



COLLIN COUNTY

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Date: June 28, 2010
To: Hannah Kunkle, District Clerk
From: Jeff May, County Auditor 
Subject: Third & Fourth Quarter of FY09 Audit Results - Final

Internal audit began an examination of books and records on November 17, 2009 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 April 1, 2009 through September 30, 2009. The audit procedures included performing a cash count; a test of deposits, disbursements and bank reconciliations; a test of the juror payments; and a fixed asset inventory.

During the review, we identified certain practices and procedures 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 interview was held with yourself and staff on April 15, 2010.

Please feel free to contact us with any questions or requests for assistance.

Cash Drawer

Finding:

A cash count was performed with no discrepancy identified.

Recommendation: None at this time

Response: None required

Bank Reconciliation's

Findings:

We reviewed the bank statements and the corresponding bank reconciliations of the Attorney Fax, Cash Bond, Child Support, Court Registry and Fee Accounts for April through September of 2009 and identified the following exception:

- An adjustment in the amount of \$63.00 was entered incorrectly on the Odyssey system due to a correction of an overpayment.

Recommendations:

- Verify accuracy of adjustments entered on the system.

Response:

Fixed during the audit.

Report Verification

Criminal Fees:

Findings:

A review of fees collected on a sample of criminal cases revealed the following:

1. Cases initially filed as felony indictments (\$133) and later reduced to a Class A misdemeanor conviction (\$83) are assessed court costs based upon the initial Felony indictment. The Consolidated Court Cost fee and the Courthouse Security fee are different based upon the degree of the charge.
2. The indigent defense fund fee (\$2) is not being assessed and collected on Criminal Cases. The District Clerk Criminal Supervisor shows 1491 criminal cases filed between April and September 2009: $1491 \times \$2 = \2982
3. Time payment fee (\$25) is not consistently assessed and collected on cases with payment plans. 10 of 124 (8%) cases sampled did not have the time payment fee collected.
4. The Drug Court Program fee (\$50) is not consistently assessed and collected on all applicable cases. 16 of 124 (13%) cases sampled did not have the drug court program fee collected.

Recommendations:

1. The Consolidated Court Cost fee and the Courthouse Security fee should be reduced from felony cost to misdemeanor cost. Please see:
 - Code of Criminal Procedure 102.017 Court Costs; Courthouse Security Fund
 - ...(b) A defendant convicted of a misdemeanor offense in a ...or district court shall pay a \$3 security fee...
 - Local Government Code 133.102 Consolidated Fees on Conviction
 - ...(2) \$83 on conviction of a Class A or B misdemeanor;...

District Clerk personnel should review cases reduced from felonies to misdemeanors to identify the amount incorrectly collected from payees. These incorrectly collected amounts should be returned to the payee at the earliest opportunity.

2. Verify the Indigent Defense Fund fee is being collected on criminal cases. The \$2982 should be collected from the applicable payees or remitted by the District Clerk to the county.
3. Verify the Time Payment fee is being collected on cases with payment plans. Please review cases and identify what cases should have had the Time Payment fee collected and provide the detail to the Auditor's Office by July 30, 2010.
4. Verify the Drug Court Program fee is being collected on all applicable cases. Please review cases and identify what cases should have had the Drug Court Payment fee collected and provide the detail to the Auditor's Office by July 30, 2010.

Response:

1. If the case was actually presented to us by indictment as a felony, then we charge the felony costs regardless of how it was disposed of. If it came through the grand jury and was transferred to county court as a misdemeanor, then when county sets up their case they'll use their charges.
2. The indigent defense fund is set up to be applied on all criminal cases. This fee is as of 1/1/08 on offenses dated 09/01/07.
3. I have contacted the Criminal Supervisors on this issue and they are collecting the Time Payment Fee.
4. I ran a report from the 1st of April to the 30th of November 2009 and the total amount we collected was \$9,077.44.

Auditor's Response:

1. Indictment and initialization of a case on a felony level does not mean a case will be adjudicated as a felony case. If the case results in a misdemeanor conviction, misdemeanor costs should be charged as shown in the statutes listed above. Melissa Williamson and Ted Wood from the Texas Office of Court Administration affirmed this by email on June 29, 2010. We have forwarded a copy of their email response to you.

2. If all criminal cases now have the indigent defense fund setup on them, please ensure any closed cases during the same time period had the fee collected on them. If the indigent fee was not collected on some cases the amount uncollected should be collected and remitted to the county at your earliest opportunity.
3. We request that the time payment cases be reviewed and documented when the fee was not collected by your office to inform the Auditor's Office of the amount. At a minimum, the 10 cases identified during the audit result in an amount due to the county of \$250 at this time. The amount uncollected should be collected and remitted to the county at your earliest opportunity.
4. Your report may show collections for the drug court program; however, we identified 16 cases during the audit that did not have the fee charged. We request that the drug court cases be reviewed and documented when the fee was not collected by your office to inform the Auditor's Office of the amount. At a minimum, the 16 cases identified during the audit result in an amount due to the county of \$800 at this time. The amount uncollected should be collected and remitted to the county at your earliest opportunity.

Receipts

Findings:

Thirty-five receipts numbers from the sequence of receipts issued for the period under review could not be found on the Odyssey System. Tyler has informed us that the receipts numbers were never issued or used by the system.

NOTE: TYLER implemented a correction to Odyssey settings in February 2010 to correct the problem.

Recommendation: None at the time of audit

Response: None required

Asset Verification

Finding:

An asset inventory test was performed with no discrepancy.

Recommendation: None at this time

Response: None required