

## MEMORANDUM

To: Len Bramble, Director of Public Works Department

From: R.B. "Chips" Shore, Clerk of the Circuit Court and Comptroller

Date: November 10, 1998

Subject: Solid Waste Division Follow-up Audit #2

The Internal Audit Department has completed a follow-up audit based on the Clerk of the Circuit Court's Audit Report of the Solid Waste Division issued on May 21, 1996 and the Follow-up Audit Report issued August 29, 1997. This follow-up consisted of reviewing corrective actions implemented by the Solid Waste Division for the areas where we provided constructive criticism and recommendations. Internal Audit did not perform tests of compliance with these newly implemented controls. We will review compliance during the next regularly scheduled audit of the Solid Waste Division to determine whether the controls are functioning effectively and efficiently in accordance with management's designs and objectives.

Internal Audit reviewed the corrective actions implemented on the findings and recommendations included in the follow-up report and found most of the areas properly addressed by management. Internal Audit believes the controls implemented will significantly improve the accountability over the Division's operations. The following areas, however, still require management's attention:

1. The Landfill tipping fee rates have not been increased or adjusted to establish a reserve for future landfill acquisition and development. Management is currently negotiating an agreement with a consultant to provide a rate study of solid waste fees.

**Internal Audit recommends management continue to pursue the evaluation of landfill tipping fees from an independent consultant to verify whether the current fees charged are sufficient to cover future operations.**

2. Modifications have not been made to the scale house computer system to address the deficiencies cited in the previous audit. The current system is also not Year 2000 compliant. Management is currently working with the Purchasing Division in the selection of a vendor for the purchase of a new scale house computer system.

**Internal Audit recommends management continue to pursue the purchase of a new scale house computer system emphasizing better controls over scale house operations.**

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3. The Solid Waste Division continues to experience difficulties enforcing compliance with an agreement with the Town of Longboat Key for solid waste services. According to the agreement, waste received from the Sarasota County portion of the Town is charged at a higher rate than the waste from the Manatee County portion. Mixing of the two counties' waste is prohibited under the agreement. The Division has found that the waste hauler, contracted by the Town, is not separating their routes to ensure the separation of waste. In addition, the waste haulers are not always reporting to the Division that their waste is from the Sarasota County portion of the Town. The agreement also does not provide for penalties for noncompliance. Management intends to work with the Town to discuss alternative actions to enforce compliance.

**Internal Audit recommends management pursue discussions with the Town of Longboat Key to evaluate the alternatives available to ensure compliance with the agreement. In addition, we recommend that management consider amending the terms of the agreement to include at a minimum enforcement action available to the Manatee County if contract compliance can not be achieved.**

Internal Audit has discussed these finding with you and your staff and it is our understanding that you agree with and are currently in the process of implementing the recommendations. Based on management's effort to implement these audit recommendations, an additional follow-up audit will not be necessary. We would like to thank you and your staff for the attention given to the audit findings and the cooperation given to the Internal Audit staff.

RBS/RJO/MDB

CC: Board of County Commissioners

Ernie Padgett, County Administrator

Dan Gray, Utilities Operations Manager

Gus DiFonzo, Solid Waste Division Manager