FAQ on System Participant Audits

Table of Contents

1. Persons Involved & Responsibilities 2
2. Audit Procedure, Location & Timeframe 2
4. Required Documents & Evidence 3
5. Random Sampling & Measurements 3
6. Statistics & Sales Figures 4
7. Warehouse & Facility Tours 5
8. Product Categories & Accessories 5
9. Foreign System Participants 6

1. Persons Involved & Responsibilities

1.1 Which persons are required in the company for an audit?

- Authorized persons: Employees who are/were responsible for the reporting system to the corresponding Collection and recycling systems, purchasing responsible persons, and sales persons.
- For signing the declaration of completeness: Legally responsible persons for the company (e.g., GmbH: CEO)

1.2. Does the CEO have to carry out the closing personally, or can a person with sole power of attorney also do this?

The authorization to sign is specified in the company register. It also specifies whether an authorized signatory is authorized to represent the company individually or jointly with other authorized signatories. An authorized signatory must be present at the conclusion of the audit and sign the declaration of completeness.

2. Audit Procedure, Location & Timeframe

2.1. How long does an on-site audit take?

One working day should be planned for the on-site audit, depending on the documents prepared and the audit format. Most audits are carried out as standard audit with on-site appointments, while a smaller proportion is carried out as a mini audit (Remote).

2.2. Where does the audit take place?

Most audits will take place on site at the candidate's premises. For foreign candidates, they will take place remotely or with the authorized representative.

2.3. What is the time frame for the audit?

Audits of system participants should, where possible, be carried out between 1 July and 31 December each year, and must be completed by the end of January of the following year at the latest.

3. Costs & Penalties

3.1. Who pays for the audit?

The collection and recycling systems are obliged to cover the costs of all system participant audits; in the case of findings, the costs can be charged on. In the event of quantified deviations, the collection and recycling systems will offset the additional payments against the system participant and offset them against credit notes.

3.2. Is there a penalty?

Yes, a penalty of 20% of the net shortfall is to be levied if the total license amount per year is undercut by 5% and if the shortfall exceeds the de minimis limit of EUR 50.00 (§ 29 para. 4 no. 4 AWG 2002). This penalty shall be provided for in addition to the subsequent payment of participation fees, irrespective of any fault on the part of the scheme participant.

4. Required Documents & Evidence

4.1. How is a different financial year handled?

The audit covers the relevant audit year. You must therefore prepare all documents relating to the financial years that fall within this audit year. If the financial year differs from the calendar year, the documents must be limited to the months that fall within the audit year.

4.2. Which balance list is required for the on-site audit?

The totals and balances list is required, especially the income statement (account movements on expense and income accounts). If there is a different financial year, the balance lists relating to the audit year to be audited are required.

4.3. Why is a supplier list required?

A complete list of suppliers, sorted by turnover, is necessary because it is possible to recognize who the main suppliers are. This in turn is important to recognize who is from domestic and foreign country. The main responsibility lies with the foreign suppliers. As soon as they deliver WEEE and / or BAT to Austria, they are relevant for the audit.

4.4. What should be considered when verifying weights and dimensions?

Product data sheets or documentation of own measurements are required for verifying weights and dimensions.

4.5. Do system participant contracts have to be made available for audit?

In principle, system participant contracts do not have to be made available for audit. The provision of these contracts is at the discretion of the auditor and may be requested by the auditor if this is necessary to clarify certain issues.

5. Random Sampling & Measurements

5.1. How is the random sample audit selected for the on-site audit?

The random sample inspection is carried out by randomly selecting the items per appliance category that have the greatest impact in terms of value on the calculation of the WEEE and BAT during the period under audit.

5.2. How many weighing samples are carried out during the audits?

This depends on the type of audit and the device categories placed on the market in Austria:

- Mini audit (remote): max. 24 samples, comparison with technical product data sheets
- Standard audit by authorized representatives (remote): max. 33 samples, comparison with technical product data sheets
- Standard on-site audit: max. 45 samples (12 on-site by weighing, 33 comparisons with technical product data sheet)

5.3. Does a calibrated scale have to be provided for the on-site audit to check the weight?

The auditors bring a calibrated scale for measuring small electrical appliances to the on-site appointments.

5.4. Are the weights of household or commercial appliances checked?

Both areas are audited, but the household area is much larger, with the focus on investigations of household appliances.

6. Statistics & Sales Figures

6.1. What do sales statistics look like? What do purchasing expenditure statistics look like? What is the difference?

- **Sales and revenue statistics:** If you determine your quantity report from the sales side, i.e., at the time of goods shipment. Includes sold items, quantities, sales prices, and revenue in Austria. Reconciliation with the P&L or VAT documents.
- **Purchasing expenditure statistics:** If you determine your quantity report from the purchasing side, i.e., at the time of goods receipt. Includes purchased items, quantities, and purchase prices. Reconciliation with the P&L or balance list.

6.2. Are all revenues relevant for the revenue statements or is the requirement limited to WEEE and BAT?

An overall presentation of sales is necessary, as very few merchandise management systems can only display sales from the WEEE and / or BAT area. Furthermore, the total turnover is also compared with the sales statistics for the reconciliation to ensure the completeness of all articles.

6.3. Why does a purchase or sales turnover list have to be transmitted if the quantities purchased or sold must be checked?

The aim of the investigation is to obtain a reliable statement regarding the accuracy and completeness of the WEEE and / or BAT quantities to be reported in the period under audit by reconciling the quantity structure on which the calculations are based (e.g., sales statistics or purchasing expenditure statistics) with a suitable document, such as a profit and loss account or VAT assessment notice. After the reconciliation of the total turnover to the total sales or total purchase quantity according to the calculation has been carried out, the reconciliation of the sales or purchase quantities shown in the sales or purchase statistics to the quantities used in the calculation for these items is then carried out on a random basis.

7. Warehouse & Facility Tours

7.1. Why is a warehouse tour necessary?

A warehouse tour allows for a quick overview to verify the plausibility of quantities placed on the market and serves for sample selection during on-site audits and weighing of items.

7.2. How is the warehouse tour handled when there are multiple branches? Where does it take place and what should be considered?

Generally, a warehouse tour is part of the audit procedures. If your company does not operate a warehouse, this tour cannot be conducted. If necessary, at the discretion of the auditor, an additional appointment can be scheduled at another location to conduct a warehouse tour there.

7.3. What is the procedure if the warehouse is located abroad but the company administration is in Austria?

The audit is carried out by the company administration. However, the random inspections are conducted with comparison to the technical product data sheets.

8. Product Categories & Accessories

8.1. How are accessories handled?

There are 5 types of accessories that are placed on the market with WEEE: Batteries, packaging, enclosed documents, accessories with / without electrical components. Only accessories with electrical components are included in the mass of the WEEE.

➞ Information BMLUK: Waste Electrical Equipment Ordinance – Accessories

8.2. What should be considered when checking the dimensions?

The longest rigid edge must be considered and measured for the dimensions of both small and large electrical appliances. According to the WEEE Ordinance, an appliance is considered a large electrical appliance if the largest edge length is more than 50 cm and a small electrical appliance if the largest edge length is less than or equal to 50 cm.

8.3. How do you distinguish between household and commercial appliances in case of doubt?

Please always use the BMK's allocation list of WEEE-related appliances, which can be found at the following link: Electrical and Electronic Equipment with WEEE reference (examples)

If it is a dual-use appliance, the WEEE must be allocated to household appliances.

9. Foreign System Participants

9.1. Are the P&L or G/L and revenue accounts also to be prepared for companies from abroad for Austria?

No, they don´t. For foreign companies that market WEEE and / or BAT in Austria, only the turnover in Austria is relevant. Therefore, the summary reports on intra-community supplies and triangular transactions (B2B area) and / or OSS report or value added tax (VAT) assessment of Austria (B2C area) are required.

9.2. What if the delivery is made directly from the supplier's warehouse to the customer? Do these sales have to be broken down separately?

The system participant also bears the same responsibility for drop shipments as manufacturers and importers. It is treated as a direct sale, as if the item is shipped directly from the system participant's warehouse. Determining the weight may be more difficult. The system participant may have to determine the weight themselves; the supplier may take over the weighing and document this with photos, or corresponding data sheets may be provided.

In the case of purely intermediary activities, where the system participant is not the owner of the goods but merely acts as an intermediary, the importer remains responsible.

9.3. System participant is from abroad and does not want to disclose an Austrian customer list with sales for data protection reasons. What should be done?

- In the **B2C area (private customers)**, it is not necessary to submit a customer list for data protection reasons. The OSS reports or the VAT assessment notice from Austria are sufficient proof.
- In the **B2B area (business customers)**, a customer list is generally required. If this cannot be disclosed for certain reasons, at least the summary reports on intra-community supplies and triangular transactions must be submitted.