
CITY OF SAN ANTONIO

OFFICE OF THE CITY AUDITOR



Audit of Solid Waste Management Department

Household Hazardous Waste Contract

Project No. AU21-030

August 24, 2021

Kevin W. Barthold, CPA, CIA, CISA
City Auditor

Executive Summary

As part of our annual Audit Plan approved by City Council, we conducted an audit of the Solid Waste Management Department (SWMD), specifically the Household Hazardous Waste Contract. The audit objectives, conclusions, and recommendations follow:

Determine if SWMD and contracted vendors are in compliance with contractual terms for disposal of household hazardous waste.

We determined that SWMD and the contractor, Clean Harbors Environmental Services, Inc., are in compliance with contractual terms for disposal of household hazardous waste. SWMD has effective controls to confirm completion of required safety training. Additionally, sufficient safety procedures and necessary safety measures are in place. Also, SWMD has appropriate contract monitoring procedures to ensure the contractor is meeting contractual requirements. Reporting of annual reports and mobile events is completed according to deadlines established by the Texas Commission on Environmental Quality (TCEQ). Finally, procedures are in place to ensure accurate invoicing and payments to Clean Harbors.

We make no recommendations to SWMD; consequently, no management responses are required. SWMD management acknowledgement of these results is in Appendix B on page 6.

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Background

The Solid Waste Management Department (SWMD) serves the City of San Antonio with a myriad of programs and services that effectively and efficiently manage municipal solid waste generated within the City of San Antonio.

One of those programs includes the Household Hazardous Waste (HHW) Program. Currently, SWMD operates one permanent drop-off and processing center located at 7030 Culebra and one monthly drop-off center located at 1800 Wurzbach Parkway for City of San Antonio residents to dispose properly of household hazardous waste such as oil, paint, pesticides, anti-freeze, batteries, and household cleaners. SWMD also provides City of San Antonio residents with convenient opportunities throughout the year to dispose of household hazardous waste through quarterly HHW neighborhood collection events held at the Rigsby Bulky Drop-Off Center.

SWMD outsources the categorization, segregation, and packaging of household hazardous waste at its permanent, monthly, and quarterly collection centers to Clean Harbors Environmental Services, Inc. Services provided by the contractor include the collection, transportation, and logistics management of containerized and bulk waste, as well as categorization, packaging, and removal of laboratory chemicals for disposal utilizing company owned and operated vehicles. Waste is picked up as needed or requested by SWMD and transported to the contractors' treatment, storage, and disposal facility.

The contract with Clean Harbors Environmental Services, Inc. was renewed by the City on October 8, 2020, for two additional one-year periods with an amended annual budget of \$1,777,090. SWMD staff is responsible for monitoring the contract for adherence to key contract requirements. Additionally, SWMD fiscal staff perform invoice reviews prior to approving payment to the contractor. Clean Harbors Environmental Services, Inc. has held this contract with the City since 1995.

Audit Scope and Methodology

The audit scope was from October 1, 2018 to September 30, 2020.

We interviewed SWMD staff and management and reviewed federal and state requirements cited in the contract and relied on City ordinances, administrative directives, and departmental policies and procedures to identify controls related to the collection, transportation, and disposal of household hazardous waste.

We visited the permanent drop-off center and observed processes related to the collection, packaging, and storage of household hazardous waste to review safety standards. We inspected the permanent drop-off center for safety equipment and personal protective gear as well as adherence to safety rules established by the contract and by the department's policies and procedures. We reviewed the reports submitted by SWMD to the Texas Commission on Environmental Quality (TCEQ) for compliance. Additionally, we performed tests over invoices billed by the contractor for accuracy. Lastly, we reviewed required training records of both SWMD employees and contractor staff and reviewed the required credentials of contractor chemists and lab technicians.

We relied on computer-processed data in SAP to review budget and actual expenses. Our reliance was based on performing direct tests on the data rather than evaluating the system's general and application controls. Our direct testing included verifying that invoices were uploaded and paid in SAP. We do not believe that the absence of testing general and application controls had an effect on the results of our audit.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Results and Recommendations

A. Safety and Physical Security

SWMD has adequate procedures to address training, safety, and physical security. We reviewed 157 training records for SWMD employees and 35 training records for contractor staff and determined that both SWMD employees and contractor staff have obtained the required training. In addition, SWMD employees and contractor staff working at the permanent drop-off center have the credentials per SWMD policies and procedures and TCEQ requirements. The required contractor staff were present during operating hours to identify and sort hazardous waste.

We conducted a site visit at the permanent drop-off center and determined that SWMD has the required safety equipment and materials available to provide protection and first aid for SWMD employees and contractor staff handling, classifying, storing, and labeling household hazardous waste. In addition, while at the permanent drop-off center, we observed for proper physical security measures. We determined that SWMD has procedures in place that ensure appropriate controls surrounding keys, hazardous waste storage, and surveillance cameras.

Lastly, we reviewed safety checklists and daily staff meeting documentation and determined safety practices were properly documented.

Recommendation

None.

B. Contract Monitoring

SWMD maintains a Contract Administration Plan (CAP) to monitor the contractor to ensure appropriate execution of the collection, characterization, packaging, transportation, recycling, and disposal of household hazardous waste. In addition, SWMD retain essential support documentation of their monitoring reviews for appropriate insurance and performance bonds.

Recommendation

None.

C. Permits and Reporting Requirements

SWMD has controls to confirm that the contractor has the required certifications and permits to transport household hazardous waste while also ensuring that the certifications and permits are maintained on file. We reviewed a total of 40 household hazardous waste shipping manifests and determined that they are

regularly being reviewed and signed by the SWMD supervisor, confirming that the actual waste being transported to the designated disposal facility is documented on the shipping manifest.

SWMD submits annual TCEQ reports and mobile event notifications according to deadlines established by TCEQ. We reviewed annual TCEQ reports from FY 2019 and FY 2020 and determined that SWMD submitted the required reports timely.

Recommendation

None.

D. Invoice Review

SWMD has a sufficient reconciliation process in place to ensure that the invoices billed by the contractor are correct prior to the authorization of payment by the City. We reviewed a total of 12 invoices totaling \$265,335.77 (6 from FY 2019 and 6 from FY 2020) and determined that the chemist and technician hours, supplies, and disposal items charged on the invoices reconciled with the contract's chemist and technician hourly rates and rates on contract price sheets.

Recommendation

None.

Appendix A – Staff Acknowledgement

Buddy Vargas, CIA, CFE, Audit Manager
Sophia Konstantinidis, Auditor in Charge
Kenneth Lyssy, CFE, Auditor

Appendix B – Management Acknowledgement



CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78203-3966

August 5, 2021

Kevin W. Barthold, CPA, CIA, CISA
City Auditor
San Antonio, Texas

RE: Management's Acknowledgement of its Review of Audit of Solid Waste Management Department
Household Hazardous Waste Contract

Solid Waste Management Department has reviewed the audit report and provided its comments to the auditors. As there are no recommendations for management, no management responses are required.

Solid Waste Management Department:


☒ Fully Agrees

☐ Does Not Agree (provide detailed comments)

Sincerely,


David Newman
Director
Solid Waste Management Department

8-5-2021
Date


David W. McCary
Assistant City Manager
City Manager's Office

8/9/21
Date