



**NAPA-VALLEJO WASTE  
MANAGEMENT AUTHORITY**

Agenda Date: 6/6/2013

Agenda Placement: 7C

## Napa-Vallejo Waste Management Authority Board Agenda Letter

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**TO:** Board of Directors

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

**REPORT BY:** Karen Querin, Audit Manager - 707-253-4588

**SUBJECT:** Board Summary of Accountants' Report on Applying Agreed-Upon Procedures for the Quarter ended December 31, 2012.

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### **RECOMMENDATION**

#### **DRTS QUARTERLY FINANCIAL AUDIT**

REQUESTED ACTION: Accept Board Summary of Accountants' Report on Applying Agreed-Upon Procedures for the Quarter ended December 31, 2012.

### **EXECUTIVE SUMMARY**

Staff recommends acceptance of the Board Summary of 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 December 31, 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 December 31, 2012.

**Results of the Engagement:**

The exceptions noted during the engagement for the quarter ended December 31, 2012 have been grouped by exception type (i.e. Accounts Receivable) and summarized below:

**Accounts Receivable**

<b>Step</b>	<b>Results</b>
I.A.	<u>Account Balances over 90 Days</u> – As of December 31, 2012, thirty (30) accounts had balances over 90 days past due and three (3) accounts had refunds due for over 90 days for an aggregate amount of \$10,066.88

**Revenue**

<b>Step</b>	<b>Results</b>
II.B.1.	<u>Shortage/Short Pays</u> – During the quarter one (1) short pay occurred in the amount of \$10.56 causing the shortage for the quarter.
II.B.2.	<u>General Ledger Posting Errors</u> – There were three (3) deposits for the aggregate amount of \$9,984.22 posted in error to the General Ledger.
II.B.3.	<u>Payment Amount Posted In Error</u> – There was one (1) instance where a customer's payment for \$66 was posted as \$6 in the General Ledger.

**Internal Controls**

<b>Step</b>	<b>Results</b>
III.A.	<u>Incorrect Rate Charged</u> – There were four (4) instances where the customer was incorrectly charged resulting in an overcharge of \$95.76.
III.B.	<u>Same Time In and Out</u> – During the quarter there were eight (8) tickets with the same "Time In" and "Time Out" that were not Collection Contractors or public agencies for an aggregate of \$11,106.48.

Please see attached summary report for a detail description of the exceptions, recommendations, and management responses resulting from the performance of the agreed-upon procedures. 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. A report detailing the results of each step in the engagement and additional detail derived from the engagement is available upon request.

**SUPPORTING DOCUMENTS**

A . Board Summary Report for Quarter Ended December 31, 2012

Executive Director: Approve

Reviewed By: Martha Burdick