



Impacts of the waste management audit

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Objectives of the presentation

Objectives are to present:

- how we considered potential impacts of the audit during the process of deciding and selecting the audits to be conducted;
- how we planned for impacts during designing the audit;
- how we estimated and measured the impacts of the audit upon findings, corrective measures required and recommendations and
- how we are monitoring implementation of corrective actions and recommendations and whether the impacts are still in line with the planned ones



Assessing potential impacts in selection process (1/2)

Risks identified before deciding to conduct the waste management audit:

- not meeting set European and national targets at managing municipal waste and not respecting waste management hierarchy:
 - heavy dependence on dumping waste which is not properly treated on landfills (more than 85 percent of the waste collected from households);
 - share of recycling is lower than 10 percent;
 - share of biodegradable components in waste disposed is in some cases higher than 50 percent.



Assessing potential impacts in selection process (2/2)

Bad results in managing municipal waste are the consequence of:

- unclear division of competences and obligations between local and federal authorities about disposing and recycling waste stopped the projects for building regional waste treatment centers;
- inefficient system of pricing separate waste collection and dumping, which is not based upon polluter pays principle and varies among municipalities;
- inefficient system of waste disposal taxes.



Assessing potential impacts during designing the audit (1/2)

To be able to assess inefficiencies and possible impacts we designed an audit in a way to include the auditees from state and municipal levels.

Assessment of potential impacts included:

- assessment of financial impacts, which can be achieved by improving identified inefficiencies;
- non-financial impacts which would be focused to raise awareness of inefficiencies in waste management among professionals and general public.



Assessing potential impacts during designing the audit (2/2)

We assessed financial impacts of the audit as potential savings for the state budget, budgets of municipalities, public companies responsible for municipal waste management and as potential savings for the end consumers of their services.

The financial impacts of the audit were calculated as a difference between costs for state and municipal budgets and end consumers before the audit and the lower costs for them after the audit, as a consequence of corrective actions taken by auditees as a result of the audit.



Measuring audit impacts

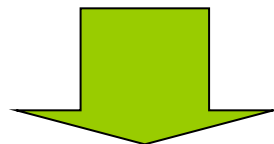
Millions of €

	Audit impacts		
	Estimation in the designing phase	Assessment upon audit findings	Monitoring
Identified inefficiencies			
Unclear division of competences and obligations between local and federal authorities about disposing and recycling	20	23	Not yet on track
Inefficient system of pricing separate waste collection	20	27	Not yet on track
Inefficient system of waste disposal taxes	10	13	Not yet on track
Total	50	63	



Monitoring audit impacts (1/2)

Auditees had to report to the Court of Audit about corrective actions taken within 90 days after publishing the audit report



Upon received report the Court of Audit concluded that none of the corrective actions taken by auditees contributed satisfactorily to improve inefficiencies.



Monitoring audit impacts (2/2)

- Hearing in front of the Public Finance Committee revealed that corrective measures taken by auditees were not performed satisfactorily and that identified inefficiencies did not improved;
- auditees should report to the Court of Audit on corrective actions taken each 6 months;
- follow up audit to be conducted in 2012.



Lessons learned

- Assessing financial impacts raised the importance of audit findings;
- Planning non financial impacts raised awareness about identified inefficiencies among professionals and general public;
- Measuring and monitoring impacts as well as follow up procedure are not properly defined in the audit process of the Court of Audit



Thank you for your attention!