

INDEPENDENT ACCOUNTANT'S REPORT
PERFORMANCE AUDIT

**REGION P
SOUTH CENTRAL
SOLID WASTE MANAGEMENT DISTRICT
POMONA, MISSOURI**

FOR THE PERIOD JULY 1, 2014 THROUGH
JUNE 30, 2017

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS
KANSAS CITY

REGION P – SOUTH CENTRAL
SOLID WASTE MANAGEMENT DISTRICT
POMONA, MISSOURI

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McBRIDE, LOCK & ASSOCIATES, LLC

Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT

Missouri Department of Natural Resources
and
Region P – South Central Solid Waste Management District
Pomona, Missouri

The Missouri Department of Natural Resources (DNR), Waste Management Program is responsible for administering the policies and programs developed to ensure solid waste is managed in such a way that protects both public health and the environment. The DNR provides funding from solid waste tonnage fee collections to the solid waste management districts in the State of Missouri to fund their operations and community-based waste reduction, reuse, composting and recycling projects. We have completed a performance audit of activities of Region P – South Central Solid Waste Management District's (SWMD) compliance with state laws, regulations, and policies. The procedures were conducted pursuant to the authority of the DNR.

Objectives

The objectives of our audit of Region P SWMD included:

1. To determine whether the district, council, executive board, advisory committee or alternative management structure were organized properly and in accordance with the Revised Statutes of Missouri.
2. To determine whether the duties of the council and executive board or alternative management structure have been carried out as specified in the Revised Statutes of Missouri.
3. To review the district's internal controls for accounting and financial matters, safeguarding assets, subgrantees, and compliance with laws, regulations, financial assistance agreements, solid waste plans, policies, and procedures.
4. To determine whether the district was in compliance with laws, regulations, financial assistance agreements, solid waste plans, policies, and procedures.
5. To determine whether the quarterly and final reports submitted to the DNR Solid Waste Management Program by the district, along with accounting records and supporting documentation, were timely, presented accurately and in accordance with the DNR Solid Waste Management Program guidelines.

6. To determine whether expenditures by the district from advancements and reimbursements made by the district to their subgrantees were made for allowable and eligible costs.
7. To determine whether the district grant funds were awarded to subgrantees or placed under contract properly and to review grant/contract management and monitoring of subgrantees and contractors.
8. To determine whether the district secured the assets of the district including the subgrantee's equipment, buildings and site improvements.
9. To determine whether the subgrant project effectively met its goal of diverting waste from landfills or providing environmental education and to determine the cost per unit (tons of waste diverted or per student).

Scope

The scope of our audit of Region P SWMD was for the three Fiscal Years ended June 30, 2017.

Methodology

Our methodology included reviewing the organization of the district, minutes of meetings, written policies and procedures, financial records, and quarterly and final reports; interviewing district personnel; evaluating internal controls; and evaluating and inspecting grant projects. Our audit procedures and objectives were set forth in the Missouri Department of Natural Resources Waste Management Program Audit Program.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides such a basis.

This report is intended solely for the information and use of the Missouri DNR and Region P SWMD and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



McBride, Lock & Associates, LLC
Certified Public Accountants
May 13, 2019

**REGION P SOUTH CENTRAL
SOLID WASTE MANAGEMENT DISTRICT
HISTORY AND ORGANIZATION
FOR THE THREE YEARS ENDED JUNE 30, 2017**

Missouri's 20 solid waste management districts were created to foster regional cooperation among cities and counties in addressing solid waste management issues. The main function of a district is to develop a solid waste management plan with an emphasis on diverting waste from landfills and to assist with implementation of the plan. Plans should include provisions for a range of solid waste activities: waste reduction programs; opportunities for material reuse; recycling collection and processing services; compost facilities and other yard waste collection options; education in schools and for the general public; management alternatives for items banned from Missouri landfills and household hazardous waste; and preventive or remediation of illegal dumps. To help achieve their goals, districts administer grants to public and private entities within their district, made possible with monies from the Solid Waste Management Fund through the Missouri Department of Natural Resources (DNR).

The Region P – South Central Solid Waste Management District (Region P SWMD or the District) was formed pursuant to Section 260.305, RSMo, and was officially recognized by the DNR on February 9, 1992. The District is comprised of the following Missouri counties: Douglas, Howell, Oregon, Ozark, Shannon, Texas and Wright and their participating cities with a population of 500 or more. Participation in the district is voluntary and is formally established through a resolution of adoption filed with the district office by the member governments. The purpose is to develop and improve efforts to reduce the amount of solid waste generated and disposed of in a seven county region to meet the goals set out in Chapter 260, RSMo. The District will make recommendations and suggestions relating to solid waste collection, storage, transportation, remanufacture and disposal. The District also intends to promote local problem solving and autonomy in solid waste management systems.

The District had an administrative contract with the South Central Ozark Council of Government (SCOCOG) for the audit period through June 30, 2017. There are no direct employees of the district. The District has formulated an alternative management structure which was agreed to by resolution by each county in the district. The District consists of council members with 34 voting members, and they consist of members representing the local units of government within the boundaries of the region. From the membership, an executive board is elected. The Region P executive board is made up of nine voting members and one non-voting member. Of the executive board three are elected as the Chairman, Vice-Chairman, and Treasurer to serve one year terms. Council and executive board members shall serve until such date as an elected official representative retires, is removed, or no longer holds that office. The executive board shall consist of one council member selected and designated by each member county, two at-large representatives elected by the full council and one non-voting member (District Planner). A quorum shall consist of a majority (51%) of the entire council or executive board.

The executive board, by resolution adopted by a majority of the board, shall designate such committees as may be required, each of which shall consist of one or more board members. An advisory committee may be created by the executive board that is geographically balanced and consisting of representatives of commercial generators, and solid waste management industry, and

two citizens unaffiliated with the operation of management of solid waste facilities to assess and make recommendations on solid waste management. The grant ranking committee consists of three executive board members chosen by the executive board prior to the submission deadline for new grant applications. Members will be chosen each year to serve on this committee.

District council, executive board members and personnel as of the end of the audit period at June 30, 2017, are listed below.

Council Members:

- Lance Stillings – Douglas County
- Craig Cunningham – Douglas County
- Mark Collins – Howell County
- Billy Sexton – Howell County
- Jason Kemper – Oregon County
- Tracy Bridges – Oregon County
- Gary Collins – Chairman, Ozark County
- Greg Donley – Ozark County
- Jeff Cowen – Shannon County
- Dale Counts – Shannon County
- John Casey – Treasurer, Texas County
- Doyle Heiney – Texas County
- Zach Williams – Wright County
- Mike Sherman – Wright County
- David Norman – City of Ava
- Patrick Reed – City of Mountain View
- Brenda Smith – City of West Plains
- Kim Wehmer – City of Willow Springs
- Steve Crigler – City of Alton
- Ken Cotham – City of Thayer
- Deanna Gail Reich – City of Gainesville
- Gordon Williamson – City of Birch Tree
- Jim Anderson – City of Eminence
- Gordon Buckner – City of Winona
- Danny Canon – City of Cabool
- Don Tottingham – City of Houston
- Keith Cantrell – City of Licking
- Marilyn Howell – City of Summersville
- Wanda Cope – City of Hartville
- Blake Miller – City of Mansfield
- Mike Williams – City of Mountain Grove
- Leroy Rakestraw – City of Norwood
- Dennis Sloan – Vice Chairman, At-Large Member
- Richard Eakin – At-Large Member

Executive Board Members:

- Gary Collins – Chairman, Ozark County
- Dennis Sloan – Vice Chairman, At-Large Member
- John Casey – Treasurer, Texas County
- Mark Collins – Howell County
- Lance Stillings – Douglas County
- Jason Kemper – Oregon County
- Dale Counts – Shannon County
- Mike Sherman – Wright County
- Richard Eakin – At-Large Member

Primary Personnel who Participate in SWMD:

- Jerry North – Planner, SCOCOG
- John Murrell, Jr. – Executive Director, SCOCOG
- Kelly Wise – Fiscal Officer, SCOCOG
- Angie Ball – Administrative Assistant, SCOCOG

**REGION P – SOUTH CENTRAL
SOLID WASTE MANAGEMENT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE THREE FISCAL YEARS ENDED JUNE 30, 2017**

1. Compliance with Missouri Sunshine Law

Condition – The minutes and notices are the official report made of transactions and proceedings of the Board. However, Council and executive board meeting minutes were not compliant with Chapter 610, RSMo in the following areas:

1. Notice of meeting does not specify whether the meeting is open or closed to the public.
2. The place the meeting occurred was not included in the meeting minutes.

Criteria – Chapter 610, RSMo (commonly referred to as the Missouri Sunshine Law) requires the above-mentioned items be documented in the minutes for each board meeting.

Effect – Following the Missouri Sunshine Law reduces the potential risk of penalties being levied against the District.

Cause – The District was not fully aware of the criteria requirements.

Recommendation – We recommend the District adopt all required forms of documentation as stipulated by the Missouri Sunshine Law to ensure that they are complete and accurate as required by Chapter 610, RSMo.

District Response – The District agreed with the finding and the recommendation. The District minutes will note whether the meeting is open or closed. In all future meetings, the location of the meeting will be included at the beginning of the minutes. The District sent the minutes for the first meeting held after audit fieldwork had concluded to demonstrate that the minutes did denote the location of the meeting.

2. Bank Reconciliations and Quarterly Project Financial Summary Reports Not Reviewed by the Board

Condition – The executive board did not review the bank statements received or the bank reconciliations prepared by the administrative contractor. It was noted the executive board did review the check register and financial statements, which are included within the board meeting minutes; however, bank reconciliations and bank statements were not provided for review.

Additionally, the Quarterly Project Financial Summary (QPFS) reports submitted to the DNR for the Fiscal Years ending June 30, 2017, 2016 and 2015 were not accurately prepared, were not in agreement with the ending reconciled fund balance, and were not reviewed by the executive board.

The following variances were noted on the Fiscal Year 2017 QPFS report:

	Per QPFS	General Ledger	Variance
Project Fund Balance	185,993.81	183,920.60	2,073.21
Unobligated Interest	477.30	611.43	(134.13)
Local Match	-	1,600.00	(1,600.00)
Unobligated Carryover	8,843.88	9,126.84	(282.96)
Total Funds	<u>195,314.99</u>	<u>195,258.87</u>	<u>56.12</u>

The following variances were noted on the Fiscal Year 2016 QPFS report:

	Per QPFS	General Ledger	Variance
Project Fund Balance	40,634.54	40,634.54	-
Unobligated Interest	160.99	160.99	-
Local Match	-	1,200.00	(1,200.00)
Unobligated Carryover	400.00	535.19	(135.19)
Total Funds	<u>41,195.53</u>	<u>42,530.72</u>	<u>(1,335.19)</u>

The following variances were noted on the Fiscal Year 2015 QPFS report:

	Per QPFS	General Ledger	Variance
Project Fund Balance	13,048.13	26,142.20	(13,094.07)
Unobligated Interest	2,626.04	2,627.64	(1.60)
Local Match	-	1,532.52	(1,532.52)
Unobligated Carryover	18,645.81	4,025.12	14,620.69
Total Funds	<u>34,319.98</u>	<u>34,327.48</u>	<u>(7.50)</u>

Criteria – Section I.I.3. of the DNR General Terms and Conditions (GTC) states, “Effective control to prevent loss or misuse and accountability shall be maintained for all district and district subgrantee cash, real and personal property, and other assets.”

10 CSR 80-9.050(6)(B)3., requires a QPFS report be submitted to the department for each grant (district operations, plan implementation and district subgrantee project) which provides balance of that project or district operations during the reporting period; any carryover funding held by the district that has not been obligated for projects or district operations; and any accrued interest income held by the district that has not been obligated for projects or district operations.

Additionally, Section I.I.2. of the DNR GTC states, “Records shall be maintained that adequately identify the source and use of funds provided for financially assisted activities. These records must contain information pertaining to subgrant awards and authorizations, restrictions on the use of funds, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income, permit preparation of reports required by the WMP.”

Effect – The lack of effective controls over cash and financial reporting increases the potential risks that errors, irregularities or improper expenditures will not be detected and corrected in a timely manner.

Cause – The District was not aware effective controls over cash and financial reporting include board member review of the bank statements and reconciliations.

Additionally, the QPFS reports were not reconciled to the accounting system or reviewed by a board member to ensure the reports were accurately prepared by the District.

Recommendation – We recommend the District implement procedures to ensure bank reconciliations performed on district bank accounts along with supporting documentation is reviewed, dated and signed by the Treasurer or other executive board member, evidencing their review.

Additionally, we recommend the District implement procedures to ensure the accuracy of QPFS reports prepared and submitted to the DNR.

District Response – The District agreed with the finding and recommendation. Bank reconciliations will be reviewed by the executive board at all future meetings and signed and dated by the chairman once approved. This was started with the district meeting held after the exit conference for the audit had concluded.

I have undertaken the task of developing an entire new filing form which will allow me to better present my data, ensure accuracy, and be able to show where all data in the summary came from rather than referring to haphazard worksheets. The latest QPFS report is being compiled using an entire new approach to its development.

The interest income of \$134.13 accrued during the month of March 2017, that apparently was not included in the QPFS, will be researched and added into the next quarterly report if it is determined that this interest payment was overlooked.

3. **Incomplete Inventory Records**

Condition – The District did not maintain adequate inventory records for managing equipment purchased with grant funds. The listing of equipment did not include the source of property, cost, percentage of state funds used in the cost of the asset, or use and condition of equipment.

Criteria – The DNR GTC I.M.2.a states, “Equipment records must be maintained that include a description of the equipment, a serial number or other identification number, the source of equipment, who holds the title, the acquisition date, cost of equipment, percentage of state participation in the cost of equipment, and the location, use and condition of the equipment, and any ultimate disposition data including date of disposal, and sale price of equipment.”

Effect – Ensuring proper inventory records are maintained will reduce the potential risk of misstatements and loss of assets.

Cause – The District was not fully aware of the condition and criteria requirements.

Recommendation - We recommend the District use the inventory sheets provided by DNR to ensure equipment records are adequately maintained and include the items necessary to meet the requirements of the MDNR GTC.

District Response – The District agreed with the finding and recommendation. The District equipment list of items valued at over \$5,000 currently contains thirteen pieces of equipment. The additional requested information is being added to the list and will be present as of April 1, 2019.

4. **Identification of the DNR as a Funding Source Not Included on Equipment**

Condition – Identification of the DNR as a funding source, including the department’s logo and full name, was not included on equipment purchased with solid waste management funds. Therefore, the DNR is not being credited as a funding source on the equipment.

Criteria – The DNR GTC I.W. states, “District and district subgrantees receiving grant funding from the SWMF shall identify the MDNR as a funding source on all equipment, buildings, site improvements, publications and other printed materials which are intended for distribution and paid for, in whole or in part, with solid waste management funds...1. Identification shall include the MDNR’s logo with the full “Missouri Department of Natural Resources” name.”

Effect – Following the DNR GTC reduces the potential risk of non-compliance, including the risk of allocations potentially being withheld in the future.

Cause – This was an administrative oversight by the district.

Recommendation – We recommend the District follow the DNR GTC and ensure equipment properly identifies the DNR as a funding source when applicable.

District Response – The District agreed with the finding and recommendation. Equipment tags do designate the funding source as both the DNR and the South Central Solid Waste Management District (SCSWMD). These logo tags of ownership by MDNR-WMP and SCSWMD will be on all equipment in which the District has an ownership interest by April 1, 2019.

5. District Subgrantees Not Required to Submit Annual Statement Certifying Use of Equipment

Condition – The District did not require an annual statement from subgrantees certifying the use of equipment is for project activities during the term of the agreement, and for four years thereafter.

Criteria – Section I.M.1.g. of the DNR GTC states, “The district or district’s subgrantee hereby agrees that any equipment purchased pursuant to this agreement shall be used for the performance of services under this agreement during the term of this agreement, and for four years thereafter. The district or district’s subgrantees shall annually submit a statement as provided by the district certifying that the use(s) for said equipment is for project activities.”

Effect – Requiring an annual statement from subgrantees certifying the use of equipment will reduce the potential risk of assets being used for improper/unintended purposes.

Cause – The District was not fully aware of the condition and criteria requirements.

Recommendation – We recommend the District follow the DNR GTC ensure an annual statement from subgrantees certifying the use of equipment is for project activities during the term of the agreement, and for four years thereafter is required.

District Response – The District agreed with the finding and recommendation. As of April 1, 2019, the District will require and obtain an annual statement, for the current Fiscal Year, from each subgrantee that certifies the awarded equipment is for the use of designated project activities only; as specified in the grant for the term of the agreement period of five years.

6. District Did Not Retain Fifteen Percent of Funds from the Recipient Until the Project is Complete

Condition – The District did not retain fifteen percent of the funds from the subgrantee until the project was complete. Recipients were paid in full prior to providing a final report and final accounting of project expenditures. Department approval was not obtained for the early release of funds.

Criteria – 10 CSR 80-9.050(7)(D) states, “The executive board shall retain fifteen percent of the funds from the recipient until the project is complete. A project shall be deemed complete when the project period has ended and the board gives approval to the grant recipient’s final report and the final accounting of project expenditures...For reimbursements or direct payments, the District may release the fifteen percent retainage prior to completion of the grant project with prior approval of the executive board and the department.”

Effect – Retaining fifteen percent of the funds from the recipient decreases the potential risk of not receiving a final report and the final accounting of the project expenditures.

Cause – The District has not complied with its policy to retain fifteen percent of the funds from the recipient until the project is complete.

Recommendation – We recommend the District retain fifteen percent of the funds from the recipient until the project is complete unless approval for early release of the funds has been obtained from the executive board and the WMP prior to providing funds to the subgrantee.

District Response – The District agreed with the finding and recommendation. The District has opted to obtain approval from the District executive board to forego the 15% retainage fee, since this is a district where the character and status of most organizations are known, and the chance of a subgrantee failing to live up to the terms of their grant are very unlikely. Upon advice from the MDNR-WMP, all future grant rounds, including the current round for Fiscal Year 2020, will have a statement and documentation excluding the 15% retainage fee from being required.

Auditor’s Response – The District’s response does not align with the requirements of the CSR and is not responsive to this finding.

7. **Written Notification to Request Grant Proposals Not Timely Published**

Condition – The following newspaper notices were not timely published at least thirty days prior to the proposal due date:

- Grant proposals due by March 22, 2016 were not timely published in the counties of Douglas, Texas, Shannon, Ozark, Wright and Oregon.
- Grant proposal due by July 14, 2015 was not timely published in Douglas County.
- Grant proposal due by February 26, 2015 was not published for Douglas County.

Criteria – 10 CSR 80-9.050(5)(A) states, “The district executive boards shall request project proposals by giving written notification to the governing officials of each member county and city over five hundred in population and by publishing a notice in a newspaper officially designated by the chief elected official of each member county within the district. The district executive board shall provide the written notification and newspaper notice at least thirty days prior to when proposals are due.”

Effect – By not publishing notices timely, the District is at risk of not receiving all proposals prior to the due date and is at risk that a potential participant may be discriminated against by not receiving the information properly.

Cause – The District did not always publish notices timely or adequately follow up with the newspapers to ensure notices were timely published.

Recommendation – We recommend the District follow the CSRs and ensure newspaper notices requesting grant proposals be timely published at least thirty days prior to the proposal due date.

District Response – The District agreed with the finding and recommendation. In order to ensure the full 30 day period of published notice in all seven counties is fulfilled without incident, the period has been adjusted to a 45 day window to allow for the weekly newspapers to get their grant call notices published with adequate time.

8. Annual District Financial Audit Report Not Complete and Timely Submitted

Condition – The District did not timely submit its financial audit report for Fiscal Years ending June 30, 2017 and 2016 according to a DNR Desk Review. That review stated that the report was not received within 180 days from the end of the period covered by the audit. Additionally, the financial audit report did not include a Management’s Discussion and Analysis, Schedule of Receipts and Expenditures of State Awards, or Notes to the Schedule of Receipts and Expenditures of State Awards.

The District’s financial audit report for Fiscal Years ending June 30, 2016 and 2015 did not include a Schedule of Receipts and Expenditures of State Awards, Notes to the Schedule of Receipts and Expenditures of State Awards, or Report on Internal Controls over Financial Reporting on Compliance and Other Matters.

Criteria – 10 CSR 80-9.050(7)(J) states, “Districts shall arrange to have the audit conducted and submit to the department a complete audit report prepared by the certified public accountant or firm of certified public accountants within 180 days of the end of the period covered by the audit.”

Section I.J.5.e. of the DNR GTC states, “The basic financial statements and required supplementary information shall be audited and provide, at a minimum, for all fund types and account groups in accordance with generally accepted government auditing standards and include the following:…ii. Management’s Discussion and Analysis providing an analytical overview of the district’s financial statements…iv Schedule of Receipts and Expenditures of State Awards…iv.2. Notes to the Schedule of Receipts and Expenditures of State Awards…v. Report on Internal Controls over Financial Reporting on Compliance and Other Matters…”

Effect – Following the CSRs and DNR GTC reduces the potential risk of non-compliance, including the potential risk of future allocations being withheld.

Cause – The District was not fully aware of the condition and criteria requirements.

Recommendation – We recommend the District ensure financial audits are timely performed and submit the required audit report to the DNR within 180 days of the end of the period covered by the audit.

District Response – The District agreed with the finding and recommendation. In all future annual audits conducted by the SCSWMD, the bid advertisements will be more specific to the CPAs and accounting firms wishing to be considered for performing the District’s audit and will include wording specifically denoting the need for the following:

- Schedule of Receipts and Expenditures of State Awards, to include:
 - Sub-grant period
 - Project number
 - Subgrantee name
 - Award amount and unobligated amount
 - Report on Internal Controls over Financial Reporting, Compliance and Other Matters
 - Notes to the Schedule of Receipts and Expenditures of State Awards

- Section allowing for Management’s Discussion and Analysis (MDA), which will be for the purpose of providing an analytical overview of the District’s financial activities
- The District administrators will ensure the contracted audit firm will be made aware of these additional requirements and follow the requirements as set forth in the MDNR-WMP GTC in regard to audits.
- It is understood that District audits are required to be filed no later than December 27 (or 180 days after the end of the Fiscal Year).

9. **Quarterly Project Reports Not Filed and Quarterly and Final Project Reports Not Timely Filed**

Condition – 50 out of 76 quarterly project reports reviewed were not submitted or not timely submitted to the DNR within thirty days from the end of the quarter. Additionally, we found 4 out of 7 final project reports were not timely submitted to the DNR within thirty days of the project completion date.

Criteria – 10 CSR 80-9.050(6)(B) states, “On quarterly status report forms provided by the department, the District shall submit the following information to the department thirty (30) days after the end of each state Fiscal Year quarter...” Additionally, 10 CSR 80-9.050(6)(B)4., states, “The District shall submit to the department a final report for each plan implementation or district subgrantee project...”

Effect – Following the CSRs ensures quarterly reports are submitted timely and reduces the potential risk of non-compliance including the potential risk of future allocations being withheld.

Cause – A new district planner was hired in Fiscal Year 2016 and it took time to familiarize himself with the DNR reporting requirements.

Recommendation – We recommend the District follow the CSRs and ensure quarterly and final project reports are timely prepared, properly signed and dated, and submitted to the DNR within required timeframes.

District Response – The District agreed with the finding and recommendation. The new district planner has corrected all of FY 2019 surveys to date and has gone back and started reentering the data for the surveys in the previous years, pulling the corrected data to submit to the Re-Tract system. The entire Re-Tract system, tonnage and other entries, should be correct for Region P within the next month or two.

**REGION P – SOUTH CENTRAL
SOLID WASTE MANAGEMENT DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE THREE FISCAL YEARS ENDED JUNE 30, 2017**

The prior audit was conducted by an audit firm contracted by the DNR for Fiscal Years 2008 through 2011. Of the nine audit findings, six were implemented by the District and three were not implemented by the District. The following issues were not fully implemented.

1. Quarterly Project Financial Summary Reports Not Complete and Accurate

Condition – Review of the quarterly project financial summary reports noted the following issues:

- The quarterly project financial summary reports prepared and submitted to the DNR do not break out the carryover amounts for interest income and district grant funds unobligated to other projects but are combined into one amount.
- The quarterly project financial summary report as of June 30, 2011 prepared by the District coordinator did not agree with the schedule of receipts and expenditures of state awards as presented in the financial audit report for balances in various projects that the audit report indicated were still unspent.
- The quarterly project financial summary reports for June 30, 2010 and 2009 did not agree to the reconciled bank balance and certificate of deposit balance per the District's computer software system balance or to the amounts presented in the financial audit report.

Current Status – Partially Implemented – The quarterly project financial summary reports did not agree to the reconciled bank balance for each Fiscal Year ended computer software system balance or to the amounts presented in the financial audit report.

2. Monthly Bank Reconciliations Not Prepared or Approved by the Board

Condition – The following issues related to bank reconciliations were noted:

- Formal monthly bank reconciliations are not prepared for review and approval by the executive board. The District's computer software system does not allow preparation of bank reconciliations and no other formal documentation is prepared to show the difference between the total balance in the bank accounts per the computer system and the bank account per the bank statements.
- Board members started initialing the monthly bank statements, however, since no formal monthly bank reconciliation is prepared, the board members were not able to review and approve a bank reconciliation or document the approval of any informal reconciliation prepared by the district coordinator.

Current Status – Partially Implemented – Formal monthly bank reconciliations are prepared, however, the board does not review the bank reconciliations.

3. **Grant Administration Requirements Not in Compliance with the General Terms and Conditions (GTC)**

Condition – The following issues related to the GTC were noted:

- The District does not or has not retained the required 15% retainage fee on each project as required by the GTC and the Financial Assistance Agreements.
- The District does not require subgrantees to sign an annual use statement indicating the items used or purchased with state monies are being used appropriately.
- The District uses 100% recycled paper for use; however, the chasing arrow symbol is not included on at least one sheet of paper sent from the district office.

Current Status – Partially Implemented – The District does not retain the required 15% retainage fee on each project. Additionally, the District does not require subgrantees to sign an annual use statement indicating items purchased with state monies are being used appropriately.

Region P - South Central Solid Waste Management District
Status of Subgrantee Awards
June 30, 2017

Subgrant No.	Description	Awards		Unspent Funds
		Obligated	Unobligated	
P2014-008	Willow Springs School	\$ -	\$ -	\$ -
P2014-013	Electronics Waste Collection	2,355	-	2,355
P2015-011	Electronics Waste Collection	10,000	-	10,000
P2015-012	HHW Collection	4,429	-	4,430
P2015-013	Illegal Dumping	8,518	-	8,518
P2017-001	District Operations	13,870	-	13,870
P2017-002	Plan Implementation	7,739	-	7,739
P2016-003	Bryant Plastics Extrusion Head	15,000	-	15,000
P2016-004	O.N.E. Chipper Sharing	600	-	600
P2016-005	Ozark County Recycling Forklift	-	-	-
P2016-006	Oregon County Recycling	6,864	-	6,865
P2016-007	Ozark County Recycling Manpower	7,121	-	7,121
P2016-008	Shannon County Recycling	5,563	-	5,563
P2016-009	Texas County Recycling	3,333	-	3,333
P2018-001	District Operations	69,733	-	69,733
P2018-002	Plan Implementation	28,794	-	28,794
	Obligated Award Balance			183,921
	Local Match Fund	-	1,600	1,600
	Unobligated Carryover	-	9,127	9,127
	Unobligated Interest	-	611	611
			District Fund Balance	<u>\$ 195,259</u>

Region P - South Central Solid Waste Management District
Cash Balance
June 30, 2017

Grant Cash Account	\$	<u>195,259</u>
Total Account Balances	\$	<u><u>195,259</u></u>

**Region P - South Central Solid Waste Management District
Schedule of State Funding
For The Three Years Ended June 30, 2017**

<u>Received</u>	<u>Total Amount</u>	<u>Fiscal Year</u>	<u>Type</u>
Year Ended June 30, 2017	\$ 338,694	2017	District Grant
Year Ended June 30, 2016	267,046	2016	District Grant
Year Ended June 30, 2015	83,998	2015	District Grant
Total From DNR	<u>\$ 689,738</u>		