

EXECUTIVE DIGEST

SOURCE REDUCTION AND RECYCLING ACTIVITIES

INTRODUCTION

This report, issued in February 2002, contains the results of our performance audit* of Source Reduction* and Recycling* Activities, Department of Environmental Quality (DEQ).

AUDIT PURPOSE

This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Performance audits are conducted on a priority basis related to the potential for improving effectiveness* and efficiency*.

BACKGROUND

DEQ's stated mission* is:

. . . to drive improvements in environmental quality for the protection of public health and natural resources to benefit current and future generations. This will be accomplished through effective administration of agency programs, providing for the use of innovative strategies, while helping to foster a strong and sustainable economy.

DEQ's source reduction and recycling activities are primarily identified within two parts of the *Michigan Compiled Laws*. Sections 324.14301 - 324.14306 (Waste Minimization) mandate DEQ to incorporate pollution prevention* goals* within its regulatory and permit

programs, including data collection and analysis to advance the concept and implementation of pollution prevention. Sections 324.14501 - 324.14513 (Waste Reduction Assistance) direct DEQ to inform, assist, educate, and provide funding for facilitating a reduction in the amount of environmental waste generated in the State. DEQ's pollution prevention activities pursue an in-plant emphasis, which is specifically identified in both these parts of the *Michigan Compiled Laws*. DEQ's solid waste management activities are primarily identified in Sections 324.11501 - 324.11550 of the *Michigan Compiled Laws*.

The State has defined source reduction as the philosophy or practice of not creating or generating waste materials by increasing efficiency, substituting materials, or changing processes so that fewer waste materials are produced. DEQ has interpreted pollution prevention to be the voluntary, multi-media approach of finding ways to eliminate or reduce the generation of waste at its source or to recycle those wastes that cannot be eliminated.

AUDIT OBJECTIVES,
CONCLUSIONS, AND
NOTEWORTHY
ACCOMPLISHMENTS

Audit Objective: To assess the effectiveness of DEQ's efforts to facilitate reduction in the generation of waste.

Conclusion: We concluded that, although DEQ had effectively implemented those requirements specifically established by statute, there was no measurable basis available to assess the outcomes of DEQ's waste generation reduction programs. Our assessment disclosed one reportable condition* related to program effectiveness (Finding 1).

Noteworthy Accomplishments: The Michigan Pulp and Paper Pollution Prevention Program, which is a partnership between DEQ's Environmental Assistance

Division and the Michigan Pulp and Paper Environmental Council, was the recipient of the National Pollution Prevention Roundtable's Most Valuable Pollution Prevention Award for 2000. The Program was chosen for its innovation, measurable results, transferability, level of commitment from the parent organization, and optimization of available resources.

Audit Objective: To assess the effectiveness of DEQ's efforts to facilitate the recycling of waste materials.

Conclusion: DEQ was generally effective in its efforts to facilitate the recycling of industrial waste materials but could improve overall program effectiveness by extending its efforts to facilitate the recycling of residential waste materials. Our assessment disclosed one reportable condition related to a Statewide recycling program (Finding 2).

**AUDIT SCOPE AND
METHODOLOGY**

Our audit scope was to examine the program and other records related to the Department of Environmental Quality's source reduction and recycling activities focusing on the Environmental Assistance Division's Pollution Prevention Strategy and the Waste Management Division's Solid Waste Regulatory Program. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

We examined the program and other records for the period October 1, 1997 through May 31, 2001. Our audit procedures included a preliminary survey to obtain an understanding of DEQ's source reduction and recycling activities.

To accomplish our audit objectives, we interviewed key DEQ personnel directly involved with administering and/or operating DEQ's pollution prevention, waste management, and recycling efforts. Also, we interviewed officials from local governments, nonprofit organizations, and private enterprises involved with waste management and recycling.

We obtained and reviewed State statutes, administrative rules, and program descriptions. We obtained other states' audit reports and national publications from the Internet and the Library of Michigan databases.

We obtained and reviewed pollution prevention, waste management, and recycling program reports from DEQ's Environmental Assistance and Waste Management Divisions that described the history, purpose, activities, and targeted participants.

AGENCY RESPONSES

Our audit report contains 2 findings and 2 corresponding recommendations. DEQ's preliminary response indicated that it partially agrees with 1 recommendation and disagrees with 1 recommendation.