

STATE OF MISSOURI
DEPARTMENT OF NATURAL RESOURCES

Jeremiah W. (Jay) Nixon, Governor • Harry D. Bozoian, Director

JAN 06 2017

dnr.mo.gov

Mr. Tim Smith
Ozark Headwaters Recycling and Materials
840 N Boonville Ave.
Springfield, MO 65802

Dear Mr. Smith:

The Missouri Department of Natural Resources' Solid Waste Management Program (SWMP) has received the final Independent Auditors' Report Performance Audit of Region O - Ozark Headwaters Recycling and Materials Management District (District), conducted by Beard-Boehmer & Associates, PC of Columbia, Missouri. The performance audit of the District was completed in accordance with 260.325.10, RSMo.

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.

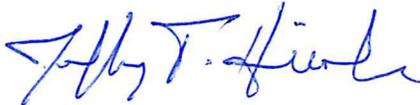
Your response to our recommended actions should be submitted in writing to the SWMP within 60 days of this letter's date. We will be able to review your response more quickly if you follow the same order as the list of recommended actions.

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

We appreciate your assistance with these monitoring efforts. If you have any questions, please contact Ms. Debbie Ickes at (573) 526-3937 or by email at debbie.ickes@dnr.mo.gov.

Sincerely,

SOLID WASTE MANAGEMENT PROGRAM



Jeffrey T. Heisler, Chief
Operations Section

JTH/dil

Enclosure

c: Ms. Angie Snyder, Planner, Region O - Ozark Headwaters Recycling and Materials
Management District

Performance Audit Follow-up
District O – Ozark Headwaters Recycling and Materials
July 1, 2012 through June 30, 2015

1. District Not Having an Advisory Committee

Auditor Recommendation:

We recommend the District's executive board appoint an advisory committee as required by state law.

District Response:

The District concurs with the finding and recommendation. The District had not realized that an advisory committee needed to be appointed by the executive board.

SWMP Response:

The SWMP agrees with the auditor's recommendation. The audit found that the District has not appointed an advisory committee as required by state law.

SWMP Recommendation:

SWMP recommends the District takes action to comply with this finding within the next six (6) months. This finding will remain open until the SWMP receives confirmation of the appointment of this committee as evidenced by submittal of board meeting minutes.

2. District Could Not Locate Sunshine Law Policy

Auditor Recommendation:

We recommend the District adopt a written policy in compliance with the open meetings and record law as required by state law and maintain the policy on file.

District Response:

The District concurs with the finding and recommendation. The District was unaware that it did not have a written policy currently on file pertaining to the open meetings and records law.

SWMP Response:

The SWMP agrees with the auditor's recommendation regarding RSMo Chapter 610, commonly referred to as Missouri Sunshine Law.

SWMP Recommendation:

Compliance with state law related to open public records is a condition of the grant award. The SWMP recommends the District adopts a written policy in compliance with state sunshine law and provide meeting minutes showing approval of the policy and a copy of the policy to the SWMP within 90 days.

3. District Property Records Not Complete and Equipment Item Not Properly Marked

Auditor Recommendation:

We recommend the equipment inventory listing include the serial number or identification number of the equipment item. We also recommend the District ensure equipment items are properly identified with an inventory tag or other permanent marking and the marking indicating the project is partially funded through the Missouri Department of Natural Resources with district grant funds.

District Response:

The District concurs with the finding and recommendation. The District did not fully realize that the inventory listing needed to include more information and that the equipment items were not properly identified with the funding source.

SWMP Response:

The SWMP agrees with the auditor's recommendation.

SWMP Recommendation:

The SWMP recommends the District provides within the next 90 days a copy of the District property records/equipment inventory showing the serial number or identification number of the equipment and also a picture of the equipment tagged with the serial number or identification number and source of funding. If the source of funding signage is separate from the equipment tag, please provide a picture for the applicable projects. Furthermore, district monitoring and on-site visits pertaining to subgrantee projects should include inspection of equipment and proper tagging/identification.

4. Annual Statements of Use of Equipment Not Filed by Subgrantees

Auditor Recommendation:

The District obtains an annual statement from each subgrantee regarding the use of equipment for project activities only.

District Response:

The District concurs with the finding and recommendation. The District did not realize that the annual statement had not been provided by the subgrantees.

SWMP Response:

The SWMP agrees with the auditor's recommendation. The District and District Subgrantee agreed that any equipment purchased pursuant to this agreement shall be used for the performance of services under the Financial Assistance Agreement (FAA) during the term of the FAA. Annual statements must be submitted to provide confirmation of appropriate usage.

SWMP Recommendation:

The SWMP recommends the District submit a form to the subgrantee for certification that the use of the equipment is for project activities for the years of the audit period. The District must submit to the SWMP the annual statement from each subgrantee regarding the use of equipment within 90 days, for the years audited. Furthermore, the District shall review project files for all open grants to ensure annual statements are obtained and on file.

5. Proof of Insurance on Equipment Not Obtained

Auditor Recommendation:

The District obtains annual proof of insurance from all subgrantees covering the equipment purchased with grant funds.

District Response:

The District concurs with the finding and recommendation. The District did not realize that proof of insurance was not included in the subgrantee files.

SWMP Response:

The SWMP agrees with the auditor's recommendation.

SWMP Recommendation:

The SWMP recommends the District provide proof of insurance for equipment for the years of the audit period. The District must submit to the SWMP the proof of insurance within 90 days, for projects audited. Furthermore, the District shall review project files for all applicable open grants to ensure proofs of insurance are obtained and on file.