



Commonwealth of Massachusetts
Office of the State Auditor
Suzanne M. Bump

Making government work better

Official Audit Report – Issued March 20, 2018

Review of the Commonwealth's Recycling Practices— Bridgewater State University

For the period July 1, 2014 through December 31, 2016





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Making government work better

March 20, 2018

Frederick W. Clark, Jr., Esq., President
Bridgewater State University
Boyden Hall
131 Summer Street
Bridgewater, MA 02324

Dear President Clark:

I am pleased to provide this performance audit of the recycling practices at Bridgewater State University. This report details the audit objectives, scope, methodology, finding, and recommendation for the audit period, July 1, 2014 through December 31, 2016. My audit staff discussed the contents of this report with management of the university, whose comments are reflected in this report.

I would also like to express my appreciation to the recycling program staff at Bridgewater State University for the cooperation and assistance provided to my staff during the audit.

Sincerely,

A handwritten signature in blue ink, appearing to read "SMB", written over a light blue circular stamp.

Suzanne M. Bump
Auditor of the Commonwealth

cc: Mr. Eugene J. Durgin, Jr., Chair of the Bridgewater State University Board of Trustees

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EXECUTIVE SUMMARY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor has conducted an audit of Bridgewater State University's (BSU's) recycling practices for the period July 1, 2014 through December 31, 2016.

In this performance audit, we reviewed and assessed certain aspects of the university's compliance with Section 7C of Executive Order 515, which requires increased recycling practices in the disposal of waste materials, in the administration of its recycling program.

Below is a summary of our finding and recommendation, with links to each page listed.

Finding 1 Page 6	Improvements are needed in BSU's administration of its recycling program.
Recommendation Page 7	BSU should establish sufficient formal written policies and procedures regarding its recycling program and establish monitoring controls to ensure that these policies and procedures are adhered to and that all activities related to this process are properly documented.

OVERVIEW OF AUDITED ENTITY

Bridgewater State University (BSU), formerly Bridgewater State College,¹ is authorized by Section 5 of Chapter 15A of the Massachusetts General Laws and operates under the direction of a board of trustees, whose members are appointed by the Governor. The board operates under the regulations promulgated by the state's Board of Higher Education. This includes, as the board's primary responsibilities, setting policy, approving annual budgets, monitoring quarterly budget performance, and approving internal audits. The president of BSU reports to the board of trustees, is the administrative head of the university, and is supported by the vice presidents of External Affairs, Academic Affairs, Administration and Finance, University Advancement, and Student Affairs, as well as a chief information officer and an associate vice president of Human Resources.

BSU is a member of the Massachusetts public higher-education system, which consists of 15 community colleges, 9 state universities, and 5 University of Massachusetts campuses. BSU is located on Summer Street in Bridgewater and has a satellite campus in Attleboro. As of June 2017, BSU had a student population of 13,289 and a full-time faculty of 362. BSU offers more than 99 areas of undergraduate study on a 270-acre campus. BSU conferred 2,508 degrees and expended \$208,572,851 in operating and non-operating costs in fiscal year 2017.

BSU's recycling program is operated by the Waste Management (Solid Waste and Recycling) Unit of its Department of Facilities Management and Planning. The recycling program employs a part-time staff consisting of a recycling coordinator, an environmental health and safety officer, and an administrative assistant. During the academic year, it also employs 10 to 15 students who are responsible for the daily pickup of all recyclable materials from the buildings and grounds on campus. Student employees collect recyclable materials, including cans, bottles, and paper products, from collection bins inside and outside the buildings on campus. These materials are subject to credits, which the university's contracted trash hauler applies against the amounts it bills to the university. Hazardous materials, such as waste oil and chemicals, are collected less frequently and are stored in dedicated containers and areas for separate collection by a hazardous-waste hauler. During the audit period, BSU paid its primary hauler of

1. Chapter 189 of the Acts of 2010 amended Chapter 15A of the General Laws, which had created a state university system. Because of the 2010 legislation, the six state colleges were renamed Bridgewater State University, Fitchburg State University, Framingham State University, Salem State University, Westfield State University, and Worcester State University. The three specialized state colleges—Massachusetts College of Art and Design, Massachusetts College of Liberal Arts, and Massachusetts Maritime Academy—retained their existing names.

recyclable materials \$321,400.94 and received \$8,123.15 in credits from the hauler. The student payroll related to the recycling process totaled \$130,196 for the audit period.

AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor has conducted a performance audit of Bridgewater State University's (BSU's) recycling practices for the period July 1, 2014 through December 31, 2016.

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.

Below is a list of our audit objectives, indicating each question we intended our audit to answer, the conclusion we reached regarding each objective, and where each objective is discussed in the audit findings.

Objective	Conclusion
1. Does BSU comply with Section 7C of Executive Order 515?	Partially; see Finding <u>1</u>
2. Does any contract for waste removal/recycling entered into by BSU provide credits for recyclable material with value and ensure that banned materials do not end up in landfills?	Partially; see Finding <u>1</u>
3. Does BSU monitor the contractor's provision of a recycling certificate or other information to ensure that materials are properly recycled?	No; see Finding <u>1</u>
4. Does BSU track recycling progress through contractor trash audits, hauler reports, or other means? If so, does BSU use this information to improve its recycling performance?	Partially; see Finding <u>1</u>

We gained an understanding of the BSU internal controls we deemed significant to our audit objectives through inquiries and observations. We evaluated the design and effectiveness of controls over contracts for waste removal/recycling entered into by BSU. In addition, we performed the following procedures to obtain sufficient, appropriate audit evidence to address our audit objectives.

- We examined all available documentation related to the annual walkthroughs performed by student managers that was retained by the BSU Department of Facilities Management and Planning staff during our 30-month audit period.

- We obtained all of the invoices for hazardous materials generated during the audit period and ensured that each had a manifest attached. In addition, we selected 5 of the 33 invoices and reviewed the related manifests to determine whether the materials were accounted for from their generation on campus to their transport and disposal at a hazardous-waste facility.
- We examined 10 monthly invoices that reported tonnage hauled by the recycling contractor, out of the 30 received by BSU during our audit period, to (1) determine whether amounts were accurately recorded for analysis by the university and (2) ensure that recycled materials were not sent to landfills and that appropriate credits were received by the university.
- The university provided copies of logbooks where work orders are recorded, noting locations, departments, and buildings where recycling infrastructure was moved and placed as requested on the work order (a form used to request unscheduled pickups of recyclables). We examined 31 work orders out of the 579 logged during our audit period to determine whether the activity associated with those work orders was supported by documented requests for the work performed.
- To ensure that BSU tracked the hauler's performance and monitored its activities during the audit period, we interviewed the recycling coordinator about the annual visits she made to the hauler facility and asked whether she requested recycling certificates from the hauler.
- To determine the reliability of data recorded on the university's master spreadsheet of monthly recycling activity, we interviewed management personnel who were responsible for the process and for the source data. We obtained original source documents, such as invoices and fair market value rate sheets for certain transactions generated by the hauler of recyclable materials removed from the university, to validate the accuracy of the spreadsheet. We determined that the data were sufficiently reliable for the purposes of our audit report.

Where sampling was used, we used nonstatistical judgmental samples and, accordingly, could not project the results of our tests to the entire population.

DETAILED AUDIT FINDINGS WITH AUDITEE'S RESPONSE

1. Improvements are needed in Bridgewater State University's administration of its recycling program.

Although Bridgewater State University (BSU) is complying with state requirements for establishing recycling practices for disposal of its solid waste materials, improvements are needed in its administration of this activity. Lack of administrative procedures to ensure that BSU complies with state Executive Order 515 by integrating recycling practices at its facilities could result in improper waste-handling procedures that are detrimental to the environment.

Our audit testing disclosed the following:

- BSU's management indicated that annual walkthroughs of recycling activities were performed as part of BSU's control over the effectiveness of its recycling program; however, of the three annual walkthroughs performed by student managers in the recycling program during our 30-month audit period, only two were documented.
- The environmental health and safety officer could not produce 3 of the 33 signed hauler manifest forms² for hazardous materials that were transported during our audit period. As a result, there was no documented chain of custody of these hazardous waste materials from the source of their generation to their ultimate recycling or disposal.
- Of the 10 hauler invoices for waste removal and related credits we reviewed (out of a total population of 30 invoices), 4 invoices lacked supporting documentation for the calculation of the credit deducted from the invoices.
- We examined 31 work orders (forms used to request unscheduled pickups of recyclables), out of 579 logged during the audit period, to determine whether the recycling process was documented completely. However, there were no written records documenting the initiation of work or the work performed, although the work was recorded in the logbooks. University officials indicated that work orders were initiated by phone calls, by emails, or in person, but they were not archived or documented in writing to support the logbooks.
- The recycling coordinator makes annual site visits to BSU's primary recycling hauler to observe its practices and procedures. However, these visits were not documented in writing, and therefore any critique or evaluation of the strengths or weaknesses of the hauler's handling of the university's recycling requirements is not documented.

2. These forms are used to track the transportation of materials from origin to destination.

Authoritative Guidance

Section 12.01 of the Office of the State Comptroller's Internal Control Guide states,

*Managers and other staff in key roles should document internal control, **all transactions** and other significant events in a manner that allows the documentation to be readily available for examination. [Emphasis added.]*

Section 7C of Executive Order 515 states,

Agencies shall ensure that they integrate increased recycling practices in the disposal of their own waste materials, including but not limited to paper, glass, cans, plastic bottles, containers and electronic equipment. This effort shall include the positioning of recycling bins in their offices and the contracting for recycling services to pick up and recycle these materials.

To ensure that the requirements of the executive order are fully implemented and adhered to, BSU needs to develop formal written policies and procedures that establish how this activity is to be administered and documented.

Reasons for Noncompliance

BSU has not established sufficient formal written policies and procedures that address all aspects of its recycling program.

Recommendation

BSU should establish sufficient formal written policies and procedures regarding its recycling program and establish monitoring controls to ensure that these policies and procedures are adhered to and that all activities related to this process are properly documented.

Auditee's Response

The results of the recycling bin location walkthroughs that were conducted by the University for the 30-month period under review were documented on a spreadsheet. During the audit period tested, Bridgewater State University implemented a policy change which was initiated during Fiscal Year 2016. This policy change included a "commentary" section of the walkthrough. . . .

The University will review and implement an improved documentation system as it relates to hazardous materials that are transported. . . .

The methodology used to confirm the calculation of credits is performed through a third-party subscription which provides only two years of historical data. The University will consider the

cost-benefit on expanding the subscription period with our vendor to view historical data or other methods of retaining historical data. . . .

Bridgewater State University will review and modify its policies and procedures, as necessary, to ensure that we are retaining recycling certificates as documentation of proper disposal of waste. . . .

The University will review and modify its policies and procedures to expand documentation that indicates the work ordered and the actual work performed for all work orders requested. . . .

The University has implemented practices beginning in 2017 that include documentation of the site visits and will continue this practice on a go-forward basis. . . .

BSU Policies and Procedures for Recycling Services and Refuse Removal Services . . . have been in place since 2010.

Auditor's Reply

As noted above, although BSU had complied with state requirements for establishing recycling practices by having policies and procedures regarding its recycling activities in place since 2010, it needed to improve various aspects of its administration of this process, including its procedures and documentation.

We acknowledge that BSU gave the audit team some annual walkthrough and spreadsheet documentation for fiscal years 2016 and 2017; however, as previously noted, it was not able to provide the record of the annual walkthrough for fiscal year 2015. Further, although BSU asserts that it implemented a policy in fiscal year 2016 that included the completion of a commentary section for each walkthrough, the Waste Management (Solid Waste and Recycling) Unit of BSU's Department of Facilities Management and Planning was not able to provide us with any commentary other than some emails related to the walkthroughs for fiscal years 2016 and 2017.

Based on its response, the university is taking measures to address our concerns.