

*Mid-Missouri Solid Waste
Management District*

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November 18, 2008

Mr. Jim Hull, Director
Solid Waste Management Program
Department of Natural Resources
P. O. Box 176
Jefferson City, MO 65102-0176

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NOV 19 2008

SWMP OPERATIONS

Re: Independent Accountants' Report on Applying Agreed Upon Procedures for
the Period July 1, 2005 through June 30, 2007

Dear Mr. Hull:

The Mid-Missouri Solid Waste Management District (MMSWMD) has received your letter dated October 27, 2008 regarding the Agreed Upon Procedures Audit referenced above.

Corrective action for these findings were implemented at the time of the exit interview meeting attended by the auditor, Gary Boehmer with Casey and Company, representatives from the MDNR SWMP, and District board members and planner. The recommendations mentioned in your letter have been implemented. Additionally, procedures amending the MMSWMD Policies and Administrative Rules Handbook (PAR) were written and approved by the Mid-Missouri Solid Waste Management District Executive Board on November 12, 2008 (copy enclosed). The revised MMSWMD Policies and Administrative Rules approved by the Executive Board on November 12, 2008 will be presented to the MMSWMD District Council for adoption at their next meeting on May 13, 2009. The minutes for the May 13, 2009 District Council meeting will be approved in May 2010; at that time, a copy of the approved minutes will be mailed to your office.

Recommendations implemented:

1. **Executive Board/Council Meeting Minutes Incomplete and No Sunshine Law Policy:** An amendment to the MMSWMD Policies and Administrative Rules has been approved by the MMSWMD Executive Board; please refer to Item 13 District Sunshine Law Policy. Additionally, copies of agendas of the MMSWMD Executive Board meetings for June, August, September, October and November 2008 are enclosed. The first page of meeting minutes for May, June, August, September, and October are also enclosed. The Board did not



meet in July 2008. This amendment will be presented to the MMSWMD District Council for adoption on May 13, 2009.

2. **District's Quarterly Project Financial Summary Forms Not Accurate Prepared – Questioned Costs: \$7,805:** MMSWMD policies addressing accounting system and internal controls may be found under 3.a., 4.c.iii and 5.c.i. The Executive Board has approved expenditures for additional staff training in the District's accounting software. Additional training was requested and approved at the September 10, 2008 Executive Board meeting (copy of minutes enclosed). Additionally, District staff has received additional training from SWMP personnel for accurate preparation of District Quarterly Project Financial Summary Forms. District staff is assigned to the SWMP work group currently being formulated by SWMP Section Chief Brenda Ardrey to review and improve quarterly forms for project and financial reporting. Further, the District is undergoing an independent financial audit for Fiscal Year 2008 ending June 30, 2008; and any monies that remain unidentified will be appropriately obligated in the next District grant cycle and reported as such in applications submitted to SWMP for approval.
3. **Interest Income and Program Income Not Timely Obligated:** The District's policy and administrative rules have been amended to address this finding; please refer to 3.e. Interest and Program Income.
4. **Recycled Paper:** The chasing arrows symbol accompanies the "Printed on 30% post-consumer recycled paper" statement on at least one page of documentation. Verification of this change is reflected at the bottom portion of page as follows: this letter, agenda, minutes, and policies enclosed. Newsletters and other MMSWMD publications also reflect this addition (copies attached).
5. **Proof of Insurance on Capital Assets Not Obtained:** The District's policy and administrative rules have been amended to incorporate SWMP recommendation; please refer to 5.g. *Proof of Insurance on Capital Assets*. Copies of proof of insurance provided by sub-grantee will be submitted with FY2009 quarterly project status reports to confirm compliance.
6. **Documentation of Competitive Bids Not Required from Sub-grantees:** The District's policy and administrative rules have been amended to require documentation of competitive bids from sub-grantees; please refer to 5.h *Bid Requirements*. During FY2009, the District will provide a copy of bid documentation received from the District's subgrantees with quarterly status reports.
7. **District Spent Monies After Lapse of Financial Assistance Agreement – Questioned Costs \$54,464:** The District has worked through this issue with the SWMP at the time of the incident. A procedure added to the District's policy and administrative rules was approved by the MMSWMD Executive Board and adopted by the MMSWMD District Council on May 21, 2008 (see 4.c.i. of the enclosed policy and administrative rules). A copy of the May 21st District Council meeting minutes documenting this issue on page 3 is also enclosed.

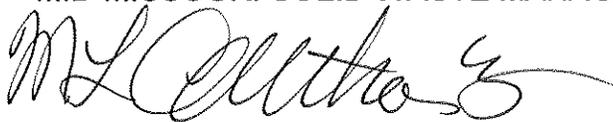
We hope the procedures implemented in the District's Policies and Administrative Rules address your concerns. The MMSWMD Executive Board and staff appreciate



the importance of compliance with state law and responsible accounting of state resources. The training provided by the SWMP for district planners earlier this year for the new rulemaking and revised forms for FY2009 is appreciated.

Sincerely,

MID-MISSOURI SOLID WASTE MANAGEMENT DISTRICT



M. L. Cauthon, III
Chair, Executive Board

Enclosures

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