

A Report to the
Chambers
County
Commissioners
Court

County Judge:

Jimmy Sylvia

Commissioners:

Jimmy Gore

Mark Tice

Gary Nelson

Billy Combs



Commissioner Precinct 1

Solid Waste Permits 2018-2019

Ashley Anderson

June 19, 2020

Chambers County
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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 1.

The overall objective of this audit was:

Evaluate the effectiveness of 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 1:

- Copies of Online Weekly Permit Summaries
- Bank Deposit Slips
- Treasurer Receipts
- Daily Sheets from 10/15/18 to 12/31/19 (includes customer name, age, permit number, fee amount, etc.)
- Customer Signature Sheets
- Voided Permit Stickers and Corresponding Tire Disposal Count Cards

Audit Procedures

All of the original documentation provided by Commissioner Precinct 1 for 2018 was audited. A random sample of the original documentation for 2019 was taken and audited. The following procedures were used to accomplish the examination:

- 2018
 - 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.
 - Calculate the number of stickers that should have been issued based on the number of bundles that were given to Commissioner Precinct 1 by the Solid Waste Department.
 - Determine the number of stickers that were actually issued according to the original documents and Treasurer receipts.

- Compare the time between issue dates and deposit dates to the requirements outlined in Section 113.022 (a) of the Local Government Code.
- 2019
 - The 2019 audit sample was a generated random sample of the 2019 weekly permit summaries.
 - Review and input relevant information from the sampled original documents and online permit records into a master spreadsheet.
 - Compare amounts shown as collected in the sampled original documentation to the amounts recorded on the Treasurer receipts.
 - Reconcile the sampled original documents and the online permit records.
 - Determine if the stickers issued in the sample were included in the bundles given by the Solid Waste Department.
 - Compare the time between issue dates and deposit dates to the requirements outlined in Section 113.022 (a) of the Local Government Code.

Observations and Findings

1. Permits

A few permits within the same bundle were issued out of order, in separate years.

- 2018
 - Based on the original documents provided, there were 1040 standard permits and 278 exempt permits issued. This creates a total of 1318 stickers issued in 2018.
 - 22 stickers were void, 21 of the stickers and 20 of the corresponding tire disposal count cards were attached to the original documents.
 - One temporary permit was issued.
 - The total number of permit stickers expended in 2018 is 1340; this matches the number of stickers that should have been expended according to the bundles issued by Solid Waste.
- 2019
 - According to the original documents included in the sample, there were 227 standard permits and 90 exempt permits issued.
 - 3 stickers were void, all 3 stickers and 2 of the corresponding tire disposal count cards were attached to the original documents.
 - 321 stickers were expended in the sample, all of which were included in the bundles issued by Solid Waste for 2019.

2. Collections

- 2018
 - The total revenue recorded in the original documents and Treasurer receipts is \$5,200. The revenue recorded online is \$5,195. This is due to one permit being excluded from the online permit records.
- 2019
 - The revenue recorded in the sampled original documents, online weekly reports, and Treasurer receipts is \$2,270.

3. Documentation Procedures

There is not a standard set of forms and procedures for offices that issue Solid Waste permits.

- 2018
 - The secretary charges \$5 for a standard permit. Exempt (customers over 65 years of age) and reissued permits are issued free of charge.
 - As of 10/15/18, daily sheets have been printed and kept with the other original documents.
 - As of 10/15/18, signature sheets have been signed by customers and kept with the other original documents. The customer signatures are written next to their corresponding permit numbers and show that the customers have read the rules regarding Solid Waste permits.
 - Permits purchased with checks were entered as cash payments in the online permit records.
- 2019
 - Beginning in January of 2019, the Commissioners' Court voted to increase the Solid Waste permit fee to \$10. The Court also voted to allow veterans, in addition to citizens over 65 years of age, to receive permits free of charge.
 - The last signature sheet of the year included "Solid Waste Permit \$10 Each (Over 65 and Veterans Free)." Thus, this guarantees that the customer sees who should be exempt.
 - The daily sheets are printed and kept with the other original documents.
 - One of the daily sheets was missing from the sample, but the corresponding weekly permit summary reconciled with the Treasurer receipts.
 - Most permits purchased with checks were entered as cash payments in the online permit records.

4. Deposits

Section 113.022 (a) of the Local Government Code states that funds must be deposited "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."

- 2018
 - A total of 53 bank deposits were made for 2018. There were 2 deposits made within the grace period. The remaining 51 deposits were made outside of the grace period.
 - The longest period was a difference of 23 calendar days between the issue date and bank deposit date.
- 2019
 - A total of 13 deposits were made in the sample. One deposit was made within the deadline, "on or before the next regular business day after the date on which the money is received." There were 8 deposits made within the grace period. The remaining 4 deposits were made outside of the grace period.
 - The longest period was a difference of 18 calendar days between the first issue date and bank deposit date.

5. Access to Funds

- The secretary keeps a lockbox in her desk exclusively for Solid Waste permit funds. Only the Commissioner and secretary have keys to the lockbox.

Recommendations

- Save electronic copies of the daily sheets to have as a backup to the paper copy included in the original documents.
- Issue all permits in a bundle in sequential order before using the next bundle of permit stickers.
- Enter permit information exactly from the daily sheets into the online system to prevent differing payment types, amounts, etc.
- Standardize the documentation and issuance methods of every office that issues Solid Waste permits.
- Make bank deposits within the time period defined in Section 113.022 (a) of the Local Government Code.

Conclusion

The auditee has heeded the previous audit recommendation to retain original documents for Solid Waste permits. This has allowed verification of birthdates, exemption status, and permit details. The additional information on the signature sheet allows customers to verify their own exemption status. The majority of the permit information was retained and correctly input online. 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 1 retains the responsibility for the accuracy and completeness of the financial information.