



COLLIN COUNTY

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Date: June 28, 2010
To: Judy Florence, Myers Park and Event Center Manager
From: Jeff May, County Auditor 
Subject: Third and Fourth Quarters FY09 & First and Second Quarters FY10 Audit Results - Final

Internal Audit personnel began an examination of books and records on May 7, 2010 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 March 31, 2010. The audit procedures included performing a cash count; a test of deposits; a test of contract files; and an 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 conference was held with you on May 24, 2010

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

CC: Jeff Durham

Cash Drawer:

Finding:

A cash count was performed with no discrepancy.

Recommendation: None at time of audit

Response: None required

Deposits:

Finding:

1. Four hundred eighty (480) pre-numbered receipts were issued between April 1, 2009 and March 31, 2010. These receipts were compared to the deposits; 222 receipts (46.25%) were deposited with the Treasury between 2 and 27 days after receipt date.
2. On three separate occasions the backup person prepared a receipt that the Events Coordinator failed to include in the daily deposit by the next business day.
3. The cash collection point must maintain a clear separation of duties. Currently, the Events Coordinator is responsible for collecting and depositing receipts. An individual should not have responsibility for more than one of the cash handling components of collecting and/or depositing monies.
4. The deposits are not being reviewed and/or approved by management.

Recommendation:

1. Funds collected by Myers Park personnel should be deposited and reported at least once a week or deposited during the week it was collected per the instructions detailed below.

Funds collected by your office for a week that total less than \$100 should be reported and deposited to the Treasury on a weekly basis. (Example: every Friday). If the funds collected reach \$100 at any time or in total during a week, a deposit should be made to the Treasury the next business day. A final deposit and/or report would be completed at the end of the week (Friday) that the mid-week deposit occurred within.

2. Receipts should be reviewed to ensure all receipts in the time period are captured in the deposit.
3. There should be a separation of the responsibilities of the cash handling components: collecting and depositing.
4. Management should review and approve the daily deposits.

Response:

1. Due to the schedules of both the Manager and the Event Coordinator, it is not always feasible or even possible to meet the recommendations outlined above. We are very diligent in trying to deposit funds of any amount within the criteria outlined above; however when we cannot, we are diligent about keeping funds locked in the safe while it is at Myers Park. I have spoken with Purchasing about the Courier Service adding us to their route and there is a fee of which we do not have the funds to cover. One suggestion would be for Myers Park to purchase a couple of locking Night Deposit bank bags, us keep a key and give a key to Treasury and have the bag delivered Mondays, Wednesdays, and Fridays with the mail.
2. New methods have been put in place to ensure all receipt numbers are accounted for and captured in the deposit.
3. With few people in the office it is difficult to impossible to separate the responsibilities of cash handling, collections and depositing and have the deposits made by the criteria outlined above.
4. Having a second office staff person review each deposit has begun.

Contract and Lessee Files:

Findings:

A random sample of 19 contracts was taken from 181 contracts (10.5%) for events held during the audit period. The following exceptions were found in the contract files.

1. Rental payments on eight different contracts were not paid ten calendar days prior to the event.
2. Contract #09-151 was a public event, which requires insurance. A valid Certificate of Insurance was not in the file.
3. Contract #09-069's event sheet was prepared on May 13, 2010, after the deposit and facility rental were paid on March 20, 2009. Two additional payments were made less than ten calendar days before the event.

Recommendation:

1. Myers Park personnel should ensure that all the terms of the agreement are enforced.
Myers Park and Event Center Facility Usage Agreement, page one (1), item four (4): Rental Fees – All rental fees are due ten (10) calendar days prior to the event.
2. Myers Park personnel should ensure that all the terms of the agreement are enforced.
Myers Park and Event Center Facility Usage Agreement page two (2), item sixteen (16): If required by the Collin County Risk Manager, Lessee shall, at its own expense, provide and maintain in force during its term of the leased premises liability insurance coverage required by Collin County

naming Collin County as an additional insured. If additional insurance is required, Lessee will furnish a valid Certificate of Insurance with the amounts and categories of coverage required.

3. Event sheet should be created when the initial agreement is made and monies received. Please refer to recommendation #1 regarding the two additional payments.

Response:

1. Two of the eight cited for facility rental fees are believed to be oversights by Myers Park staff. Two rental facility fees are believed to have been mailed in and did not meet the ten day requirement due to weekend dates or Event Coordinator being out. Staff members do not open others mail. Myers Park will make a note on receipt if this happens in the future. Three incidents cited as late rental payments were for last minute additions such as additional hours, P/A system, and/or concession or vendor fees that are not typically paid until the day of the event.
 - a. Contract #09-90 cited as facility rental not paid until day of event 10-31-09, receipt was misread and was actually paid 18 days prior to event date on 10-13-09.
 - b. Contract #09-169 cited as facility rental not paid until day of event 3-6 & 7-10, facility rental was actually paid 12 days prior to event date on 2-22-10. Concession, vendor and RV parking fees were all collected and receipted on 3-6-10 or 3-7-10, the actual days of the event.
 - c. Contract #10-157 Lessee mailed check for deposit amount with contract. Lessee deducted deposit amount from facility rental fee, thus mailing a shorted check. Mail caused delay in meeting the 10 day requirement. Staff received approval to allow lessee to hold event and accept the difference on the day of. The file has been updated and properly filed.
2. Contract #09-151, the original insurance binder was mislaid; we have obtained a second copy that covers the date of the event and filed it accordingly, as they did have the insurance in place. The file was complete and properly filed.
3. Contract #09-069, the total owed was \$2250 with a \$300 deposit. We received a check for \$1500 to cover \$300 initial deposit and \$1200 rental fee on March 20, 2009 and an event sheet was produced at that time. Lessee called back and added an additional date for set up and 50 tables and 300 chairs. Thus adding additional costs of \$750 of which Lessee had to obtain check from their national office in Wisconsin. The \$750 check was received May 13, 2009 on the set up day and a event sheet was updated and the old one thrown out. On that day, lessee stated that the deposit would make up the difference still owed of \$300. Event Coordinator explained that all must be paid in full and refund issued for deposit amount. The final check from the national office was received on May 22, 2009. There are times on large events that the lessee is not sure of numbers for tables and chairs until less than 10 days.

Asset Verification:

Findings:

The following exceptions were identified:

- CC #18467, 24 ft Tandemaxle Trailer #958028 is not at Myers Park.
- CC #27394, Wainroy side angle coupler #A20888 is not attached to Case Backhoe CC #23060 assigned to Myers Park.
- CC #32898, 2000 Ford F350 Dually with manuals is not at Myers Park; agenda item dated 1/11/10 requesting the transfer was pulled, but the asset was still transferred.
- CC #42899, 20' X 8' Cargo Trailer per bid #12012-04, Court Order #2009-418-06-08 transferred this unit from Myers Pak to Facilities.

Recommendation:

The results have been forwarded to Purchasing for review and/or correction.

Response:

- CC #18467, 24 ft Tandemaxle Trailer #958028 was at the Service Center for repair and was verified to be at Myers Park on May 21, 2010.
- CC #27394, Wainroy side angle coupler #A20888 is not attached to Case Backhoe CC #23060 was never at Myers Park and should be removed from our list.
- CC #32898, 2000 Ford F350 Dually with manuals was never at Myers Park and should be removed from our list.
- CC #42899, 20' X 8' Cargo Trailer per bid #12012-04, Court Order #2009-418-06-08 transferred this unit from Myers Pak to Facilities and should be removed from our list.