

A Report to the  
Chambers  
County  
Commissioners  
Court

County Judge:  
Jimmy Sylvia

Commissioners:  
Jimmy Gore  
Larry George  
Gary Nelson  
Rusty Senac



# Commissioner Precinct 2 Facility Rental

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2016-2017

Brooke Jacobson

August 8, 2018

Chambers County  
Auditor  
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# CHAMBERS COUNTY AUDITOR

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## **Executive Summary**

The Chambers County Auditor's office has completed an internal audit of all County facility rentals under Commissioner Precinct 2. This audit included community buildings, park shelters and boat slips rented in Precinct 2 during the timeframe of January 1, 2017 through December 31, 2017.

The overall objective of this audit was:

To verify that all Precinct 2 facility rentals contracted throughout the 2017 calendar year were rented in accordance to the Chambers County Community Building Rules and Regulations Policy and to verify that each deposit, rental and inspection fee paid to Chambers County Commissioner 2 for the use of any county facility was accurately recorded and deposited with the County Treasurer.

Specific audit objectives were:

1. Determine if Commissioner 2 was compliant with the Community Building Rules and Regulations Policy while renting buildings, park shelters and boat slips.
2. Determine if all receipts and contracts were recorded accurately and that correct funds were deposited with the County Treasurer.
3. Determine if each contracted community building, park shelter or boat slip was reserved at the correct rental rate.
4. Determine if the renter was reimbursed their deposit fee (if applicable.)
5. Identify any discrepancies in the paid rental, deposit or inspection amount versus what is listed on the Chambers County Facility Rental Information sheet.

## **Audit Scope and Procedures**

The audit performed was to validate that Precinct 2 Commissioner is in compliance with the requirements set forth in the Chambers County Community Building Rules and Regulations Policy.

The following procedures were used to complete the examination:

- Prepared spreadsheet to determine if all facility deposits had corresponding contracts and receipts verifying rental funds.

- Verified each users correct rental, deposit and or inspection rate based on the Chambers County Facility Rental Information sheet and compared that rate to what the user was charged.
- Confirmed the deposit amount reimbursed to the user (if applicable).
- Checked that each contracted rental included a final inspection check list by the Commissioner’s Office indicating that all Chambers County Facility Rules were followed by the user.
- Cash count was conducted on February 9, 2018. The objective of the cash count was to determine if all collections were accounted for at the time of the surprise cash count and if the collections were properly handled.

### **Observations and Findings with Related Recommendations**

During the audit, the following observations were noted:

#### 1. Building Rentals

##### a. Findings:

- i. Of the total 79 County Facility Contracts 14 were found to have missing renters signatures, vital user contact/ personal information and/ or incorrect/missing dates. Due to the fact that rental fees are based on contractual user residency and county employment, it is imperative that all information be correct and included with each contract.
- ii. A portion of the facility contract has a section for the rental and deposit receipt number. While reviewing each contract, there were numerous rental receipt numbers missing, making it difficult to locate and verify payment information when necessary.
- iii. On several occasions, multiple renters are listed on facility contracts as “users.” Although the contract would name several users, it would not include all individual’s signatures. Instead, only one of the users would be listed on rental/ deposit receipts. Having multiple names listed on rental contracts and supporting documentation makes it difficult to match contracts to receipts as well as verifying rental and deposit rates.
- iv. Total of 2 missing facility contracts.
- v. Facility contracts and Inspection reports have conflicting dates/ rental locations.

- vi. Several renters received a county employee discount due to a family member being a county employee. The discount was given without the county employee's signature included on the contract.
- vii. While conducting the cash count, we found that Commissioner 2 Secretary was in possession of \$200 cash rental deposit and one check in the amount of \$775 for boat slips at Job Beason Park. Also, there are currently 4 part-time clerks who, along with Commissioner 2 Secretary, would potentially have access to the money safe while working.

b. Recommendations:

- i. All paperwork, including copies of all rental, deposit, or inspection receipts pertaining to a particular contract should be filed together and accessible for quick review.
- ii. If multiple users are going to be allowed on the Facility Contract, all users should be listed on every document that coincides with that particular contract and each renter's signature should be required.
- iii. Start using contract numbers and include them on receipts so there is no confusion as to what receipts coincide with what contracts.
- iv. If a renter changes date or location of rental facility, the change should be noted on all contract documents and receipts.
- v. A county employee should have to sign the rental agreement if a discount is going to be given to a user on their behalf.
- vi. A drop safe should be purchased for facility rental deposits. The safe will allow any employee accepting money to make deposits but will restrict who may remove money from the safe to only one person with the combination.

2. Boat Slip Rentals

a. Findings:

- i. There are currently no contracts for boat slip rentals – only receipts used to verify the rental.
- ii. No rental information or fee pricing is listed on the County website or the Chambers County Facility Rental Information page regarding boat slips.

### 3. Park Shelter Rentals

#### a. Findings:

- i. There is no available contract for park shelter rentals - only receipts as proof of rental. Currently, the only way fees can be verified is by the renter's address which is included on the receipt.
- ii. A number of users with out-of-county residency rented County park shelters and received the in-county rental rate. This was due to the fact that they either have family that lives within the county or they moved back to the area and had yet to change their address but showed proof of residency.

#### b. Recommendations:

- i. Implement a contract for renting boat slips and park shelters.
- ii. When renting boat slips, the number of slips being rented by one user should be documented for verification of correct payment.
- iii. Add rental rates for boat slips to Facility Rental Info sheet and County website.
- iv. If circumstances like those listed above are exceptions for receiving the in-county rental rate when renting Park Shelters, documentation should be provided and included with a contract.

### 4. Community Building Rules and Regulations Policy

#### a. Findings:

- i. According to the Chambers County Facility Rental sheet, "The user is required to pay the rental fee and deposit at the time of reservation." Conflicting information is given in the Community Building Rules and Regulations policy where it states, "The user is required to pay the rental fee when the key to the facility is picked up before the date of the event." When referencing the pick-up time for the key, the policy states, "The key for the reserved County facility must be picked up on the business day just prior to the event."
- ii. The policy states, "ALL deposit fees will be deposited with the Chambers County Treasurer on the same day received by 5pm." After reviewing the Treasurers deposits, these funds are being held for a period of time before they are actually deposited with the County Treasurer.

b. Recommendations:

- i. Update the Chambers County Facility Rental sheet to match what the Community Building Rules and Regulations Policy states regarding rental and deposit payments.
- ii. According to the Local Government Code 113.022, Time for Making Deposits, “A county officer or other person who receives money shall deposit the money with the county treasurer 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.” A system should be implemented so that all funds are taken and deposited with the Treasurer by the same individual weekly at a designated time and kept secure. This will keep Commissioner 2 in compliance with the Community Building Rules and Regulations Policy and also Local Government Code.

## **Conclusion**

During the process of this audit, we found incomplete or inaccurate information on numerous facility contracts, lack of written policy regarding boat slips and shelters and undocumented information accepted for lower rental rates for park shelters. Because there is not contractual information to verify all payments were correct, there is a risk that errors were not detected. The official therefore retains the responsibility for the accuracy and completeness of the financial information. Moving forward, we recommend that all areas of any rental facility contract be completed in their entirety. We also recommend that a contract be implemented for boat slip and park shelter rentals improving efficiency and accuracy to verify appropriate funds and rental availability.



## COMMISSIONER – Precinct 2

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On behalf of the Commissioner’s Pct. 2 Office, I wish to thank the Auditors Office for the Facility Rental Audit Report. After reviewing the report, there are a few procedures that need to be revised. We appreciate any recommendations to help run our office more efficiently and in compliance with County policies. We will make the necessary steps to avoid any future errors.

1. Building Rentals

We will make sure all contracts are filled out completely, with all signatures listed and inspection sheets attached. All contracts will coincide with users’ name and receipts. We will also make a note if the user is a county employee, so we can identify the discount. We are in the process of purchasing a drop safe for rentals and deposits. This will allow only relief clerks to accept money, but will restrict access to the safe to only one person.

2. Boat Slips & Shelter (Pavilions)

There are no contracts in place to reserve these facilities - only receipts. However, we are currently working with the County Attorney’s Office to implement a contract to keep better track of rentals. We will also make sure our office retains copies of proof of residency, if not shown on DL or ID.

3. Community Building Rules & Regulations Policy

We will update the “Community County Facility Rental Sheet” to match the “Building Rules and Regulations Policy”. A user needs to pay the deposit on the day of reservations, and the rental is paid when the key is picked up the day prior to the event. Our office has been depositing monies before the fifth day to the treasurer’s office, instead of to a bank branch. Due to this procedure, our office may not receive a deposit receipt on that same day, but may get a receipt a day or so after.

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

Commissioner Pct. 2  
Larry G. George

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