

WAC 173-900-365 Annual compliance audit reports for direct processors. (1) For each direct processor used by the plan, the authority or authorized party must provide an annual compliance audit report to ecology. These reports must demonstrate and certify that the direct processors meet either the minimum performance standards in WAC 173-900-650 or are in conformance with ecology's "*Environmentally Sound Management and Performance Standards for Direct Processors.*"

(2) The authority or authorized party must submit the compliance audit report with their plan submittal (WAC 173-900-320), plan updates or revisions when there are additions or changes to direct processors used by the plan (WAC 173-900-335), and as part of the annual report (WAC 173-900-800).

Minimum performance standards.

(3) For demonstration of compliance with the minimum standards in WAC 173-900-650, the compliance audit must be conducted by an auditor not employed by the processor.

(4) Each annual compliance audit report submitted to ecology to demonstrate compliance with the minimum standards must include:

(a) A list of all the minimum performance standards;

(b) Documentation that the direct processor meets each of the performance standards, including a list of all applicable national, state, and local laws, rules, and ordinances, related to processing activities;

(c) Documentation of noncompliance with a performance standard: A direct processor may not comply with a specific minimum performance standard in WAC 173-900-650 when the national, state, or local laws or rules where the processor is located and a performance standard conflict. When a conflict exists, the audit report must include:

(i) Identification of which performance standard(s) is in conflict.

(ii) Document the conflict and the processor's compliance with the corresponding national, state, or local laws or rules that apply at that location;

(d) Documentation of the auditor's qualifications as described in subsection (5) of this section for the auditor signing the report;

(e) Certification from the auditor certifying whether or not the processor meets the standards in this section;

(f) Signature of the auditor certifying the accuracy of the report.

(5) This annual compliance audit must be completed by an auditor who through professional training, work experience and certification has appropriate knowledge to evaluate the environmental compliance of the processing facility.

Voluntary preferred performance standards.

(6) For demonstration of voluntary conformity with the "*Environmentally Sound Management and Performance Standards for Direct Processors,*" the annual compliance audit report must meet the requirements in the environmentally sound management and performance standards document. The audit report required for the voluntary program for preferred performance standards may substitute for the audit report required in this section.

(7) Ecology will not list a direct processor in "preferred status" if:

(a) Ecology does not receive an audit report as required in "*Environmentally Sound Management and Performance Standards for Direct Processors*"; or

(b) The direct processor is not meeting all of the voluntary preferred performance standards.

(8) If a direct processor loses preferred status, and still is providing services to a CEP recycling plan, the direct processor must still be in compliance with the minimum performance standards in WAC 173-900-650. If the direct processor is not meeting the minimum standards, ecology will follow the warning, penalty, and violation procedures in WAC 173-900-370, 173-900-380, and 173-900-390.

Proprietary information.

(9) Proprietary information submitted to ecology under this chapter is exempt from public disclosure under RCW 42.56.270.

[Statutory Authority: Chapters 70.95N, 70.105, and 70.105D RCW. WSR 07-21-013 (Order 07-05), § 173-900-365, filed 10/5/07, effective 11/5/07.]