



# COLLIN COUNTY

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Date: July12, 2010

To: Robert Hughes, CSCD Director  
Terry Box, Collin County Sheriff

From: Jeff May, County Auditor 

Subject: Sheriff's Convicted Offender Reentry Effort FY09 Audit - Final

Internal Audit personnel began an audit of the Sheriff's Convicted Offender Reentry Effort program (SCORE) on May 5, 2010 as required by The Texas Department of Criminal Justice-Community Justice Assistance Division (TDCJ-CJAD). The audit is required by TDCJ-CJAD for a vendor whose total funding from CSCD exceeds \$100,000 for the fiscal year.

The time period reviewed was September 1, 2008 through August 31, 2009. The audit procedures included a review of the SCORE program and related documents.

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.

CSCD, Minimum Security and Sheriff Office personnel were extremely helpful and courteous in assisting with the annual review. An exit conference was held with you on June 3, 2010.

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

Attachments:

2008 Independent Auditor's Report

2009 Independent Auditor's Report

Appendix 1 – Comparison of Budgeted to Actual Revenue and Expenditures

Appendix 2 – Fixed Asset Inventory and Depreciation Schedule

Appendix 3 – Summary Schedule of Billings/Invoice & Payments Received from CSCD

Appendix 4 – FY09 Vendor Compliance Checklist

## **Report Summary**

The annual audit for the SCORE program was conducted per the Texas Department of Justice and the CSCD Director's request. The period audited was from September 1, 2008 to August 31, 2009, which corresponds to the state fiscal year. The audit began on May 5, 2010 and was completed on May 11, 2010. The SCORE audit report is divided into six major sections:

- Report Summary
- Introduction
- Purpose and Scope
- Methodology
- Findings and Recommendations
- Attachments

The following areas related to the SCORE program were examined:

- Resident Capacity Rate
- Administrative Expenditure
- Invoices and Housing Days
- Transportation Vehicles
- Inmates' Case Files
- Licenses and Certifications
- Miscellaneous Reports

The purpose of the audit was to determine the key areas above were in compliance with the FY09 SCORE Contract Agreement and the Independent Audit Guidelines for CSCD Vendors. A summary of findings is listed below.

## **2. Introduction**

The Collin County SCORE program is partially funded by the TDCJ-CJAD. The audit for the SCORE program was required under the Independent Audit Guidelines for TDCJ-CJAD. The guidelines require an audit if an agency receives over \$100,000 of funding in one year. The program was designed to partially fund the SCORE inmate housing. CSCD agreed to pay the sum of \$16,839.75 per month for FY09 for salaries and fringe benefits for employment of three detention officers assigned to the S.C.O.R.E program and Restitution Center Program, that is, a total of \$202,077.00. Vendor invoices should be presented to the Department by the 10<sup>th</sup> day of each month. The SCORE contract is renewable annually and must be approved by the Commissioner's Court.

### **3. Purpose and Scope**

The audit was limited to certain areas addressed in the SCORE contract for FY09 and to the TDCJ-CJAD audit scope and guidelines. The purpose of this annual audit is to examine the aforementioned key areas in the SCORE program to determine if Collin County complied with the SCORE contract for FY09, as well as the Jail Standards and Independent Audit Guidelines for a CSCD Vendor.

### **4. Methodology**

- Calculated actual capacity rate against required 90% capacity rate set by the state and compared annual contract cost rate per resident with annual actual cost rate per resident.
- Compared actual expenditure to actual invoice paid expenditure.
- Collected 12-months invoices and resident listings for FY09 and analyzed the data in terms of amounts, billing dates, due dates and resident numbers and compared the actual invoices to payments.
- Verified vehicles listed on the contract agreements against vehicles currently used by the SCORE program.
- Verified case files for supporting documents.
- Reviewed current certifications for the program staff.

### **5. Findings and Recommendations**

#### **Billing Statements and Resident Lists**

##### **Objectives:**

- To review the billing statements to CSCD for the SCORE Housing Inmate Cost and ensure that the invoices were accurate in terms of the number of residents amounts and the billing dates.
- To verify that billing dates complied with the FY09 contract due date by the 10<sup>th</sup> day of each month. To verify the Resident Lists attached with the invoices.

##### **Procedures:**

- Verified Resident Lists generated by Minimum Security.
- Verified monthly Resident Lists against the billing statements to ensure both documents match.
- Verified statements for billing correct months of residence.
- Verified billing amounts with correct formula and calculation.
- Verified billing dates complying with the contract due date.

**Findings:**

- The Inmate Housing Cost for the Month of January 2009 was dated January 2, 2008. This date is incorrect because the information for the month of January is not finished until January 31, 2009.
- The Monthly Community Supervision and Corrections Report for the month of June 2009 were incorrectly reported. The Beginning of Month (BOM) 26 + Adds 4 – Dels 4 = End of Month (EOM) 26.
- The Residential Facilities Monthly Activity for the month of August 2009 was incorrectly reported. The BOM 27 + Adds 7 – Dels 4 = EOM 31.

**Recommendations:**

- The Inmate Housing Cost for the Month of January 2009 should have been dated after January 31, 2009. When completing the billing statement, the Sheriff's Office needs to make sure the billing date is correct.
- The Monthly Community Supervision and Corrections Report for the month of June 2009 should have reported BOM 26 + Adds 4 – Dels 5 = EOM 25. The Sheriff's Office needs to ensure that the inmates being deleted from the program during the month get moved to the deletion column for a correct calculation.
- The Residential Facilities Monthly Activity Report for the month of August 2009 should have reported BOM 27 + Adds 7 – Dels 4 = EOM 30. The Sheriff's Office needs to ensure that the calculations are correctly completed before submitting the report.

**Response:**

The date on the January 2009 report appeared to be inadvertent and is not an ongoing problem. The RFMA report for June and August 2009 appeared to be anomaly and to the best of my knowledge the state report has been corrected.

**Revenue/Compensation**

**Objective:**

To compare the actual revenue received to fund the SCORE program to the compensation amount allowed per the contract to determine if the monies received were the same as the compensation amount allowed on the contract.

**Procedures:**

We verified the actual payments received with the allowed compensation amount documented in the contract.

**Findings:**

We verified the actual revenue with the allowed compensation amount documented in the contract and found that the actual revenue for SCORE in FY09 was \$5,053.08 less than the amount documented in the contract.

	<b>Allowed Per Contract</b>	<b>Actual</b>	<b>Variances</b>
Total Amount	\$202,077	\$197,023.92	\$5,053.08

- Total allowed residents per contract = 36
- The department shall pay the sum of \$16,839.75 X 12 = \$202,077 per month for salaries and fringe benefits for employment of three detention officers assigned to SCORE Program.
- Total bed days billed = 11,553 (Invoices from September 2008 to August 2009)
- Actual residents (average per month) = 11,553 / 365 days = 31.65 rounded to 32.
- Total amount allowed per contract = \$202,077
- The actual revenue billed and received = \$16,418.66 X 12 = \$197,023.92
- The actual revenue received was \$ 5,053.08 less than the amount in the contract.

**Recommendations:**

The actual revenue needs to be equal to what the contract will allow as compensation. The Contract states, *“The Department shall pay the sum of \$16,839.75 per month for salaries and fringe benefits for employment of three detention officers assigned to SCORE Program and Restitution Center Program.”* Article 1.2 Section A.

**Response:**

CSCD paid the billing as submitted by Collin County Sheriff’s Office which totaled the \$197,023.92. Article 1.2 Section A wording has been modified to alleviate the variances.

**Administrative Expenditure**

**Objective:**

To compare the actual expenditures to the amount of expenses allowed per the contract to verify if the monies paid out were the same as what was allowed under the contract.

**Procedures:**

- Found the amount under the contract allowed for expenditures to be \$202,077.
- Added up all the Salary and Benefit Expenses from the account activity listing, which was \$204,496.84.

- Subtracted the actual expenditure for salary/benefit from the amount allowed under the SCORE contract.

**Finding:**

We verified the actual expense with the allowed expenditure amount documented in the contract and found that the actual cost for the SCORE program in FY09 was \$2,419.84 more than the amount documented in the contract.

	<b>Allowed Per Contract</b>	<b>Actual</b>	<b>Variances</b>
Total Amount	\$202,077	\$204,496.84	(\$2,419.84)

**Recommendation:**

The actual expense should not exceed the amount specified in the contract.

**Response:**

When the contract was negotiated, compensation package was not yet set by Collin County thus the variances.

**Revenue/Expenditures Variances**

**Objective:**

To compare the actual revenues versus the actual expenses in order to see if the expenses were greater than the revenue for the SCORE program

**Procedures:**

- Added up all the Inmate payments made for the SCORE program.
- Added up all Salaries/Fringe Benefits for employees who participate under the SCORE program.

**Finding:**

We verified the actual revenue for the SCORE program to be \$197,023.92 and the actual expenditures for the SCORE program to be \$204,496.84. There is a variance of (\$7,472.92).

<b>Actual</b>	<b>Revenue</b>	<b>Expenditures</b>	<b>Variances</b>
Total Amount	\$197,023.92	\$204,496.84	(\$7,472.92)

**Recommendation:**

The expenditures for SCORE should not exceed the revenue received for SCORE.

**Response:**

Again, contract negotiated prior to knowing what actual salaries /benefits were going to be for FY 2009 for Sheriff's Office personnel.

## **Invoices and Housing Days**

### **Objective:**

To compare the actual invoices/days billed to the invoices/days paid to determine the shortfall.

### **Procedures:**

- Added up all the housing days and invoice amounts billed to CSCD from the billing statements.
- Added up all the housing days and invoice amounts approved and paid from CSCD.
- Summed up all the differences from the unpaid amounts to reach the unpaid total of invoices.

**Finding:** No exceptions were found.

**Recommendation:** None at the time of audit.

**Response:** Not required.

## **Transportation Vehicles**

### **Objective:**

To verify that all vehicles for transporting the SCORE inmates were listed on the FY09 SCORE Contract Agreement.

### **Procedure:**

Identify the vehicles listed on the SCORE contract at Minimum Security.

**Findings:** No exceptions were found.

**Recommendation:** None at the time of audit.

**Response:** Not required.

## **Inmates' Case Files**

### **Objective:**

To examine SCORE inmates' case files for supporting documents required to be in the file.

**Procedure:**

SCORE inmates' case files were randomly selected and reviewed Court Order, PSI, Criminal History, Supervision Plan, Cognitive Programming, Educational Programming, and Offense Report.

**Finding:**

All selected case files were reviewed; no exceptions were found.

**Recommendation:** None at the time of audit.

**Response:** None required.

**Licenses and Certifications**

**Objective:**

To verify that all SCORE program staff maintained licenses and certifications as required.

**Procedure:**

Certificates of employees assigned to SCORE program were reviewed.

**Finding:** No exceptions found.

**Recommendation:** None at the time of audit.

**Response:** None Required.

**Miscellaneous Reports**

**Objective:**

To verify Incident Report, Location Report, Jail Release Report and Jail Standards Reports.

**Finding:** No exceptions were found.

**Recommendation:** None at the time of audit.

**Response:** None Required.



## INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge and  
Commissioners' Court  
Collin County, Texas

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Collin County, Texas as of and for the year ended September 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Collin County, Texas' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Collin County, Texas, as of September 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2009, on our consideration of Collin County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison on pages 3 through 20 and pages 74 through 78 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Collin County's basic financial statements. The introductory section, combining fund financial statements, supplementary schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations, and is also not a required part of the basic financial statements of Collin County, Texas. The combining fund financial statements, supplementary schedules, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Patillo, Brown & Hill, L.L.P.*

March 30, 2009



## INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge and  
Commissioners' Court  
Collin County, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Collin County, Texas as of and for the year ended September 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Collin County, Texas' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Collin County, Texas, as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2010, on our consideration of Collin County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison on pages 3 through 20 and pages 74 through 78 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Collin County's basic financial statements. The introductory section, combining and individual fund financial statements, supplementary schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and supplementary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Pattillo, Brown & Hill, L.L.P.*

April 29, 2010

<b>Appendix 1</b>			
<b>Collin County CSCD</b>			
<b>Collin County</b>			
<b>FY 2009</b>			
<b>Comparison of Budgeted to Actual Revenue and Expenditures</b>			
<b>Category</b>	<b>Budgeted</b>	<b>Actual</b>	<b>Difference</b>
<b>Revenues</b>			
State Aid	202,077.00	197,023.92	5,053.08
Resident Fees			0.00
Commissary Income			0.00
Other Funding Sources			0.00
Other Income			0.00
Total	202,077.00	197,023.92	5,053.08
<b>Expenditures</b>			
Salaries	202,077.00	137,894.12	64,182.88
Fringe Benefits		66,602.72	(66,602.72)
Personnel-Training			0.00
Personnel-Travel			0.00
Equipment			0.00
Transportation			0.00
Consumable Supplies			0.00
Other			0.00
Facility			0.00
Subtotal	202,077.00	204,496.84	(2,419.84)
Profit/Loss	0.00	(7,472.92)	(2,419.84)

Appendix 2						
Collin County CSCD						
Collin County						
FY 2009						
Fixed Asset Inventory and Depreciation Schedule						
Date	Model and	Tag		Additions/	Depreciation	Balance as of
Acquired	Description	Number	Cost	Disposal	Charge	8/31/2009
	No vehicle per contract					

<b>Appendix 3</b>				
<b>Collin County CSCD</b>				
<b>Collin County</b>				
<b>FY 2009</b>				
<b>Summary Schedule of Billings/Invoice &amp; Payments Received from CSCD</b>				
<b>Month</b>	<b>Year</b>	<b>Invoice Amount</b>	<b>Payment Received</b>	<b>Difference</b>
September	2008	\$16,418.66	\$16,418.66	\$0.00
October	2008	\$16,418.66	\$16,418.66	\$0.00
November	2008	\$16,418.66	\$16,418.66	\$0.00
December	2008	\$16,418.66	\$16,418.66	\$0.00
January	2009	\$16,418.66	\$16,418.66	\$0.00
February	2009	\$16,418.66	\$16,418.66	\$0.00
March	2009	\$16,418.66	\$16,418.66	\$0.00
April	2009	\$16,418.66	\$16,418.66	\$0.00
May	2009	\$16,418.66	\$16,418.66	\$0.00
June	2009	\$16,418.66	\$16,418.66	\$0.00
July	2009	\$16,418.66	\$16,418.66	\$0.00
August	2009	\$16,418.66	\$16,418.66	\$0.00
<b>Total</b>		<b>\$197,023.92</b>	<b>\$197,023.92</b>	<b>\$0.00</b>

Appendix 4

FY 2009 Vendor Compliance Checklist

Indicate by answering Yes, No, N/A to whether the following compliance requirements have been met:

Yes	No	Compliance Requirement
X		Separate accountability is maintained for CSCD funds
X		Revenues and Expenditures reported to TDCJ-CJAD are in agreement with, or reconcilable to, the funding recipient's accounting records and with audited expenditures in each budget category.
X		CSCD funds and locally generated revenues are expended in accordance with the contract requirements between the CSCD and Vendor, Vendor budget requirements, and listing of unallowable expenditures per vendor budget instructions.
N/A		All funding sources benefiting CSCD clients - other than CSCD funds - have been identified, reported and applied to reduce CSCD rate per client per day.
N/A		If the Vendor serves more than one agency/establishment, expenditures that are common to the different programs are prorated on an equitable basis. Determination of the method of prorating such expenditures must be supported by adequate cost allocation.
X		Vendor billing charged to CSCD's and paid for by the CSCD's have been verified with supportive documentation.
X		Expenditures and revenues are supported by adequate documentation.
X		Locally generated funds are documented with a proper receipt system.
X		All equipment is physically inventoried and adequately supported with a standard inventory form. Depreciation charges are adequately allocated to programs, where applicable.
X		TDCJ-CJAD policies regarding contracts with vendors, per the TDCJ-CJAD Contract Management Manual, have been followed.