

A Report to the
Chambers
County
Commissioners
Court

County Judge:

Jimmy Sylvia

Commissioners:

Jimmy Gore

Mark Tice

Gary Nelson

Billy Combs



Chambers County Child Welfare Board

2018 Annual Audit

Brooke Jacobson

June 17, 2019

Chambers County
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Nature of the Engagement:

The Chambers County Auditor's office has completed an annual internal audit of the Chambers County Child Welfare Board (CCCWB) for the Board's fiscal year of 2018 (Sept 1, 2017- Aug 31, 2018.)

The overall objective of this audit was:

- Assess and evaluate CCCWB's financial compliance and implementation of the guidelines outlined in the TCCWB Operations Manual for County Child Welfare Boards, the Amended and Restated Bylaws of The Chambers County Child Welfare Board and Texas Family Code Sections 264.005-008.

Audit and Procedures:

The following procedures were used to accomplish the examination:

- Determine if the Board is meeting the requirements set forth in the TCCWB Operations Manual, the Amended and Restated Bylaws of The Chambers County Child Welfare Board and Texas Family Code Sections 264.005-008.
- Verify that funds were appropriately distributed and expenditures had board approval.
- Review monthly meeting minutes of the Board for compliance.
- Analyze bank statements and monthly meeting minutes to identify discrepancies.

Observations and Findings:

While conducting the audit, the following was observed:

1. Members and Corresponding Documents:

- According to TCCWB Operations Manual, "State law requires members, as appointed officials, to receive training on the Open Meetings Act and the Public Information Act."
 - a. Two of the nine members of the Board were missing proof of their mandatory certifications.

- The TCCWB Operations Manual states, “At the conclusion of the training, members must print a course completion certificate and file a copy with the County Clerk.”
 - a. After verification from the County Clerk’s Office, there have been no certificates filed to date.
- To be compliant with the reporting guidelines set forth in the TCCWB Operations Manual, “CWB’s must provide an annual report to the County Commissioners Court. At minimum, the report must contain: Status of the county’s children, status of the CWB’s activities and achievements, and budgetary needs.”
 - a. There has been no annual report for 2018 documented in Commissioners Court.

2. Expenditures:

- In the amended bylaws presented in Commissioners’ Court on August 8, 2017, Article 8 states, “For emergency situations, two or more Board Officers are authorized to approve an amount not to exceed \$750.00 per request.”
 - a. After reviewing meeting minutes, multiple purchases were made without board approval.
- After analyzing receipts from the Board, there was one purchase that did not have a corresponding receipt. The total amount of the purchase made with no collected, itemized documentation is \$3,414.00.
- The total amount of expenses for the year of 2018 was \$40,892.90. This total was below the Boards allotted budget total of \$58,500.00.

Recommendations:

- Ensure that all certifications and training are completed and filed as per the TCCWB Operations Manual.
- An annual report that includes status of the county’s children, status of the CCCWB’s activities and achievements, and budgetary needs should be submitted to Commissioners Court for review at the Boards fiscal year end.
- As stated in the CCCWB January 2017 meeting minutes, “Any time we spend money, including reimbursements to members of the board for expenses, there must be an agenda item for approval due to Open Meetings Act.” Thus, every expense must be approved by the Board.

Conclusion:

From September 1, 2017 to August 31, 2018 there was one purchase made by the Board where a physical receipt was missing. Implementing the recommendations listed above will help the Board remain in compliance with the TCCWB Operations Manual, the Amended and Restated Bylaws of the Chambers County Child Welfare Board and Texas Family Code Sections 264.005-008. As the audit was not a detailed examination of all transactions, there is a risk that errors or fraud were not detected. Thus, the Chambers County Child Welfare Board retains the responsibility for the accuracy and completeness of the financial information.

Chambers County Child Welfare Board

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Chambers County Child Welfare Board 2018 Audit

Observations:

1. Members and Corresponding Documents:

All members of the board have completed the Open Meetings Act and Public Information Act training. The two members out of the nine board members in question completed their training in the year 2007. I, Cheryl McDonald, completed my training in 2007 and those members were serving on the board with me at that time. After 12 years, it is possible their certificates were misplaced, lost, or no longer in their possession. Certificates are turned into the President for filing with the County Clerk. Upon contacting the County Clerk's office on how to file the certificates, the procedure was uncertain. I was asked to leave the certificates while Robin Edmonds inquired what the proper procedure would be for filing. Given the fact that the County Clerk's office had no formal procedure for filing the certificates, it is possible the past presidents of 2007 and 2013 – 2016 were given the same information I was and, therefore never filed the certificates. I was given a timely response by the County Clerk's office as to how it is to be handled going forward. All board member certificates have been submitted to Commissioners Court for filing with the County Clerk.

I, Cheryl McDonald, take full responsibility for failing to file the 2018 annual report with Commissioners Court. I did, however, communicate with the County Judge and Commissioners on a few separate occasions by email on activities, achievements and goals.

2. Expenditures:

The purchase for multiple gift cards in the amount of \$3,414.00 was for \$40 allowances given to children ages 13 -18 and \$100 birthday gift cards given to every child in care. This was voted upon at the March 2018 meeting when these items were added to the budget. The distribution of gift cards was to begin in May 2018. This was budget line items 1560 and 1580. It is understood among the board members that budgetary line items are approved purchases. For instance, school vouchers are written and distributed in August without being recorded as an agenda item for approval. We budget for school vouchers. According to the bylaws, it was also understood by the board that the \$750 and under purchases did not need to be approved at a board meeting. The general intention of Article 5 I., in the bylaws, was meant for the officers to be able to approve smaller budget line item purchases without having to approve those purchases at a board meeting. This is also found under Article 8 of the bylaws.

Thank you for the recommendations. The board will strive to improve upon its operating procedures.

Cheryl McDonald, President

Chambers County Child Welfare Board