



COLLIN COUNTY

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Date: October 27, 2009
To: W.M. "Mike" Yarbrough, Justice of the Peace 4
From: Jeff May, County Auditor 
Subject: Second and Third Quarter FY09 Audit Results - Final

Internal Audit personnel met with you on August 3, 2009 to start an examination of books and records for the County Auditor quarterly audit requirements. The audit objectives were to ensure county property and cash receipts were promptly accounted for, accurately recorded, safeguarded and disbursed properly.

The time period reviewed was January 1, 2009 through June 30, 2009. The scope of the audit entailed performing a cash count; a review of deposits and disbursements; bank reconciliations; payment plans; escheatment; and a fixed asset inventory.

During the review, we identified certain practices and procedures that we believe could be enhanced to strengthen internal controls and increase efficiencies. The review was not intended to be a comprehensive examination of every procedure or activity. Accordingly, the findings and recommendations presented in this report should not be considered as all-inclusive of areas where improvements may be needed.

Your office personnel were extremely helpful and courteous in assisting with the quarterly review. An exit conference was held with you on September 10, 2009.

If we may be of any help or you have any questions, please feel free to contact us.

Cash Drawer

Findings:

We verified the \$100 change fund allotted to JP 4 and no exceptions were found at the time of the count. JP 4 has never used the change fund and holds the money as a \$100 bill locked in the safe all the time.

Recommendations: None at time of audit.

Response: None required.

Report Verification

Findings:

We verified the receipts with deposits and found that interest earned was not remitted to the County Treasury monthly. For example, interest earned in January through June of 2009 was not remitted to County Treasury in the following month.

Note: This was a previous audit finding.

Recommendation:

Monthly interest earned should be remitted to County Treasury the following month.

Response:

We were holding interest to pay quarterly or when the amount was large enough to make writing a check logical. With conversion to Odyssey, we have been writing interest checks monthly, no matter what amount.

Findings:

We verified receipts with the fee schedule and found that the wrong amount was collected for some traffic violations. Two examples are cited below.

Violation	Case Number	Receipt Date	Receipt Number	Receipt Amount	Amount per fee schedule	Variance
Displayed Expired License Plates	TR09-09249	06/05/09	4182307	\$120.00	\$110.00	(\$10.00)
Violated Drivers license Restrictions	TR09-08361	6/20/09	4183222	\$130.00	\$110.00	(\$20.00)

Note: This was a previous audit finding.

Recommendation:

Fees set up in the AS400 for violations should be verified with the fee schedule and the wrong amounts should be corrected. Fees set up in the system should be verified with the fee schedule periodically to avoid collection of wrong amounts.

Response:

Our court fines on a limited number of offenses were not the same as what was hard-loaded onto the AS400; the ticket clerk verifies **all** data entry and adjusts the fines as needed when the citations are physically received in our office. The examples given were paid online before the citation made it into the office, and therefore before the fine could be adjusted. With Odyssey that should no longer be an issue.

Findings:

Review of procedures for installment payment plans disclosed there were no procedures to adequately monitor installment payment plans and payments missed were not followed up promptly.

1. A list of individuals who are on payment plans was not readily available. Installment plans were tracked using Microsoft Outlook to track plan due dates. 26 of the 38 individuals on payment plans were delinquent.
2. A list of individuals who defaulted on payments was not readily available to ensure no new agreements were entered with these individuals.
3. 24 of the 26 individuals who were identified as delinquent were past due greater than 14 days. There was no documented evidence in the case files of prompt follow up on cases in which there were missed or late payments.

Recommendation:

An efficient procedure should be established to monitor payment plans and timely identify individual who default on payment plans. All default payment plans should be followed up promptly and documented in case files.

Response:

Odyssey has the capability to handle and monitor payment plans, something the AS400 was never meant to do. We were not prepared for the number of payment plans that were granted and used the available tools and clerk time to monitor timeliness of payments. We now have payment plans assigned to a clerk as part of her regular duties. Procedures will be ready for Auditor review in November.

Findings:

Review of the procedures to track and report unclaimed property held by the JP 4 disclosed unclaimed property held by the agency were not reported to the state as required by state statutes.

1. There were 21 records identified as unclaimed property. The total dollar amount of unclaimed property identified was \$5,488.00. 15 of the 21 records identified should be escheated to the state this year.
2. Escrow receipt records indicated there are 14 cases that have court deposits greater than three years old. The total dollar amount of the receipts greater than 3 years old was \$9,952.00.

Certified letters are sent to citizens when refunds are issued; however, the current procedures did not provide a method to adequately monitor attempts to contact citizens

by formally documenting contact attempts in the case files. Return notices are kept in the case files and the office administrator maintains a list of checks issued to citizens.

Recommendation:

Court records should be reviewed to ensure all outstanding unclaimed property held by the JP 4 is escheated to the state as required by the Texas Property Code. An annual report of unclaimed property should be file with the County Treasury and Texas Comptroller as required by state statues.

Response:

In working the list of cases provided by the auditor's office, our finding was that only three cases (\$135) should definitely be sent to the State this year. The remaining cases are in various stages of forfeit or refund and are actively being worked, with new contact information found on four parties. We do have a list of cases pulled that are set to be sent this year; however, even on that list, six people were located and refunds made.

Cases are worked as time permits and have recently been sent for skip tracing. We will gladly work with the Auditor's office to develop firm procedures to keep control of what should be escheated and when.