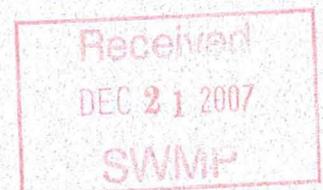


INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

REGION D SOLID WASTE  
MANAGEMENT DISTRICT  
CLARKSDALE, MISSOURI

FOR THE PERIOD APRIL 1, 2005 THROUGH  
MARCH 31, 2007

MCBRIDE, LOCK & ASSOCIATES  
CERTIFIED PUBLIC ACCOUNTANTS  
KANSAS CITY, MISSOURI



MCBRIDE, LOCK & ASSOCIATES

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CERTIFIED PUBLIC ACCOUNTANTS  
KANSAS CITY

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REGION D  
SOLID WASTE MANAGEMENT DISTRICT  
CLARKSDALE, MISSOURI

TABLE OF CONTENTS

	<u>Schedule</u>	<u>Page</u>
History and Organization		1
Independent Accountant's Report on Applying Agreed-Upon Procedures		3
Schedule of Findings and Questioned Costs	I	6
Schedule of Prior Audit Findings	II	16
Schedule of Status of Subgrant Awards	III	17
Schedule of Cash Balance	IV	19
Schedule of State Funding	V	20

REGION D SOLID WASTE  
MANAGEMENT DISTRICT

History and Organization

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 (MDNR).

The Region D Solid Waste Management District (Region D SWMD or the District) was formed pursuant to RSMo, 260.305 and was officially recognized by the MDNR in February 1992. The District is comprised of the following counties: Andrew, Clinton, and DeKalb of Missouri, and comprised of the following cities within those counties: Savannah, Village of Country Club, City of Cameron (the portion within the County of Clinton), City of Plattsburg, City of Lathrop, City of Gower, City of Maysville, City of Stewartsville, and the City of Cameron (the portion within the County of DeKalb). 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 three county region to meet the goals set out in RSMo, Chapter 260. 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 employs one individual. Region D's management structure is comprised of a General Council consisting of at least 15 members and an Executive Board consisting of 7 members. The General Council is comprised of 2 representatives from each county commission of the counties whom are members of the District, 1 representative from each city with a population of over 500 whom are members of the District, with the City of Cameron having 2 representatives as to represent the portion of the city located in DeKalb County and the portion of the city located in Clinton County. Terms of representatives shall be two (2) years or until such date as an elected official representative retires, or is removed, or no longer holds that particular elective office, whichever date first occurs. The 6 voting members of the Executive Board include the Chairman of the council, the Vice-Chairman of the council, the Secretary/Treasurer of the council, and three other at large members of the council. Additionally, there is also one non-voting member of the Executive Board. The Executive Board members serve one (1) year terms.

General Council Members:

- Larry Atkins – Andrew County Commission

- Greg Wall – Andrew County Commission
- Larry King – Clinton County Commission
- Vonnie Vanderau – Clinton County Commission
- Dick Lippold – DeKalb County Commission
- Wayne Colhour – DeKalb County Commission
- Frank Buck – City of Cameron
- Drew Bontrager – City of Cameron
- Mary Lou Holley – City of Maysville
- Carroll Fisher – City of Gower
- Jim Andrews – City of Lathrop
- D.J. Gehrt – City of Plattsburg
- Janice Hatcher – City of Savannah
- Gaylon Whitmer – City of Stewartsville
- Mary Montgomery – Village of Country Club

Executive Board Members:

- Vonnie Vanderau – Clinton County Commission
- Dick Lippold – DeKalb County Commission
- Frank Buck – City of Cameron
- Jim Andrews – City of Lathrop
- Gaylon Whitmer – City of Stewartsville
- Mary Montgomery – Village of Country Club
- Brenda Kennedy – Non Voting Member/Executive Board

McBRIDE, LOCK & ASSOCIATES

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED UPON PROCEDURES

Missouri Department of Natural Resources  
and  
Region D Solid Waste Management District  
Clarksdale, Missouri

We have performed the procedures enumerated below, which were agreed to by the Missouri Department of Natural Resources (MDNR), solely to assist you in evaluating the effectiveness of the Region D Solid Waste Management District's compliance with state law, regulations, and policies, for the period April 1, 2005 through March 31, 2007. Management is responsible for the District's internal control over compliance with these requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the *American Institute of Certified Public Accountants* and the *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Our procedures, as set forth in the MDNR Solid Waste Management District *Agreed-Upon Procedures Engagement*, and findings are as follows:

1. **History and Organization.** We reviewed the history and organization of the District for compliance with the Revised Statutes of Missouri (RSMo). This included review of the:
  - District organization;
  - Council structure, Executive Board structure, terms and functions, including if the District was organized under an alternative management structure;
  - Policies and procedures for monitoring members of the Executive Board and Council; and
  - District by-laws.

**Findings:** See Finding No.14.

2. **Minutes of Meetings.** We reviewed all minutes of meetings for the Council and the Executive Board for the engagement period and selected six meetings and completed Attachment 1 *The Missouri Sunshine Law Compliance Checklist* to determine if meetings are documented as required.

**Findings:** See Finding No.13.

3. **Follow-up to Prior Audit.** We determined what actions the staff has taken to correct the findings, including the status and corrective action.

**Findings:** None.

4. **Internal Controls.** We completed Attachment 2 *Internal Control Questionnaire* which identifies strengths and weaknesses of the internal controls.

**Findings:** See Finding Nos. 10 and 16.

5. **Cash.** We obtained a listing of all bank account names and numbers of the District and performed the following:

- Verified the bank reconciliation process;
- Confirmed with MDNR advanced funds for deposit;
- Evaluated control, custody and signing of check stock;
- Analyzed 10 payroll checks;
- Reviewed local funds;
- Reconciled year-end cash balances by type, state, local, etc., to amounts reported to MDNR;
- Verified the allocation and use of interest income; and
- Reviewed the District's cash management practices.

**Findings:** See Finding Nos. 8 and 17.

6. **General and Special Terms and Conditions.** We documented the District's compliance with general and special terms and conditions of the financial assistance agreement with MDNR for the following requirements:

- Non-Discrimination;
- Environmental Laws and Eligibility;
- Hatch Act and Restrictions of Lobbying;
- Program Income;
- Equipment Management;
- Prior Approval for Publications;
- Audit Requirements;
- Recycled Paper; and
- Contracting with Small and Minority Firms.

**Findings:** See Findings Nos. 4, 5, 9, 11, and 12.

7. **Planning Organizational Grant.** We reviewed the expenditures of carryover from FY 2004 planning organization grant funds for proper close-out of the grant. (These funds were discontinued in FY 2005.)

**Findings:** None.

8. **District Grants.** We obtained a schedule of District grants from the MDNR and completed the *Guidance Document for Solid Waste Management District Grants*. This included the review, evaluation and testing for the:

- Proposal Procurement Process;
- Proposal Review and Evaluation; and
- Awarded Projects.
  - Region D Recycling & Waste Management District –2005005
  - Andrew County, Truck Purchase -2005078
  - Clinco Sheltered Industries, Inc. Baler Lease/Concrete Pad -2005080
  - Clinton County, Waste Oil Furnace–2005081
  - Region D Recycling & Waste Management District –2006001
  - Clinco Sheltered Industries, Inc – Facility Operation–2006002
  - Region D Recycling & Waste Management District–2006004
  - Clinco Sheltered Industries, Inc – Baler Purchase–2006010
  - City of Plattsburg, Concrete Pad –2006011

**Findings:** See Finding Nos. 1, 2, 3, 6, 7, and 15.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the District's internal control over compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Department of Natural Resources of the State of Missouri and the Region D Solid Waste Management District and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

*McBride, Lock & Associates*

McBride, Lock & Associates  
Certified Public Accountants

July 26, 2007

**REGION D  
SOLID WASTE MANAGEMENT DISTRICT  
CLARKSDALE, MISSOURI**

Schedule of Findings and Questioned Costs  
For the Two Fiscal Years Ended March 31, 2007

**1. Untimely Filing of UCC Financing Statement**

**Condition** – The District did not timely file a UCC-1 form for the following projects.

- Project 2005078 UCC filed 22 months after District disbursed funds.
- Project 2005080 UCC filed 3 months after District disbursed funds.
- Project 2005081 UCC filed 5 months after District disbursed funds.

**Criteria** – MDNR Special Terms and Conditions state, “The subgrantee hereby grants to the District, its successors and assigns a security interest in all equipment purchased for \$5,000 or more, in whole or in part, with SWMF monies. ...The security interest of the District shall decrease at a rate of 25% per year, beginning on the start date of the project period as set forth in the financial assistance agreement between the District and the subgrantee.”

**Effect** – The District risks the subgrantee transferring, selling, or pledging the District’s security interest as collateral by not filing the UCC-1 in a timely manner.

**Cause** – The District believed that a bar code at the top of a returned filing meant it had been accepted.

**Recommendation** – We recommend that the District be required to implement procedures to ensure that the District is in compliance with state regulations pertaining to the timely filing of UCC Financing Statements.

**District Response** – The District stated, “We now understand the bar code is not a confirmation of filing, we will look for an acceptance stamp on all UCC filings and will not disburse funds until this is completed.”

**2. 15 % Withheld (Retainage)**

**Condition** – For projects 2005078, 2005081, and 2006002 in which a lump sum payment was made, the District did not withhold fifteen percent (15%) of the award until the project end date per the Financial Assistance Agreement (FAA). In addition, project 2005080’s retainage of 15% was not withheld until the final report.

**Criteria** – 10 CSR 80-9.050(4)(C) states, “The executive board shall retain fifteen percent (15%) of the funds from the recipient until the board gives approval to the recipient’s final report and the final accounting of project expenditures.” In addition, MDNR guidance has indicated that a 15% retainage should be withheld until the project end date per the FAA.

**Effect** – Subgrantee was reimbursed 100% of their expenditures prior to submitting a final report, a violation of state regulations.

**Cause** – The cause was an administrative oversight by the District.

**Recommendation** – We recommend that the District implement procedures to ensure that the District retains 15% of subgrant funds until board approval of the final report and accounting of project expenditures as well as the project end date per the FAA.

**District Response** – The District stated, “The process has been revised and the FAA now states 15% will be withheld the entire project period.”

3. **Public Notification of Bids**

**Condition** – For project 2005078, there was not a public notice to bid for an item with an anticipated price over \$25,000.

**Criteria** – The FAA states recipients of grant funds are required to obtain bids for all purchases according to the schedule defined in RSMo 34.040 and as approved by the Region D SWMD Executive Board... Purchases of \$25,000 and higher require competitive bids advertised in at least two daily papers for five days before bid opening.

**Effect** – The District is not in compliance with State procurement procedures.

**Cause** – The District was unaware that public notice was necessary if the purchase price was anticipated to be over \$25,000.

**Recommendation** – We recommend the District and all subgrantees place public notice to bid for any purchase that is budgeted to exceed \$25,000.

**District Response** – The District stated “We will double check budget amounts and require public bid notification of all items over \$25,000.”

4. **Proof of Clear Title**

**Condition** – The District does not require proof of clear title on equipment purchased with grant monies that is required to be titled in the state of Missouri.

**Criteria**- MDNR Special Terms and Conditions state if the equipment purchased with Solid Waste Management Fund (SWMF) monies is required to be titled through the Missouri Department of Revenue, the Solid Waste Management District must be listed as a lien holder on said title. The sub-grantee must provide the District a clear title to be held until the

security interest (lien) has been fully depreciated. In the case of more than one lien holder, the sub-grantee must provide the District with documentation that the District is listed as a lien holder on the title. It is the responsibility of the District to obtain the UCC-1 forms and meet all requirements regarding their use.

**Effect** – The District is at risk for the amount of the unsecured interest in equipment funded by grant monies.

**Cause** – The District was not aware of this requirement.

**Recommendation** – We recommend the District require proof of the District’s security interest in items that are required to be titled in the State of Missouri and funded by the District. Related documentation should be maintained.

**District Response** – The District stated “We will require a copy of a title showing the District as a lien holder.”

5. **Annual Equipment Use Statements from Subgrantees**

**Condition** – The District does not require annual statements from subgrantees stating equipment, buildings, and site improvements purchased with grant funds are used only for their intended purpose.

**Criteria** - MDNR Special Terms and Conditions state “Use of Equipment. Sub-grantee hereby agrees that any equipment purchased pursuant to this agreement shall be used for the performance of services under this agreement during the terms of this agreement, and for three years thereafter. Sub-grantee shall annually submit a statement as provided by the District certifying that the use(s) of said equipment is for project activities. Use(s) of said equipment for activities not related to the performance of services of this agreement must be reported in quarterly reports required by this agreement. Notwithstanding anything to the contrary contained in this agreement, the equipment shall not be removed from the state of Missouri.”

**Effect** – The District may not be aware that equipment, buildings, and site improvements funded by the District are not being used for the intended purpose.

**Cause** – The District was not aware that documentation of annual statements was required for equipment, buildings, and site improvements.

**Recommendation** - We recommend that the District require a written annual statement from subgrantees stating that equipment, buildings, and site improvements purchased with District funds are used solely for the intended purpose.

**District Response** – The District stated “We have created a form to verify this information and will use it in the future.”

## 6. Reporting to MDNR

**Condition** - For projects 2005078, 2005081, and 2006002, quarterly reports were not submitted through the entire project period as stated on the FAA. In addition, these same grants had their final reports submitted before the project end dates per the FAA.

- 2005078 FAA completion date 4/12/06, Final Report date 8/12/05
- 2005081 FAA completion date 4/12/06, Final Report date 10/7/05
- 2006002 FAA completion date 6/30/07, Final Report date 4/13/07

**Criteria** - 10 CSR 80-9.050(3)(B)1 states, "The District shall submit to the Department, at the end of each state fiscal year quarter, a report which contains the following for each project in progress:..." 10 CSR 80-9.050(3)(C) states, "The District shall submit to the department a final report for each project, within thirty days of the project completion date as stated in the financial assistance agreement,..."

Additionally, MDNR Guidance Document for Solid Waste Management District Grants states, "Quarterly status reports shall be submitted to the department's SWMP for activities that occur during each calendar year quarter thirty days following the reporting period."

**Effect** – Quarterly status reports and final reports were not received by MDNR as required.

**Cause** – The District believed that projects involving one time purchases did not require reporting for the entire project period as stated on the FAA.

**Recommendation** – We recommend that the District implement procedures to ensure that quarterly reports are submitted throughout the entire project period as stated in the FAA and the final report is submitted within 30 days of the project end date stated on the FAA.

**District Response** – The District stated "This condition has already been corrected in more recent grants."

## 7. Diversion Reporting

**Condition** – Project 2005081 funded the purchase of a waste oil burning furnace to assist in diversion of waste oil, however, diversion reports did not list waste oil diverted, but other recyclable materials. In addition, project 2006011 funded the construction of a concrete pad to assist in the diversion of yard waste. No yard waste diversion totals were reported, but diversion of other recyclable materials was instead reported.

**Criteria** – 10 CSR 80-9.050(3)(B)1 states "The District shall submit to the department, at the end of each state fiscal year quarter, a report which contains the following for each project in progress: ...A. The details of progress, including the volume or weight in tons of waste diverted for each type of recovered material utilized in the project, if appropriate."

**Effect** – The District is not accurately reporting diversion totals to the MDNR.

**Cause** – The District believed it was necessary to report only diversion totals for the categories on the table provided by the MDNR.

**Recommendation** – We recommend the District report actual diversion totals from activities directly related to the project.

**District Response** – The District stated, “We will alter tables to include items specific to the grant.”

8. **Stale Dated Checks**

**Condition** – Check #2314 was written for \$254.00 and dated 3/31/04 and check #2818 was written for \$254.00 and dated 3/31/06. Neither check has cleared the bank to date, nor has a “stop payment” been placed on the outstanding checks.

**Criteria** – MDNR General Terms and Conditions I.E.3. states “Internal Control. Effective control and accountability must be maintained for all subgrantee cash, real and personal property, and other assets. Subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes.”

**Effect** – The District is at risk of not properly paying or overpaying District expenses.

**Cause** – The District does not have a specific policy concerning stale dated checks.

**Recommendation** – We recommend that the District implement procedures to ensure that stale dated checks are researched and a stop payment is placed on all stale dated checks.

**District Response** – The District stated, “We will determine the bank’s policy on stale dated checks and develop our own system to deal with stale dated checks in the future.”

9. **Failure to Report Program Income**

**Condition** – A check in the amount of \$507.79 from Environmental Services of Iowa was received on July 14, 2006 as an apparent program income item for an appliance recycling effort. This money was not reported on the Quarterly Project Financial Summaries submitted to the MDNR.

**Criteria** – MDNR General Terms and Conditions I.C.2. states, “Program income shall be deducted from outlays, which may be both state and subgrantee unless the MDNR, with approval of the federal awarding agency, as negotiated with the subgrantee, specifies an alternative method in the subgrant.”

**Effect** – The District did not properly report all program income to the MDNR.

**Cause** – The income was received as part of a program organized by another District. The Region D District Coordinator was unaware of how to handle the money received.

**Recommendation** – We recommend that the District promptly report all program income on the Quarterly Project Financial Summaries submitted to the MDNR.

**District Response** – The District stated “The project was through another District that did quarterly reporting, we will list the income on the next Quarterly Report.”

**10. Office and Storage Lease**

**Condition** –The District does not have a written lease for office space owned by the City of Clarksdale. In addition, a lease was not obtained for storage space previously used by the District that was owned by a private individual.

**Criteria** – 10 CSR 80-9.050(4)(B) requires “Accounting records must be supported by source documentation such as cancelled checks, paid bills, payrolls, time and attendance records, contract, and agreement award documents.” Good business practices require that written, signed contracts be on file to document the contract terms.

**Effect** – The District is at risk to lose necessary space with no recourse. In addition, the District is not assured that it has a contract outlining the contract terms and supporting the payments.

**Cause** – The District was unaware a lease was not in place or that it was necessary.

**Recommendation** – We recommend the District enter into a written lease for all spaces rented by the District.

**District Response** – The District stated, “We have spoken to the Mayor and it will be addressed.”

**11. Printed Materials**

**Condition** –The District does not print the MDNR logo or a statement naming MDNR as a funding source on all publications.

**Criteria** – MDNR Special Terms and Conditions state: “Grantees and subgrantees receiving grant funding from the Solid Waste Management Fund shall identify the Missouri Department of Natural Resources as a funding source on all publications and other printed materials which are intended for distribution. Identification shall include the Department’s logo with the full Department name.”

**Effect** – Printed materials were distributed by the District which failed to credit MDNR for funding or identify the Department and its logo.

**Cause** – This was an administrative oversight by the District.

**Recommendation** – We recommend that the District implement procedures to ensure that all printed materials distributed by the District or any subgrantee of the District properly credit MDNR for funding and identify the Department and its logo.

**District Response** – The District responded, “This condition has been corrected.”

12. **Property Lacking MDNR Tag**

**Condition** – Both District owned and District funded equipment lacked a MDNR sticker.

**Criteria**- MDNR General Terms and Conditions I.H.2.c. states, “A control system must be developed to ensure adequate safeguards to prevent against loss, damage, or theft of the property.”

**Effect** – Equipment funded by MDNR is not identifiable.

**Cause** – The District was unaware of how to procure the necessary MDNR stickers.

**Recommendation** – We recommend the District place a MDNR sticker on all equipment purchased with MDNR funds.

**District Response** – The District stated “We are in the process of correcting this condition.”

13. **Sunshine Law Compliance**

**Condition** – The following was noted in reviewing six months of Executive Board and Council minutes:

- a. Council minutes did not include whether the meeting was open or closed (5 of 6).
- b. Council minutes did not include the location of the meeting (5 of 6).
- c. Executive board minutes did not include whether the meeting was open or closed (1 of 2).

**Criteria** – RSMo Chapter 610 (commonly referred to as the Missouri Sunshine Law) requires the above mentioned items be documented in the minutes for each Executive Board or Council meeting. In addition, the location of all meetings must be noted on public notices.

**Effect** – The minutes are the official report made of the transactions or proceedings of the Executive Board and Council and are a permanent record; thus, they should be complete and accurate.

**Cause** – The District was unaware of the criteria requirements.

**Recommendation** – We recommend that the District be required to immediately adopt all required forms of documentation as stipulated by the Missouri Sunshine Law.

**District Response** – The District agreed with the finding and recommendation.

14. **Executive Board Meetings**

**Condition** – The Executive Board only meets once annually.

**Criteria** – RSMo 260.320.2 states “The Executive Board may adopt, alter or repeal its own bylaws, rules and regulations governing the manner in which its business may be transacted.” In addition, the District bylaws state that the Executive Board shall meet at least quarterly.

**Effect** – The District is not in compliance with the bylaws concerning their management structure. Additionally, the Executive Board members are not kept informed of District matters.

**Cause** – The District was not aware the bylaws stated the Executive Board was required to meet quarterly.

**Recommendation** - We recommend that the Executive Board meet quarterly as stated in the District bylaws.

**District Response** – The District stated “We will abide or change the bylaws.”

15. **Proposal Review and Evaluation**

**Condition** – The District’s project evaluation system lacks “transferability of results” criteria.

**Criteria** – 10 CSR 80-9.050(2)(C)3 states “the executive board shall evaluate each proposal that is determined to be eligible and complete.” Additionally, the evaluation method should include the transferability of results.

**Effect** – The Executive Board does not properly review and evaluate proposals submitted to the District.

**Cause** – The District was unaware that their current evaluation system did not contain all of the required criteria.

**Recommendation** – We recommend that the District implement a plan to ensure that the required criteria are included in the District’s project proposal review and evaluation procedures.

**District Response** – The District stated, “We will incorporate the needed criteria into our proposal evaluation in the next grant period.”

16. **Internal Controls**

**Condition** – In review of the District’s internal controls, there is a lack of segregation of duties due to the office being comprised of one individual.

- Mail is opened by the same person who has access to cash receipts and accounts receivable.
- Mail receipts are not compared to cash receipts and deposit slips by someone who has no access to cash.
- The same person is responsible for cash receipts, mail opening, receipt listing, check signing capabilities, and bank reconciliations.
- The custodian of petty cash also handles receipts and accounting records. In addition, petty cash vouchers are not approved by an outside individual nor is the petty cash fund periodically balanced by an outside individual.
- Payroll is prepared by one individual in the office.

**Criteria**– MDNR General Terms and Conditions I.E.3. states “Internal Control. Effective control and accountability must be maintained for all subgrantee cash, real and personal property, and other assets. Subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes.”

**Effect** – The District does not have effective internal controls over all cash handling functions.

**Cause** – The District has only one employee and it is not feasible to have a board member perform all of the necessary functions to ensure a proper segregation of duties.

**Recommendation** – We recommend that the District implement procedures so that all cash handling functions performed by the District Coordinator are reviewed by a board member including all petty cash transactions.

**District Response** – The District stated “We will consider removing the District Coordinator from the checking account signature card and the treasurer will continue to monitor the cash function monthly and we will consider eliminating the petty cash fund.”

17. **Payroll**

**Condition** – On one occasion a payroll check was issued to the District Coordinator prior to the pay period end date. The check was issued on Friday, August 26, 2005, but the pay period ended Wednesday, August 31, 2005. In addition, it was discovered that the longevity bonus was not included on the District Coordinator’s W-2.

**Criteria**– MDNR General Terms and Conditions I.E.3. states “Internal Control. Effective control and accountability must be maintained for all subgrantee cash, real and personal property, and other assets. Subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes.”

**Effect** – The District does not have strict controls over the payroll function.

**Cause** – The District Coordinator was leaving for a recycling conference and needed her paycheck to cover the travel expenses. It was an oversight not to include the bonus on the W-2.

**Recommendation** – We recommend that the District disburse paychecks only after the pay period end and that all bonuses be included on the employee’s W-2 form.

**District Response** – The District stated “The District Coordinator attended the National Recycling Coalition annual meeting for the remainder of the pay period and the check was needed to fund expenses as there was no District credit card at the time. We will continue to issue paychecks at the pay period end. Bonuses will be included on W-2’s in the future.”

**REGION D  
SOLID WASTE MANAGEMENT DISTRICT  
CLARKSDALE, MISSOURI**

Schedule of Prior Audit Findings  
For the Fiscal Years, 1992, 1993, 1994, 1995, 1996, and 1997

An audit firm contracted by the MDNR performed the prior audit and the District has implemented both of the prior audit findings.

**1. FINDING – Interest Income**

**Condition** – District grant funding and local cash match are placed in a money market cash account. Additionally, Region D has purchased a six month certificate of deposit in the amount of \$41,000 from excess cash balances. The certificate of deposit was purchased on June 16, 1996, and renewed each six months thereafter. Interest income derived from these investments in the amount of \$12,225 has not been reported to MDNR.

**Current Status** – The District has reported all interest income, this issue is considered resolved.

**2. FINDING – Lack of Workman’s Compensation**

**Condition** – The District does not have workman’s compensation insurance coverage on employees. Furthermore, the District planner frequently makes on-site visits at locations that would be considered having hazardous work conditions.

**Current Status** – The District now provides workman’s compensation insurance for District employees, consider this issue resolved.

Region D Solid Waste Management District  
 Status of Subgrantee Awards  
 March 31, 2007

SCHEDULE III

Subgrant No.	Purpose	Awards		Unspent Funds
		Obligated	Unobligated	
2006001	Region D District-wide Collections	\$ 45,316.36	\$ --	\$ --
2006002	Clinco Sheltered Industries	12,176.00	--	--
2006003	Region D Education Project	8,298.00	--	2,803.88
2006004	Region D Plan Implementation	46,521.00	--	1,191.14
2006005	City of Savannah	5,000.00	--	--
2006006	City of Cameron	2,000.00	--	--
2006007	Andrew County	2,450.00	--	--
2006008	DeKalb County	1,992.00	--	--
2007001	Clinco Sheltered Industries	13,000.00	--	2,950.00
2007002	Region D District-wide Collections	52,956.00	--	49,549.93
2007003	City of Cameron	2,000.00	--	1,750.40
2007004	City of Stewartsville	857.00	--	857.00
2007005	Andrew County Commission	9,425.00	--	3,549.00
2007006	Region D Financial Audit	4,000.00	--	4,000.00
2006009	Andrew County Recycling Center	3,035.00	--	455.25
2006010	Clinco Sheltered Industries	9,500.00	--	1,425.00
2006011	City of Plattsburg	15,000.00	--	15,000.00
2006012	Region D Recycling & Waste	2,753.00	--	1,624.80
2006013	City of Savannah	1,150.00	--	1,150.00
2006014	Region D Recycling & Waste	34,775.00	--	27,321.24

Region D Solid Waste Management District  
 Status of Subgrantee Awards  
 March 31, 2007

SCHEDULE III

<u>Subgrant No.</u>	<u>Purpose</u>	<u>Awards</u>		<u>Unspent Funds</u>
		<u>Obligated</u>	<u>Unobligated</u>	
	Unobligated Interest	--	37,400.85	37,400.85
	Carryover	--	45,567.92	45,567.92
	Program Income (reported)	--	142.90	142.90
	Program Income (unreported)	--	507.79	507.79
	Unspent Local Funds			<u>22,706.86</u>
District Fund Balance, per the Quarterly Project Financial Summary Report.				<u>\$ 219,953.96</u>

Region D Solid Waste Management District  
Cash Balance  
March 31, 2007

SCHEDULE IV

Cash (Checking)	\$441.15
Cash (Money Market)	156,217.07
Certificate of Deposit	<u>63,295.74</u>
Total Account Balances	<u><u>\$219,953.96</u></u>

Region D Solid Waste Management District  
 Schedule of State Funding  
 Years Ended March 31, 2006 and March 31, 2007

SCHEDULE V

<u>Received</u>	<u>Total Amount</u>	<u>Type</u>
<u>Year Ended March 31, 2006</u>		
April 21, 2005	\$270.00	District Grant
April 22, 2005	66,601.20	District Grant
December 22, 2005	<u>116,303.00</u>	District Grant
Total From MDNR in FY 2006	<u><u>\$183,174.20</u></u>	
 <u>Year Ended March 31, 2007</u>		
July 20, 2006	\$60,017.62	District Grant
December 21, 2006	<u>73,588.38</u>	District Grant
Total From MDNR in FY 2007	<u><u>\$133,606.00</u></u>	

