



Matt Blunt, Governor • Doyle Childers, Director

DEPARTMENT OF NATURAL RESOURCES

www.dnr.mo.gov

FEB 23 2006

Mr. Ron Clow
Region M - Region M SWMD
110 S. Ash
Nevada, MO 64772

Dear Mr. Calton:

Please find enclosed the Missouri State Auditor's Office (SAO) report on the Solid Waste Management Program's district grant activities and the operations of four solid waste management districts. Your district was selected for review by the auditors during their fieldwork and their report contains findings related to the operations of your district. We need to work together to ensure that all of the SAO audit findings are resolved. While the auditors report indicates problems, this can also be viewed as an opportunity to improve our management of grant funds.

The enclosed SAO report identifies the findings related to your district:

5. District Subgrantee Procedures

- A. District did not always have current financial assistance agreements for all subgrantees with open grants.
- B. District did not always withhold 15 percent of the grant funds until the final report from the subgrantee is received and approved.
- C. District made some payments to vendors directly for items purchased by subgrantees rather than reimbursing the subgrantees.
- E. District reimbursed subgrantees for grant expenses prior to receiving quarterly reports from the subgrantees.
- F. District granted funds to some cities and counties without adequately evaluating the proposals received from these entities.

6. District Capital Assets

- B. District did not perform a physical inventory of capital assets and did not mark assets as being purchased with district grant funds.
- C. District does not always require proof of insurance coverage on the assets purchased by subgrantees.

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Please review the findings and respond to the DNR Solid Waste Management Program with your district's plans to address each finding. The district's plans need to be discussed and approved by the district's Executive Board during open meeting and minutes from the meeting submitted to the department with your responses.

Until all findings are resolved, the department is suspending any further allocation of solid waste management funds to your district in accordance with statute (RSMo 260.335 5), rule (CSR 80-9.050 (1)(C) 5 and (4)(F) and (6)(E)), and Special Terms and Conditions (items 6 and 8). It appears the concerns outlined by the auditor can be resolved quickly. I look forward to working with you on these so we can move forward in our efforts to encourage waste reduction, reuse, recycling, and proper disposal.

If you have any questions please contact Jim Hull at phone (573) 751-5401 or in writing at Solid Waste Management Program, P.O. Box 176, Jefferson City, Missouri 65102.

Thank you for your cooperation.

Sincerely,

DEPARTMENT OF NATURAL RESOURCES



Doyle Childers
Director

Enclosure

DC:pmk

c: Senator Delbert L. Scott, Missouri Senate
Senator Chris Koster, Missouri Senate
Senator Gary Nodler, Missouri Senate
Senator Jack Goodman, Missouri Senate
Representative Barney Joe Fisher, Missouri House of Representatives
Representative Edgar G. H. Emery, Missouri House of Representatives
Representative Steve Hunter, Missouri House of Representatives
Representative Bryan P. Stevenson, Missouri House of Representatives
Representative Ron Richard, Missouri House of Representatives
Representative Kevin Wilson, Missouri House of Representatives
Representative Marilyn Ruestman, Missouri House of Representatives
Honorable Gerry Miller, Barton County Executive
Honorable Chuck Surface, Jasper County Executive
Honorable Bill Wilson, McDonald County Executive
Honorable Jerry Carter, Newton County Executive
Honorable David Darnold, Vernon County Executive
Mr. Tim Smith, Solid Waste Advisory Board Chairman