

M E M O R A N D U M

To: Dan Gray, Director of Utilities Operations Department

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

Date: June 12, 2001

Subject: Wastewater 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 Memorandum of the Wastewater Division issued April 6, 2000 and the Audit Report issued on September 30, 1998. This follow-up consisted of reviewing the management action plans included in the first follow-up audit memorandum to ensure corrective actions have been implemented by the Wastewater Division.

We are pleased with the implementation of the management action plans included in the prior follow-up memorandum. Internal Audit believes the controls implemented will significantly improve the accountability over the Division's operations. Management has addressed all of the areas where improvements were recommended; however, one area still requires management's attention. During your meeting of June 6, 2001, you, together with the Internal Audit Department staff, agreed on the following action plan:

The agreement between Manatee County and the Town of Longboat Key has yet to be amended. While the original agreement lacks provisions for the administration of conflict resolutions and the identification of a specific meter for billing purposes, the terms of this agreement extends for an additional ten years.

A draft for the wastewater agreement is still in the review and negotiation process between the County Administrator's Office and Longboat Key officials. The draft appears to address the deficiencies that existed in the original agreement. It also specifies that Manatee County will be purchasing a new meter that will be installed in an agreed-upon location, to be used for billing purposes. The Wastewater Division has completed construction on the new metering facility; however, the meter readings are still being billed from the Town of Longboat Key's meter.

Management Action Plan: Management estimates a resolution by the governing boards of both Manatee County and the Town of Longboat Key by the December 2001.

Management has agreed to keep Internal Audit informed of the above negotiations. As a result, 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