

A Report to the  
Chambers  
County  
Commissioners  
Court

County Judge:

Jimmy Sylvia

Commissioners:

Jimmy Gore

Mark Tice

Gary Nelson

Billy Combs



# Commissioner Precinct 1

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## Solid Waste Permits 2017

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## TABLE OF CONTENTS

Nature of the Engagement	2
Audit and Procedures	2
Observations and Findings	3
Recommendations	5
Conclusion	5



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## **Nature of the Engagement:**

The Auditor's Office completed the first annual audit of the issuance, administrative procedures, and financial records of Solid Waste permits distributed in the year of 2017 by Commissioner Precinct 1.

The overall objective of this audit was:

- To verify the revenue collected by Precinct 1 by analyzing the permit transaction 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. Solid Waste permit stickers require a standard fee, but customers who are at least 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 following procedures were used to accomplish the examination:

- Review and input relevant information from the weekly summaries and online Energov records into a master spreadsheet.
- The weekly summaries are printed from Energov, the system which is used to electronically store all transaction information, and are provided to the Treasurer's Office as supporting documentation for the deposits. The online Energov records are the current electronic copies of all permit and customer data.
- Compare amounts shown as collected in the weekly summaries to the amounts recorded on the Treasurer deposit receipts.
- Compare and contrast the weekly summaries and online Energov 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 paid for according to the weekly summaries and Treasurer deposit receipts.
- Compare the time between issue dates and deposit dates to the requirements outlined in Section 113.022 (a) of the Local Government Code.

- Compare the retention period of original documents to Section 203 of the Local Government Code and the Texas State Library and Archive Commission (TSLAC) retention schedules.

## **Observations and Findings:**

### 1. Permits:

- According to the weekly summaries, there were 997 standard permits and 287 exempt permits issued. This creates a total of 1,284 stickers issued in 2017.
- 4 duplicate copies of permits were created and 6 temporary permits were issued. Including the duplicate permit copies, 1,294 standard, exempt, and temporary permits were issued.
- The online Energov records show that 1,291 permits were issued, including the same 4 duplicate permit copies. This difference is due to some permits being recorded in Energov records but not in the printed weekly summaries and vice versa.
- 22 stickers were voided and 3 are missing without any documentation, bringing the number of permit stickers expended in 2017 to 1,309. This matches the number of stickers that should have been used according to the number of bundles issued by Solid Waste for 2017.

### 2. Total Collections:

- The total revenue recorded in the weekly summaries is \$4,990.00 and the total revenue recorded in the online Energov records is \$4,980.00. As noted above, this price difference is due to permit inconsistencies between reports.
- One Treasurer deposit was sent to the wrong account; the combination of the revenue in the proper account and that deposit equals the revenue recorded by the weekly summaries.

### 3. Documentation Procedures:

- The customers fill out a registration form that includes their birthdates, driver's license information, etc. The form has a signature component and a pre-filled price of \$5.00, so all exempt customers have to physically alter their paperwork.
- The secretary charges \$5.00 for a standard permit. Exempt and temporary permits are issued free of charge. However, an ordinance was passed on December 8, 2003 that was the standard for permit issuance in 2017. This ordinance 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."

- After the forms are completed, the secretary manually inputs the data into Energov. She shreds the completed permit registration forms after she balances for the week. This practice has been in place since the current secretary began working in the position; forms that have been filled out since this audit began have been stored.
- The online Energov records contain customer birthdates to show if they should be exempt. Some permits have charge errors based on their birthdates and 30 birthdates are missing from profiles. There is no way to verify the birthdates that are entered and thus, no method to know the age of the customers.
- Section 203.026 (a) of the Local Government Code states “...each governing body...shall establish a records management plan to be administered by the records management officer.” Within this plan, a records control schedule must be created that lists retention periods for all records and must harmonize with the TSLAC retention schedules. Alternatively, Section 203.041 (a) (2) allows the county to submit “a written certification of compliance” regarding the TSLAC regulations.

#### 4. Deposits:

- There were 48 bank deposits made for 2017 and all 48 were deposited more than 5 business days after the first permit issue date.
- According to Section 113.022 (a) of the Local Government Code, these are outside the time limit, “on or before the next regular business day after the date on which the money is received.” They also exceed the grace period, “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.”
- The longest period was a difference of 23 calendar days between the issue and bank deposit dates.

#### 5. Access to Funds:

- The secretary keeps a box with a lock and key in her desk drawer for Solid Waste permit revenue. The office acquired a drop box in 2018 and the secretary puts funds from transactions that require a receipt from the receipt book in the drop box. The secretary keeps only the permit funds in her drawer.
- The Commissioner, secretary, and relief clerks are the only people who have access to the permit collections.

## **Recommendations:**

- Exactly input permit information into Energov and keep track of permit stickers to eliminate missing stickers, duplicate permit copies in Energov, and varying data between the weekly summaries and Energov records.
- Charge customers according to the most current ordinance passed by Commissioners Court.
- Implement the usage of a daily sheet template with exempt and signature components. This would decrease the risk of errors occurring as well as allow the customer to review the recorded data.
- Ensure that the funds deposited with the Treasurer's Office reconcile to the daily sheets, weekly summaries, and online Energov records.
- Retain original documents according to a records control schedule created by the county under Section 203 of the Local Government Code or the TSLAC minimum requirements.
- 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."
- Establish a petty cash fund that is reserved for making change for customers who are purchasing permits.
- Secure the solid waste permit collections in the office drop box.

## **Conclusion:**

The revenue recorded in the weekly summaries match the Treasurer deposit receipts, but differ from the Energov records. In addition, the original permit forms were shredded outside of the records retention requirements. This prevents the verification of birthdates, exemption status, and violates record retention policies. However, the birthdates that are entered into Energov indicate that many customers were incorrectly charged. Implementing the recommendations listed above will decrease errors in reports, allow the data to be properly verified, and bring Commissioner Precinct 1 in compliance with the TSLAC regulations.