

SEMINOLE COUNTY
REVIEW
OF
RECYCLING CONTRACTS

REPORT NO. 051514

MAY 2014

**The Office of the Clerk of the Circuit Court and
Comptroller**



MARYANNE MORSE
Clerk of the Circuit Court
Seminole County

May 15, 2014

The Honorable Bob Dallari,
Chairman
The Board of County Commissioners
Seminole County, Florida
1101 East First Street
Sanford, FL 32771

Dear Mr. Chairman:

I am very pleased to present you with the attached Review of Recycling Contracts.

I would like to acknowledge the assistance of the county staff for their cooperation and assistance throughout the course of this review. The assistance is deeply appreciated. With warmest personal regards, I am

Most cordially,

Maryanne Morse
Clerk of the Circuit Court
Seminole County

cc: Ms. Brenda Carey
Mr. Lee Constantine
Mr. Carlton Henley
Mr. John Horan

BCC Records
Internal Audit

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OFFICE OF THE CLERK OF THE CIRCUIT COURT AND
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**REVIEW
OF
RECYCLING CONTRACTS**

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The Office of the
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SEMINOLE COUNTY

REVIEW OF RECYCLING CONTRACTS

BACKGROUND

The Solid Waste Division of the Seminole County Department of Environmental Resources collects recyclable household waste from its customers. These materials are collected by haulers and transported to the county's Central Transfer Station facility.

W. M. Recycle America, L. L. C. (Recycle America) is contracted to process the recyclable material collected by the county and payment back to the county is based on the current value of the materials collected minus a collection fee. The county receives an additional fee if the county hauls the material to Recycle America's processing facility.

Materials covered by the contract include comingled containers such as:

- Metal,
- Glass,
- Plastic containers; and,
- Fiber such as newspaper, cardboard, junk mail, box board, telephone books, etc.

Other companies process batteries; white goods; and, electronic equipment that produce small amounts of revenue. These additional contracts account for less than 1% of recycling revenue (or about \$960 per month.)

For the fiscal year ending September 30, 2013 the county received \$1,063,322.16 in revenue; the prior year it received \$1,686,773.90. This is a decrease in revenue of \$623,451.74. Although there was no significant change in the volume of recyclables, the decrease in revenues in fiscal year ending 2013 is the result of the actual commodity prices being lower than 2012.

The results of the review are included in the report that follows.

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PURPOSE

The review was performed to determine if the payments made by Recycle America were in compliance with the terms and conditions of the contract and in compliance with applicable laws, regulations and administrative procedures. Also, to determine if the system of administrative controls over the contract are adequate and functioning effectively.

SCOPE OF WORK

This review focused on the following:

- The contract used to process outgoing household recyclable materials;
- Applicable Florida Statutes, County Ordinances and Administrative Rules;
- Interviews with the manager of Solid Waste Management and other staff to obtain familiarity and compliance with internal procedures;
- The operating procedures, including written direction, of the division to assess the adequacy of County policy and also for compliance with management directives;
- Invoices from the vendor, division records of recyclable materials, and accounting records.

OVERALL EVALUATION

In our opinion, the system of internal control is working as intended in compliance with contract terms and county policy. Recycled materials are being handled, and payments are made to the county according to the terms of the contract.

The following issue requires management attention:

- No written policies and procedures.

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FINDINGS AND RECOMMENDATIONS

FINDING NO. 1

No written policies and procedures.

The Solid Waste Division provided accurate records to support the quantity and price of recycled materials sold under the contract with Recycle America. These records allowed us to determine that the invoices received from Recycle America were correct.

However, the procedures used by the division to collect this information are not part of a policy or procedures manual. By not having a procedural manual or other written instruction, they place the continuity of the process at risk if employees leave county employment or are otherwise unavailable.

Recommendation

Written policies and procedures should be developed to provide direction on the steps necessary to keep the records required to ensure compliance with the contract.

Management Response

Regarding the results of the Seminole County Solid Waste Recycling Contracts audit dated April 23, 2014, we concur that a written policies and procedures should be developed and has been completed at this date and time.

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