



Missouri Department of dnr.mo.gov

NATURAL RESOURCES

Michael L. Parson, Governor

Carol S. Comer, Director

AUG 19 2019

Mr. Brad True
Quad Lakes SWMD
300 North Main
El Dorado Springs, Mo 64744

Dear Mr. True:

The Missouri Department of Natural Resources' Waste Management Program (WMP) has received the final Independent Auditors' Report Performance Audit of Region J-Quad Lakes Solid Waste Management District (District), conducted by the Department's Internal Audit Program of Jefferson City, Missouri. The performance audit of District "J" was completed in accordance with 260.325.9, Revised Statutes of Missouri.

We have reviewed the findings made by the accounting firm and the District's responses to those findings. We have prepared a list of recommended actions (enclosed) that we recommend the District take to correct problems identified in the audit. Our recommended actions are addressed in the same order as the issues in the accountants' report.

Your response to our recommended actions should be submitted in writing to WMP within 90 days of this letter's date. We will be able to review your response more quickly if you follow the same order as the list of recommended actions.

After the WMP receives your written comments regarding the recommended actions, WMP will contact you to reach a final resolution of the audit findings.

We appreciate your assistance with these auditing efforts. If you have any questions, please contact Ms. Lauren Cole at Missouri Department of Natural Resources, Waste Management Program, P.O. Box 176, Jefferson City, MO 65102, by phone at 573-526-3843 or by email at lauren.cole@dnr.mo.gov.

Sincerely,

WASTE MANAGEMENT PROGRAM

Richard A. Kempker, Chief
Operations Section

RK/dia

Enclosure

c: Ms. Michelle Slater, Quad Lakes Solid Waste Management District



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Performance Audit Follow-up
Region J – Quad Lakes Solid Waste Management District
July 1, 2015 through June 30, 2017

1. Voting Process

Auditor Recommendation:

Meeting minutes approving all grants collectively should be taken by roll call vote and any board member who has a transaction or decision being made regarding any of their direct or indirect interest step out of the room while those actions are taking place, and note in the minutes when they re-enter for subsequent business.

District Response:

The recommendations will be incorporated into all future meetings and meeting minutes.

Waste Management Program (WMP) Response:

WMP agrees with the auditor's recommendation.

WMP Recommendation:

WMP recommends the District take action to comply with this finding within the next 90 days. WMP requests the District to submit the meeting minutes and roll call of members at the next meeting.

2. Conflict of Interest Disclosure Forms

Auditor Recommendation:

The district should include the text of both of these statutory references to the conflict of interest disclosure forms to ensure all board members are aware and sign acknowledging these requirements each year. The district should require all board members attend conflict of interest training when newly appointed and on a periodic basis. The attendance records for these trainings should be retained by the district. This training should provide all information and any appropriate clarifying explanation regarding conflict of interest.

District Response:

The recommendation will be incorporated into the conflict of interest policy and attendance at the conflict of interest trainings will be documented moving forward.

WMP Response:

WMP agrees with the auditor's recommendation to ensure Section 260.324, Revised Statutes of Missouri (RSMo), 260.320 (5) RSMo regarding board members not be allowed to serve if they have a pecuniary interest in a solid waste regulated facility.

WMP Recommendation:

WMP recommends the District submit an updated conflict of interest disclosure form within 90 days.

3. Unobligated Carryover Approval Process

Auditor Recommendation:

The district should allocate the excess carryover to projects other than district operations in the next request for project proposals, unless otherwise approved by the program.

District Response:

Approximately \$6,000 of the unobligated carryover was county membership funds, which are for conferences, meals, travel, insurance, and advertising. The remainder of the carryover was added to the grant call for sub-grants.

WMP Response:

WMP agrees with the auditor's recommendation.

WMP Recommendation:

WMP requests the District to separate membership funds from grant funds. The District shall account for each fund individually in the accounting system and separate the membership funds into a separate bank account. The District must submit the accounting report showing the separation and submit the bank statement for all grant funds only. This should balance to the Quarterly Financial Summary Report.