

A Report to the
Chambers
County
Commissioners
Court

County Judge:
Jimmy Sylvia

Commissioners:
Jimmy Gore
Larry George
Gary Nelson
Rusty Senac



Commissioner Precinct 4

Solid Waste Permits

Ashley Savell
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Chambers County
Auditor
Tony Sims
P.O. Box 910
Anahuac, TX
77514
(409) 267-2405

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CHAMBERS COUNTY AUDITOR

Tony Sims

P.O. Box 910 Anahuac, Texas 77514

(409) 267-2405

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 by Commissioner Precinct 4.

The overall objective of this audit was:

- To verify the revenue collected by Precinct 4 by analyzing the actual permit information, 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 bank.

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 relevant information from each permit transaction 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 4 by the Solid Waste Department.
- Determine the number of stickers that were actually paid for according to the revenue recorded by the physical permit information.
- Reconcile the total revenue collected by the Treasurer deposit receipts against revenue recorded by the physical permit information.
- Compare the time between issue dates and deposit dates to Section 113.022 (a) of the Local Government Code.

Observations and Findings:

While conducting the audit, the following was observed:

1. Total Collections:

- The Treasurer deposit receipts indicate that 335 permits should have been paid for by the customers, generating \$1,675.00 in revenue. After each permit was accounted for, 335 permits were purchased. Thus, all Treasurer deposit receipts from Precinct 4 match the amounts in the corresponding Energov summaries and physical permit records.
- There is \$100.00 in change that is kept in a drawer in the front office and has been there for over two years without need of replenishment. A cash count revealed that exactly \$100.00 was present, so it has been reserved and used for its proper purpose.

2. Permits:

- There were 335 standard permits and 80 exempt permits issued. This creates a total of 415 Solid Waste permit stickers issued in 2017. In addition to the 415 Solid Waste permits, there were 19 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.
- The customers are asked for their license and insurance information in order to complete the transaction. The customer information is logged on daily sheets that are referenced when the entries in Energov are created, which is usually within a day of the transaction. Large volumes of customers and technical difficulties with Energov deter the secretary from making the electronic entries when permits are being purchased.
- Customer signatures are not requested when purchasing permit stickers, but are required for temporary permit issuance. However, many temporary permits did not have customer signatures.
- In the records of Precinct 4 as well as Energov, there is a gap between the last recorded permit of one bundle and the beginning of another. This is due to those permit numbers being shredded and are thus accounted for by the Solid Waste Department.

3. Deposits:

- The secretary deposits the funds directly to the bank approximately once a week or whenever the total collections reach roughly \$1,000.00.
- There were 43 total bank deposits made, 17 were deposited more than a week after the first permit issue date, which is outside of the required time limit defined

Observations and Findings Continued:

by Section 113.022 (a) of the Local Government Code. There were 25 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 14 day difference between the issue date and bank deposit date.
4. Access to Funds:
- All Commissioner Precinct 4 collections are stored in a deposit bag in a drawer in the Commissioner’s personal office. A spreadsheet template was crafted by the secretary that contains a breakdown of the revenue. This is printed and stored with the total collections.
 - The Commissioner and secretary are the only people who have keys to the lock on the deposit drawer.
5. Solid Waste Permit Pamphlet
- After Hurricane Harvey, the secretary was instructed to hand out a pamphlet to customers who were purchasing solid waste permits. This is an ordinance that was “ordained, ordered and adopted by the Commissioners Court.” The pamphlet came into effect on February 1, 2004 and has information regarding permit purchases, identification requirements, and fines.
 - There is no mention of disabled veteran exemption and some offices do not offer this exemption while others, such as Commissioner Precinct 4, do give this exemption.
 - In Section 2 of the pamphlet, there is a subsection pertaining to temporary permits. In this passage, it states, “A fee of five dollars (\$5.00) will be assessed for a Temporary Permit, and the Temporary Permit may be converted to a two-year permit upon presentment of proper documentation without additional cost to the new resident.” However, temporary permits are currently issued free of charge.

Recommendations:

- When returning or receiving permit stickers from the Solid Waste Department, keep a copy of the permit numbers being returned or received, the signatures required for the transaction, and other related documents. This allows the secretary to be able to compare the list of permits that should be in the Commissioner's possession to the physical permits and transaction records from his office.
- Implement the usage of a daily sheet template with exempt and customer signature sections. This would eliminate the need to write possible exemption status, payment type, and payment amount in one section as well as allow the customer to review the recorded information.
- When a deposit is made, have the secretary depositing the collections state their name, the deposit date, and sign the daily log sheet in order to keep record of employee deposit information.
- Cash must be deposited with the County Treasurer or bank 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."
- Standardize the financial operations of the Commissioners' offices by either updating the ordinance regarding solid waste permits or consistently following the existing protocol.

Conclusion:

Most of the permit information was correctly input into Energov; the revenue that was collected from the permit transactions matches what is shown on the Treasurer deposit receipts and Energov summaries. However, making the changes to the daily sheet template, as noted above, would further decrease the likelihood of misinformation transfers as well as increase written organization on the physical daily sheets. In addition, there are inconsistent procedures between the ordinance approved by the Commissioners and the operations of their offices. Thus, rectifying these varying standards will eliminate confusion between the staff and customers who are trying to reconcile these differences.