

Waste Management Internal Audit Services

The mission of Waste Management (WM) Internal Audit Services is to provide independent, objective assurance and consulting services designed to add value and improve WM's operations. It helps WM accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal auditing at WM is an important element of the total management control system. The effectiveness of internal audit is attributable to management's concern for the protection of Company assets, for conducting business efficiently, and for the maintenance of a high standard of business conduct.

The audit scope encompasses all operations within WM. WM Internal Audit Services is to perform operational, financial and limited compliance audits at Company facilities, which meet high professional standards and contribute to the successful operation of the Company. The specific objectives are to:

- Evaluate effectiveness of internal controls.
- Determine the reliability of accounting and financial data developed within the Company.
- Appraise the adequacy of, and compliance with Corporate policies, procedures, and applicable laws and regulations.
- Test the effectiveness and efficiency of operations.
- Ascertain that Company assets are properly safeguarded from losses.
- Coordinate internal audit activities with the audits of the Company's public accountants to obtain maximum effectiveness and avoid duplication.

To ensure independence, the Vice President of Internal Audit Services reports functionally to the Chairman of the WM Audit Committee, and administratively to the principal financial officer. The team consists of three sub-groups, including Financial & Operational Audit Services, IT Audit Services and Forensic Audit Services. Members of the team are made up of a group of experienced professional individuals with diverse backgrounds and training.

A flexible, risk-based audit plan is developed annually focusing on risks and concerns identified by management and Internal Audit. Audits are scheduled based on risk-weighting of various factors, including size (revenues and assets), management continuity, history of prior audits, anticipated revenue growth/decline, system capabilities, and other factors. In addition, input from various levels of management, both in the field and corporate, is sought and taken into consideration.

Audit results are reported to local management at the end of each audit. Quarterly reports are also provided to higher level management to inform them of issues and opportunities that could impact their organization or function. A system and process are in place to ensure accountability and to monitor management's resolution of audit findings in a timely manner.