



## **Fact sheet: Waste disposal levy audits of disposal facility operators**

### **Background**

The purpose of the Waste Minimisation Act 2008 (the Act) is to encourage waste minimisation and decrease waste disposal to protect the environment from harm and provide environmental, social, economic and cultural benefits. The Ministry for the Environment is tasked with administering the operational aspects of the Act including the collection of levies associated with waste.

Part 3 of the Act establishes a \$10 per tonne levy on waste disposed of at disposal facilities. The operator, or the person who is in control of a disposal facility, is liable to pay the waste levy to the levy collector and submit returns. The Waste Minimisation (Calculation and Payment of the waste disposal levy) Regulations 2009 (the Regulations) contain the actual details of how to calculate tonnages and pay the levy.

### **Audit under the Act**

Under section 87 of the Act, the Secretary for the Environment can appoint an auditor to audit a disposal facility or its operator in respect to payment of the levy by the operator; and compliance by the operator with any prescribed requirement to keep or provide records or other information. Any findings from the audit are reported to the Secretary for the Environment.

### **What is an audit?**

A waste disposal levy audit is an examination of information, processes and systems to check that a disposal facility operator has paid the correct levy and maintained appropriate records.

### **Why do we audit?**

The audits are undertaken as a second assurance step to clarify potential issues identified by the Ministry during a compliance review. The audits help provide specific assurance to the Secretary for the Environment disposal facility operators pay the appropriate amount of levy in accordance with the Act and the Regulations. Specific objectives of an audit could include assessing whether:

- accurate and complete records are kept sufficient to allow the levy due to be calculated
- returns submitted and levy related applications represent waste accepted that was liable for the waste disposal levy
- waste acceptance procedures have been designed to facilitate accurate reporting (therefore reduce error or fraud risk).

The auditors will report on any process or documentation gaps, errors or issues identified and make recommendations to minimise the risks at the waste disposal facility.

### **How long does an audit take?**

The audits are designed to cause as little disruption as possible and will usually take two to four days onsite. There is no set time for an audit. How long it takes will depend on the size and complexity of the facility, the availability of appropriate staff, access to records and information, and the adequacy of systems and processes in place to capture waste information.

### **Preparing for the audit**

The Ministry will notify you two to four weeks before the planned audit to allow you enough time to prepare for the audit. A detailed guide on the audit process will be provided to you at this time to assist your audit preparations. Once notification has been provided, the auditor will contact you to finalise arrangements for the audit visit and outline the process and information required.

## **How are audits carried out?**

A number of procedures will be undertaken by the auditor during the audit. These may include:

- interviews with relevant waste disposal facility staff
- examining records (both physical and electronic)
- examining policies, processes and systems
- field inspections of the landfill (covering waste acceptance, weighbridge, diverted material and cover material practices).

## **Potential outcomes of an audit**

The audit may identify where waste levy has not been appropriately paid. If moderate or significant issues are identified, the Ministry will contact the disposal facility operator regarding any levy return adjustment and any levies payable. The Ministry will assess the amount of levy payable based on the findings of the audit.

## **Confidentiality**

Any information or records you give to an auditor will remain confidential and be kept secure. Auditors have a professional obligation not to disclose confidential information unless it is specifically required to meet the objectives of the audit or as required by law.

## **Further information**

If you require further information, contact the Waste and Resources team

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