

**Prince George's County, Maryland
Office of Audits and Investigations**

Department of Environmental Resources

Waste Management Division Audit

January 25, 2010



**David H. Van Dyke
County Auditor**

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THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

January 25, 2010

The County Council and County Executive
of Prince George's County, Maryland

We have conducted a performance audit of the

DEPARTMENT OF ENVIRONMENTAL RESOURCES' WASTE MANAGEMENT DIVISION

in accordance with the requirements of Article III, Section 313, of the Charter for Prince George's County, Maryland. Our report is submitted herewith.

We have discussed the contents of this report with appropriate personnel of the Department of Housing and Community Development, and wish to express our sincere gratitude to them for the cooperation and assistance extended to us during the course of this engagement.

A handwritten signature in black ink, appearing to read "D.H. Van Dyke", with a stylized flourish at the end.

David H. Van Dyke, CPA
County Auditor

A handwritten signature in black ink, appearing to read "Lawrence Cain, Jr.", with a stylized flourish at the end.

Lawrence Cain, Jr.
Auditor-in-Charge

RESULTS IN BRIEF

The Department of Environmental Resources, Waste Management Division manages the collection of solid waste, yard waste and recyclables, and oversees three disposable solid waste and recycling facilities within the County. The Department contracts with hauling companies to collect and transport solid waste, yard waste, and recyclables. The Division collects tipping fees for the disposal of solid waste and yard waste at the facilities. The Division is also responsible for issuing annual Collection Vehicle Licenses (CVL) to all contractors, firms and individuals for vehicles that transport recyclables, yard waste and solid waste.

Because of the significant amount of funds collected by the Division at the disposable facilities, and based on the substantial number of vehicle licenses issued by the Division, effective internal controls over the collection of monies and licenses is critical. The internal controls should ensure that the County's interests are protected, and that the license issuance process is operated in an efficient and effective manner consistent with the policies and intent of County management. Breakdowns in key internal control activities can leave the County vulnerable to fraudulent, abusive or questionable user activity.

The following findings are addressed in our report:

- During the revenue handling process, deposits were improperly combined, transmittal slips lacked signatures, and bank deposit slips were not adequately maintained.
- The cashier and recordkeeping duties performed during money handling and the CVL issuance processes were not segregated.
- Check and money order payments were not restrictively endorsed "for deposit only" and receipts were not provided to payors for payments received by the Waste Management Group (WMG).
- WMG does not maintain a cross referenced record of CVL license numbers and corresponding forms of payment.
- CVL fees were not recorded for cross referencing purposes to ensure accurate reimbursement of fees to the County Health Department for vehicle inspections.
- Vehicle CVL's and vehicle identification cards are not maintained in a secured environment.

BACKGROUND

The Department of Environmental Resources, Waste Management Division is responsible for the collection of solid waste, yard waste and recyclables. The Waste Management Division is responsible for the management of three disposal facilities: Brown Station Road Landfill, Materials Recovery Facility, and the Western Branch Composting Facility.

The Department contracts with hauling companies to collect and transport recyclables, yard waste and solid waste within the County. Other firms and individuals also transport these materials to designated County facilities. A tipping fee is charged to dispose of these materials at the County facilities based on disposable tonnage. The Waste Management Division collected tipping fees for solid waste and yard waste disposed of at County facilities totaling \$17,356,200 in Fiscal Year 2008, \$17,739,600 in Fiscal Year 2009 and estimates collecting \$21,692,500 in Fiscal Year 2010. Computer systems are used to track, monitor and manage the tipping fees and tonnage disposed of by vehicles at the County facilities.

The Waste Management Division, Waste Management Group (WMG) is responsible for annually issuing Collection Vehicle Licenses (CVL) to all contractors, firms and individuals for vehicles that transport recyclables, yard waste and solid waste. Approximately 850 vehicles are issued a CVL annually. Companies that collect and transport any type of solid waste or recyclable materials are also required to obtain a license titled "Collector's License" each year for a fee of \$50. Companies that strictly transport materials and do not collect materials are required to obtain an initial one time "Collector's License".

All vehicles that transport solid waste and recyclable materials are classified into four Class types and a fee is assessed for each CVL based on the vehicle Class type. Class I vehicles (\$50 fee) transport paper products or yard waste, Class II vehicles (\$200 fee) transport solid waste or recyclables, Class III vehicles (\$250 fee) transport both solid waste and recyclables, and Class IV vehicles (no fee) are government vehicles that transport materials identified under Class II. The WMG collected \$79,250 in CVL fees in Fiscal Year 2008 and \$89,800 in Fiscal Year 2009.

Vehicles classified as Class II, III and IV are required to undergo an inspection by the County's Health Department prior to receiving the CVL; Class I vehicles are not required to undergo an inspection. The Health Department receives 75% of the CVL fee for each inspection on Class II and Class III vehicles. A fee is not charged for Class IV vehicles. The Waste Management Division receives 100% of the CVL fee for Class I vehicles.

The County contracts with Maryland Environmental Service to operate, manage and collect tipping and other fees at the Western Branch Composting Facility where yard waste is disposed of and is recycled into dirt or mulch.

County Administrative Procedure 346 provides direction for the collection of monies. Subtitle 21, of the Prince George's County Code provides direction for the issuance of CVL's.

OBJECTIVE, SCOPE, AND METHODOLOGY

The purpose of this audit was to assess the adequacy and performance of internal controls over the collection of monies; the issuance of licenses; payments to contractors; and scale house operations.

We reviewed processes, procedures and activities of the Waste Management Division and Maryland Environmental Service for the period July 1, 2007 through June 30, 2008 to determine if any deviations were occurring and/or recommend corrective actions as necessary.

To conduct this audit, we obtained and reviewed County Administrative Procedures, State regulations and Waste Management Division and Maryland Environmental Service operating procedures. We requested and obtained data processing documents, and interviewed personnel within the Waste Management Division, Maryland Environmental Service and the Office of Finance. We conducted site visits to observe scale house operations and security.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL CONTROLS

Internal control is a process, effected by people at every level of the organization, designed to provide reasonable assurance that the following objectives are being achieved¹:

- Effectiveness and efficiency of operations,
- Reliability of financial reporting, and
- Compliance with applicable laws and regulations.

Management is responsible for establishing and maintaining an environment that sets a positive and supportive attitude towards internal control. When the importance of internal controls is communicated to employees, particularly

¹ Internal Control – Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission, Copyright 1994.

through management's own actions and beliefs, the process is more likely to function effectively.

A strong internal control environment is essential in maintaining operational risks and improving accountability; further helping an agency to achieve its mission.

We noted the following strengths in relation to the controls we reviewed in the Department of Environmental Resources' management and administration of the Waste Management Division and in the Office of Finance for the activities they perform in conjunction to Waste Management Division landfill operations:

- The overall revenue collection procedures for the Waste Management Division's landfill operation and the Maryland Environmental Service appear to be adequate and complied with by staff.
- The process of collecting tipping fees from hauling companies and the process of issuing payments to hauling companies contracted by the County appears to be effectively carried out by the Office of Finance and Waste Management Division staff.

We also observed some control weaknesses in the revenue collection process and the CVL issuance process that require management's attention. The following sections detail the items noted during our review.

REVENUE COLLECTIONS

During our audit, we reviewed the Waste Management Division's and Maryland Environmental Service's revenue handling processes. County Administrative Procedure 346 provides direction on the proper handling of monies collected by an agency. The Waste Management Division also requires the Maryland Environmental Service to keep proper books, records and accounts, and make separate, complete and correct entries of all transactions relating to the intergovernmental agreement.

A tipping fee is charged when vehicles dispose of solid waste at the County landfill based on the tonnage disposed of at the site. Vehicles are weighed upon arrival at the landfill scale house and then weighed again upon departing the landfill. The tipping fee rate is calculated based on the weight difference between arrival and departure. The tipping fee is paid by the hauling company or individual.

At the completion of each workday, all tipping fees received are totaled through the scale house computer system. The amount to be deposited is determined, a deposit slip is prepared and the amount is recorded in the security transport company Dunbar Log book. The scale house staff prepare a daily cash transmittal slip, record the deposit amount, sign the slip along with the scale house supervisor

and forward the slip to the County Office of Finance. The scale house staff receive a bank receipt that verifies the amount deposited at the bank.

During our audit of the Maryland Environmental Service's and the Waste Management Division's scale house revenue handling processes, we found no significant issues within these processes. However, we did note some areas where improvements could be made.

As part of the audit we selected a random sample of 104 deposits and deposit slips to test for proper recordation and retention, appropriate signatory approval, proper segregation of duties between cash handling and record keeping, and compliance with Administrative Procedure 346.

Daily Deposits Improperly Combined

We noted from our review of the Waste Management Division's scale house deposits that six individual deposits, or 11.5% of our sample, were being combined with the previous day's deposit and recorded as one day's deposit in the security transport company Dunbar Log book. Each day's deposit should be recorded separately in the Log book.

Transmittal Slips Lacking Signatures

We also noted that eight daily cash transmittal slips, or 15.4% of our sample, did not have a supervisory signature and two additional slips did not have any signature. Two signatures are required on each transmittal slip. We note that the supervisor for this unit reconciles each cash transmittal slip to the scale house computer system generated cash amount and to the deposit slip before submitting revenue reports to the Office of Finance to ensure the amount of funds being deposited are accurate.

Validated Bank Deposit Slips Missing

Additionally, during our review of scale house records, we found that 26 deposits, or approximately 8.0% of the total deposits made during Fiscal Year 2008, did not have a corresponding bank deposit slip. We reviewed the records in the Office of Finance and were able to confirm each deposit to its respective bank statement. Complete documentation for bank deposits should be maintained to facilitate accountability and to ensure that funds are properly and accurately delivered and deposited.

We recommend that the head of the Waste Management Division develop and implement a comprehensive policy that addresses the following:

- ensure that each day's deposits are recorded separately in the Dunbar Log book;
- required signatures are obtained on cash transmittal slips; and

- bank receipts are obtained by the scale house supervisor for each day's deposits.

Inadequate Segregation of Duties

The WMG receives fees for each CVL issued via check or money order. The staff member writes the account fund number on the back of the check or money order, makes a photocopy, and provides a copy to the hauling company or individual as a receipt.

During our review of the WMG, we found that there was no segregation of duties during the money handling process. One person receives monies from companies for CVL's, prepares deposit slips, and prepares the County Agency/Activity Collection Transmittal Reports. These duties should be performed by different individuals to ensure proper segregation of duties and that internal controls over monies are in effect.

We also found that there was no segregation of duties during the money handling and CVL issuance process. We learned that the same person who collects monies from the company/individual also issues the actual CVL. The lack of segregation between these duties allows for the possibility of CVL's being issued without payments.

According to Administrative Procedure 346, "*cashier and bookkeeping duties should be segregated in such a manner that each provides a check against the other*".

The General Accounting Office in its publication of internal control standards (GAO/AIMD-00-21.3.1) recommends the following: "*Key duties and responsibilities need to be divided or segregated among different people to reduce the risk of error or fraud. This should include separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets. No one individual should control all key aspects of a transaction or event.*"

We recommend that the head of the Waste Management Division segregate the WMG's revenue handling responsibilities to ensure that no one individual handles multiple steps of the process.

Lack of Restrictive Endorsements and Receipts

During our review, we found that the WMG does not use a County endorsement stamp on checks and money orders and no receipt book is maintained to document monies received. Customer checks and money orders are copied and signed by the staff as the receipt for the customer. All checks and money orders should be properly endorsed to ensure funds are deposited to the County's account. Proper receipts should also be used to track all funds received by the Division and used for reconciliation purposes.

Administrative Procedure 346 requires that checks and money orders be endorsed with a restrictive stamp that indicates "for deposit only". The Administrative Procedure also requires that, at a minimum, a pre-numbered receipt book should be used to record receipts for tracking and monitoring purposes.

We recommend that the head of the Waste Management Division obtain a County endorsement stamp to restrictively endorse "for deposit only" each check and money order received by the WMG.

We further recommend that the head of the Waste Management Division develop and implement a receipt policy for confirmation of all funds received.

Lack of Documentation Matching CVL Numbers with Payments

Proper documentation of payments received and corresponding licenses issued should be maintained for tracking purposes. We found that the CVL or company name is not recorded on check and money orders to track license payments. We could not verify that checks and money orders were received for 6 of 30 companies/CVL's, or 20.0% of our sample. Company information, CVL numbers, and check or money order payment information must be recorded to enable the Waste Management Division to pursue payment for insufficient funds, prohibit vehicles from entering County facilities until proper fees are paid, and ensure payments are received for all CVL's issued.

We recommend that the head of the Waste Management Division develop and implement a tracking system to record all CVL payments received to include company name and contact information, form of payment received, and CVL number.

CVL ISSUANCE PROCESS

A vehicle identification card and all pertinent documents (i.e. vehicle registration, Health Department inspection form, etc.) are submitted for CVL's for each new vehicle. CVL file records are checked for renewal CVL's, ensuring records are accurate. Current vehicle identification cards are used for three or more years as long as vehicle and company information remains the same. After a three to four year time period a new vehicle identification card is submitted by the applicant.

When received, the renewal application or new vehicle identification card is reviewed for accuracy. WMG staff stamp original and copies with the new expiration date and give the white copy and the new permit number sticker to the applicant (same CVL number from previous year unless new applicant or new vehicle). WMG staff enter updated vehicle information into an ACCESS data file containing CVL records for the current year and prior three years for each hauler.

The same staff member maintains all Health Department inspection records by the date received.

The vehicle identification card is filed by permit number for trash/recycling haulers, and filed by hauler name for those who strictly transport/collect recyclables. Trash and recycling permit number stickers are maintained in a file cabinet in numeric order, and a hauler permit log is maintained to track the assigned and unassigned permit numbers.

During our audit, we reviewed the procedures for issuing CVL's. We found that the WMG's CVL issuance procedures do not include procedures or directives for the revenue handling process. Procedures provide direction to staff for the consistent and effective performance of duties and processes and to ensure adequate internal controls are in effect. Administrative Procedure 346 requires County agencies to establish revenue collection procedures and that they include certain internal controls.

We recommend that the head of the Waste Management Division establish and enforce revenue handling procedures for the WMG as stipulated in Administrative Procedure 346.

Monitoring Procedures

Procedures should include adequate monitoring of the CVL issuance process to ensure that internal controls are in effect and to ensure the compliance with the procedures.

We found no log or tracking mechanism in place to monitor CVL's issued on a daily basis or record of funds collected daily. Payments received should be reconciled to the number of CVL's issued each day.

We also found that the written procedures for the CVL issuance process do not include overall administrative monitoring steps to ensure the adequate monitoring of the CVL issuance process.

We recommend that the head of the Waste Management Division establish a log or other tracking mechanism to record and track all hauler CVL's issued on a daily basis.

We recommend that the head of the Waste Management Division revise the CVL issuance process to include monitoring steps to ensure internal controls are in effect and in compliance with policies and procedures.

Files and information should be cross checked to ensure the accuracy of data on companies that have CVL's. We found that there is no cross checking of CVL data files between the scale house and the WMG. We found that the WMG does not forward CVL data to the scale house on a regular basis. Company names, addresses, owners, bank accounts and other company information could change

from year to year. Inaccurate information could impede the County from receiving payments and or making payments to companies.

We also found that the Health Department does not notify the WMG or scale house staff when a vehicle fails an inspection and should not be in service. Without such knowledge the scale house staff does not have the ability to prohibit the vehicle from entering the landfill.

We recommend that the head of the Waste Management Division periodically forward vehicle CVL data to the scale house to cross check vehicle CVL data recorded in the scale house computer system.

We recommend that the head of the Waste Management Division request the Health Department advise the scale house staff within a specific timeframe when a vehicle fails a Health Department inspection.

Lack of Maintenance of Adequate Records

We found that the completed Health Department inspection form is not maintained with the individual CVL vehicle identification card or by CVL number for tracking and monitoring purposes. We also found that copies of State vehicle registrations are not maintained for all vehicles as required by procedures and are not maintained with the CVL vehicle identification cards. Both forms are filed in a drawer as they are received daily.

Adequate records should be maintained on required forms for tracking and monitoring purposes to ensure processing procedures are complied with. The lack of adequate records inhibits management's ability to adequately monitor the issuance of CVL's and ensure all applicable forms have been received and inspections have been completed for each CVL that was issued by the Division.

The General Accounting Office in its publication of internal control standards (GAO/AIMD-00-21.3.1) recommends the following: *"Internal control and all transactions and other significant events need to be clearly documented and the documentation should be readily available for examination. The documentation should appear in management directives, administrative policies, or operating manuals and may be in paper or electronic form. All documentation and records should be properly managed and maintained."*

We recommend that the head of the Waste Management Division ensure that copies of State vehicle registrations are obtained for all vehicles issued CVL's.

We further recommend that the Division head ensure that copies of all vehicle registrations and any required Health Department inspection forms are maintained with the vehicle identification cards and/or by CVL number.

Collectors License Fees Not Properly Documented

Companies that collect and transport solid waste and recyclable materials must pay the "Collector's License" fee each year. The WMG staff currently do not document that the required "Collector's License" fees were paid by the respective companies.

We also found that the WMG does not record the specific fees paid and collected with respect to individual CVL's to ensure that accurate payments are forwarded to the Health Department for inspections performed on Class II and III vehicles. The WMG staff maintain a handwritten log of the number of CVL's issued, which is used to calculate the yearly transfer of funds to the Health Department. Through this method, the Health Department is paid 75% of the full fee for each CVL issued, however, some companies pay half fees during the year for new vehicles. Additionally, the WMG does not track inspection late fees charged to companies, in which the Health Department is entitled to receive 75% of the fee. The Health Department is not receiving an accurate payment for inspections due to the lack of proper documentation of fees paid and collected.

Administrative Procedure 346 requires County agencies to establish revenue collection procedures and that they include certain internal controls. Adequate records related to licenses issued and fees paid should be maintained for tracking, reconciliation and monitoring purposes.

We recommend that the head of the Waste Management Division maintain a log that records fees paid by each company for their respective "Collector's License".

We recommend that the head of the Waste Management Division maintain a log by CVL vehicle Class that records the fees paid for each CVL issued by the Waste Management Group and any related late fees. The log should be used to determine the amounts to be paid to the Health Department for Class II and Class III vehicle inspections.

Security of Records and Data

Licenses, permits and records should be adequately secured to prevent loss, theft and tampering of records. We found that the hauler vehicle identification cards and the actual CVL's are not adequately secured during or after workhours.

We recommend that the head of the Waste Management Division adequately secure vehicle identification cards and vehicle CVL's during and after workhours.

WASTE MANAGEMENT GROUP

Response to Audit

Revised January 25, 2009

CVL Process

The Recycling Team is responsible for this program. We currently have two administrative staff primarily responsible for the issuance of the permits and the collection of the fees. One other staff planner is responsible for maintaining the records for the transaction. Everyone in this office, including the Group Aide is knowledgeable about issuing the permits to ensure proper coverage during the annual renewal period which begins after Labor Day and continues until October 1 of each year. The existing card system that is now used is archaic and difficult to manage. Additionally, the cards that are currently maintained were designed to be typed or hand written. Typewriters are not readily available today and as a result, the majority of them are now being hand written. This is a very time consuming process. Storage of these documents is also problematic. The card files that are needed to store the cards are no longer readily available. As a result, we are using file cabinets that can not be locked. Having all of the information entered into an automated system that would include all of the information now contained on the existing cards and print new permits would certainly make it easier to track all of the licenses and inspection reports. Attempting to file all of these documents together in hard copy is extremely difficult. One card is issued for each vehicle, and the Health Department Inspection Form is only issued for vehicles requiring and inspection. Additionally, a hard copy of the Collector's license is issued by company or individual, but only required to be renewed each year by those individuals engaged in the trash hauling business. **Automation of the licensing procedures could eliminate 90% of the problems cited in this report.** Automation meeting was held on January 21 and transitioning to automated system should be in place prior to the 2010 licensing period which begins in August and ends October 1, 2010.

Inadequate Segregation of Duties:

This could be problematic in the sense that we are a very small office and there is limited space for servicing the volume of people who come into the office during the permitting renewal period, but, written procedures will be prepared that will ensure that two people are available to complete the transactions. The actual record keeping for the permits is now handled by only one individual. In the future, the record keeper will not issue any permits. In the event that one person must do both functions, the Team Leader, or the Assistant Team Leader will initial off on the permit receipt and verify the transaction.

Written procedures will be developed to ensure that only one aide will be responsible for preparing each deposit slip. The other aide will be responsible for preparing the County Agency/Activity Collection Transmittal Reports. If there is only one aide present, then Associate Director or Section Head will initial off on the Report. The automated system is addressing accountability and reconciliation.

Lack of Restrictive Endorsements and Receipts:

It has been the practice to hand write "For Deposit Only" and add the Fund and Center number on all checks received. Two stamps have been ordered. The stamp for the licensing revenues will have the Fund and Center Numbers included and the stamp for other revenues will have spaces to add the appropriate Fund and Center Numbers. No cash is accepted during this process but a standard Receipt Book will be acquired for use in the future. The receipt book is now in use and a proper endorsement stamp is now being used on all checks and money orders. The stamp includes "For deposit only" and area to provide fund and center numbers.

Lack of Documentation Matching CVL Numbers with Payments

During this past licensing period, all checks were marked with the company name and/or the permit numbers. Written procedures requiring are being developed. There were no checks that could not be verified after a search was done in this office. However, it is difficult at times because the checks are not always coming from an account that bears the company or individual haulers name. All checks for permits issued now bear the company name/ and or permit numbers. The new system fully addresses this issue. A receipt will be generated that will contain not only the check number but company name and all permits paid for via the check or money order.

CVL ISSUANCE PROCESS

All vehicle identification cards are filed by permit number. No cards are filed by company name, regardless if they are recycling only or trash and recycling. We maintain a log by both name and permit number. This is because some haulers come in to renew and they can't remember their permit numbers. We cross check through the name log.

Written Procedures for the collection of the fees and revenues will be developed.

Monitoring Procedures

Due to the lack of automation of this process, entering cards on a daily basis can be extremely difficult. The ACCESS file that is maintained in the office requires that the cards that are processed be entered into the data base. Because of time constraints and the daily volume during the renewal period, it is not always possible to have the cards entered on the very same day they are issued. Additionally, preparing daily deposits during this period and reconciliation to the cards may carry over to the next day. Every effort is made to complete these activities daily, but because we continue to issue permits until the end of the day, there are days when this must be delayed to the next day. A standard Receipt book will be provided to provide a receipt for each check accepted. All information will be automatically entered under the new system being developed.

The Health Department Inspection is not the same as a State Police Inspection. When a hauler presents an inspection report to this office, the truck has passed inspection. We do not see any "failed" inspection reports. If a truck comes to the landfill and has the proper permits, it has been cleared by the Health Department. A truck that fails an inspection will not receive a permit and will not be allowed into the landfill.

Maintaining actual copies of the Vehicle Registration has never been a function of this process. The registration is checked and the numbers entered on the individual permit cards. It is impossible to keep the cards and the other forms together and would be impossible to manage if they were. This is why the system should be automated and a program developed that would store the information electronically. The Health Department Inspection Forms should be filed by permit numbers but these files will be quite cumbersome. Collectors' licenses that are renewed should be filed by Company name and all others can be maintained in a yearly period file. Scanning capability will be available in the new automated system. A copy of the registration will be on file in the data base.

The Collectors licenses are currently stamped and maintained. This stamp indicates that they paid for the fee. In the future, a file will be maintained and the licenses will be stamped as a renewal or "one time fee". Each license is \$50.00 and is never prorated. The new system will provide a method for tracking "commercial collectors licenses" and the one time only licenses that are issued each year.

Lack of Adequate Maintenance of Adequate Records

The idea of keeping the small file cards with the other larger documents is not a realistic approach. We have never kept copies of the Vehicle Registration Cards and none were ever transmitted to Recycling in 1995, when this function was assumed. All of this information is hand written on each card and on the Inspection Reports. It is not

*clear what purpose an additional copy of this information would serve. Contractor's licenses will be maintained by Company Name for those who must renew each year, and the "one time only" will be maintained in a separate file and will be filed by month received. At the end of the calendar year, these will be placed in a folder and filed. These procedures will be added to the CVL Process written procedures. **All of the mentioned records and documents were available for review at the time of the audit. It is accurate that they were being placed in file boxes and not kept in segregated files. Until this system is fully automated, maintaining all of these documents together with the permit card is not practical. All of the records will be maintained by the secure automated system.***

A handwritten record is maintained as to number of vehicles licensed and the fees that were paid. The record of half year payments is currently being recorded. However, in the future, a permit number will be added to this log. This additional information however does not negatively affect the payment to the Health Department. The delinquent fees are also tracked, but in the future, the permit numbers will be included.

*Written procedures will be developed requiring that this information be maintained in the current ACCESS data base currently being utilized. The half year fees are also noted but will also be listed by permit in the future. It is interesting that the Health Department keeps no records concerning the number of inspections they do and each year call this office for the number. **The number of inspections is not relevant as many trucks get inspected, but are not brought in for permits. Perhaps the fees should be collected at "Point of Service" and the Health Department return 25% of the revenues they receive to DER. This problem will be eliminated with the new automated system.***

Security of Records and Data:

There is no area available at this location to "lock up" these records as they now exist. The cabinet we must use to accommodate the size of the permit card and the actual permits does not have a locking device. The office is secured by a front door lock and a door that can be locked between the Property Standards Group and WMG. Since the installation of the ETS Time Card however, this door is rarely locked. Finding a "secure" area is difficult. We will pursue looking for new cabinets that can accommodate the unusual size requirement and provide a locking device. New locking cabinets for the actual permits only will be purchased.

REVENUE COLLECTIONS:

Dunbar Log Entries

Comment: Prior to February 21, 2008, the Log book provided by Dunbar included multiple days on single entry line, to accommodate Friday income, Saturday income and the following Monday's income (Dunbar does not report over weekend nor

our working Holidays). After February 21, 2008, revised and newly issued Dunbar Log book specifically requires single line entry for each cash bag, and requires each cash bag to have separate bar code sticker that corresponds with bar code on that entry line within log book. This recommendation has been in place and in full compliance since early 2008. On December 2, 2009, a review of both log books confirmed this process.

Current Cash Handling Procedure will be revised to include this language.

Signatures on Cash Transmittal Slips

The Weighmaster provides signature on these transmittal slips. When available, the Assistant Team Leader would provide a second signature. The Assistant's availability for signature was not always guaranteed. Per this audit recommendation, we will require supervisory signature. In event Assistant Team Leader is unavailable, will either delay cash transaction until available (over night and into next working day) or request Team Leader or next available ranking supervisor provide supervisory signature.

The current Cash Handling Procedure will be revised to include this language.

Missing Bank Deposit Slips

Bank mails deposit slips to Office of Finance and copy is provided (postal mail) to Scalehouse. This occurs approximately 310 times per year. At the end of each month, if determined that a bank deposit slip is missing, Scalehouse staff contacts Office of Finance and they provide copy of their original. In event Office of Finance determines a missing bank deposit slip; they contact the Scalehouse to obtain copy of our copy. It has been noted that the copies of deposit slips that are provided by the Bank to the Scalehouse have been misdirected by others to the Office of Finance. This is resolved at month's end. To further clarify "at month's end"; we must await 15 days beyond month's end if copy of deposit slip is required from Bank. This is per their established timeframe for prior month's reconciliation.

Current Cash Handling Procedures will be revised to include this language.

Notification from Health Department Regarding Notice of unfit trucks (also addressed in CVL Procedures)

Scalehouse staffing continues diligent monitoring of vehicle CVL and will not allow access without current CVL.