

A Report to the  
Chambers  
County  
Commissioners  
Court

County Judge:  
Jimmy Sylvia

Commissioners:  
Jimmy Gore  
Larry George  
Gary Nelson  
Rusty Senac



# Commissioner Precinct 3

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## Solid Waste Permits

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# CHAMBERS COUNTY AUDITOR

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## **Nature of the Engagement:**

The Auditor's Office completed the first annual audit of the issuance, documentation, and financial records of Solid Waste permits distributed in the year of 2017 by Commissioner Precinct 3.

The overall objective of this audit was:

- To verify the revenue collected by Precinct 3 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 \$5.00 standard fee, but customers who are at or 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 following procedures were used to accomplish the examination:

- Create a master spreadsheet and input relevant permit information from the three sets of reports provided: handwritten daily sheets, weekly summaries, and a printed yearly Energov report.
- The handwritten daily sheets are transaction records that the secretary references when inputting information into Energov, the system which is used to electronically store all transaction information. The weekly summaries are printed from Energov, then sometimes physically corrected, and are provided to the Treasurer's Office as supporting documentation for the weekly deposits.
- Compare amounts shown as collected in the weekly summaries to the amounts recorded on the Treasurer deposit receipts.
- Compare the differences between the handwritten daily sheets, Energov records, and weekly summaries.
- Calculate the number of stickers that should have been issued based on the number of bundles that were given to Commissioner Precinct 3 by the Solid Waste Department.

- Determine the number of stickers that were actually paid for according to the revenue recorded by the handwritten daily sheets.
- 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. Permits:

- According to the handwritten daily sheets, there were 2,750 standard permits and 569 exempt permits issued. This creates a total of 3,319 Solid Waste permit stickers issued in 2017.
- 29 voided stickers were kept on file, 4 were documented as voided but no physical stickers were kept, and 1 permit was missing with no indication of being voided.
- When including the single permit with no documentation, 34 permits were voided, bringing the number of permit stickers expended in 2017 to 3,353 stickers. This matches the number of stickers that should have been used based on the number of bundles issued by Solid Waste.
- In addition to the 3,319 Solid Waste permits, there were 161 temporary permits issued. Thus, the total number of combined standard and temporary permits that were issued is 3,514 permits.
- A few of the permits logged in the handwritten daily sheets were not input into Energov or the weekly summaries. The total number of permit stickers recorded in Energov and the weekly summaries is 3,311 permits.

#### 2. Pricing:

- The last ordinance that was “ordained, ordered and adopted by the Commissioners Court” that addresses solid waste permits was passed on December 8, 2003. 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.” The only people who were listed as exempt were citizens who are 65 or older in age.
- For Commissioner Precinct 3, temporary permits are \$5.00 for vehicles with regular license plates, whereas the temporary permits are free when the customers have vehicles with paper plates.

- The secretary confirmed that at the beginning of 2017, she would not charge veterans for permits, and she personally paid for their permits. However, for a time during the year, she was under the impression that veterans were not supposed to be charged, so she did not charge or pay for their permits. Later in the year, she was corrected and returned to personally paying for the veterans.
- The handwritten daily sheets that have “Vet” or “No Charge” written could indicate there was either no payment or the secretary paid the \$5.00 fee.

### 3. Total Collections:

- Each set of reports provided for the audit has a different total from the others. The total 2017 revenue recorded in the handwritten daily sheets is \$13,895.00, the total revenue recorded in the weekly summaries is \$13,825.00, and the total revenue recorded in the printed yearly report from Energov is \$13,855.00.
- The handwritten daily sheets total is larger than the yearly Energov report due to price inconsistencies across reports, permit input omissions, etc. Weekly summaries are printed from Energov and are physically corrected, so the Energov report total is larger than the weekly summaries amount.
- The weekly summaries are sent to the Treasurer’s office to verify the funds that are deposited, so the weekly summaries total should match the total amount deposited with the Treasurer for 2017. The sum of funds deposited with the Treasurer’s Office for 2017 is \$13,810.00.
- One deposit was sent to the Treasurer’s Office along with the corresponding weekly summary, but the deposit did not match the weekly summary total. The Treasurer’s Office stated that the error was overlooked when the deposit was sent by the secretary.
- There is \$50.00 in petty cash that was already in the office prior to the secretary taking the position. A surprise cash count revealed that the petty cash has remained intact and serves its proper use.

### 4. Deposits:

- The secretary deposits the funds directly to the bank; a total of 52 bank deposits were made for funds collected in 2017.
- 44 were deposited more than 5 business days after the first permit issue date, which is outside of the required time limit defined by Section 113.022 (a) of the Local Government Code. There were 8 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.” No 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 15 business days between the first permit issue date and bank deposit date.

5. Access to Funds:

- Collections are kept in a money bag with a zipper that the secretary has in her desk during business hours. The bag is stored in a filing cabinet with a locking mechanism in the Commissioner's personal office outside of business hours.
- The Commissioner, secretary, and substitute clerks are the only people who have access to the collections.

**Recommendations:**

- Whenever an error is noticed on one of the reports, correct the others as well in order to have identical information on all of the reports.
- Implement the usage of a daily sheet template with exempt and customer signature sections. This would decrease the possible risk of errors as well as allow the customer to review the recorded information.
- Standardize the financial operations of the Commissioners' offices by either updating the ordinance regarding solid waste permits or consistently following the existing protocol.
- Ensure that the funds deposited with the Treasurer's Office reconcile to the weekly summaries, daily sheets, and records in Energov.
- 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."
- As transactions occur, place collected funds in a safe with a locking mechanism until the secretary makes the bank deposit.

**Conclusion:**

Based on the comparison of the daily sheets to the other reports, almost all of the permits recorded in the daily sheets were correctly translated onto the other reports. The permits that do contain errors could have charge errors, not be input into Energov, have differing methods of payments recorded across reports, etc. None of the reports match the total amount of funds that were deposited with the Treasurer. Instituting the changes to the daily sheets, correcting the reports, and verifying the accuracy of the deposits will further decrease the number of errors in the reports. There are inconsistent procedures between the ordinance approved by the Commissioners and the operations of their offices. Rectifying these varying procedures will eliminate confusion and allow employees to adhere to a clear standard.