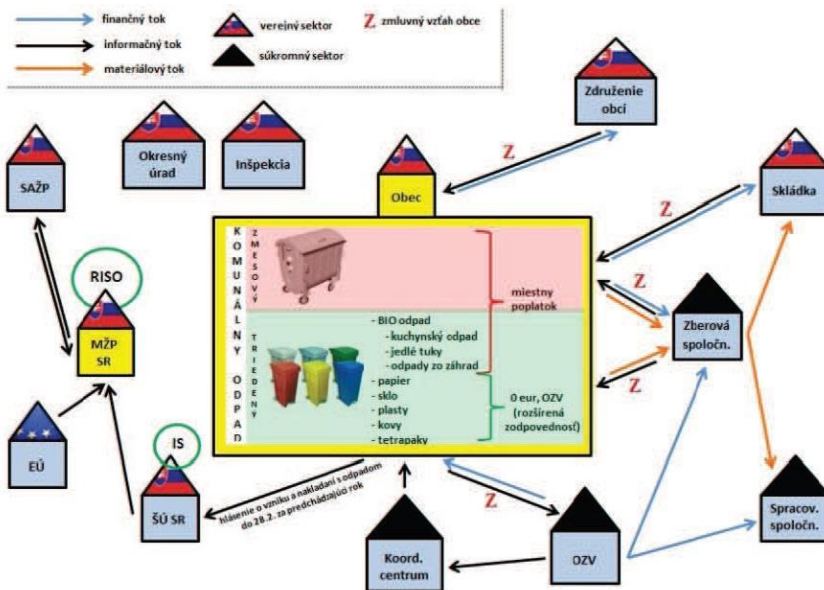
<p>Conclusions and main recommendations</p>	<p><b>STATE</b></p> <ul style="list-style-type: none"> <li>• Fulfilment of state measures set in strategical documents (Waste prevention plan, Waste management plan) had low efficiency (about 50 %).</li> <li>• State didn't ensure fulfilment of annual milestones necessary to achieve goal for recycling in 2020 (annual milestones of Slovak republic - rate of separation: 2017 - 30%, 2018 - 40 %, 2019 - 50 %, 2020 - 60 %)</li> <li>• there were practically no information campaign from state – all activities that should be done in 2015 - 2017 were linked at funds from European union and are delayed until now</li> <li>• State didn't fulfil its control function set in waste law <ul style="list-style-type: none"> <li>– there were no control mechanism to detect elementary mistakes in annual statements of municipalities</li> <li>– state didn't evaluate its measures annually and didn't take new measures for improvement</li> <li>– state didn't check fulfilment of goals of municipalities and didn't solve bad situation about rate of separation</li> <li>– new complex information system about waste is planned from 2016 but it is expected in the end of 2020 (too long process of procurement)</li> </ul> </li> <li>• State didn't increase the landfill tax during all audit period (despite the fact that the European Union has recommended it to Slovak republic)</li> <li>• Instruments of new law wasn't effective <ul style="list-style-type: none"> <li>– responsibility for promotion and information campaign was given to producers: in some municipalities were made any activities or were only formal</li> <li>– minimal standards for capacity of separate collection were set incorrect – fulfilling this standards wasn't able to ensure sufficient capacity (calculation includes logical mistakes)</li> <li>– extended producers responsibility didn't reduce local waste tax (despite the fact that municipalities reduced its costs). Reason was that municipalities paid significant amount for waste from their own budgets before that (about 20 %). Waste management of municipalities should be paid only from waste tax from people.</li> </ul> </li> </ul> <p><b>MUNICIPALITIES</b></p> <ul style="list-style-type: none"> <li>• Waste management plans with goals and measures didn't elaborate in 80 % auditees (from objective reason, because this plans weren't elaborate on higher level – level of region which this plans based on. It means that this plans delayed more than two years.</li> <li>• Rate of separation of municipal waste according to the audit was higher than was reported by municipalities and state</li> </ul>
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	<ul style="list-style-type: none"> <li>• Reported data didn't include all collection existed in municipalities (especially provided by private companies) – audit identified significant mistakes in each third auditee.</li> <li>• Municipalities didn't separate all categories of waste which separation is mandatory from waste law (4 from 8 categories weren't separate by more than 30 % of auditees)</li> <li>• Separation of kitchen biodegradable waste practically didn't exist. (Ministry set exceptions for separation biodegradable waste from kitchen - this exception was set very benevolently, so this collection didn't work in real)</li> <li>• There was no methodology for making estimation of green biodegradable waste made by households</li> <li>• Systems of separation of green biodegradable waste in municipalities wasn't according minimal standards set by waste law in more than 30 % auditees</li> <li>• The waste tax for citizens wasn't reduced despite the fact that from half of 2016 is separation of waste paid by producers (so costs of municipalities on waste went down). Waste has to be paid from tax fees from citizens so if total costs are reduced the fee must also be reduced. It didn't happen. Reason was that municipalities didn't finance waste only from this fee but also from their own budget. Municipalities didn't want to increase this fee because of political reason. In fact it means that main idea "the more you separate the less you pay" cannot work in real. Even in budgeting of municipalities at the beginning of the year this fee didn't cover all expected costs in more than 70 % cases.</li> <li>• Half of auditees didn't ensure minimal standards of capacity for separation for each category of waste (despite the fact that calculating of this standard was not completely correct according SAO, it was valid for municipalities)</li> <li>• Promotion of separation and information campaigns weren't made sufficiently by producers (from law are producers responsibly for this activities in municipalities) Producers have no motivation for this activity - for increasing amount of separated waste, because they pay for it. According to audit is not logic, that somebody who pays for separated waste is responsible also for promotion of separation. It is probably reasons why some municipalities weren't satisfied with this promotion or promotion wasn't made at all.</li> <li>• In majority of municipalities was separation ensured by private company that ensure all agenda. Financial flows were realized between this companies and producers. Municipalities had no information about finances in some cases and also information about amount of waste were not verified. Municipalities avoided responsibility for separation and also fulfilment of their own goals.</li> </ul>					
Which of the following aspects are covered in the audit and you can provide case?	Sustainable Development Goals, International Conventions, EU Directives	National legal instruments (description of instruments, weakness in legislation and	Economic Incentives in waste management (i.e. charges,	Mapping out the actors of waste management and their responsibilities	Methods of collecting and analysing data	Cooperative audit

(select all that apply)	related to waste management	regulation, incoherence of acts)	taxes, subsidies)			
	X  goals from European directive of waste (recycling 50 % of municipal waste)	X  <b>3 main instruments of new waste law:</b> 1) minimum standards for capacity 2) extended producers responsibility 3) promotion of separation made by producers		X  mapping stakeholders in pre-study to choose auditees  (picture bellow)	X  <b>collecting:</b> study of materials, interviews with auditee  <b>analysing:</b> common methods	
Challenges and risks	responsibility for separation in hands of private companies (it should be only financial responsibility, but in real municipalities in some cases let all agenda to them, so they have only secondary data about waste and they no information about finances in some cases)					
Link to audit report	<a href="https://www.nku.gov.sk/documents/10157/265201/96466--110.pdf">https://www.nku.gov.sk/documents/10157/265201/96466--110.pdf</a>					
Other relevant information and comments	Audit was focused only on separation of waste, not on forms of processing of waste, it mean on phase until separated waste is taken from municipality by private company.					

**Picture:**

**Mapping of stakeholders**



**Question:**

How did you overcome the challenge you identify in audit (that some municipalities have only secondary data about waste and no information about finances)?

**Answer:**

1) municipalities don't have information about finances (in some cases)

We decided not to evaluate efficiency and financial data about separation (costs on separation are not paid by municipalities from 2016 because of extended producers responsibility so it was not so important for our audit). We analyse only costs of municipalities related with other municipal waste what is municipalities financial responsible for.

We pointed out and highlighted this risk related with not clear financing that can has impact to more areas in audit report.

2) municipalities have only secondary data

We had to rely on this data because despite of this fact it is official data of municipalities and we were not able to compare data with other sources of private companies. We also highlighted it in audit report that is necessary to pay attention for finishing of new waste information system that is prepared by state from 2016.

Data of municipal waste will be still only reported by private companies (in case of outsourcing this service) so this risk is hard to eliminate. It is possible maybe trough new modern technologies what is hard to expect in near future in Slovakia.

**Question:**

Can you describe how did you evaluate effectiveness of instruments and systems of separation (audit questions - *Were instruments of new waste effective* and *Were systems of separation in municipalities effective*)? What data and methods you used?

**Answer:**

European aim for recycling of municipal waste for 2020 is 50 %. Therefore, Slovak republic adopted aim to separate 60 % of municipal waste to achieve this European aim. This aim was set in Waste management program of Slovak republic. Each municipality is obliged to elaborate its own program and adopt this aims of Slovak republic. It means that each municipality has its own aim that is obliged to fulfil. They also adopted partial aims for each year (2017: 30 %, 2018: 40 %, 2019: 50%). We evaluated aims for year 2017, because data for 2018 wasn't complete.

*Indicator of effectiveness (system) – rate of separation of municipal waste = 30 %*

if this rate was under 30 %, system was evaluated as ineffective.

*Indicator of effectiveness (instruments of state) – satisfying of municipalities with this instrument, functioning in practice (reality), increasing of rate of separation after implementation of this instruments*