

2. Income Management - review of Trade Waste Processes

Audit Report Executive Summary

Audit Objective

The overall objective of this audit was to review the adequacy and effectiveness of the internal controls designed to manage and mitigate financial and non-financial risks relating to the Trade Waste and Recycling Collection function.

Assurance Opinion

Administration – satisfactory

Satisfactory definition:
Whilst there is a basically sound system of internal control there are weaknesses which put some of the objectives at risk or there is evidence that the level of non-compliance with some of the controls may put some of the objectives at risk

Data quality checks - limited

Limited definition:
Weaknesses in the system of internal controls are such as to put the objectives at risk or the level of non-compliance puts the objectives at risk

Number of actions

Priority	Number
High	0
Medium	7
Low/Advisory	7
Total	14

Audit Approach and Scope

The scope of this audit was to review the trade waste and recycling income management process, in particular the following elements of the process;

- Customer experience
- Efficiency of the internal process
- Collection of debt
- Fee setting

Key controls tested

Assessment

Actions Raised

Trade waste information is always available to customers		
Controls are in place to identify if there are mismatches between; <ul style="list-style-type: none"> • customer details in Collective and ASH • the waste collection fees and invoices raised 		There are none or infrequent checks that the system or customer data is accurate
Debt recovery is undertaken promptly		Undertaken on an ad hoc basis

Summary and next steps

The scope of this audit covered four areas. Based on the information provided and the evidence seen, the current processes appear to be working well. The recent automation of a number of the processes has vastly improved the service provided to customers, more information is readily available on-line to both prospective and current customers and any queries submitted via the trade waste portal goes direct to the Commercial Waste team.

Furthermore, the automation enables;

- 'real-time' invoices to be generated which reduces the number of incorrectly raised invoices.
- Collections to be put 'on hold' where;
 - there are two unpaid invoices thus reducing the level of potential bad debt.
 - a duty of care waste disposal note is not held (section 34 (7) of the Environmental Protection Act 1990 requires a current disposal note to be held)

all of which releases time for the officers to provide an improved service to prospective and current customers.

Whilst greater reliance is being placed on automation, there are times when systems do fail, and it is important that there are controls in place to identify and rectify such instances. Unfortunately, they are not in place or if they are, are conducted infrequently. Consideration should be given to introducing controls in the following areas;

- Updating the pricing parameters in Collective
- Setting up of new customer account
- Transfer of data between Collective and ASH and ASH and Collective
- Collective and ASH records to mirror one another

This is a final report of the audit findings and incorporates the remedial action agreed with the Service Lead Environmental Health & Community Safety and the Service Accountant.

Remedial action has been agreed with management for the findings identified.