



**NAPA-VALLEJO WASTE
MANAGEMENT AUTHORITY**

Agenda Date: 12/10/2015

Agenda Placement: 7A

Napa-Vallejo Waste Management Authority Board Agenda Letter

TO: Board of Directors

FROM: Richard Luthy - Executive Director
Napa-Vallejo Waste Management Authority

REPORT BY: Paul Reyes, Accountant-Auditor II - 253-4589

SUBJECT: Napa-Vallejo Waste Management Authority - Internal Audit Report for the Quarter Ended June 30, 2015

RECOMMENDATION

DRTS QUARTERLY INTERNAL AUDIT

REQUESTED ACTION: Executive Director requests acceptance of Napa-Vallejo Waste Management Authority -- Internal Audit Report for the quarter ended June 30, 2015.

EXECUTIVE SUMMARY

Staff recommends acceptance of the Internal Audit Report solely to assist the Authority Board and management with respect to the review of internal controls over cash; coverage of scale house operations; voids, hand tags and issuance of tickets at Devlin Road Transfer Station operated by Northern Recycling Operations & Waste Services, LLC (Northern), for the quarter ended June 30, 2015.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

This engagement was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*. Napa County Auditor-Controller Internal Audit Section performed a review applicable to the internal controls over the areas noted below for the Napa-Vallejo Waste Management Authority (Authority). This review is solely to assist the Authority Board and management with respect to the review of internal controls over cash; coverage of scale house operations; voids, hand tags, and issuance of tickets at Devlin Road Transfer Station operated by Northern Recycling Operations & Waste Services, LLC (Northern), for the quarter ended June 30, 2015.

Summary of the Engagement:

On August 6, 2015, we performed a site visit to review and evaluate for internal control weaknesses in the following areas:

1. Daily cash balancing and reconciliation;
2. Voids, issuance of tickets and hang tags; and
3. Coverage and security of the Scale House.

Our review resulted in identifying internal control weaknesses related to voids, issuance of tickets and hand tags. Additionally, we also calculated the cumulative cash shortage of \$402.28.

Please see the attached Internal Audit Report for a detailed description of the results, exceptions, recommendations, and management responses noted during the review. Please note that management's responses to the exceptions have been included; however, we did not review the responses, and accordingly express no opinion on them.

SUPPORTING DOCUMENTS

A . Internal Audit Report

Executive Director: Approve
Reviewed By: Martha Burdick