



Audit of Solid Waste Management

FEBRUARY 7, 2023



Background

In Fall 2020, The Auditor's Office received allegations regarding lack of controls at Solid Waste Management (SWM). The allegations included:

- The video surveillance of the scale house where cash was collected was not functioning.
- Segregation of duties were not in place over accounts receivable processing, maintenance of the change fund, cashiering duties, and depositing.
- Key internal controls, such as supervisory review of voids, daily balancing, and depositing were not occurring.
- Credit card receipts did not balance to the point-of-sale records.

Audit Objectives and Scope

Our audit procedures were designed to gather sufficient evidence to form conclusions, where possible, regarding the allegations, and to ensure that controls were in place to protect County funds and assets from fraud, waste, and abuse.

Our audit period included July 1, 2021 to December 31, 2021, but was extended outside this period in some cases. Procedures were limited to an examination of financial and other records related to the allegations and on-site observation of physical controls in place.

Findings

1. Accounts Receivable reconciliations were not sufficient and were not performed during April through July.
2. A customer balance of almost \$35,000 was written off without consultation with the District Attorney's Office.
3. Insufficient segregation of duties.
4. Video Surveillance system was not reliable.
5. Main vault audit trail was not functioning.
6. Insufficient oversight of credit/debit card variances