



Territorial Authority Waste Levy Expenditure Audit Report

Waste Minimisation Act 2008

Territorial Authority	
Audit Date	
Territorial Authority Attendees	
Address	
Levy Spend Period Audited	
Lead Auditor	
Auditor	

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Executive Summary

A compliance audit was undertaken on **xxxx** on waste levy expenditure activities by **XXX** Council (**XDC**).

This forms part of the audit programme being undertaken by the Ministry for the Environment (the Ministry) – Waste and Resource Efficiency Division which aims to seek assurance that Territorial Authorities (TAs) and Disposal Facility Operators are meeting their obligations under the Waste Minimisation Act (the Act).

The key objectives of the audit were to ascertain whether CDC:

- spends allocated waste levy funds on matters which promote or achieve waste minimisation
- spends allocated waste levy funds in accordance with their Waste Management and Minimisation Plan (WMMP)
- maintains a current WMMP which meets statutory requirements in terms of review process, timeframes and content
- maintains accurate and complete records of levy income and expenditure.

The audit process involved meeting with **XXX** staff who look after waste minimisation activities for the council. A review of documentation was then undertaken to assess the level of compliance against statutory requirements, and to obtain assurance that levy spend practices meet the Ministry's expectations in terms of good practice financial and decision-making processes. **Due to COVID-19 restrictions, this audit was conducted remotely.**

Overall, **XDC** evidenced (*give an overall level of compliance*) e.g.: a strong level of compliance with their obligations under the Act. Levy expenditure for the last reported financial year (**xxx/21**) was in line with legislative requirements and the processes undertaken to plan for and spend levy funds were sound.

<No> areas of non-compliance or improvement were identified and **XXDC** are not recommended for any follow up action or audits outside future regular audit programmes.

The Waste Levy

The Ministry for the Environment (the Ministry) is the primary regulator under the Waste Minimisation Act 2008 (the WMA).

Part 3 of the WMA imposes a waste disposal levy on waste disposed of at landfills within New Zealand.

TAs receive a share of this levy every year and, as outlined in **section 32** of the WMA, must spend the levy money they receive only:

- on matters to promote or achieve waste minimisation; and
- in accordance with their waste management and minimisation plan

Part 4 of the WMA outlines the responsibilities of TAs in relation to waste management and minimisation within their district and this includes specific requirements when it comes to WMMPs.

Under [section 87 and 88](#) of the WMA, the Secretary for the Environment may appoint auditors to obtain and report on information in relation to TAs spending the levy money. This audit has been conducted under [section 88](#) to ensure compliance with the WMA.

A number of non-statutory guides exist to provide guidance to TAs on how to apply the WMA to their waste management and minimisation practices. The two key guidance documents which TAs levy expenditure procedures have been measured against for the purposes of this audit are:

[Waste Levy Spending Guidelines for TAs](#) which provides guidance on how to use levy money received under the WMA.

[Waste Assessments and Waste Management and Minimisation Planning: A Guide for TAs](#) which:

- describes the legislative setting for waste management and minimisation planning
- highlights statutory requirements for undertaking a WMMP review
- provides a blueprint for undertaking a WMMP review.

Audit Scope

The scope of this audit has included an assessment of levy expenditure practices for the [xxx/2x](#) financial year along with a review of key documentation such as the TA's WMMP, waste assessment, any applicable bylaw or solid waste policy / reporting.

Historical levy spend practices prior to the last reported financial year not been reviewed during this audit.

Previous Audits

A review of [xxDC](#) levy expenditure practices was last undertaken by the Ministry in [xxxx](#) and assessed expenditure of the [20xx/2x](#) financial year. Findings from this review were positive and [xDC](#) were able to demonstrate compliance with many of their requirements under the WMA. [xxx](#) areas of non-compliance with legislative requirements were identified relating to an expenditure item [xxDC](#) has incurred, and expenditure on matters to promote or achieve waste minimisation.

Territorial Authority Overview

Document in this section:

- Background to the TA
- When it adopted its WMMP and its key components
- Key statistics for waste
- Levy funds received
- Regional collaboration

Audit Findings

Legislative Requirement	Reference	Compliance Result
1. Has levy expenditure been on matters to promote or achieve waste minimisation? <Insert detail relating to result here>	WMA Part 3: Section 32(1)(a)	Choose an item.
2. Has levy expenditure been in accordance with WMMP? <Insert detail relating to result here>	WMA Part 3: Section 32(1)(b)	Choose an item.
3. Is the TA operating under a current WMMP? <Insert detail relating to result here>	WMA Part 4: Section 43(1)	Choose an item.
4. Was the WMMP review in accordance with legislative requirements? <Insert detail relating to result here>	WMA Part 4: Section 50	Choose an item.
5. Does the WMMP document meet legislative requirements? <Insert detail relating to result here>	WMA Part 4: Section 43	Choose an item.
6. Does the Waste Assessment meet legislative requirements? <Insert detail relating to result here>	WMA Part 4: Section 51	Choose an item.
7. Have proceeds from any marketable product or service been spent on waste minimisation activities? <Insert detail relating to result here>	WMA Part 4: Section 53	Choose an item.
8. Is any applicable bylaw consistent with the TA's WMMP? <Insert detail relating to result here>	WMA Part 4: Section 56	Choose an item.

Performance Standard Requirement	Reference	Compliance Result
<p>9. Does Council’s recycling services comply with the Standard Materials for Kerbside Collections?</p> <p><Insert detail relating to result here></p>	<p>Standard Notice, sections 7 and 8</p>	<p>Choose an item.</p>
<p>10. Does Council’s food waste or FOGO services comply with the Standard? (if applicable)</p> <p><Insert detail relating to result here></p>	<p>Standard Notice, sections 7 and 8</p>	<p>Choose an item.</p>
Best Practice	Reference	Result
<p>11. Has TA submitted a waste levy spend report for the last financial year?</p> <p><Insert detail relating to result here></p>	<p>Levy Spend Guidelines: Section 6</p>	<p>Choose an item.</p>
<p>12. Does the waste levy spend report line up with financial records?</p> <p><Insert detail relating to result here></p>	<p>Levy Spend Guidelines: Section 3 and 4</p>	<p>Choose an item.</p>
<p>13. Have waste levy funds been separately managed from other waste funding?</p> <p><Insert detail relating to result here></p>	<p>Levy Spend Guidelines: Section 4</p>	<p>Choose an item.</p>
<p>14. Have waste levy funds across reporting period/s been accounted for?</p> <p><Insert detail relating to result here></p>	<p>Levy Spend Guidelines: Section 4</p>	<p>Choose an item.</p>
<p>15. Has any interest accrued from levy money been spent on waste minimisation activities?</p> <p><Insert detail relating to result here></p>	<p>Levy Spend Guidelines: Section 4</p>	<p>Choose an item.</p>

Corrective Actions

<insert> corrective actions were identified through this audit.

Disclaimer

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Acknowledgement

We wish to acknowledge our appreciation for the cooperation that was provided by the staff members of the TA during the audit.

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Appendix 1: Audit Assessment Categories

Responses to audit criteria are assessed and the following categories assigned. The categories indicate whether compliance or non-compliance has been achieved for legislative requirements, or whether activities are conforming or non-conforming against good practice guidance.

	Compliant	Compliant - Area for Improvement	Non-compliant	Not Determined	Not applicable
Legislative Requirement (Q1-8)	Sufficient and appropriate evidence to demonstrate the particular requirement has been complied with and is within the scope of the audit.	Where an auditee may be compliant at the time of the audit but there are issues that exist that could result in the potential for future non-compliance if not addressed or where the practices don't align with best practice.	<p>Clear evidence to demonstrate the particular requirement has not been complied with. Three subcategories of non-compliance reflect the severity and level of risk associated with the non-compliance:</p> <p>Non-Compliant / Low: an administrative non-compliance which is not a significant risk.</p> <p>Non-Compliant / Medium: – an isolated lapse or absence of control in the implementation of an operational element which is unlikely to result in a significant risk.</p> <p>Non-Compliant / High: the absence of planning or implementation of a required operational element which has the potential to result in a significant risk.</p>	<p>The necessary evidence has not been collected to enable an assessment of compliance or conformance to be made within the scope of the audit.</p> <p>Reasons why the audit team could not collect the required information include: insufficient information relating to the period covered by the audit or insufficient evidence collected to reach a conclusion or the wording on the criteria meant that no evidence could be gathered or it was too difficult to gather the evidence.</p>	Circumstances have changed and are no longer relevant. An invoking element in the criteria was not activated within the scope of the audit.
Non-legislative Guidelines (Q9-13)	Conforming	Conforming - Area for Improvement	Non-Conforming		
	Sufficient and appropriate evidence to demonstrate good practice in line with Ministry guidelines and expectations.	Evidence suggests general adherence to good practice guidelines however minor improvement opportunities exist to closer align with Ministry's expectations.	<p>Clear evidence to demonstrate the lack of adherence to good practice as defined by the Ministry's guidance.</p> <p>While the issue may not constitute a breach of legislative requirement, there may be a risk of a breach occurring in future, and the level of confidence the Ministry has in the practices being undertaken is compromised.</p>		