Wicomico County, Maryland
OFFICE OF THE INTERNAL AUDITOR

P.O. BOX 870
SALISBURY, MARYLAND 21803-0870
410-548-4696
FAX 410-548-7872

Steve Roser, CPA, CIA/CRMA, CFE
Internal Auditor
Levin Hitchens III
Assistant Internal Auditor

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Internal Auditor's Report

The County Council and County Executive of Wicomico County, Maryland:

Pursuant to Section 305(D) of the Wicomico County Code and Council Resolution No. 99-2019, the Office of the Internal Auditor has conducted a study of the Recycling Program at the Solid Waste Division. A report submission is herewith. The purpose of the study was to understand the procedures implemented to process recyclables and the reporting process used in measuring the County's compliance with the Maryland Recycling Act (MRA).

We extend our appreciation to Management and Staff from the Solid Waste Division and the Executive Administration for their timely cooperation and assistance during the audit.

Respectfully submitted,

Levin J. Hitchens

Levin Hitchens
Assistant Internal Auditor

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Audit Report

Background

The Solid Waste Division tracks recycling efforts in Wicomico County. The Recycling Coordinator is responsible for tabulating reports of recycling activity from outside agencies and marketing recycling efforts to citizens and businesses. There are a number of ways for waste diversion to occur: County-operated convenience centers and recycling centers, curbside pickup for City of Salisbury residents, private recycling operators, and direct contracting with recycling haulers for commercial entities. (See *Appendix A - Methodology* for commodity flowchart examples)

Objectives

The objectives of the audit were to:

1. Gain an understanding of the recycling materials collected by Wicomico County
2. Map recordkeeping (accounting) for recyclables
3. Evaluate internal control over handling of recyclables
4. Assure adherence to internal controls

Scope and Methodology

The audit periods examined were FY 2017 to FY 2019. Scope was open ended. Observations and inquiries with appropriate personnel were conducted, as well as examination of various documents and system information pertaining to the management of the program.

Overview

Reporting

The County provides a report to Maryland Department of the Environment (MDE) annually detailing recycling efforts. Measurement of recycling figures against the amount of material deposited into the landfill determines the County's diversion rate. While it is reasonable that most waste produced within the County will cross the scales at the landfill, the same cannot be said about capturing recycling data. Residents tote their recyclables to convenience centers or leave at the curb for pickup, which the County measures and the City of Salisbury provides reports to the County. Businesses on the other hand, have an economic incentive to bundle many types of recyclables to sell to a processor. This places the County in the position of requesting annual recycling reports from individual businesses. The MRA requires the County to achieve a 20% diversion rate but *does not* require businesses to recycle or to report their recycling activities.

Without a mandate, it can be a challenge to convince businesses to disclose their recycling data. The Recycling Coordinator redesigned the form that businesses use to an easier format to try to boost responses. The data is on calendar year basis and is due to the State by end of March each year, which presents a limited amount of time for solicitation and tabulation of responses. The Recycling Coordinator records and tabulates the response forms manually.
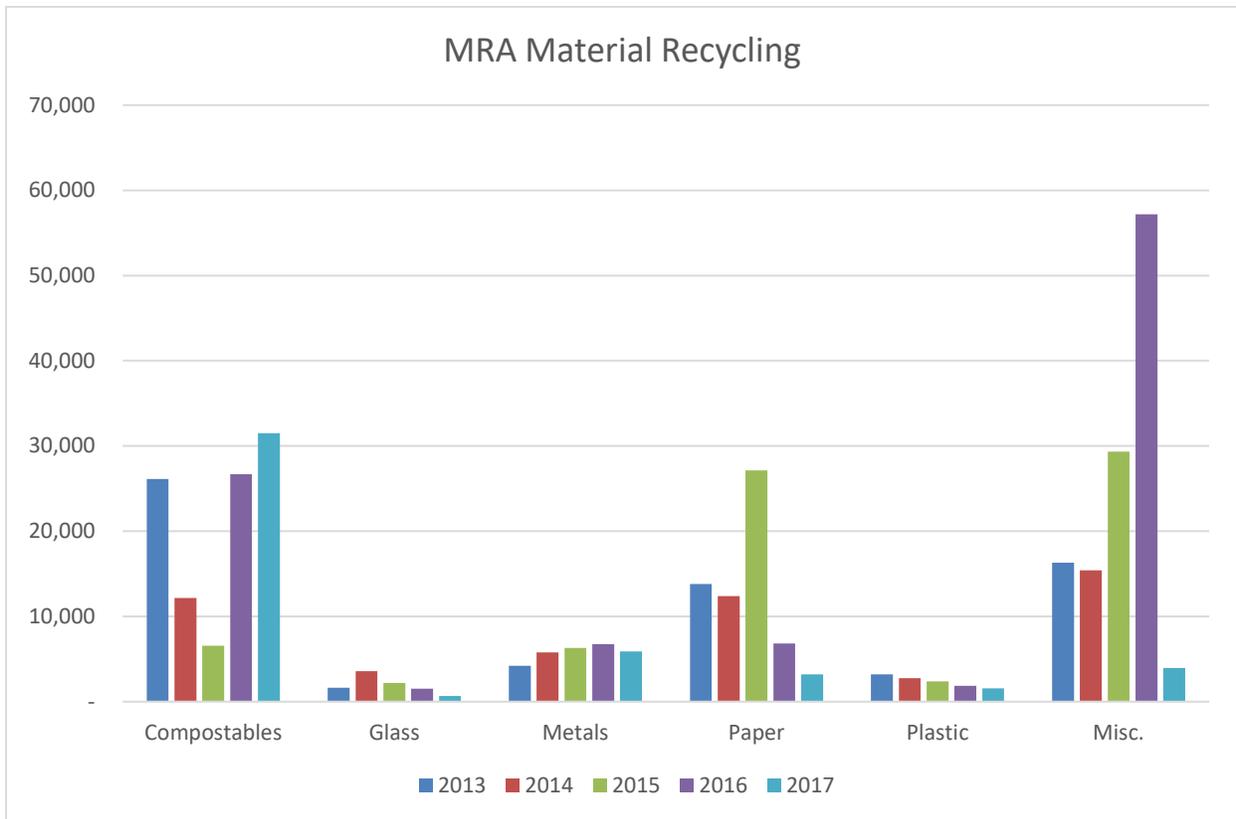
The County does have a good relationship with several large entities that consistently report recycling activity as well as commercial recyclers that are involved in the processing of recycled materials.

Management Response:

> *Private waste haulers and a number of large retailers in the County report their recycling numbers directly to MDE, not to the County. Other commercial businesses may choose to participate in recycling efforts by reporting their numbers to the County.*

Analysis of Recycling for Entire County

MDE publishes an annual report that details recycling rates for all the counties. The most recent available data is calendar year 2017. Below we show a graphical analysis for Wicomico's recycling rates for periods 2013-2017. The rates shown reflect both materials that the County handles directly as well as compilation of the reports received from external sources per the "Reporting" section above.
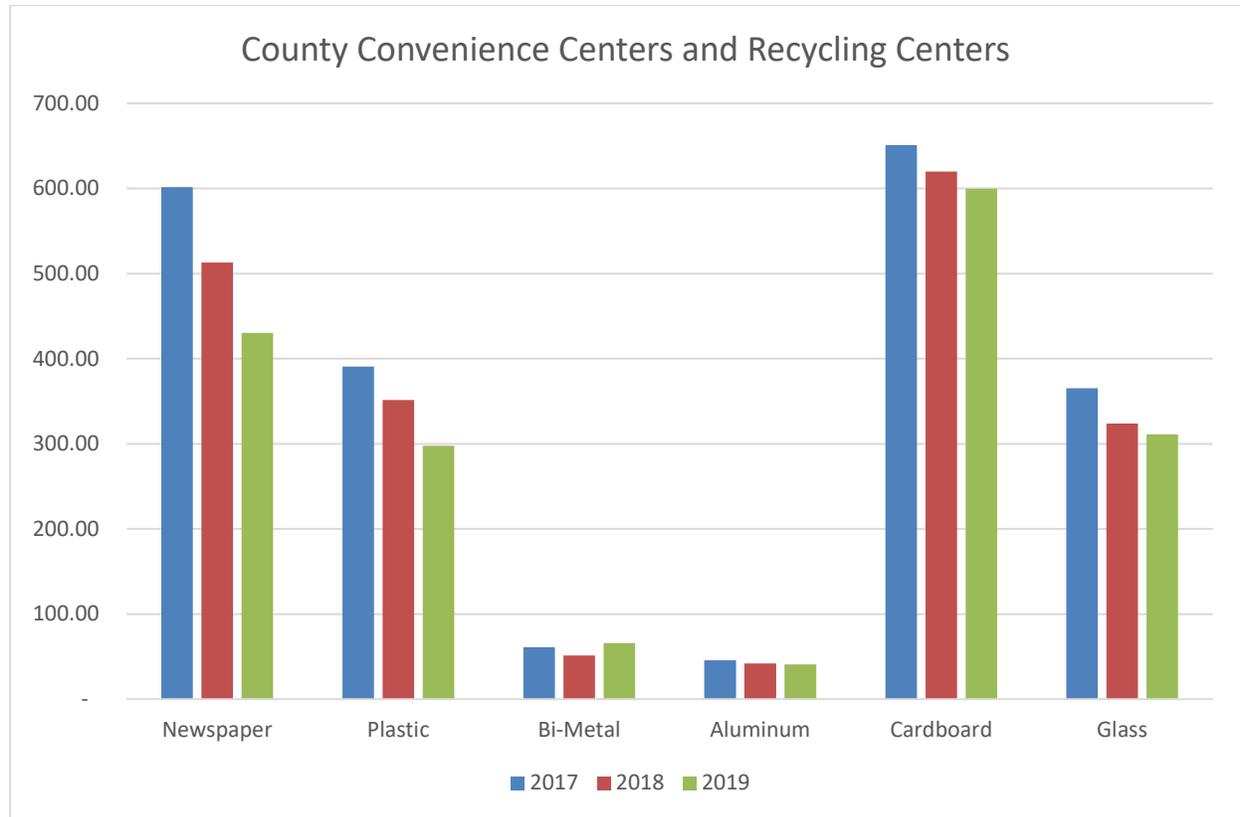

One observation concerning the reported figures is the inconsistency of reporting entities. For example, a business may have reported in 2015 but in 2016, the County did not have a report on file for that same business. Further, the figures that are reported to the County are accepted as fact. The report submission is certified by a company representative and is auditable by MDE. It was outside of the scope of this audit to test the veracity of reported recycling activity for third parties.

The MRA requires Wicomico County (a county with less than 150,000 citizens) to achieve a diversion rate of at least 20% for MRA materials (see *Appendix B – MRA & Non-MRA Materials* for sample material types). Wicomico County has achieved the 20% goal every year since calendar year 2011.

Analysis of County Convenience and Recycling Centers

Staff provided three years' worth of data for convenience center and recycling center figures. We measured the data based upon fiscal year to see the trend of materials that commonly have drop-off containers available at the sites.

A graphic designed by the Recycling Coordinator explaining the types of materials that residents can recycle at the locations is available on the County's website and are on display at a number of recycling locations (see *Appendix C – Recycling Signage*).

Chicken Litter

In the past, counties were able to count chicken waste fertilizer toward their diversion rates, though Wicomico only recently started collecting and using this data from farm operations. For the calendar year 2017, erroneous data was reported by a third party that inflated the County's recycling rate. The error was corrected and an amended MDE publication was released. Subsequently, the State evaluated the process of the chicken byproduct and modified its stance to one that disallows the calculation of chicken litter toward diversion rates going forward. This change is effective for calendar year 2019.

Conclusion

The County's system for handling and measuring recyclables from the County recycling locations is satisfactory[1]. The County's recordkeeping of external reports that from commercial businesses is also satisfactory in that it lined up with the report submitted to MDE.
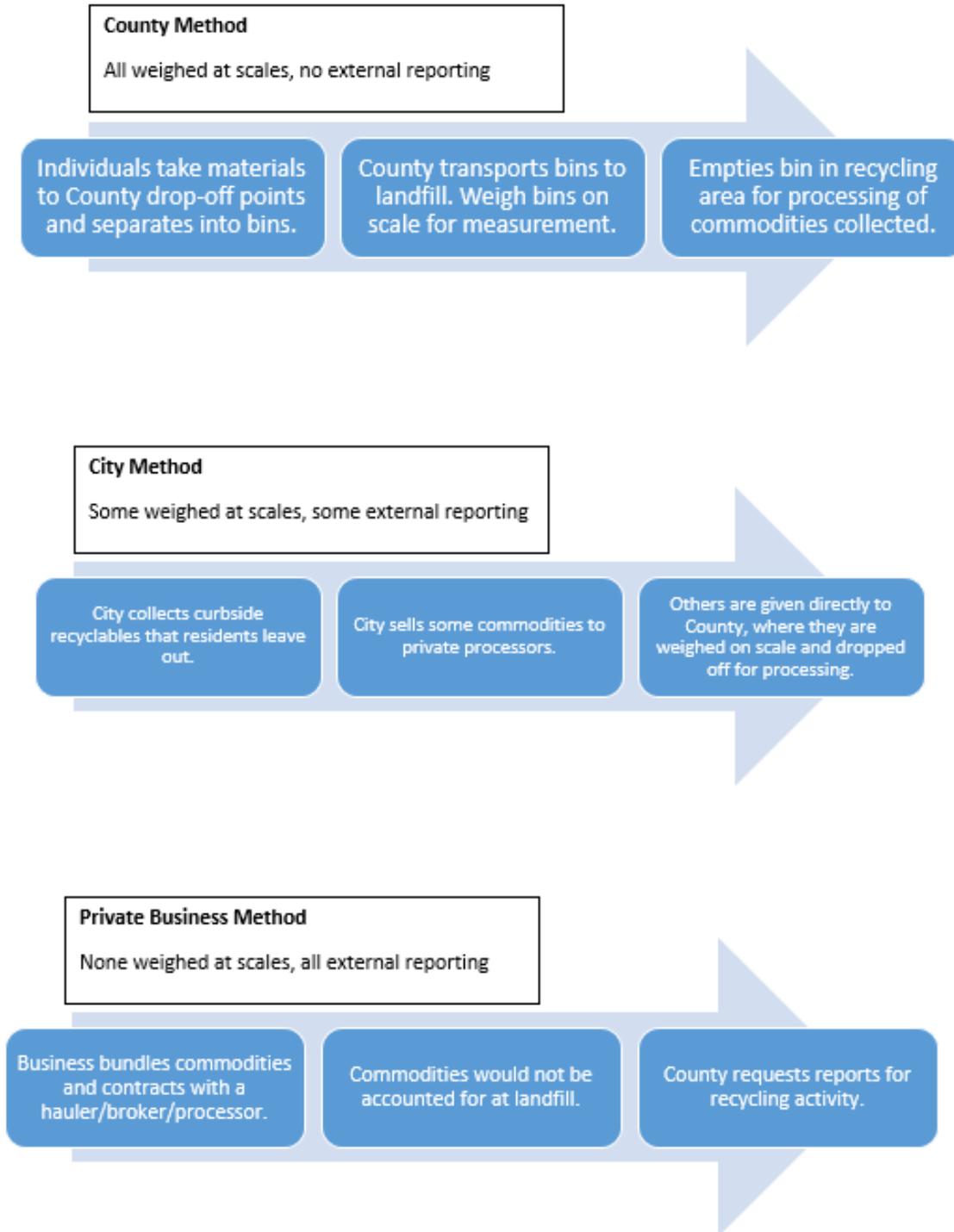
Recommendations

Streamline Reporting

One method the County may consider to increase the consistency and response of reporting is to lead an effort alongside the State or other counties to try to target organizations that are doing business from multiple locations throughout the state. We saw at least one company that keeps records of recycling for all of their locations throughout Maryland. That company provides a spreadsheet to Maryland that then distributes it to the counties and Wicomico is able to identify the stores within its borders and capture that data. It is possible that other large organizations have a similar setup. Figuring out who to contact at a large organization can be very time consuming but could be efficient and effective with a coalition of participants.

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[1] For the purposes of this audit, IA uses a three-tier grading system recommended by the International Professional Practices Framework (IPPF) as expressed by the IPPF Practice Guide issued March 2009. The three tiers are Inadequate System of Internal Control, Adequate System of Internal Control, and Satisfactory System of Internal Control. Satisfactory findings indicate that overall controls are satisfactory, although some enhancements may be recommended. It is the highest rating on the scale.

Appendix A - Methodology

County Method

All weighed at scales, no external reporting

| Individuals take materials to County drop-off points and separates into bins. | County transports bins to landfill. Weigh bins on scale for measurement. | Empties bin in recycling area for processing of commodities collected. |

City Method

Some weighed at scales, some external reporting

| City collects curbside recyclables that residents leave out. | City sells some commodities to private processors. | Others are given directly to County, where they are weighed on scale and dropped off for processing. |

Private Business Method

None weighed at scales, all external reporting

| Business bundles commodities and contracts with a hauler/broker/processor. | Commodities would not be accounted for at landfill. | County requests reports for recycling activity. |

Appendix B – MRA & Non-MRA Materials

Examples of MRA and non-MRA materials as presented on MDE's website.

Maryland Recycling Act Materials	
Compostables	Grass, Leaves, and Mixed Yard Waste Wood Wasste Food Waste
Glass	Mixed Glass Fluorescent Light Tubes
Metals	Aluminum Cans Tin/Steel Cans White Goods
Paper	Corrugated Cardboard Mixed Paper Newspaper Telephone Directories White Paper
Plastic	Mixed Plastic Bottles
Other Materials	Laser Toner Cartridges Lead Acid Batteries (e.g., car batteries) Oil Filters Municipal Solid Waste-To-Energy Facility Ash Wood Pallets
Non-Maryland Recycling Act Materials	
Automobile Components	Antifreeze Motor Oil Scrap Automobiles
Construction/ Building Materials	Asphalt Concrete Wood
Other Materials	Cleaning Fluids Land Clearing Debris (includes tree stumps and vegetative debris) Scrap Metal Sewage Sludge

Appendix C – Recycling Signage