



Agenda Date: 5/2/2013

Agenda Placement: 7A

**NAPA-VALLEJO WASTE
MANAGEMENT AUTHORITY**

**Napa-Vallejo Waste Management Authority
Board Agenda Letter**

TO: Board of Directors
FROM: Richard Luthy - Executive Director
Napa-Vallejo Waste Management Authority
REPORT BY: Karen Querin, Audit Manager - 707-253-4588
SUBJECT: Accountants' Report on Applying Agreed-Upon Procedures for the Quarter ended September 30, 2012.

RECOMMENDATION

DRTS QUARTERLY FINANCIAL AUDIT

REQUESTED ACTION: Accept Accountants' Report on Applying Agreed-Upon Procedures for the Quarter ended September 30, 2012.

EXECUTIVE SUMMARY

Staff recommends acceptance of the Accountants' Report on Applying Agreed-Upon Procedures as they pertain to the revenues, accounts receivable and internal controls for the Devlin Road Transfer Station for the quarter ended September 30, 2012.

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 performed at the request of the Authority and, in accordance with the agreed-upon procedures, specific steps were performed with respect to the accounts receivable, revenue and operations of Northern Recycling Operations & Waste Services, LLC, associated with Devlin Road Transfer Station, for the quarter ended September 30, 2012.

Results of the Engagement:

The exceptions noted during the engagement for the quarter ended September 30, 2012 have been grouped by exception type (i.e. Accounts Receivable) and summarized below:

Accounts Receivable

Step	Results
I.A.	Account Balances over 90 Days – As of September 30, 2012, fifteen (15) accounts had balances over 90 days past due and one (1) account had a refund due for over 90 days for an aggregate amount of \$5,539.90.

Revenue

Step	Results
II.A.	Short Pays – During the quarter two (2) short pays occurred. One (1) short pay for \$32.32 remained unpaid as of September 30, 2012.

Internal Controls

Step	Results
III.A.	Incorrect Rate Charged - There were twenty (20) instances where the customer was incorrectly charged resulting in an aggregate overcharge of \$372.24
III.B.	Same Time In and Out – During the quarter there were thirty-four (34) tickets with the same "Time In" and "Time Out" that were not Collection Contractors or public agencies for an aggregate of \$38,621.22.

Please see attached report for a detail description of the exceptions, recommendations, and management responses. Please note that management's responses to each exception have been included; however, we did not review the responses, and accordingly express no opinion on them. Additional detail is available upon request.

SUPPORTING DOCUMENTS

A . NVWMA-Agreed Upon Procedures-QTR Ended 09-30-12

Executive Director: Approve
Reviewed By: Martha Burdick