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## **Guidance Note (GNO3) Producer Responsibility - Independent Audit Reports**

**A guidance document for the production of independent audit reports for accredited reprocessors and exporters of packaging and approved authorised treatment facilities and exporters of waste electrical and electronic equipment**

# Guidance Note GN03 Producer Responsibility – Independent Audit Reports

This document replaces guidance given in the document:

- GN03 v2 4 January 2008

This document covers the regulatory positions and requirements under The Producer Responsibility Obligations (Packaging Waste) Regulations 2007 (as amended) and the Waste Electrical and Electronic Equipment Regulations 2006 as amended.

This document is supported by the Environment Agency, Scottish Environment Protection Agency and Environment Northern Ireland Environment Agency.

This document is based on information in the Regulations stated above. It may change in the light of regulatory changes or future government guidance.

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## Introduction

The Producer Responsibility Obligations (Packaging Waste) Regulations 2007 as amended ('Packaging Regulations') and the Waste Electrical and Electronic Equipment Regulations (2006) as amended (WEEE Regulations) both set out a requirement for operators who are accredited (packaging) or approved (WEEE) to provide an Independent Audit Report to the relevant agency.

Operators need to engage with an independent auditor to produce the Independent Audit report for them. This guidance note is aimed at providing the independent auditors with the information they will need to produce the report. The guidance sets out the background to the requirements, what should be examined by the auditor and what should be contained in the report.

The requirements for the reports from operators dealing with packaging waste and those dealing with WEEE are slightly different. This guidance document is split into two to reflect the different requirements. Section 1 deals with reports required under the packaging regulations and section 2 deals with the report required under the WEEE regulations.

Appendices 1 and 2 provide a suggested format for the report.

# Section 1 - Producer Responsibility – Packaging

## 1.1 Background

The packaging regulations set targets for obligated businesses to recover and recycle UK packaging waste each year. This is so that Great Britain<sup>1</sup> can meet Directive Targets<sup>2</sup>. Under the regulations, all obligated businesses (producers) have to recover and recycle a specified amount of packaging waste. This amount is determined by the amount of packaging they handle, the activity carried out on the packaging / packaging material and packaging targets which are regularly reviewed. Producers meet their recovery and recycling targets either by themselves or by joining a compliance scheme. Producers and schemes show compliance by obtaining Packaging Waste Recovery Notes ((e)PRNs) and Packaging Waste Export Recovery Notes ((e)PERNs) issued by accredited reprocessors/exporters.

The format of the (e)PRNs and (e)PERNs is defined as the evidence notes are generated electronically via the National Packaging Waste Database (NPWD). This system has removed the need for paper copies and books of evidence notes, and operates a 'bank account' system, so that operators cannot issue more evidence than waste that has been entered onto the system. However, it does not prevent over issue of evidence if the entered amount of waste exceeds that actually received at the site.

## 1.2 Conditions of accreditation

The regulations set out conditions<sup>3</sup> of accreditation, with which reprocessors and exporters must comply. One of the conditions<sup>4</sup> is that large accredited reprocessors/exporters must submit an independent auditors report. Large accredited reprocessor/exporter are those that are eligible to issue more than 400 tonnes of electronic Packaging Waste Recovery Notes ((e)PRNs) or electronic Packaging Waste Export Recovery Notes ((e)PERNs) in a calendar year. The report must be submitted before 28 February the year following the end of each calendar year to the appropriate agency.<sup>5</sup>

## 1.3 Eligible auditors

The report must be produced by someone who:

[i]. can be appointed as a company auditor under Part II of the Companies Act 1989 (c) or

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<sup>1</sup> Separate Regulations cover Northern Ireland.

<sup>2</sup> Directive- EC Directive on Packaging and Packaging Waste 94/62/EC which came into force in 1994 and is implemented in Great Britain by the Producer Responsibility Obligations (Packaging waste) Regulations 2007 (as amended) with targets set in the 2008 regulations and the Packaging Essential Requirements Regulations 2003 (as amended).

<sup>3</sup> Schedule 5 – Producer Responsibility Obligations (Packaging Waste) Regulations 2007.

<sup>4</sup> Condition – Paragraph 1 (p) of Schedule 5

<sup>5</sup> The appropriate agency in England and Wales is the Environment Agency, for Scotland it is the Scottish Environment Protection Agency. Separate Regulations cover Northern Ireland.

[ii]. is an environmental auditor who is registered with a supervisory body approved by the appropriate agency and not ineligible for appointment as a company auditor of the reprocessor or exporter under section 27 of the Companies Act 1989<sup>6</sup> because he/she is not independent.

The agencies have recognised that the following bodies are able to undertake independent audits required under the regulations :

- The Institute of Chartered Accountants, England and Wales (ICAEW)
- The International Register of Certified Auditors (IRCA)
- Principal Environmental Auditors who are members of the Institute of Environmental Management and Assessment (IEMA)

## 1.4 Purpose and contents of the audit report

The purpose of the report is clearly stated in the regulations. It must confirm to the satisfaction of the appropriate agency<sup>7</sup> that the (e)PRNs and(e)PERNs issued by the reprocessor and exporter are consistent with the tonnage of packaging waste received or exported for reprocessing during the period of accreditation<sup>8</sup>.

In order to address the purpose the report should confirm the following :

That the reprocessor / exporter has correctly identified and quantified the tonnage of packaging waste accepted for reprocessing or exported, taking into account factors such as :

- Applying specific material protocols<sup>9</sup>
- Where the packaging waste came from. Only UK sourced packaging waste can have (e)PRNs/(e)PERNs issued against it;
- Whether packaging waste was received from another accredited business. The business receiving packaging waste from another accredited business may not issue (e)PRNs/(e)PERNs against this tonnage if their supplier has already done so;
- whether packaging waste was passed onto another accredited business for further or final reprocessing or exporting. This waste should not have (e)PRNs/(e)PERNs claimed against the same tonnage by both the person sending and the person receiving it. It is the final accredited business that issues the (e)PRNs/(e)PERNs;
- All (e)PRNs/(e)PERNs issued under the accreditation as a reprocessor/exporter are equal to or less than the tonnage of packaging waste received or exported in the previous year;

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<sup>6</sup> The Producer Responsibility Obligations (Packaging Waste) Regulations 2007 still refer to the Companies Act 1989 which has been revoked and replaced by Companies Act 2006.

<sup>7</sup> The appropriate agency in England and Wales is the Environment Agency, for Scotland it is the Scottish Environment Protection Agency

<sup>8</sup> The period of accreditation is from the date of determination until the end of the calendar year in which it is granted, unless it is suspended or cancelled.

<sup>9</sup> Material protocol: Material Protocols have been developed for certain grades of steel, aluminium and paper. This allows reprocessors and exporters handling these grades to apply an agreed percentage to the tonnage instead of developing a protocol for themselves. More detail is included in the guidance note accompanying the application for accreditation. Please refer to section 1.5 of this guidance.

- The tonnage of any 'carry over'<sup>10</sup> (e)PRNs/(e)PERNs issued did not exceed the tonnage of packaging waste received for reprocessing/export in December;
- The quarterly returns submitted to the appropriate agency were an accurate report of the tonnage of packaging waste received or exported; and the (e)PRNs/(e)PERNs issued by the reprocessor/exporter during the same period.

The report should detail the regulatory compliance of the accredited reprocessor / exporter when considering the conditions of accreditation and the requirements of the legislation.

The auditor will need to gain a level of assurance by reviewing the reprocessor/exporter records. Essentially, it is down to the auditor to confirm that the audit trail of records provided by the operator demonstrates that the reprocessor or exporter has correctly identified and quantified the tonnage of packaging waste accepted for reprocessing or exported. The regulations state that the report should confirm that '...PRNs or PERNs... are consistent with the tonnage of packaging waste received or exporter...'. Therefore, the auditor should be able to give an opinion on compliance either being correct, or if not, in what form the inconsistencies are identified.

In practice, in order to confirm that the accredited persons have issued evidence consistent with the amount of packaging waste reprocessed or exported, the auditor will need to confirm that:

- The material was packaging waste as defined by the regulations;
- The material had become waste within the UK;
- In the case of reprocessors, the packaging waste was, or is due to be reprocessed by the end of the following calendar year;
- for exporters, the packaging waste has already been exported to be reprocessed at the specified overseas reprocessing sites approved by the appropriate agency;<sup>11</sup>
- (e)PRNs/(e)PERNs issued are consistent with the records of UK packaging waste received/reprocessed or exported for reprocessing;
- any (e)PRNs/(e)PERNs carried forward into the next compliance year only relate to packaging waste received for reprocessing or exported in December of the previous year.

The report will be addressed to and prepared for the Exporter/Reprocessor to help them meet the requirements of paragraph 1(p) of Schedule 5 of the regulations. If reprocessors/exporters do not provide an independent audit report by 28 February in the year following the end of the accreditation year, their accreditation may be suspended or cancelled.<sup>12</sup>

## 1.5 Records

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<sup>10</sup> Carry Over – this relates to the tonnage of packaging waste received in December or reprocessing/ Export. Evidence can be issued against this tonnage until the end of 31 January in the subsequent year.

<sup>11</sup> The appropriate agency will list the specified overseas reprocessing sites approved by the appropriate agency on an annex accompanying the letter of determination

<sup>12</sup> The independent audit report needs to be submitted by the large exporter or large reprocessor to the appropriate agency which is the Environment Agency for England and Wales and for Scotland it is the Scottish Environment Protection Agency

The accredited business needs to maintain and retain records to issue evidence and to comply with the conditions of accreditation. These reports are outlined within NPWD. Each accredited person must outline the records each quarter on NPWD these records must be kept by the accredited businesses for at least four years after the record is made.

The reports must discuss a specific accreditation, even if a company has a number of accreditations for different sites or materials.

The accredited business must hold further information and documentation to support the information held on the NPWD. This may include weighbridge tickets, calibration certificates for the weighbridge, duty of care transfer notes, bills of lading, and evidence that exported packaging has been received by the specified overseas reprocessing site.

The (e)PRNs/(e)PERNs are only issued to producers or operators of compliance schemes. Once issued the details are recorded on the accredited exporters/reprocessors waste recording page on the NPWD.

The tonnage shown on an (e)PRNs/(e)PERNs should be a whole number. The reprocessor/exporter should round up or down any balance of packaging waste accepted for reprocessing/export at the year end that is less than one tonne to the nearest tonne. This rounding should always occur at the end of the year, to ensure that the reprocessor / exporter does not over issue evidence due to rounding issues.

The (e)PRNs(e)PERNs are not necessarily issued against individual loads. The tonnage may be aggregated together and evidence issued for the total amount.

## **1.6 Scope**

### **1.6.1 Reprocessor accreditation**

For accredited reprocessors, (e)PRN can only be issued on the tonnage of UK packaging waste received in the calendar year that the business is accredited and from the date of accreditation. Once the packaging waste has been received, a note can be issued against it with the understanding that the tonnage will be reprocessed by that accredited business by the end of the following year.

The auditor will need to verify that the reprocessor has records, which confirm:

- the type of material;
- where the UK packaging waste came from, using information contained within delivery notes and supporting documentation;
- the weight of the UK packaging waste received using information from delivery notes and weighbridge tickets;
- the (e)PRNs issued do not exceed the tonnage of packaging waste received on site (based on records of deliveries received and packaging recovery notes issued);
- how accurate the 'carry over' (e)PRNs is in relation to deliveries received in December to make sure that it has not been overstated.

The auditor needs to examine enough of the available documentation to form the opinion that the information supplied on the quarterly returns is correct.

## 1.6.2 Exporter accreditation

For accredited exporters, (e)PERNs can only be issued on the tonnage of UK packaging waste exported to specified sites approved by the appropriate agency. This can only be in the calendar year that the business is accredited.<sup>13</sup> Once the waste has been exported from the UK, an (e)PERNs can be issued against that tonnage, but only on the basis that the material goes on to be reprocessed at the specified overseas reprocessing site for which the exporter has been accredited.

The auditor will need to verify if the exporter has underlying records, which confirm:

- the type of material;
- the source of the UK packaging waste using information contained within delivery notes and supporting documentation;
- the weight of the UK packaging waste received using information from delivery notes and weighbridge tickets;
- whether or not the packaging waste material has been received for reprocessing by the named reprocessor;<sup>14</sup>
- that (e)PERNs have only been issued against material exported to overseas reprocessing sites that have been notified to and approved by the appropriate agency;<sup>15</sup>
- evidence that the approved reprocessing site has received the material;
- that (e)PERNs issued do not exceed the exported tonnage;
- how accurate the 'carry over' (e)PERNs for deliveries exported in December, is, to make sure that it has not been overstated.

The auditor needs to examine enough of the documentation available to form the opinion that the information supplied on the quarterly returns is correct.

Where (e)PRNs/(e)PERNs have not been issued by 31 January for waste received in the previous year to 31 December, a final (surplus) (e)PRNs/ (e)PERNs must be issued by 15 February to the appropriate agency. Auditors need to verify that no further (e)PRNs/ (e)PERNs are issued after 31 January except for this final (e)PRNs/ (e)PERNs.

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<sup>13</sup> Materials moving within the UK (Scotland, England, Wales and Northern Ireland) are not classed as exports. Materials moving between the UK and the Republic of Ireland, or any other country are classed as exports

<sup>14</sup> There may not be evidence to support this for those Exports of packaging material at the end of the year because it may take several weeks to arrive at the destination. In these circumstances, the auditor may only be able to confirm that the material was requested and exported.

<sup>15</sup> Exporters must submit information relating to each overseas reprocessor that they intend to use through their period of accreditation. The (e)PERNs may only be issued against material exported to those overseas reproducers notified to and approved by the Agency. These sites and the effective date of accreditation will be included in the Notice of Accreditation.

## **1.7 Format of report**

The regulations do not specify a format for the independent audit report. We have provided a suggested format, which is included at Appendix 1. If you choose not to follow the suggested format, you must ensure that the report contains all the information as set out above. The report will be addressed to and prepared for the accredited reprocessor or the accredited exporter in order to meet their reporting obligation.

Accredited reproprocessors with a number of sites may administer (e)PRNs centrally. However, they must still use separate records and returns for each accredited site. The (e)PRN will be issued against the specific tonnage received for each accredited site. The independent audit report must be site specific. If an independent audit report is needed for a number of sites for a business, the accredited reprocessor can provide a general report on the work carried out and a detailed report on the findings for each individual accreditation the business holds.

The auditor should explain the sample of documentation he/she has selected and the methodology followed to form the opinion expressed.

## **1.8 Failure to supply an Independent Audit Report**

Failure to supply the audit report, or supplying a report which does not contain the required information would be considered a breach of the conditions of approval. Therefore, failure to supply a report may result in the accredited reprocessor or exporter having any current accreditation suspended or cancelled.

## **1.9 Split Audits**

The operator may want to contact the auditor to arrange a split audit. This will reduce the amount of work needed between the end of January and the deadline date of 28 February. The operator can request the auditor to undertake an audit of part year compliance, thereby highlighting any potential issues which may be able to resolved before, for instance, offences are committed. This reduces the number of months remaining in that year to review following the end of the accredited period. The auditor should provide one report which should include a review of the entire period of accreditation, but using this method it may be completed over several visits / meetings.

## **1.10 Further information**

ACC-GN01- Applying for an accreditation to reprocess or export UK waste Packaging contains information relating to the requirements of the report and the conditions of approval to which the accredited reprocessor or exporter must comply. This can be found on our website at [www.environment-agency.gov.uk /packaging](http://www.environment-agency.gov.uk/packaging)

## Section 2 - Producer Responsibility – Electrical and Electronic Equipment

### 2.1 Background

The Waste Electrical and Electronic Equipment Regulations (2006) <sup>16</sup>(WEEE Regulations) set obligations and targets for producers of electrical equipment. The regulations are UK wide and apply the requirements of the EC Directive on WEEE. <sup>17</sup>

Under the regulations, producers of electrical and electronic equipment (EEE), which includes manufacturers, importers and re-branders, have obligations for financing the collection, treatment, recovery and recycling of waste EEE. There are also recovery and recycling targets for different categories of WEEE. There are two types of WEEE, Household, or B2C and business, or B2B. the two systems work separately, and thus have separate evidence notes associated with them.

All producers have to join producer compliance schemes (PCSs). PCSs will meet obligations on behalf of their producer members. The PCS has the responsibility to arrange the collection of WEEE from designated collection facilities (DCFs). Each PCS will have entered into agreements with local authority and non local authority DCF operators to clear WEEE from their sites. They may also have agreements with distributors offering in-store take-back facilities. They will also have arrangements with waste management companies for the collection, treatment, recovery, recycling and environmentally sound disposal of separately collected WEEE. The schemes then have to gather evidence of the reuse, treatment, recovery and recycling of WEEE and show this in a 'Declaration of Compliance' to the environment agencies <sup>18</sup> at the end of the compliance period.

This declaration will show whether the compliance schemes have met the recovery and recycling targets. PCSs must ensure that all evidence generated is recorded in the Settlement Centre to support the Declaration of Compliance.

The Settlement Centre is a web-based system that allows Approved Authorised Treatment Facilities (AATFs) and approved exporters (AEs) to generate evidence notes of re-use, treatment and recovery of WEEE. PCSs will be able to access the system in order to trade surplus evidence and balance the evidence required by each of the PCSs.

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<sup>16</sup> As amended by the Waste Electrical and Electronic(Amendment) Regulations, 2007

<sup>17</sup> Directive 2002/96/EC of the European Parliament and of the Council of 27 January 2003 on waste electrical and electronic equipment (WEEE) as amended by Directive 2003/108/EC of the European Parliament and of the Council of 8 December 2003 on waste electrical and electronic equipment.

<sup>18</sup> The environment agencies of England, Wales, Scotland and Northern Ireland are responsible for enforcing the regulations on treatment and recovery of WEEE. The Environment Agency covers sites in England and Wales, Scottish Environment Protection Agency in Scotland and the Environment and Heritage Service in Northern Ireland.

## 2.2 Conditions of accreditation

Only AATFs and AEs can issue evidence relating to treatment, recovery and recycling of WEEE. Authorised treatment facilities (ATF) are sites that treat WEEE and have the correct permit, licence or exemption to allow the lawful treatment of waste. This ensures that they treat WEEE to the standards in the Directive<sup>19</sup>. An ATF must then apply to be approved as an AATF if they wish to issue evidence of treatment, recovery and recycling. AATFs can also issue evidence where whole appliances have been re-used (see placing on the market, below)

An exporter can be approved if they export WEEE for treatment, recovery and recycling overseas<sup>20</sup>. They have to apply to be approved as exporters and meet a number of conditions, including making sure that their overseas treatment and recovery sites meet equivalent standards to those operating in the UK.

AATFs and AEs must meet certain conditions including sending quarterly reports on the amount of WEEE treated and complying with the rules on how and when evidence should be issued. Along with quarterly reports, each AATF and AE must provide an audit report to the appropriate authority<sup>21</sup> by the statutory deadline<sup>22</sup> (31 May) in the year following the end of the approval period.

Where an approved exporter has not issued any evidence notes, they do not have to send an audit report. This may be because they are only exporting WEEE which has already been treated at an AATF. In this case the AATF will issue the evidence of treatment and subsequent recovery and recycling. The approved exporter will need to supply supporting evidence of export to the AATFs that have issued evidence of recovery and/or recycling that has taken place at approved overseas sites. This evidence may be WEEE specific evidence, or may relate to evidence of a delivery of WEEE containing materials. The evidence must provide an audit trail to prove the materials have been reprocessed.

In the same way if an AATF has not issued any evidence they are not expected to supply report. This may occur in the case of a B2B AATF which has not received any obligated WEEE.

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<sup>19</sup> Article 6 of the WEEE Directive states that WEEE should be treated using the best available treatment, recovery and recycling techniques. Selective treatment standards are also laid out in Annex II of the Directive and further guidance is given in 'Guidance on Best Available Treatment Recovery and Recycling Techniques (BATRRRT) and treatment of Waste Electrical and Electronic Equipment (WEEE)' published by Defra'

<sup>20</sup> Where WEEE is treated at an AATF and subsequently exported, it must be exported by an Approved Exporter.

<sup>21</sup> The Appropriate Authority is determined by the location of the operator of the AATF or approved exporter. Where the operator is in England the appropriate authority is the Environment Agency, for Scotland Scottish Environment Protection Agency (SEPA) and for Northern Ireland the Environment and Heritage Service.

<sup>22</sup> The statutory deadline for compliance period two (1 January 2008 to 31 December 2008) is 31 May 2009. For subsequent compliance periods (calendar years) the deadline is 31 May in the year following the end of the compliance period.

## 2.3 Eligible auditors

2.1.9 This report should be from an 'independent auditor' which is defined as:

- a) an auditor who would be eligible for appointment as the company auditor of the operator of the AATF or the approved exporter under Part II of the Companies Act 1989 (a) or
- b) an auditor who is
  - i) independent of the operator of the AATF or approved exporter AND
  - ii) independent of any operator of a compliance scheme, AND
  - iii) a member of a professional body for auditors that is recognised as such by an appropriate authority.

The agencies have recognised that the following bodies are able to undertake independent audits required under the regulations :

- The Institute Chartered Accountants, England and Wales (ICAEW)
- The International Register of Certificated Auditors (IRCA)
- Industry Council For Electronic Equipment Recycling (ICER)
- Principal Environmental Auditors who are members of the Institute of Environmental Management and Assessment (IEMA)

## 2.4 Purpose and contents of the audit report

The report needs to satisfy the appropriate authority that the evidence notes issued by the AATF operator or the approved exporter during the relevant approval period are consistent with the amount of WEEE in tonnes received or exported, for reuse, treatment, recovery or recycling during the relevant compliance period.

The auditor will need to gain a level of assurance by reviewing the AATF/AE records. Essentially, it is down to the auditor to confirm that the audit trail of records provided by the AATF/AE demonstrates that the AATF/AE has correctly identified and quantified the evidence notes issued by the AATF/ AE are consistent with the amount of WEEE in tonnes received/exported, for reuse, treatment, recovery or recycling during the relevant compliance period. The regulations state that the report should confirm that '...evidence notes... are consistent with the amount of WEEE in tonnes received or exported...'. Therefore, the auditor should be able to give an opinion on compliance either being correct, or if not, in what form the inconsistencies are identified.

The report should confirm that:

- the AATF/approved exporter correctly identified and quantified the tonnage of WEEE received, reused, treated and recovered and recycled;
- WEEE has been correctly categorised into the 10 EEE categories listed in schedule 1 of the regulations, plus the three hazardous categories of display screens, cooling equipment containing refrigerants and gas discharge lamps;
- WEEE has been correctly identified as WEEE from private households (known as business to consumer or B2C) or WEEE from users other than private households (known as business to business or B2B);
- any protocols used have been agreed and applied correctly (you may wish to consult GN06 WEEE Protocols);
- evidence has only been issued on WEEE that has been separately collected and has an obligation that has been assigned to a producer compliance scheme or a local authority DCF where the Department for Business Enterprise and Regulatory Reform (BERR) has agreed that the local authority (or their agents) can finance the collection, treatment and reprocessing of WEEE and recoup associated costs via the Settlement Centre;
- total tonnage of evidence issued is not more than the tonnage of WEEE received for reuse, treatment, recovery and recycling;
- no double counting has occurred where WEEE has been handled by a number of AATFs or ATFs;
- evidence notes issued by an approved exporter relate solely to WEEE that has been exported as whole appliances;
- the AATF or AE has supporting evidence from ATFs, AATFs and reprocessors relating to WEEE and WEEE derived materials that have passed through a number of processes and sites before final reprocessing and/or disposal;
- evidence of re-use of whole appliances should be backed up by appropriate records and recorded accurately on the evidence note.

The auditor will need to examine the approved exporter and AATFs records to be sure that:

- Waste materials and products were UK WEEE.
- WEEE arose during the compliance period;
- WEEE was separately collected and assigned to a producer compliance scheme, (or a local authority designated collection facility, where there was no agreement with a PCS for separately collected household WEEE);
- WEEE was received at
  - i. an AATF and treated, and partially treated WEEE and materials from WEEE e.g. metal, plastic, glass etc were sent for recycling/reprocessing and received at those sites; or
  - ii. a refurbisher (under contract with an AATF) and WEEE was refurbished and placed on the market for re-use as a whole appliance.
- WEEE was exported to an approved overseas facilities and reprocessed;
- Evidence notes have been correctly completed and are consistent with supporting evidence and paperwork.
- There is no double counting i.e. re-use evidence has not been issued where the waste is reprocessed or where two AATFs issue evidence on the same waste.

## 2.5 Records

AATFs and AEs have to keep records so that they can complete quarterly reports of their activities. They should keep these records for at least four years and make them available to the appropriate authority, if required. These records should also be used by the auditor to confirm the activities of the treatment sites and exporters.

The records will include copies of evidence notes and supporting information. The supporting information should differentiate between obligated WEEE that falls within the regulations and all other waste electrical equipment arriving at the site. Obligated WEEE is that which has been separately collected by or on behalf of a PCS or by a local authority DCF that has an agreement with BERR. The records include:

- the total amount in tonnes of WEEE received for treatment;
- the total amount in tonnes of WEEE treated;
- the total amount in tonnes of WEEE delivered to another ATF for treatment, including the name and address of the operator of that ATF and the address of the ATF where the treatment was carried out;
- the amount in tonnes delivered to a reprocessor for recovery or recycling, including the name and address of the reprocessor and the address of the site where recovery or reprocessing was carried out.;
- the amount in tonnes of WEEE delivered to an approved exporter for treatment, recovery or recycling outside the UK and the name and address of that exporter.

For all the records listed above, the tonnage of WEEE shall refer to the amount in tonnes in each of the 10 categories listed in Schedule 1 of the regulations and of display equipment, cooling appliances containing refrigerants, and gas discharge lamps. This should also include information about whether the WEEE was intended for use by private households or by users other than private households.

The records that an approved exporter should keep include (but is not exhaustive):

- the total amount of WEEE in tonnes exported for treatment, recovery and recycling. This should refer to the 10 categories listed in Schedule 1 of the regulations and include display equipment, cooling appliances containing refrigerants and gas discharge lamps. It should also say whether the WEEE was intended for use by private households or users other than private households;
- the number of evidence notes issued.

The AATF or AEs will have a range of supporting documentation that will be used to complete evidence notes and provide the data for the quarterly reports. This could be paper records or a database or tracking system held on computer. For example, records relating to the amount of WEEE received at the site may include weighbridge tickets, load tracking paperwork, invoices, category identification, receipts, customer records, supplier records, shipping documents, customs records, etc.

The auditor may need to access the Settlement Centre, the evidence is produced. However, access can only be given to AATFs, AEs and Producer Compliance Schemes (PCS) and uncleared Designated Collection Facilities (DCF). Auditors should arrange to view the records via their clients access details.

## 2.6 Scope

Auditors need to understand the rules for issuing evidence notes set out in the Regulations and to be familiar with the evidence note guidance, including the evidence note template. The evidence system is now done through an electronic system where an evidence note is generated through the Settlement Centre.

Both types of evidence are based on the same template, so will be very similar. The evidence note is generated through the Settlement Centre and will have a time and date identifier to show when it was generated. The AATF or AE may also show the auditor information stored in their account on the Settlement Centre website.

## 2.7 Format of Report

The regulations do not specify a format for the independent audit report. We have provided a suggested format, which is included at Appendix 2. If you choose not to follow the suggested format, you must ensure that the report contains all the information as set out above. The report should be addressed to and prepared for the approved AATF operator or the AE in order to meet their reporting obligation in regulation 52 (5).

In the case of an operator running a number of AATFs or AE, there may be a centralised records system. However, separate records and reports must still be used by each approved site, and the evidence will relate to each individual site. The independent audit report can either be supplied as a separate report for each site, or an operator may provide a general report on the work carried out and a detailed section within the report on the findings for each individual approved site.

## 2.8 Placed back on the market

A clarification on the terms 'placing back onto the market' is necessary for AATFs issuing evidence of refurbishment and reuse of WEEE.

The term 'placed on the market' has been identified by following the principles in the European Commissions Guide to the implementation of directives based on the New Approach and the Global Approach (commonly referred to as the 'Blue Book'). This is available for free download here:

<http://ec.europa.eu/enterprise/newapproach/legislation/guide/index.htm?lang= e&lang= e>

For an item to be put on the market in the UK it has to be made available for the first time in the UK. This is considered to take place when a product is transferred from the stage of manufacture or by import, with the intention of distribution or use in the UK.

The product is transferred either when the physical hand-over or the transfer of ownership takes place. Examples of transfer include:

- sale, loan, hire, leasing and gift;
- from a UK manufacturer to a distributor in the UK;
- from a UK manufacturer to the final consumer or user in the UK;
- from a manufacturer outside the UK to an importer in the UK, or to the person responsible for distributing the item in the UK;
- direct from a manufacturer, or authorised representative, to the final user or consumer. These principles apply to each individual item, not to a type of product.

Following this definition with regard to refurbished goods, 'placed back on the market' would be when the equipment is made available for resale.

## **2.9 Regulatory Targets and Recycling**

The regulations themselves do not place a specific requirement on AATFs or AEs in how they issue evidence with regard to targets. However, it is down to the PCS to ensure that the recovery / recycling targets have been met.

The AATF or AE issuing the evidence needs to be assured that what is stated on their evidence note is a reflection of what is actually happening. In terms of metals recovery/recycling this seems to be fairly straight-forward, however for other materials that we know have historically been difficult to recycle e.g. plastics and other materials, the AATF or AE should be asking for further details of the recovery/recycling processes.

Evidence of the efficiencies of the subsequent reprocessors may be requested, but clearly evidence can be issued on 100% of the waste sent to a reprocessor. Any evidence for efficiencies in reprocessing should be in the form of written documentation from the downstream reprocessors.

## **2.10 Failure to supply an Independent Audit Report**

Where an approved operator fails to provide an Independent Audit report by the statutory deadline they may be subject to enforcement action. Such actions could jeopardise any future applications for approval. There is no provision to suspend an approval for failure to supply a report. The normal course of action is to serve an enforcement notice, requiring the report to be submitted by a certain date. Failure to comply with an enforcement Notice is an offence and the agencies may take formal action against approved operators who do not comply.

An AE who has not issued any evidence notes is not required to send a report.

The operator of an AATF or an AE which have issued evidence would be guilty of an offence if they did not produce a report or if the report contained false or misleading information. If you know or ought to know the information set out in the report is false or misleading you may also be committing an offence. If an operator has a criminal conviction under the regulations, this may jeopardise the approval of future applications to be an AATF or AE.

## 2.11 Split Audits

The operator may want to contact the auditor to arrange a split audit. This will reduce the amount of work needed between the end of January and the deadline date of 31 May. The operator can request the auditor to undertake an audit of part year compliance, thereby highlighting any potential issues which may be able to resolved before, for instance, offences are committed. This reduces the number of months remaining in that year to review following the end of the approved period. The auditor should provide one report which should include a review of the entire period of approval, but using this method it may be completed over several visits / meetings..

## 2.12 Further information

WEEE evidence note guidance, WMP5 and WMP6 application forms and WMP7 Approval guidance are available on the Environment Agency website.  
WMP 5 AATF application form  
WMP6 exporter application form  
WMP7 Guidance notes for AATF and exporter applicants  
GN04 Evidence Note Guidance (including general information for waste sites handling WEEE)  
GN06 WEEE Protocol Guidance

The BERR website has regulation guidance and additional guidance that has been sent to treatment facilities.

**Government guidance on WEEE regulations**

<http://www.berr.gov.uk/files/file41165.pdf>

**Supplementary guidance for AATFs**

<http://www.berr.gov.uk/files/file40280.pdf>

**Supplementary guidance for reuse and refurbishment organisations**

<http://www.berr.gov.uk/files/file41127.pdf>

## **1. Introduction**

Background on the reprocessor or exporters business and operational activities including details of financial and operational systems that relate to (e)PRNs/(e)PERNs and the packaging waste materials handled. If it is a report that relates to a number of accredited sites it should detail which sites are included.

## **2. Scope and methodology**

- i. Extent and limitations of the audit
- ii Type/number of records audited. Give detail on the sampling method/basis used to determine the sample size.
- iii Review/evaluation of the relevant procedures, systems and controls in place for identifying packaging waste (sampling and inspection plan and industry protocols)

## **3. Findings**

Comparison of information reported to the appropriate agency against auditor findings, including the following:

- i the tonnage of UK packaging waste reprocessed/exported each quarter;
- ii the tonnage Of UK packaging waste received for reprocessing/export in December;
- iii the tonnage of non – packaging waste/material processed/exported;
- iv the number of (e)PRNs/(e)PERNs issued each quarter;
- v the number of (e)PRNs/(e)PERNs issued against December tonnage;
- vi statement as to whether the accredited business has verified that the material received and reported to the appropriate agency every quarter, was UK packaging waste;
- vii explanation of anomalies.

N.B, For those accredited businesses with a number of sites, there must be a separate finding section for each large accredited site.

## **4. Certification and feedback**

The audit certification will be addressed to the directors/owners of the accredited business and will confirm whether the (e)PRNs/(e)PERNs issued by the reprocessor or exporter in the previous accreditation year are consistent with the tonnage of UK packaging waste received or exported by them for that year.

[Name of Auditor] [Date]

[Organisation]

[Qualification with professional body e.g. Principal Environmental Auditor – IEMA]

## **Annexes**

List of packaging waste sources

List of reprocessed material, export destinations/overseas reprocessors

### **1 Introduction**

Background on the AATF operator or approved exporters business and operational activities, including details of financial and operational systems that relate to evidence issued and the WEEE handled. If it is a report that relates to a number of approved sites, it should detail which sites are included.

### **2. Scope and methodology**

- i. Extent and limitations of the audit
- ii Type/number of records audited. Give detail on the sampling method/basis used to determine the sample size. Your sample methodology may be unique to each operator and should reflect the proportion of evidence issued for each category and whether issued for treatment or re-use
- iii Review/evaluation of the relevant procedures, systems and controls in place.

### **3. Findings**

Comparison of information reported to the environment agencies against auditor findings, including the following:

- i. details from the quarterly reports
- ii. evidence issued
- iii. supporting information
- iv. explanation of anomalies

N.B. For those approved businesses with a number of sites, there must be a separate findings section for each site.

### **4. Certification and feedback**

The audit certification will be addressed to the directors/owners of the approved operator and will confirm whether the evidence issued in the previous compliance year is consistent with the tonnage of UK waste electrical and electronic equipment received or exported by them for that year.

[Name of Auditor]

[Date]

[Organisation]

[Qualification with professional body e.g. Principal Environmental Auditor – IEMA]

Annexes containing supplementary information or specific examples could also be attached.

**Would you like to find out more about us,  
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