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Inspector General

OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY



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Accredited

“Enhancing Public Trust in Government”

Audit Report

2026-A-0001

Solid Waste Authority -
Tipping Fee Revenue and Cash
Intake Audit

October 23, 2025



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AUDIT REPORT 2026-A-0001

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SOLID WASTE AUTHORITY - TIPPING FEE REVENUE AND CASH INTAKE AUDIT

SUMMARY

WHAT WE DID

We conducted an audit of the Solid Waste Authority's (SWA) tipping fee¹ revenue and cash intake activities and transactions process. We performed this audit as part of the Office of Inspector General (OIG), Palm Beach County 2024 Annual Audit Plan.

Our audit focused on tipping fee revenue and related cash intake activities and transactions from October 1, 2021 to April 30, 2024.

WHAT WE FOUND

We found that the SWA generally had adequate controls over tipping fee revenue and related cash intake activities and transactions.

However, we found some weaknesses with respect to accounts receivable reconciliations; write-off of delinquent accounts; customer security deposits/surety bonds; compliance with record retention; review and approval, of manual and voided tickets; and, approvals for business check privileges and charge accounts.

The SWA did not always ensure that an employee independent of the original preparer reviewed accounts receivable reconciliations. It also did not perform reconciliations monthly in a timely manner or reconcile variances.

We found that in all five (5) sampled months tested, the accounts receivable reconciliation was not reviewed by an employee other than the preparer nor prepared in a timely manner. Those reconciliations were prepared between 59 and 362 days after month end.

Additionally, the SWA did not reconcile differences between the CompuWeigh 6 (CW6) software (tipping fee revenue system) and the general ledger for three (3) of the five (5) months tested. The unreconciled differences ranged between \$102.00 and \$5,330.98.

The SWA lacks a formal policy guiding the write-off process.

We found that the SWA's write-off process was inconsistent for all six (6) past due accounts selected for testing. The accounts ranged between four (4) and 31 months past due.

Although the SWA has a written procedure for the monthly review and collection of

¹ Tipping fee is a fee charged for accepting recyclable materials or solid waste at a solid waste management facility (such as a transfer station, solid waste combustor,

or sanitary landfill). <https://swana.org/resources/solid-waste-glossary>

accounts receivable, according to the SWA, it does not have a formal write-off policy. Rather, each write-off is addressed individually, on a case by case basis.

The SWA did not consistently follow its Receivables Review & Collection Procedures for reviewing and collecting security deposits.

We found one (1) of the five (5) charge accounts we tested lacked supporting documentation demonstrating the account was established with the required minimum cash security deposit or insurance bond. None of the five (5) of the charge accounts tested had evidence of the required security deposit/bond review to ensure customer account balances did not exceed the security deposit/bond amount.

There were three (3) accounts that had tipping fee balances written-off, in excess of the security deposit, for non-payment that ranged from \$342.44 to \$3,222.00. Moreover, the remaining two (2) accounts tested, although not written-off, had past due tipping fee balances in excess of the security deposit or surety bond of \$2,255.16 and \$1,448.68, respectively.

Corrective Action

During the audit, the SWA implemented an "Over Security Deposit Threshold" report allowing it to review 3-months of tipping fee activity for each charge account. This report is generated monthly and automatically transmitted to persons responsible for analyzing charge account security deposits and has replaced previous methods of security deposit monitoring.

² The SWA hand writes tipping fee revenue and cash receipt transactions on pre-numbered carbon copy tickets when the CW6 system is inoperable. Although rare in occurrence, handwritten tickets are at a higher

The SWA did not document management review of voided and manual tickets.

We found that the SWA does not document its review of voided and manual tickets. As a result, we could not verify that management reviewed two (2) of the voided cash ticket transactions that we tested to ensure the voids were appropriate and cash received from the customers upon entry into the facility was returned to the customers. Additionally, we could not verify that management reviewed handwritten tickets for cash transactions,² which were entered into the CW6 system as manual tickets and subsequently disposed, to ensure the tipping fee revenue and related cash received were accurately entered into the system and accounted for.

The SWA did not follow record retention requirements for handwritten tickets.

We found that although a copy of the handwritten ticket is provided to the customer, the SWA does not retain its copy, either the original or a scanned version, after the ticket information is entered into CW6, in violation of records retention requirements.

The SWA did not always document management approval of charge accounts.

We found that three (3) of five (5) charge accounts we tested lacked supporting documentation demonstrating the required account approval.

risk for error and theft, because handwritten tickets can be issued out of sequence or inaccurately entered into the CW6 system to conceal the theft of cash received from customers.

WHAT WE RECOMMEND

Our report contains six (6) findings and 16 recommendations. Implementation of the recommendations will assist the SWA in strengthening internal controls over tipping fee revenue and cash intake activities.

SWA concurred and accepted our recommendations. We have included the

SWA's management response as Attachment 1.

The SWA's Records Management Manual, as referenced in response to Finding (5), is available upon request.

BACKGROUND

The SWA of Palm Beach County (County) is a dependent special district governed by the seven (7) elected County Commissioners. The Florida state legislature created the SWA in 1975 under Chapter 75-473, Laws of Florida, the Palm Beach County Solid Waste Act. In 2001, the Florida Legislature passed Chapter 2001-331, Laws of Florida, which codified and reenacted Chapter 75-473 along with other related acts into a single comprehensive special act charter for the SWA. The SWA provides solid waste disposal and recycling collection to 1.45 million residences and businesses.³

The Governing Board exercises regulatory and executive powers over the SWA. The SWA appoints an Executive Director. The SWA has approximately 429 full-time employees and operates seven (7) Home Chemical and Recycling Centers, six (6) transfer stations,⁴ two (2) waste-to-energy facilities, a Recovered Materials Processing Facility for recyclables, a Biosolids Processing Facility, and two (2) landfills⁵ as a last resort for disposal.

The SWA's primary funding mechanism is the non-ad valorem special assessment that is included on the annual property tax bill of Palm Beach County property owners. The SWA also receives revenue from tipping fees, electricity sales, recycling, and interest income.

The SWA manages waste collection and disposal for unincorporated areas of the county, dividing its operations into six (6) service areas. These areas are supported by six (6) transfer stations and four private contracted haulers responsible for collecting waste.

³ <https://swa.org/27/About-Us>

⁴ Municipal waste transfer stations are facilities where municipal solid waste is unloaded from collection vehicles. The waste is held while it is reloaded onto larger long-distance transport vehicles for shipment to landfills or other treatment or disposal facilities.

⁵ The SWA owns and operates the North County Landfill which consists of Class I & Class III. Landfills are well-engineered and managed facilities for the disposal of solid waste. Municipal landfills are landfills specifically designed to receive household waste, as well as other types of nonhazardous wastes while industrial waste landfills are specifically designed to collect commercial and institutional waste (i.e. industrial waste), which is often a significant portion of solid waste, even in small cities and suburbs.

SWA Transfer Stations and Service Areas			
Service Areas	Franchise Hauler ⁶	Transfer Stations	Geographic Location
Service Area 1	Waste Pro	North County Transfer Station	Jupiter
		West Central Transfer Station	Royal Palm Beach
Service Area 2	Waste Management	Central County Transfer Station	Lantana
Service area 3	FCC	Southwest County Transfer Station	Delray Beach West
Service Area 4	FCC	South County Transfer Station	Delray Beach East
Service Area 5	Waste Management	West County Transfer Station	Belle Glade
Service Area 6	Goode Co.		

Tipping Fees

The SWA charges tipping fees to customers when they dispose of waste using the SWA's facilities. Tipping fees are the second largest revenue source for the SWA, totaling over \$57 million in fiscal year 2022. The two largest tipping fee customers for the SWA in fiscal year 2022 were Waste Management of Palm Beach with \$5.3 million and Waste Pro of FL Inc. with \$4.7 million. The SWA accepts cash, credit cards, pre-approved business checks, and SWA approved charge accounts as methods of payment for tipping fees.

OBJECTIVES, SCOPE, AND METHODOLOGY

The overall objectives of the audit were to determine if:

- Tipping fee revenues were recorded accurately and appropriately in compliance with financial requirements;
- Cash receipts for tipping fees were recorded accurately with timely deposits; and,
- Controls were adequate for tipping fee revenue and related cash intake activities.

⁶ **Palm Beach County Code of Ordinances Sec. 25-3. - Franchise required.**

It shall be unlawful for any person to carry on the business of collection, removal and disposal of solid waste or of residential recyclable material in the unincorporated areas of the county without first having been granted a franchise as authorized by the solid waste authority.

The scope of the audit included, but was not limited to, tipping fee revenue and related cash intake activities and transactions from October 1, 2021 to April 30, 2024. The SWA engaged the services of an external, professionally licensed, accounting firm to perform a forensic audit of the municipal/franchise disposal credits; therefore, the calculation of municipal/franchise fees was excluded from the scope of our audit.

The audit methodology included but was not limited to:

- Completion of data reliability and integrity assessment of related computer systems;
- Review of policies and procedures and related requirements;
- Completion of process walk-throughs;
- Review of internal controls related to tipping fees revenues and related cash intake activities;
- Interview of appropriate personnel;
- Review of revenue/cash receipt records, logs, and reports;
- Verifying proper authorization of account credits and revenue adjustments;
- Observation of scale house operations and related cash intake activities;
- Performing data analysis of the population of transactions; and,
- Detailed testing of selected tipping fee revenue and cash receipt transactions.

As part of the audit, we completed a data reliability and integrity assessment for the computer systems the SWA used to record tipping fee revenue, accounts receivable, and cash receipt transactions. We determined that the computer-processed data contained in the SWA's system was sufficiently reliable for the purposes of the audit.

This audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

FINDINGS AND RECOMMENDATIONS

Finding (1): The SWA did not always ensure that an employee independent of the original preparer reviewed accounts receivable reconciliations. It also did not perform reconciliations monthly in a timely manner or reconcile variances.

Section 218.33(3), Florida Statutes, states,

Each local government entity⁷ shall establish and maintain internal controls designed to:

- a) Prevent and detect fraud, waste, and abuse as defined in s. 11.45(1).

⁷ Section 218.31(1), Florida statutes, states that "local governmental entity" includes special districts as defined in s. 189.012.

- b) Promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices.
- c) Support economical and efficient operations.
- d) Ensure reliability of financial records and reports.
- e) Safeguard assets.

Internal control best practices to prevent and detect errors and unauthorized transactions include establishing control activities through policies and procedures. Control activities include performing routine reconciliations in a timely manner and independent review of completed reconciliations. The following internal control guidance from the County and the Government Accountability Office (GAO) are examples of these best practices.

The County's Policy and Procedures Memoranda (PPMs), PPM# CW-F-017, dated May 10, 2024⁸, states,

PURPOSE:

To establish responsibility for and specify the process to be followed by County departments in reconciling departmental accounting records to the official records maintained by the Clerk & Comptroller's Finance Department in the County's centralized accounting and financial system.

...

PROCEDURES:

...

2. Department records should be compared to the appropriate County financial reports or records and balances are to be reconciled. **Reconciliations are to be completed by the last day of the month following the month being reconciled.** For example, reconciliations for the month of June should be completed by July 31. [Emphasis Added]

...

4. **Monthly reconciliations should be approved by the Department Director or designee** and are to be kept on file in the Department. [Emphasis Added]

GAO, Standards for Internal Control in the Federal Government,⁹ states,

Section 1 – Fundamental Concepts of Internal Control,

Definition of Internal Control

...

OV1.03 Internal control comprises the plans, methods, **policies, procedures**, and other mechanisms use to fulfill the mission, strategic plan, goals, and objectives of

⁸ This best practice is provided by Palm Beach County.

⁹ This best practice is provided by the Government Accountability Office (GAO) Standards for Internal Control in the Federal Government issued by the U.S. Comptroller of the Treasury dated May 2025.

the entity. Internal control serves as the first line of defense in safeguarding assets and securing information. In short, internal control helps managers achieve desired results through effective stewardship of the entity's resources. [Emphasis Added]

OV1.04 Embedded in the internal control process are controls. Controls consist of policies and procedures that management establishes to effect relevant principles within each component of internal control. Controls are interrelated and may support multiple principles and entity objectives. **Policies reflect management or oversight body statements of what is expected to be done. Procedures consist of actions that implement policies.** Policies and procedures that establish controls are a subset of the entity's overall policies and procedures. Embedded within controls are control activities. **Control activities are actions that management establishes through policies and procedures as part of the control activities component to specifically mitigate risks to achieving the entity's objectives to acceptable levels.** [Emphasis Added]

...

Principle 10 – Design Control Activities

...

Response to Risks

10.02 Management designs control activities in response to risks to achieve an effective internal control system. Control activities are the actions management establishes through policies and procedures to specifically mitigate risks to achieving the entity's objectives to acceptable levels.

...

Design of Appropriate Types of Control Activities

...

10.04 The common categories of control activities listed in table 1¹⁰ illustrate the range and variety of control activities that may be useful to management.

...

- **Control activities over complete, accurate, and timely recording of valid transactions - Management establishes control activities so that valid transactions are completely and accurately recorded on a timely basis.** *Transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event, from its initiation and authorization through its final classification in summary records.* [Emphasis Added]

...

Appendix II: Examples of Preventative and Detective Control Activities and Sources of Data:

¹⁰ This table includes the control activity "Appropriate documentation of transactions and control activities".

...

Types of Activities

As part of the control activities component, management designs an appropriate mix of preventive and detective control activities to mitigate risks to achieving the entity's objectives to acceptable levels, prioritizing preventive control activities where appropriate. A preventive control activity is designed to avoid an unintended event or result before it occurs. A detective control activity is designed to discover and timely correct an unintended event or result after it occurs.

...

Examples of Preventive and Detective Control Activities

...

Detective Control Activities

...

Reconciliations

Management performs reconciliations **to confirm that transactions are processed, recorded, and accounted for completely and accurately**. Reconciliations include identifying and comparing transactions from two sets of records to determine whether the transactions are recorded properly, have yet to be recorded, or were recorded improperly and require correction. Reconciliations also serve to identify unauthorized transactions and explain differences. Reconciliations may be performed by comparing internal records or by verifying the entity's records against external data, such as with a bank reconciliation. [Emphasis Added]

We obtained accounts receivable reconciliations for the five sample months for testing (November 2022, January 2023, August 2023, February 2024, and April 2024). Four (4) of the months were chosen to include periods that were anticipated to generate increased tipping fee revenue from waste disposal, influenced by factors such as hurricane season, the holiday season, and post-pandemic construction. The fifth month was included to represent standard tipping fee activity.

We performed a review of the accounts receivable reconciliation process, including a test of reconciliations between the CW6 software (tipping fee revenue system) and the general ledger. Our procedures were designed to determine if the reconciliations were: sufficiently supported; reviewed by an employee other than the preparer; prepared monthly; and, performed timely.

We found that the SWA did not always reconcile differences between the accounts receivable balances in the CW6 software and the general ledger. In three (3) of five (5) sampled months tested, variances existed between the CW6 software and the general ledger. The unreconciled differences ranged between \$102.00 and \$5,330.98.

Sample Month Exceptions: A/R Reconciliations			
Month	CW6 A/R Balance	General Ledger A/R Balance	Variance
August 2023	\$5,483,666.97	\$5,483,564.97	\$102.00
February 2024	\$5,184,944.86	\$5,179,613.88	\$5,330.98
April 2024	\$5,199,605.64	\$5,194,997.46	\$4,608.18

Additionally, in four (4) of five (5) sampled months tested, we found that the reconciliation did not indicate the preparer; and, in five (5) of five (5) sampled months tested, we found that the reconciliation was not reviewed by an employee other than the preparer.

Finally, in five (5) of five (5) sampled months tested, we found that the reconciliation was not prepared timely. Reconciliations were prepared between 59 and 362 days after month end:

Month End Reconciliation	Date Prepared	Days Elapsed
November 30, 2022	January 28, 2023	59
January 31, 2023	May 4, 2023	93
August 31, 2023	August 27, 2024	362
February 29, 2024	August 27, 2024	180
April 30, 2024	August 27, 2024	119

The SWA did not have any written policies or procedures outlining the accounts receivable reconciliation process, frequency, required documentation, or responsibilities. Failing to reconcile accounts receivable timely and to ensure independent review by someone other than the preparer increases the risk associated with undetected errors in the reconciliation process, inaccurate financial statements, misappropriation of payments, and billing disputes because discrepancies may go unnoticed and unaddressed.

Recommendations:

- (1) The SWA develop, formally approve, and implement a written accounts receivable reconciliation policy and procedure¹¹, including:
 - (a) How often reconciliations should be performed;
 - (b) How to perform the reconciliation, including the necessary reports and supporting documentation for balances and variances; and,
 - (c) Responsibility for performing, and reviewing the reconciliation.
- (2) The SWA should perform and document the monthly accounts receivable reconciliation process. The reconciliation should be reviewed and approved by someone other than the preparer.
- (3) The SWA investigate, document, and resolve discrepancies found during the accounts receivable reconciliation process.
- (4) The SWA train appropriate staff on the accounts receivable reconciliation policy/procedure.

Management Response:

SWA concurs with Finding (1) and its related recommendations. SWA is currently in the process of updating its accounts receivable policies and procedures, which will incorporate all of the aforementioned OIG's recommendations. These policies will ensure that amounts in the general ledger are reconciled at least monthly with the SWA's CompuWeigh 6 scalehouse transaction system (CW6) and that discrepancies found during the reconciliation process are documented, investigated and resolved in a timely manner. The reconciliations will be reviewed and approved by someone other than the preparer. The estimated date of completion of the revised policy will be February 27, 2026. Staff involved in the accounts receivable reconciliation process will be trained on the revised policies and procedures.

SWA has since implemented a process whereby amounts in the general ledger are reconciled to the CW6 aging report on a monthly basis. This reconciliation is performed by the Senior Accountant and reviewed and approved by the Accounting Manager.

¹¹ The County's Policy and Procedures Memoranda (PPMs), Reconciliation of Departmental Accounting Records to the County's Financial System Records, PPM# CW-F-017, dated May 10, 2024, may assist the SWA in developing its accounts receivable policy and procedure.

Finding (2): The SWA lacks a formal policy guiding the write-off process.

Section 218.33(3), F.S., states,

Each local government entity shall establish and maintain internal controls designed to:

- a) Prevent and detect fraud, waste, and abuse as defined in s. 11.45(1).
- b) Promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices.
- c) Support economical and efficient operations.
- d) Ensure reliability of financial records and reports.
- e) Safeguard assets.

Internal control best practices include a formal write-off policy to ensure proper oversight and accountability. This policy should define who is responsible for authorizing write-offs and at what approval levels. It also needs to establish clear criteria for when a write-off is necessary. Finally, the policy must mandate appropriate documentation, creating a clear audit trail for every write-off. The following internal control guidance from the County and the GAO are examples of this best practices.

County PPM# CW-F-048, dated April 26, 2021¹², states,

PURPOSE:

To establish a Countywide policy with respect to collection of receivables and write off of accounts deemed uncollectible.

...

POLICY:

I. COLLECTION PROCESS

A. Responsibilities

1. County Departments and Agencies

Primary responsibility for collection of receivables vests with the department or agency under which the receivable or claim originated. This responsibility includes the development and updating of departmental policies and procedures to ensure the timely collection of debt, and the ongoing analysis and review of the collectability of all accounts receivable including long term notes.

...

¹² This best practice is provided by Palm Beach County.

C. Timeliness

Receivables will be reviewed at least **quarterly** by the responsible Department to determine if further collection action is necessary.

...

III. WRITE-OFF PROCESS

...

C. Timing

As a general rule, if any receivables remain uncollected after eighteen (18) months from the original date of transmittal to the County Collections Coordinator, they should be "written off" the County's books.

...

PROCEDURES:**I. Worthless Checks**

...

C. Write-off Process

1. After all reasonable efforts to collect by the Collections Coordinator and/or an outside collection agency have been exhausted; the Revenue Department of Finance will prepare a list for approval by the Collections Coordinator authorizing the worthless check to be written off the County's books.

...

2. Pertinent information relative to the "written-off" accounts receivable (i.e., name, address, check amount, check date, invoice date, second notice date, service charge amount and date transmitted to the Collection Coordinator will be added to an "uncollectible debts" data base maintained by the Clerk's Revenue Department in Finance or the responsible County Department to keep track of all "written-off" accounts receivables.

GAO, Standards for Internal Control in the Federal Government,¹³ states,

...

¹³ This best practice is provided by the Government Accountability Office (GAO) Standards for Internal Control in the Federal Government issued by the U.S. Comptroller of the Treasury dated May 2025.

Principle 10 – Design Control Activities

...

Response to Risks

10.02 Management designs control activities in response to risks to achieve an effective internal control system. Control activities are the actions management establishes through policies and procedures to specifically mitigate risks to achieving the entity's objectives to acceptable levels.

...

We obtained accounts receivable aging reports for each of the five sample months. From the aging reports, we selected six (6) accounts that were past due in excess of 90-days, distributed throughout the sample months, for detailed testing.

Sample Selection					
Accounts	November 2022	January 2023	August 2023	February 2024	April 2024
GLIG Groundworks, LLC	X	X	X		
Five Construction, LLC	X	X	X		
AR Maintenance Solutions			X		
Total Maintenance Building Services			X	X	X
Jon Aaron, LLC				X	X
Sims Municipal Recycling				X	X

We reviewed accounts receivable aging schedules and, where applicable, security deposit/surety bond amounts, billing statements, payment histories, and write-off documentation, for each account to determine if the SWA followed its collection/write-off policy, had support, or an explanation, for any deviations from its policy, and charged applicable late fees or interest penalties to the customer.

We found that the SWA's write-off process was inconsistent. As of April 30, 2024, the SWA had a total of \$5,199,605.64 in accounts receivable outstanding, including \$9,537.04 that was over 90-days past due.

GLIG Groundworks, LLC

GLIG Groundworks, LLC (GLIG) charge account was written-off in September 2023. For 19 months, no payments were made on this account, resulting in a past due balance of \$4,722.00 when the account was written-off.

GLIG provided the SWA with a \$1,500.00 security deposit that after being applied to the past due balance resulted in a \$3,222.00 write-off. The \$3,222.00 write-off consisted of \$3,185.80 in tipping fee charges and \$36.20 in accrued finance charges.

The SWA lacked sufficient documentation for the September 2023 write-off. The documents provided referenced a \$5,164.75 past due balance from December 2018, when the customer's charge account credit privileges were revoked for non-payment.

Five Construction, LLC

In September 2023, the charge account for Five Construction, LLC (Five) had a past due balance of \$2,606.92. The account had been delinquent 15 months since the last payment in June 2022.

Five provided the SWA with a \$1,500.00 security deposit which, after being applied to the past due balance, resulted in a \$1,106.92 write-off. The \$1,106.92 write-off consisted of \$709.24 in tipping fee charges and \$397.68 in accrued finance charges.

AR Maintenance Solutions, Inc.

In September 2023, the charge account for AR Maintenance Solutions, Inc. (AR) had a past due balance of \$3,442.44. The account had been delinquent four (4) months since the last payment in May 2023.

AR provided the SWA with a \$3,100.00 security deposit which, after being applied to the past due balance, resulted in a \$342.44 write-off. The \$342.44 write-off consisted of \$151.24 in tipping fee charges and \$191.20 in accrued finance charges.

Total Maintenance Building Services

As of July 2025, the charge account for Total Maintenance Building Services (Total) had a past due balance of \$2,255.16. The account has been delinquent for 31 months, with the last payment received in December 2022. While it has not been written-off, it is considered inactive in CW6.

In lieu of providing a cash security deposit, Total provided the SWA with a \$10,000 surety bond; however, the surety bond expired before the SWA could recover past due tipping fee charges. According to records provided by the SWA the surety bond expired on February 10, 2019. As of July 2025, the \$2,255.16 past due amount consisted of \$1,631.18 in tipping fee charges and \$623.98 in accrued finance charges.

Jon Aaron, LLC

As of July 2025, the charge account for Jon Aaron, LLC (Jon) has a past due balance of \$3,198.68. The account has been delinquent 27 months, with the last payment received in April 2023. While it has not been written-off, it is considered inactive in CW6.

Jon provided the SWA with a \$1,750.00 security deposit. As of July 2025, the \$3,198.68 past due amount consisted of \$2,445.94 in tipping fee charges, of which \$1,448.68 is in excess of the security deposit, and \$752.74 in accrued finance charges.

In summary:

Summary of Accounts Over 90 Days Tested				
Accounts	Last Payment	Date Written-Off	Months Delinquent	Write-Off / Past Due in Excess of Security
GLIG Groundworks, LLC	None	September 2023	19	\$3,222.00
Five Construction, LLC	June 2022	September 2023	15	\$1,106.92
AR Maintenance Solutions	May 2023	September 2023	4	\$342.44
Total Maintenance Building Services	December 2022	N/A	31*	\$2,255.16
Jon Aaron, LLC	April 2023	N/A	27*	\$1,448.68

* As of July 31, 2025

Although the SWA has a written procedure for the monthly review and collection of accounts receivable, according to the SWA, it does not have a formal write-off policy. Rather, each write-off is addressed individually typically through a request from Accounts Receivable through the Finance Director. The Finance Director approves the write-off or obtains additional approvals, if needed, based on the amount of the write-off.

A formal policy establishes procedures and assigns responsibility for writing off uncollectable accounts. Without sufficient written guidance write-offs could be performed arbitrarily and without adequate management oversight. Moreover, lack of control over the write-off process increases risk associated with errors and potential fraud.

Recommendations:

- (5) The SWA develop, formally approve, and implement a written write-off policy and procedure to ensure consistency of operations that provide guidance, including:
 - (a) Assignment of responsibility;
 - (b) Approval Levels;
 - (c) Criteria identifying when accounts should be written-off; and,
 - (d) Required documentation.
- (6) Train appropriate staff on the requirements of the write-off policy.

Management Response:

SWA concurs with Finding (2) and its recommendations. SWA will develop accounts receivable write-off policies and procedures which will be formally adopted. SWA staff involved in the write-off process will receive training on the new policy, which will be completed by February 27, 2026.

Finding (3): The SWA did not consistently follow its Receivables Review & Collection Procedures for reviewing and collecting security deposits.

SWA, Administrative Procedure, Receivables Review & Collection Procedures, effective September 2018, states,

...

II. PROCEDURES:

...

B. **Monthly Review Process** – Below are the steps that members of the Accounting Department perform to review and collect the various receivables. A monthly Receivables Review meeting is held after the new statements are printed to discuss collection progress with the Accounting Manager, Revenue Supervisor and other staff members attending.. [sic]
SWA staff can make exceptions to these policies if it will increase the collection.

a. A/R - Tipping Fees (402-11501)

i. *NOTE: These customers receive monthly statements of their tipping fees accounts, in addition to any correspondence mentioned below.*

ii. *Accounts Over Security Deposit / Bond*

1. **Security Deposit / Bond Analysis** – **Each month the Accounting Clerk II will identify the customers with balances over their security deposit / bond.** A new security deposit/bond amount will be set on the most recent 12 months average volume. NOTE: Franchise Hauler bonds are calculated when the contract is signed and are not evaluated monthly. [Emphasis Added]

2. **Security Deposit / Bond Increase Letter** – For customers requiring that a new security deposit / bond amount ~~was determined in the preceding step~~, a regular mail letter is sent to the customer asking them to increase their security deposit /bond within the next month.

3. **Immediate Action Letter** – If after 30 days the customer has not increased their security deposit/bond, an Immediate Action Letter will be sent certified mail notifying that the account will be turned off if the increase is not received within 10 business days.

4. *Account Cutoff* – If the increased security deposit/bond has not been received within 10 business days, the Accounting Clerk II will notify the Accounts Receivable Supervisor to cutoff of the account.
5. *Account Reinstatement* – A customer's account will only be turned back on if the security deposit/bond is increased. If it is increased, the account will be reinstated at the start of the next business day.
6. *Further Procedures* – If a cutoff account has not been reinstated by the next monthly meeting, then a memo will be prepared with evidence of past collection efforts by the Revenue Supervisor and it will be presented to the Accounting Manager to continue the efforts.

The SWA Accounts Receivable Procedures, states,

Security Deposits

Tipping customers may be approved for a charge account that is secured with a deposit. Statements are prepared monthly with payment due in 30 days. Accounts are subject to a finance charge for balances over 45 days old. The customer must complete an application for the account that includes credit references, bank references and a security deposit is required at 1.5 to 2 times their average monthly balance. Government agencies may apply for a charge account using the government application form but are not subject to the security deposit requirement or finance charges.

The security deposits are reviewed periodically to ensure that the deposit is sufficient to cover the activity on the account. The account may be cut-off if charges exceed the deposit amount. In addition to cash security deposits, surety bonds are accepted for deposits greater than \$5,000.

...

Internal control best practice is for management to establish and document control activities through formal policies and procedures. The purpose of this documentation is to ensure that these activities are consistently performed to mitigate risk. The following internal control guidance from the GAO is an example of this best practice.

GAO, Standards for Internal Control in the Federal Government,¹⁴ states,

...

Principle 10 – Design Control Activities

...

Response to Risks

¹⁴ This best practice is provided by the Government Accountability Office (GAO) Standards for Internal Control in the Federal Government issued by the U.S. Comptroller of the Treasury dated May 2025.

10.02 Management designs control activities in response to risks to achieve an effective internal control system. Control activities are the actions management establishes through policies and procedures to specifically mitigate risks to achieving the entity's objectives to acceptable levels...

...

Design of Appropriate Types of Control Activities

...

10.04 The common categories of control activities listed in table 1¹⁵ illustrate the range and variety of control activities that may be useful to management.

...

- **Appropriate documentation of transactions and control activities - *Management clearly documents the performance of control activities and all transactions*** and other significant events that occur in a manner that allows the documentation to be readily available for examination. Documentation and records are properly managed and maintained. [Emphasis Added]

...

We obtained tipping fee transaction data for five sample months. Four of the months were chosen to include periods that were anticipated to generate increased tipping fee revenue from waste disposal, influenced by factors such as hurricane season, the holiday season, and post-pandemic construction. The fifth month was included to represent standard tipping fee activity. From this data, we obtained the total population of charge account customers for the five sample months and classified them as either: local government; governmental unit; franchise hauler; or, non-government/franchise hauler. We selected the highest five (5), non-government/franchise hauler charge accounts for detailed testing.

We reviewed new customer deposit forms and surety bonds to determine if the charge account was established with the required minimum cash security deposit or insurance bond amount and the accounts were reviewed to ensure tipping fee balances did not exceed the security deposit or bond amount.

We found that many of the SWA written accounting procedures are outdated because they refer to its old Waste Information Management System (WIMS) tipping fee revenue system instead of the current CW6 system. Affected procedures include: Receivables Review and Collection, Returned NSF Checks, Revenue Receipts Systems Documentation, Posting Account Payments, Refunds of Security Deposits, Monthly Finance Charge, and WIMS End of Month Process to Prepare Statements.

¹⁵ This table includes the control activity "Appropriate documentation of transactions and control activities".

Our testing procedures identified noncompliance with the SWA's written guidance and/or lack sufficient documentation. More specifically, one (1) of five (5) charge accounts tested lacked supporting documentation demonstrating the account was established with the required minimum cash security deposit or insurance bond. Records from the SWA demonstrate that Amerigrow Recycling – Delray, LP, submitted an initial \$4,000.00 security deposit on 8/31/2022; however, the records do not support the methodology used to calculate the initial security deposit amount.

Additionally, five (5) of five (5) charge accounts tested did not have evidence of security deposit/bond review to ensure customer account balances did not exceed the security deposit/bond amount.

Past Due Accounts in Excess of Security Deposit

As more fully described in [Finding \(2\)](#), we selected six (6) accounts that were past due in excess of 90 days, to determine if the SWA followed its collection/write-off policy, had support, or an explanation, for any deviations from its policy, and charged applicable late fees or interest penalties to the customer.

Our testing procedures identified three (3) accounts that had tipping fee balances written-off in excess of the security deposit for non-payment. Moreover, we identified two (2) additional accounts that, although not written-off, had tipping fee balances in excess of the security deposit or surety bond.

Summary of Accounts Tested with Tipping Fees in Excess of Security Deposit / Surety Bond				
Accounts	Date Written-Off	Past Due Amount	Security Deposit	Write-Off / Past Due in Excess of Security
GLIG Groundworks, LLC	September 2023	\$4,722.00	\$1,500.00	\$3,222.00
Five Construction, LLC	September 2023	\$2,606.92	\$1,500.00	\$1,106.92
AR Maintenance Solutions	September 2023	\$3,442.44	\$3,100.00	\$342.44
Total Maintenance Building Services	N/A	\$2,255.16	Expired Bond	\$2,255.16
Jon Aaron, LLC	N/A	\$3,198.68	\$1,750.00	\$1,448.68

Total Maintenance Building Services – Expired Bond

Total Maintenance Building Services (Total) provided the SWA with a \$10,000 surety bond. The SWA provided us with the notice from Total's surety bond company, dated January 21, 2019, informing the SWA that the bond was set to expire on February 10, 2019. However, the SWA could not verify receipt of the notice.

Records provided by the SWA indicate the past due charges are the result of tipping fee activity and accrued finance charges from the period between November 2022 and February 2025, when the account was deactivated. The final tipping fee charge was incurred in January 2023.

According to the SWA, for the accounts tested, the security deposit review process was informal.

As illustrated, when a charge account's tipping fee balance exceeds its security deposit, or surety bond, the SWA may not be able to recover the full amount owed. Additionally, uncollateralized accounts receivable can result in bad debt and impact cash flow.

Finally, the process of collecting delinquent accounts reduces operational efficiency and impacts staff resources.

Corrective Action

During the course of the audit the SWA implemented an "Over Security Deposit Threshold" report allowing it to review three (3) months of tipping fee activity for each charge account. This report allows the SWA to decide whether charge account security deposits need to be increased or decreased. As of April 2025, the "Over Security Deposit Threshold" report is generated monthly and automatically transmitted to persons responsible for analyzing charge account security deposits. This report has replaced previous methods of security deposit monitoring. However, because the SWA requires that charge account surety bonds include an evergreen clause, there is no established expiration date for each bond; therefore, a similar report cannot be developed.

Recommendations:

- (7) The SWA update its written accounting policies/procedures to align with current practices, including those applicable to the implementation of CompuWeigh 6 (CW6).**
- (8) The SWA follow the account cutoff written guidance in its Receivables Review & Collection Procedures, effective September 2018, when accounts do not increase their security deposit/bond as required.**
- (9) The SWA document its review of charge accounts with tipping fee balances in excess of its security deposit / surety bond amount.**
- (10) The SWA implement a procedure to ensure that bond expiration notifications are date stamped upon receipt and communicated directly to the responsible person for handling as soon as practicable, and that the related charge account's credit privileges are revoked and collection activities are expedited.**

Management Response:

SWA concurs with Finding (3) and its recommendations. SWA will review and update the “Receivables Review and Collection Procedures” policy. This revision will occur by February 27, 2026. We will ensure that the policy aligns with current practices and procedures, especially as it relates to the CW6 system. At a minimum, SWA staff will ensure the following:

1. Security deposit/bond balances are monitored on a monthly basis;
2. Account cutoff procedures are applied consistently and in accordance with established policy; and
3. Bond expiration notifications are received by and communicated to appropriate staff and prompt action is taken in accordance with established policy, so as to minimize the potential of an account becoming uncollectible.

SWA has since implemented an “Over Security Deposit Threshold” report allowing staff to review the most recent three months of tipping fee activity for each charge account. This report is generated on a monthly basis and is automatically transmitted to individuals responsible for analyzing charge account security deposits. This report will assist staff in determining which charge account customers will be receiving security deposit/bond increase letters.

Finding (4): The SWA did not document management review of voided and manual tickets.

Section 218.33(3), F.S., states,

Each local government entity shall establish and maintain internal controls designed to:

- a) Prevent and detect fraud, waste, and abuse as defined in s. 11.45(1).
- b) Promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices.
- c) Support economical and efficient operations.
- d) Ensure reliability of financial records and reports.
- e) Safeguard assets.

Internal control best practice is for management to establish and document control activities through formal policies and procedures. The purpose of this documentation is to ensure that these activities are consistently performed to mitigate risk. The following internal control guidance from the GAO is an example of this best practice.

GAO, Standards for Internal Control in the Federal Government,¹⁶ states,

...

¹⁶ This best practice is provided by the Government Accountability Office (GAO) Standards for Internal Control in the Federal Government issued by the U.S. Comptroller of the Treasury dated May 2025.

Principle 10 – Design Control Activities

...

Response to Risks

10.02 Management designs control activities in response to risks to achieve an effective internal control system. Control activities are the actions management establishes through policies and procedures to specifically mitigate risks to achieving the entity's objectives to acceptable levels.

...

Design of Appropriate Types of Control Activities

...

10.04 The common categories of control activities listed in table 1¹⁷ illustrate the range and variety of control activities that may be useful to management.

...

- **Appropriate documentation of transactions and control activities - *Management clearly documents the performance of control activities and all transactions*** and other significant events that occur in a manner that allows the documentation to be readily available for examination. Documentation and records are properly managed and maintained. [Emphasis Added]

...

From the total transaction data obtained, as explained in **Finding (3)**, we selected ten (10) voided cash ticket transactions, distributed throughout the sample months, for detailed testing to verify if the transaction was: appropriate and reasonable; properly documented; and, authorized/reviewed by management.

Additionally, we selected ten (10) manual tickets¹⁸, distributed throughout the sample months, for detailed testing, including: tracing each manual transaction to the hard copy weigh station ticket to verify its accuracy, e.g., date, amount, revenue type; the transaction was recorded timely; in the correct accounting period; and, in sequential order.

In two (2) of ten (10) voided cash ticket transactions tested, the voided ticket was not reissued to a tipping fee revenue generating transaction (i.e. a new ticket was not issued to replace the voided ticket). The risk associated with these transactions is considered **high** because: both customers were issued 5-digit decal numbers; customers with 5-digit decal numbers are known to the SWA; and, the entire tipping fee for known customers is

¹⁷ This table includes the control activity "Appropriate documentation of transactions and control activities".

¹⁸ A 'manual' ticket in CW6 indicates the computer was placed in 'manual mode' which means the weights were entered manually rather than automatically by the tipping fee system.

collected upon entering the facility.¹⁹ Therefore, weighmasters²⁰ would have accepted cash from the customers upon entering the facility.

During our process walk-through, the SWA informed us that supervisor approval is not required to void a ticket in the CW6 system. During our testing of the sample voided tickets, we requested that the SWA provide documentation demonstrating that they were authorized or reviewed by management. The SWA stated that CW6 automatically generates a weekly “Voids by Weighmaster” report that is transmitted to the Treasury Manager and the Weighmaster Supervisors. However, while these reports are sampled and reviewed, this process is not documented.

We could not trace the manual tickets selected for testing to the hard copy weigh station ticket to verify their accuracy because the original hard copies are not retained. See **Finding (5)**. The SWA stated that “manual transactions are reviewed weekly automated report similar to Voided Tickets,” and that “Handwritten tickets are a rare and brief occurrence and only occur when CW6 is complete inoperable [sic]. Once CW6 becomes accessible later in the day, the handwritten tickets are then entered into CW6 in ‘manual mode’.” The SWA informed us that the management review of manual tickets is also not documented.

Because cash is a liquid asset, cash transactions are considered to be at a higher risk for theft. Although the volume and dollar amount of voided and handwritten tickets is small compared to the volume and dollar amount of regular ticket transactions processed by the SWA, transactions with a high risk for cash theft should be sufficiently monitored to ensure any instances of theft are promptly identified and responsible individuals are held accountable.

We could not verify that the voided transactions had been independently reviewed because there was no record of management/supervisory review.

Moreover, when the weigh station is not fully operational weighmasters use handwritten tickets to record transaction activity. When the weigh station becomes fully operational the weighmaster enters the handwritten ticket information into CW6, which categorizes these tickets as manual. The handwritten ticket is not retained and we could not verify that the transaction had been reviewed by an independent person because there was no record of the management/supervisory review.

Therefore, to reduce the risk of theft and promote accountability for internal control activities and responsibilities, internal reviews of voided tickets, especially voided cash tickets with no replacement ticket and handwritten cash tickets, should be documented.

¹⁹ Tipping fee is a fee charged for accepting recyclable materials or solid waste at a solid waste management facility (such as a transfer station, solid waste combustor, or sanitary landfill). <https://swana.org/resources/solid-waste-glossary>

²⁰ Weighmasters are personnel who process transactions and balance daily receipts to computer records and the cash drawer. Duties include: (a) directing and controlling traffic entering and leaving the facilities; (b) preparing reports and records concerned with the operation of the weigh station; (c) operating a single weigh station; and, (d) assessing and collecting disposal fees at Solid Waste Authority facilities.

Recommendations:

- (11) The SWA should implement a documented management review process for cash ticket transactions that are voided without replacement and handwritten cash tickets.

Management Response:

SWA concurs with Finding (4) and its recommendations. Procedures will be put in place to ensure that all voided and manual tickets are independently reviewed by management and compared to information that is entered by the weighmasters into the CW6 system. Documentation of this review will be maintained on file, effective immediately.

Finding (5): The SWA did not follow record retention requirements for handwritten tickets.

State of Florida, General Records Schedule GS1-SL for State and Local Government Agencies, effective June 2023, states,

...

FINANCIAL TRANSACTION RECORDS: DETAIL**Item #435**

This series consists of records documenting specific financial transactions of the agency including transactions through cash, checks, warrants, vouchers, electronic fund transfers (EFT), credit and debit cards, purchasing cards, or other methods. The series may include, but is not limited to, requisitions, requisition logs, purchase orders, contracts, purchasing card (p-card) receipts, vendor invoices, receiving reports, acceptances of contract deliverables, bank/financial account statements, check registers, canceled or voided checks, check stubs, canceled or voided warrants, disbursement ledgers, journal transactions, expenditure detail reports, refund records, **cash collection records** and reports, cash receipt books, cash register tapes, deposit/transfer slips, EFT notices, credit and debit card records, receipt ledgers, receipt journal transactions and vouchers, refund records, bad check records, **and other accounts receivable** and accounts payable **related documentation**. The series may also include a copy of the agency's sales tax exemption form. **NOTE:** Agencies that electronically transmit checks to a financial institution must retain the checks under this item unless the financial institution is retaining complete images of the checks for the minimum retention required for this item. Retention is based on Section 95.11(2), *Florida Statutes*, Statute of Limitations on contracts, obligations, or liabilities. See also FINANCIAL TRANSACTION RECORDS: SUMMARY."

RETENTION: 5 fiscal years after transaction completed [Emphasis Added]

...

From the total transaction data obtained, as explained in [Finding \(3\)](#), we selected 10 manual tickets, distributed throughout the sample months, for detailed testing, including: tracing each manual transaction to the hard copy weigh station ticket to verify its accuracy, e.g., date, amount, revenue type; that the transaction was recorded timely; in the correct accounting period; and, in sequential order.

Handwritten tickets are completed on pre-numbered, carbon copy tickets.

During our testing, we asked the SWA to clarify the distinction between a “manual” ticket and a “handwritten” ticket. The SWA told the OIG the following:

A ‘manual’ ticket in CW6 indicates the computer was placed in ‘manual mode’ which means the weights were entered manually rather than automatically. The transaction is flagged as entered in ‘manual mode’ by CW6 and these manual transactions are reviewed weekly automated report similar to Voided Tickets above. Handwritten tickets are a rare and brief occurrence and only occur when CW6 is complete inoperable. Once CW6 becomes accessible later in the day, the handwritten tickets are then entered into CW6 in ‘manual mode’.

We found that the CW6 system does not distinguish between manual and handwritten tickets. Although a copy of the handwritten ticket is provided to the customer, the SWA does not retain its pre-numbered, carbon copy (either the original or a scanned version) after the data is entered into CW6. Because the SWA does not retain a copy of handwritten tickets after the information has been entered into CW6, we could not verify the accuracy (*e.g., date, amount, revenue type*); of the information input into the system; whether the information was recorded timely in the correct accounting period; or, if the manual tickets were in sequential order.

If handwritten tickets are not issued sequentially or entered accurately, there is a risk that cash to be collected from a customer could be omitted from the system resulting in a cash overage which is not remitted to the SWA.

Original cash collections records provide an audit trail supporting the existence of the transaction with identifying factors such as: customer name, transaction date, transaction time, waste type, rate, etc. Failing to maintain original cash collection records does not permit verification of specific transaction elements.

The SWA's practice of not retaining copies of handwritten tickets that the customer received in connection with the transaction of official business constitutes a potential violation of Florida's record retention requirements, which mandate the preservation of documents related to cash collections and accounts receivable. A carbon copy of the handwritten ticket shared with the customer is created, but not retained.

Recommendations:

- (12) The SWA retain handwritten tickets used to facilitate cash collections to comply with State of Florida, General Records Schedule GS1-SL for State and Local Government Agencies. Handwritten tickets should be maintained in sufficient detail to provide an audit trail of the cash collection transaction.
- (13) The SWA develop (or incorporate within an existing), formally approve, and implement a written record retention policy and procedure to ensure handwritten tickets used to facilitate cash collections are retained in compliance with Florida Statutes.

Management Response:

SWA concurs with Finding (5) and its recommendations. SWA's current Records Management Manual (attached) establishes the policies and procedures governing the retention, storage, and disposition of SWA's records in accordance with Chapter 119, Florida Statutes, and Rule 1B-24, Florida Administrative Code. Each new employee who will create or receive official records is required to acknowledge receipt of the Records Management Manual and complete records management training. Annual training is available to all employees and is mandatory for those designated as "Records Coordinators" by their respective department directors. SWA staff will ensure that all handwritten tickets used to document or facilitate cash transactions are retained and disposed of in accordance with the applicable State of Florida General Records Schedule GS1-SL.

Finding (6): The SWA did not always document management approval of customer charge accounts.

The SWA Accounts Receivable Procedures (no effective date shown), states,

Security Deposits

Tipping customers may be approved for a charge account that is secured with a deposit. Statements are prepared monthly with payment due in 30 days. Accounts are subject to a finance charge for balances over 45 days old. The customer must complete an application for the account that includes credit references, bank references and a security deposit is required at 1.5 to 2 times their average monthly balance.

...

Internal control best practice is for management to establish and document control activities through formal policies and procedures. The purpose of this documentation is to ensure that these activities are consistently performed to mitigate risk. The following internal control guidance from the GAO is an example of this best practice.

GAO, Standards for Internal Control in the Federal Government,²¹ states,

...

Principle 10 – Design Control Activities

...

Response to Risks

10.02 Management designs control activities in response to risks to achieve an effective internal control system. Control activities are the actions management establishes through policies and procedures to specifically mitigate risks to achieving the entity's objectives to acceptable levels.

...

Design of Appropriate Types of Control Activities

...

10.04 The common categories of control activities listed in table 1²² illustrate the range and variety of control activities that may be useful to management.

...

- **Authorization of transactions** - Transactions are authorized and executed only by persons acting within the scope of their authority. This is the principal means of assuring that only valid transactions to exchange, transfer, use, or commit resources are initiated or entered into. **Management clearly communicates authorizations to personnel, for example,** by assigning the capabilities to their credentials in an information technology system, or **by signature or other methods of express approval. Management may require approval from multiple levels or units (multilevel authorization) to authorize unique or recurring transactions that present a greater risk to the entity.** Management regularly reviews and updates system credentials and access rights related to authorizations for continued appropriateness. [Emphasis Added]

...

- **Appropriate documentation of transactions and control activities** - **Management clearly documents the performance of control activities and all transactions** and other significant events that occur in a manner that allows the documentation to be readily available for examination. Documentation and records are properly managed and maintained. [Emphasis Added]

...

²¹ This best practice is provided by the Government Accountability Office (GAO) Standards for Internal Control in the Federal Government issued by the U.S. Comptroller of the Treasury dated May 2025.

²² This table includes the control activity "Appropriate documentation of transactions and control activities".

From the total transaction data obtained, as explained in **Finding (3)**, we obtained the total population of charge account customers for the five sample months and classified them as either: local government; governmental unit; franchise hauler; or, non-government/franchise hauler. We selected the highest five (5), non-government/franchise hauler charge accounts for detailed testing.

For charge account customers, we reviewed credit applications, W-9's, substitute W-9 documents, and certificates of corporate authority documents to determine if charge accounts were established based on a credit application/credit check and approved by management.

Charge Account Approvals

Our testing procedures identified the SWA's process for approving customer charge accounts was inconsistent or lacked sufficient documentation. More specifically, three (3) of five (5) charge accounts tested lacked supporting documentation demonstrating the account was approved by management.

Charge Accounts Tested Lacking Sufficient Approval Documentation
Amerigrow Recycling – Delray, LP
FCC Environmental Services Florida, LLC
Panzarella MRF, LLC

Amerigrow Recycling – Delray, LP (AM0131)

Records produced by the SWA show that Amerigrow Recycling – Delray, LP (“Amerigrow”) applied for a charge account on August 22, 2022. Although records support an approval when Amerigrow increased its security deposit, there is a lack of documentation supporting that the account was initially established after management approval.

As of April 2024, the last sample month, the account was not past due.

FCC Environmental Services Florida, LLC (FC0375)

Records produced by the SWA show that the charge account for FCC Environmental Services Florida, LLC (“FCC”) was activated on October 1, 2019. Although FCC was notified of the account activation by an SWA accounts receivable specialist, the records provided lack supporting documentation that the account was established after management approval.

As of April 2024, the last sample month, the account was not past due.

Panzarella MRF, LLC (PA0659)

Records produced by the SWA show that the charge account for Panzarella MRF, LLC (“Panzarella”) was approved on August 13, 2018. However, the approval notification letter

was signed by a SWA accounts receivable specialist and the other records provided do not include documentation supporting the account was established after management approval.

As of April 2024, the last sample month, the account was not past due.

The SWA did not have any written policies or procedures outlining the process for approving and setting up customer charge accounts, required documentation, or responsibilities.

Failing to assess an entity's creditworthiness prior to establishing charge accounts increases risk associated with insufficient check charges, loss of tipping fee revenue and check fraud. Reviewing credit reports, trade references, and payment histories, assists management in making informed decisions on whether to establish charge accounts.

The approval process should be a part of a larger system of internal controls. The person who approves the charge account should be different from the person who records the cash receipts or prepares the bank deposit.

A documented approval process creates a clear audit trail. When management reviews the SWA's accounts receivable and cash receipts, they can evaluate the methodology of approving charge accounts. This demonstrates that the SWA has a sound system of controls in place and that management is actively involved in managing financial risk.

Recommendations:

- (14) The SWA should implement written guidance for approving charge accounts. Creditworthiness should be evaluated on factors such as:**
 - (a) Credit application;**
 - (b) Bank credit authorization;**
 - (c) Credit reports;**
 - (d) Trade references; and,**
 - (e) Payment History.**
- (15) The SWA should develop and implement written guidance that clearly identifies the person(s) who are authorized to approve charge accounts.**
- (16) If applicable, the SWA should clearly identify any business classifications, such as franchise haulers or permitted entities, that are exempt from charge account approval requirements within the written guidance.**

Management Response:

SWA concurs with Finding (6) and its recommendations. SWA will develop written policies and procedures that will identify the person(s) who are authorized to approve charge accounts. This guidance will identify any business classifications,

such as franchise haulers or permitted entities, that are exempt from charge account approval requirements. SWA will develop, implement and train appropriate staff on these policies by February 27, 2026.

ACKNOWLEDGEMENT

The Inspector General's audit staff would like to extend our appreciation to the Solid Waste Authority's staff for their assistance and support in completion of this audit.

This report is available on the OIG website at: <http://www.pbc.gov/OIG>. Please address inquiries regarding this report to the Director of Audit by email at inspector@pbc.gov or by telephone at (561) 233-2350.

ATTACHMENT

Attachment 1 – The Solid Waste Authority of Palm Beach County's Management Response

ATTACHMENT 1 – SOLID WASTE AUTHORITY'S MANAGEMENT RESPONSE



October 20, 2025

Ms. Hilary Bojan, CPA, CIA, CISA, CFE, CIGA
Director of Audit
Palm Beach County Office of Inspector General
100 Australian Avenue
West Palm Beach, FL 33406

**Subject: OIG Audit No. 2026-A-0001 – Solid Waste Authority of Palm Beach County–
Tipping Fee Revenue and Cash Intake Audit**

Dear Ms. Bojan:

The Solid Waste Authority of Palm Beach County ("SWA") has reviewed the Office of Inspector General's (OIG) draft audit report regarding our tipping fee revenue and cash intake processes. Please see below SWA's responses to the findings and recommendations from your audit.

Finding (1): The SWA did not always ensure that an employee independent of the original preparer reviewed accounts receivable reconciliations. It also did not perform reconciliations monthly in a timely manner or reconcile variances.

Recommendations:

- (1) The SWA develop, formally approve, and implement a written accounts receivable reconciliation policy and procedure, including:
 - (a) How often reconciliations should be performed;
 - (b) How to perform the reconciliation, including the necessary reports and supporting documentation for balances and variances; and,
 - (c) Responsibility for performing and reviewing reconciliation.
- (2) The SWA should perform and document the monthly accounts receivable reconciliation process. The reconciliation should be reviewed and approved by someone other than the preparer.
- (3) The SWA investigate, document, and resolve discrepancies found during the accounts receivable reconciliation process.
- (4) The SWA train appropriate staff on the accounts receivable reconciliation policy/procedure.

Management's Response:

SWA concurs with **Finding (1)** and its related recommendations. SWA is currently in the process of updating its accounts receivable policies and procedures, which will incorporate all of the aforementioned OIG's recommendations. These policies will ensure that amounts in the general ledger are reconciled at least monthly with the SWA's CompuWeigh 6 scalehouse transaction system (CW6) and that discrepancies

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found during the reconciliation process are documented, investigated and resolved in a timely manner. The reconciliations will be reviewed and approved by someone other than the preparer. The estimated date of completion of the revised policy will be February 27, 2026. Staff involved in the accounts receivable reconciliation process will be trained on the revised policies and procedures.

SWA has since implemented a process whereby amounts in the general ledger are reconciled to the CW6 aging report on a monthly basis. This reconciliation is performed by the Senior Accountant and reviewed and approved by the Accounting Manager.

Finding (2): The SWA lacks a formal policy guiding the write-off process.

Recommendations:

- (5) The SWA develop, formally approve, and implement a written write-off policy and procedure to ensure consistency of operations that provide guidance, including:
 - (a) Assignment of responsibility;
 - (b) Approval levels;
 - (c) Criteria identifying when accounts should be written off; and
 - (d) Required documentation.
- (6) Train appropriate staff on the requirements of the write-off policy.

Management's Response:

SWA concurs with **Finding (2)** and its recommendations. SWA will develop accounts receivable write-off policies and procedures which will be formally adopted. SWA staff involved in the write-off process will receive training on the new policy, which will be completed by February 27, 2026.

Finding (3): The SWA did not consistently follow its "Receivables Review & Collection Procedures" for reviewing and collecting security deposits.

Recommendations:

- (7) The SWA update its written accounting policies/procedures to align with current practices, including those applicable to the implementation of CompuWeigh 6 ("CW6").
- (8) The SWA follow the account cutoff written guidance in its Receivables Review & Collection Procedures, effective September 2018, when accounts do not increase their security deposits/bond as required.
- (9) The SWA documents its review of charge accounts with tipping fee balances in excess of its security deposit/surety bond amount.
- (10) The SWA implement a procedure to ensure that bond expiration notifications are date stamped upon receipt and communicated directly to the person responsible for handling as soon as practicable, and that the related charge account's credit privileges are revoked and collection activities are expedited.

Management's Response:

SWA concurs with **Finding (3)** and its recommendations. SWA will review and update the "Receivables Review and Collection Procedures" policy. This revision will occur by February 27, 2026. We will ensure that the policy aligns with current practices and procedures, especially as it relates to the CW6 system. At a minimum, SWA staff will ensure the following:

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Page 3

1. Security deposit/bond balances are monitored on a monthly basis;
2. Account cutoff procedures are applied consistently and in accordance with established policy; and
3. Bond expiration notifications are received by and communicated to appropriate staff and prompt action is taken in accordance with established policy, so as to minimize the potential of an account becoming uncollectible.

SWA has since implemented an "Over Security Deposit Threshold" report allowing staff to review the most recent three months of tipping fee activity for each charge account. This report is generated on a monthly basis and is automatically transmitted to individuals responsible for analyzing charge account security deposits. This report will assist staff in determining which charge account customers will be receiving security deposit/bond increase letters.

Finding (4): The SWA did not document management review of voided and manual tickets.

Recommendation:

- (11) The SWA should implement a documented management review process for cash ticket transactions that are voided without replacement and handwritten cash tickets.

Management's Response:

SWA concurs with **Finding (4)** and its recommendations. Procedures will be put in place to ensure that all voided and manual tickets are independently reviewed by management and compared to information that is entered by the weighmasters into the CW6 system. Documentation of this review will be maintained on file, effective immediately.

Finding (5): The SWA did not follow record retention requirements for handwritten tickets.

Recommendations:

- (12) The SWA retain handwritten tickets used to facilitate cash collections to comply with State of Florida, General Records Schedule GSI-SL for State and Local Government Agencies. Handwritten tickets should be maintained in sufficient detail to provide an audit trail of the cash collection transaction.
- (13) The SWA develop (or incorporate within an existing), formally approve, and implement a written record retention policy and procedure to ensure handwritten tickets used to facilitate cash collections are retained in compliance with Florida Statutes.

Management's Response:

SWA concurs with **Finding (5)** and its recommendations. SWA's current Records Management Manual (attached) establishes the policies and procedures governing the retention, storage, and disposition of SWA's records in accordance with Chapter 119, Florida Statutes, and Rule 1B-24, Florida Administrative Code. Each new employee who will create or receive official records is required to acknowledge receipt of the Records Management Manual and complete records management training. Annual training is available to all employees and is mandatory for those designated as "Records Coordinators" by their respective department directors. SWA staff will ensure that all handwritten tickets used to document or facilitate cash transactions are retained and disposed of in accordance with the applicable State of Florida General Records Schedule GSI-SL.

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Finding (6): The SWA did not always document management approval of customer charge accounts.

Recommendations:

- (14) The SWA should implement written guidance for approving charge accounts. Creditworthiness should be evaluated on factors such as:
- (a) Credit application;
 - (b) Bank credit authorization;
 - (c) Credit reports;
 - (d) Trade references; and,
 - (e) Payment history.
- (15) The SWA should develop and implement written guidance that clearly identifies the person(s) who are authorized to approve charge.
- (16) If applicable, the SWA should clearly identify any business classifications, such as franchise haulers or permitted entities, that are exempt from charge account approval requirements within the written guidance.

Management's Response:

SWA concurs with **Finding (6)** and its recommendations. SWA will develop written policies and procedures that will identify the person(s) who are authorized to approve charge accounts. This guidance will identify any business classifications, such as franchise haulers or permitted entities, that are exempt from charge account approval requirements. SWA will develop, implement and train appropriate staff on these policies by February 27, 2026.

As always, we appreciate the opportunity to strengthen our internal controls and related policies and procedures, and we thank you and your staff for your review of same. Should you have any additional questions, please do not hesitate to contact me at (561) 640-4000.

Sincerely,



Dan Pellowitz, Executive Director

Attachments – Copy of Records Management Manual/New Employee Records Management Checklist