

A Report to the
Chambers
County
Commissioners
Court

County Judge:

Jimmy Sylvia

Commissioners:

Jimmy Gore

Mark Tice

Gary Nelson

Billy Combs



Commissioner Precinct 2

Solid Waste Permits 2018-2019

Ashley Anderson

July 24, 2020

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TABLE OF CONTENTS

Nature of the Engagement	2
Documentation	2
Audit Procedures	2
Observations and Findings	3
Recommendations	4
Conclusion	4



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Nature of the Engagement

The Auditor's Office completed an internal audit of the issuance, administrative procedures, and financial records of Solid Waste permits distributed in the years 2018 and 2019 by Commissioner Precinct 2.

The overall objective of this audit was:

Evaluate the procedures and accuracy of the permit records by analyzing transaction information, cash-handling methods, and other related records.

Documentation

The following original documents were collected from Commissioner Precinct 2:

- Copies of Online Weekly Permit Summaries
- Treasurer Receipts
- Individual Permit Receipts with Customer Information and Signatures

Audit Procedures

A random sample of the original documentation was taken and audited. The following procedures were used to accomplish the examination:

- Review and input relevant information from the original documents and online permit records into a master spreadsheet.
- Compare amounts shown as collected in the original documentation to the amounts recorded on the Treasurer receipts.
- Reconcile the original documents and the online permit records.
- Determine if the stickers issued in the sample were included in the bundles issued by the Solid Waste Department.
- Compare the time between issue dates and Treasurer receipt dates to the requirements outlined in Section 113.022 (a) of the Local Government Code.

Observations and Findings

1. Permits
 - According to the original documents included in the sample, there were 428 standard permits and 180 exempt permits issued.
 - 1 sticker was void and 10 temporary permits were issued.
 - 609 stickers were pulled for the sample, all of which were included in the bundles issued by Solid Waste for 2019.
2. Collections
 - The total revenue recorded in the sampled original documents, Treasurer receipts, and online records totaled \$3,360.
3. Documentation Procedures
 - In 2018, the fee for standard and temporary permits was \$5; customers who were over the age of 65 were exempt from paying the fee. Beginning in January of 2019, the Commissioners' Court voted to increase the standard and temporary permit fees to \$10. The Court also voted to allow veterans, in addition to citizens over 65 years of age, to receive permits free of charge.
 - Temporary permits were issued free of charge in 2019; the customers were charged when they were ready to be issued the standard permit.
 - A few of the individual permit forms were altered to reflect an exempt fee. For instance, the standard fee would be printed on the form and the fee would be crossed out to indicate the permit would be issued free of charge.
 - Several signatures are missing from the individual permit forms in 2019.
 - There is not a standard set of forms and procedures for offices that issue Solid Waste permits.
4. Deposits
 - Section 113.022 (a) of the Local Government Code states that funds must be deposited with the Treasurer "on or before the next regular business day after the date on which the money is received." However, there is a grace period that extends the deadline to "the fifth business day after the day on which the money is received."
 - The secretary deposits funds with the County Treasurer's Office. Adherence to deposit requirements was determined by subtracting the first issue date in the deposit from the Treasurer receipt date.
 - A total of 28 deposits were made in the sample. There were 6 deposits made within the grace period. The remaining 22 deposits were made outside of the grace period.
 - The longest period was a difference of 20 calendar days between the first issue date and Treasurer receipt date.
5. Access to Funds
 - The secretary kept a cash box with a PIN requirement and the Solid Waste permit funds were kept in a zip pouch within the box. Only the Commissioner and secretary have access to the cash box.

Recommendations

- Issue temporary permits based on the most current order passed through Commissioners' Court.
- Implement the usage of a form that displays the unaltered permit fee amount.
- Standardize the documentation and issuance methods of every office that issues Solid Waste permits.
- Create a document that reflects the fund deposit dates and amounts, and includes a signature component for the secretary and Treasurer's Office. This would allow accurate assessment of adherence to Section 113.022 (a) of the Local Government Code.

Conclusion

All of the permits in the sample had their corresponding supporting documentation. The original documents, online records, and Treasurer receipts all reflected the same total revenue. In addition, standardizing the procedures of all of the offices that issue Solid Waste permits would ensure that, if the system is sufficient, the offices would all have identical and proper controls. As the audit was not a detailed examination of all transactions, there is a risk that errors or fraud were not detected. Thus, Commissioner Precinct 2 retains the responsibility for the accuracy and completeness of the financial information.