



**NAPA-VALLEJO WASTE
MANAGEMENT AUTHORITY**

Agenda Date: 12/6/2018

Agenda Placement: 8B

Napa-Vallejo Waste Management Authority Board Agenda Letter

TO: Board of Directors

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

REPORT BY: Marie Nicholas, Accountant-Auditor II - 253-4977

SUBJECT: Napa-Vallejo Waste Management Authority - Internal Audit Report for the Quarter Ended June 30, 2018

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, 2018.

EXECUTIVE SUMMARY

Staff recommends acceptance of the Internal Audit Report solely to assist the Authority Board and management with respect to the review of revenue and accounts receivable associated with inbound customers; and verification of controls associated with fees, manual tickets, stored tare weights, voids and issuance of tickets at Devlin Road Transfer Station operated by Northern Recycling Operations & Waste Services, LLC (Northern), for the quarter ended June 30, 2018.

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 revenue and accounts receivable associated with inbound customers; and verification of controls associated with fees, manual tickets, stored tare weights, voids and issuance of tickets at Devlin Road Transfer Station operated by Northern Recycling Operations & Waste Services, LLC (Northern), for the quarter ended June 30, 2018.

Based on our review of the quarter ended June 30, 2018, we noted the following results as identified below by Category.

VOIDS and Hand Tags: During the quarter there were eleven cash tickets which had replacement ticket amounts lower than the original void, it was noted that one ticket did not have driver signature on the replacement ticket. Signatures are required to insure the revised ticket was acknowledged by the customer.

Eleven Hand Tags were issued during the quarter as a result of system updates. No exceptions were noted.

Reporting Accuracy: During the quarter we noted there was a net shortage of \$399.83. The year-to-date shortage at June 30, 2018 is \$818.38.

Conclusion

Given the magnitude of transactions and revenue received, Northern should be commended for a cash shortage that is less than 1% of the revenue processed. Overall, we have reasonable assurance that internal controls associated with the inbound customers are in place and effective.

SUPPORTING DOCUMENTS

A . Quarterly Monitoring for QTE June 30, 2018

Executive Director: Approve

Reviewed By: Martha Burdick