



Solid Waste Permits Commissioner Precinct 2

Ashley Savell
3/19/2018



CHAMBERS COUNTY AUDITOR

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Nature of the Engagement:

The Auditor's Office completed a financial audit of the issuance, documentation, and financial records of Solid Waste permits distributed in the year of 2017 from Commissioner Precinct 2.

The overall objective of this audit was:

- To verify the revenue collected by Precinct 2 by analyzing the actual permit forms, cash-handling methods, and other related records.

Chambers County citizens are able to utilize the Chambers County box sites by purchasing Solid Waste permits. The Solid Waste permit stickers require a \$5.00 standard fee, but customers who are over 65 years of age are exempt from having to pay. All monies received from the transactions are deposited with the County Treasurer.

Audit and Procedures:

The audit performed was to evaluate Solid Waste permit collections, financial practices, and documentation methods. The following procedures were used to accomplish the examination:

- Review and input the information from each permit form into a master spreadsheet.
- Compare amounts shown as collected in the summaries created in Energov, the system which is used to input and store all transaction information, to the amounts recorded on the Treasurer deposit receipts.
- Calculate the number of stickers that should have been sold based on the number of bundles that were issued to Commissioner Precinct 2 by the Solid Waste Department.
- Determine the number of stickers that were actually paid for according to the revenue recorded by the physical permit forms.
- Reconcile the total revenue collected by the Treasurer deposit receipts against revenue recorded by the physical permit forms.
- Compare the time between issue dates and deposit dates to Section 113.022 (a) of the Local Government Code.
- A cash count of the Solid Waste permit collections from 02/05/18-02/09/18 was conducted on February 9, 2018.



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Observations and Findings:

While conducting the audit, the following was observed:

1. Total Collections:

- The Treasurer deposit receipts indicate that 626 permits should have been paid for by the customers, generating \$3,130.00 in revenue. After each permit was accounted for, there were only 624 permits that were paid for, creating a \$10.00 discrepancy. This was due to two permits being issued by other precincts that were incorrectly filed under Precinct 2 in Energov. This should have caused the cash deposits from Precinct 2 to be short by \$10.00. However, all Treasurer deposit receipts from Precinct 2 match the amounts in the corresponding Energov summaries.
- A digital permit form was saved and printed as needed in order to save time when filling out a permit form. The “amount paid” section had the \$5.00 amount printed on the master form, so the exempt customers’ forms were modified. Many exempt permit forms had the \$5.00 amount marked out so as to show that no payment was given. Others had the \$5.00 amount on the form but had \$0.00 recorded in Energov. In both instances, the permit forms did not match what was input into Energov.
- A few customers were not recorded as exempt and had to pay for their permits when their actual ages were clearly 65 or older based on their dates of birth.
- There were a total of 201 permit forms that were modified to indicate exemption, had a different amount presented than recorded in Energov, or contained age errors. The sum of revenue that these permits would generate is \$1,005.00.

2. Permits:

- There were 624 standard permits, 217 exempt permits, and 9 voided permits issued. This creates a total of 850 Solid Waste permit stickers issued in 2017. In addition to the 850 Solid Waste permits, there were 25 temporary permits issued. Temporary permits are issued for the duration of 30 days at no cost; papers are used as permits in lieu of Solid Waste stickers.
- Many permits that were voided had no corresponding permit form, explanation for voiding the permit, or record of the voided permit in the Energov summaries.
- Several permits had documentation errors such as no customer signature, multiple payment types marked, or no indication of who issued the permit.
- When a bundle ran out of stickers, the next bundle that was used did not always follow in sequential order.



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3. Deposits:

- There were 42 total Treasurer deposits made, 23 were deposited more than a week after the first permit issue date, which is outside of the required time limit defined by Section 113.022 (a) of the Local Government Code. There were 18 deposits made within the grace period outlined by Section 113.022 (a) of the Local Government Code, “on or before the fifth business day after the day on which the money is received.” One deposit was made within the deadline, “on or before the next regular business day after the date on which the money is received.”
- The longest period was a 22 day difference between the issue date and deposit date.

4. Access to Funds:

- During the cash count on February 9, 2018, the cash was all accounted for but was comingled with the building rental collections.
- A total of six employees know the combination to the safe and therefore have access to the money collected from Solid Waste permit transactions.

Recommendations:

- When issuing a permit, enter the information into Energov, print the receipt from Energov, have the customer sign the receipt, and file the receipt for future records.
- Only have two bundles of stickers at a time. Have one bundle that is being used and a backup for when the original bundle runs out of stickers to decrease the likelihood of using bundles and permit stickers out of sequential order.
- Properly document each voided sticker with the original sticker and motive for voiding.
- Cash must be deposited with the County Treasurer within the given time stated by Section 113.022 (a) of the Local Government Code, “on or before the next regular business day after the date on which the money is received. If this deadline cannot be met, the officer or person must deposit the money, without exception, on or before the fifth business day after the day on which the money is received.”
- Only allow full time employees to know the combination to the safe that holds the collections from Solid Waste permit transactions.



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Conclusion:

Over one fourth of the permits contain some sort of inaccuracy or documentation error. Due to input errors, the revenue amount that was collected from each permit form does not match the total amount that is shown on the Treasurer deposit receipts or Energov summaries. Thus, there is a large margin for error, being that the permit forms do not currently have to match the Energov information. As recommended above, directly inputting the information into the computer while the customer is present will greatly reduce the number of mistakes made during transactions. Also, requiring customer signatures on the receipts from Energov ensures that the customers will know exactly what they should be paying and that the issue date will be accurately reflected in Energov.



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PRECINCT 2 COMMISSIONER

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With the completion of the 2017 Solid Waste Permit Audit, it is evident our office could show improvements. We have reviewed the audit report and began implementing procedures to reduce input errors. Our goal is to run our office as smoothly as possible and appreciates any input from the Auditors Department.

- Our office is now entering all permits into Energov as customers come in rather than using the digital form. However when a floater is in the office they will continue to use the digital form until they are properly trained to enter permits in our system.
- The Solid Waste Department issues our bundles, we have no control of the sequential order given to our office.
- We will make a great effort as to avoid voiding permits and make sure all voided permits have proper explanations.
- Our office will make sure all monies be deposited within the fifth business day or ASAP to avoid any delay in deposits.

Again we would like to thank you for your time and patients with our office.

Commissioner Pct. 2
Larry G. George