



# COLLIN COUNTY

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Date: July 8, 2010  
To: Judge Terry Douglas, Justice of the Peace 2  
From: Jeff May, County Auditor   
Subject: Fourth Quarter FY09 and First Quarter FY10 Audit Results - Final

Internal audit began an examination of books and records on March 11, 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 July 1, 2009 through December 31, 2009. The audit procedures included performing a cash count; a test of deposits, disbursements and bank reconciliations; 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 you and your staff on May 11, 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.

**Recommendation:** None at this time

**Response:** None required

## **Bank Reconciliation's**

### **Findings:**

We reviewed the bank statements and the corresponding bank reconciliations of the General and Escrow Accounts for October 1, 2009 through December 31, 2009, and identified the following exceptions:

1. The Odyssey system generated bank reconciliation is used for the monthly reconciliation process. This reconciliation is not complete, as it does not identify the outstanding checks, deposits in transit, and any other reconciling item between the accounting records and bank statement that may be applicable.
2. An Escrow Account listing was not printed for the months under review, therefore the Escrow Account listing could not be verified against the check register account balance and/or bank account balance for the period under review.

### **Recommendations:**

1. A manual reconciliation should be completed to reflect complete and accurate accounting records for each month.
2. The Escrow ledger should be maintained and reconciled monthly with the Escrow Account to accurately identify liabilities. The Bond Activity report on the Odyssey System should be run at the end of each month to capture the monthly activity and the end of the month balance.

### **Response:**

I am now told that Odyssey does not do this and I was under the impression that Odyssey would run any report needed.

## **Report Verification**

### **Finding:**

Eighteen manual receipts issued during the period under review did not have the corresponding computer receipt number noted and thirteen manual receipts did not have a case number reference noted on the receipt.

**Recommendation:**

All manual receipts issued should have the corresponding computer receipt number noted or a copy of the receipt attached to the manual receipt. All manual receipts should include the case number noted on the receipt.

**Response:**

This was just an oversight with all the new steps from going live with Odyssey; the clerk just missed this one. All money is there; the receipt number wasn't on temporary receipt.

**Asset Verification**

**Finding:**

An asset inventory test was performed with no discrepancy identified.

**Recommendation:** None at this time

**Response:** None required