



North Missouri Solid Waste
Management District Region B

September 18, 2007

Solid Waste Management Program
Missouri Department of Natural Resources
Attn: Jim Hull
P.O. Box 176
Jefferson City, Missouri 65102-0176



Re: Response to letter dated July 20, 2007, on the Compliance Audit for
NMSWMD – Region B

Dear Mr. Jim Hull,

Enclosed are the responses to the performance audit that was conducted by
McBride, Lock, and Associates. I am in the process of completing the physical
inventory and I will mail the spreadsheet to you when I am completed.

1. Composition of the Executive Board.

- a. The Board of Directors of the NWSWMD-Region B established an eleven member Executive Board on February 22, 2007. (Exhibit 1) We have started the process of setting up an alternative management structure, so that we will be able to have an eleven member Executive Board.
- b. The list of the current eleven member Executive Board. (Exhibit 7)
- c. Bylaws (Exhibit 6) and the minutes of the February 22, 2007, board meeting approving the bylaws. (Exhibit 1)

2. Board of Directors Minutes.

- a. Bylaws (Exhibit 6)
- b. Policy 2007-1 which states that the NMSWMD will comply with the Sunshine Law. (Exhibit 9) The minutes now include a list of all members that were present, absent, staff present, and other attendees; the date, location, and time of the meeting. We have a copy of the Sunshine Law with us during the meeting to look up any question we may have. We have a list of all board members and

1104 Main
Trenton, MO 64683
www.nmswd.org
phone 660-359-5636 fax 660-359-3096

the Executive Board that the member will sign next to his/her name. We do roll call as soon as the meeting is called to order to confirm that we have a quorum present. I have also enclosed minutes from February 22, 2007 (Exhibit 1), April 26, 2007, (Exhibit 2), May 31, 2007, (Exhibit 3), June 28, 2007, (Exhibit 4), and August 23, 2007, (Exhibit 5) for you to review.

c. Minutes of the February 22, 2007, (Exhibit 1) and August 23, 2007, meetings. (Exhibit 5)

3. Failure to Adopt Bylaws and Conduct Quarterly Meetings.

a. The Board of Directors of the NMSWMD – Region B adopted bylaws at the February 22, 2007, meeting of the NMSWMD Board of Directors, which demonstrates our compliance with RSMo Section 260.320 and the Joint Powers Agreement. (Exhibit 6)

b. The Board of Directors of the NMSWMD – Region B will meet twice a year and the Executive Board of the NMSWMD – Region B will meet four times a year. The District has a list of both boards and members must sign in and the Chairman makes sure that the district has a quorum before business is discussed. (Exhibit 7) and (Exhibit 8)

c. Bylaws (Exhibit 6) and minutes of the February 22, 2007, meeting where the Board of Directors of the NMSWMD – Region B adopted the bylaws (Exhibit 1)

d. The minutes of the February 22, 2007, meeting where the Board of Directors of the NMSWMD – Region B adopted the bylaws. (Exhibit 1)

4. Bank Reconciliations.

a. Policy 2007-2 (Exhibit 10)

b. The Board of Directors and/or the Executive Board will have a copy of the bank statement in their board packet along with a copy of the checks that were written. The planner has all checks, deposits, and bank statements at each meeting for the members to review. The authorizing and approving of adjustments will not have to be done, since we have an accurate accounting system for the District. We have segregated duties to different people, so not one person has control over the District. There were errors in the previous accounting, and the prior bookkeepers did account adjustments for the amount the account was off, so that the accounts would balance. Since then, the invoices, deposits, and bank statement have been gone through and the account adjustments have been reversed out and the corrected entries have been made. The NMSWMD Board of Directors approved these adjustments on August 23, 2007. (Exhibit 5)

c. The district planner has reconciled the checking accounts and found all errors. The account adjustments were reversed out and the corrected entries made. This had to be done in order for the accounts to balance correctly. All funds are accounted for and the accounts balance to the bank statements. (Exhibit 18)

d. Minutes of the NMSWMD Board of Directors meeting held on August 23, 2007 approving Policy 2007-2. (Exhibit 5)

5. Untimely Filing of UCC Financing Statement.

a. Policy 2007-3. (Exhibit 11)

b. Minutes of the NMSWMD Board of Directors meeting held on August 23, 2007 approving Policy 2007-3. (Exhibit 5)

6. Grant Evaluation Form.

a. Policy 2007-5. (Exhibit 13)

b. Copy of the NMSWMD – Region B modified evaluation form (Exhibit 16).

c. Minutes of the NMSWMD Board of Directors meeting held on August 23, 2007 approving Policy 2007-5. (Exhibit 5)

7. Reports Not Timely Filed.

a. Policy 2007-6. (Exhibit 14)

b. Minutes of the NMSWMD Board of Directors meeting held on August 23, 2007 approving Policy 2007-6. (Exhibit 5)

8. Equipment Management.

a. Policy 2007-3 (Exhibit 11) and Policy 2007-4. (Exhibit 12)

b. Copy of the NWSWMD – Region B's physical inventory (Exhibit 17)

c. Minutes of the NMSWMD Board of Directors meeting held on August 23, 2007 approving Policy 2007-3 and Policy 2007-4. (Exhibit 5)

9. Allocation of Grant Funds.

a. The Green Hills Regional Planning Commission utilizes an accounting software program called GMS (Grant Management Systems). GMS is designed for agencies whose income is based on program/grant administration. The program automatically calculates indirect charges based on staff hours charged to program/grants. Policy 2007-7 (Exhibit 15)

b. The Green Hills Regional Planning Commission uses a direct costing method. The postage machine, copy machine, fax machine, and phone system have key systems and every program/grant has its own number. Policy 2007-7 (Exhibit 15)

c. The Green Hills Regional Planning Commission uses a timesheet that allocates time for each program/grant. Policy 2007-7 (Exhibit 15)

d. Minutes of the NMSWMD Board of Directors meeting held on August 23, 2007 approving Policy 2007-7. (Exhibit 5)

**I have also included the administrative budget for FY08 that was approved by the board on August 23, 2007 (Exhibit 19).

If you have any questions, please contact me at 660-359-5636 ext. 20.

Sincerely,



Ann Hamilton
NMSWMD Region B Planner

Enclosures

- Exhibit 1 – February 22, 2007, Board of Directors Meeting
- Exhibit 2 – April 26, 2007, Executive Board Meeting
- Exhibit 3 – May 31, 2007, Executive Board Meeting
- Exhibit 4 – June 28, 2007, Board of Directors Meeting
- Exhibit 5 – August 23, 2007, Board of Directors Meeting
- Exhibit 6 – Bylaws
- Exhibit 7 – List of current Executive Board
- Exhibit 8 – List of current Board of Directors

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- Exhibit 9 – Policy 2007-1 – Open meetings policy
- Exhibit 10 – Policy 2007-2 – Accounting Principles and Internal Control
- Exhibit 11 – Policy 2007-3 – Purchasing and Inventory Control
- Exhibit 12 – Policy 2007-4 – Equipment & Inventory Control Policy & Procedure
- Exhibit 13 – Policy 2007-5 – Grant Evaluation Procedures
- Exhibit 14 – Policy 2007-6 – Reporting Policy
- Exhibit 15 – Policy 2007-7 – Accounting and Grant Management Procedures
- Exhibit 16 – Grant Evaluation Form
- Exhibit 17 – Current Physical Inventory (Will be coming in a later packet)
- Exhibit 18 – Corrected Entries
- Exhibit 19 – FY08 Administration Budget
- Exhibit 20 – Sample timesheets