



# COLLIN COUNTY

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Date: August 11, 2010  
To: Mr. Chuck Presley, Constable, Precinct 3  
From: Jeff May, County Auditor   
Subject: Third & Fourth Quarters FY09 and First & Second Quarters FY10 Audit Results – Final

Internal Audit began an examination of your books and records on May 10, 2010 for the County Auditor quarterly audit requirements. The audit objectives were to confirm 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 a review of receipts, deposits, disbursements and bank statements; bank reconciliations; commissions; 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 June 7, 2010.

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

## **Bank Reconciliation**

### **Findings:**

A chargeback item for \$55.00 and the bank chargeback fee for \$6.39 were unrecorded on the February and March monthly cash reports. They were not stated in the February and March bank reconciliations as book adjusting items. However, these chargeback items were recorded in the monthly cash reports in April 2010.

Note: February and March bank reconciliations were revised by the Constable staff and submitted to the Auditor's office after the problems were identified during the audit.

### **Recommendation:**

Return check items should be recorded in the monthly cash report when issued by the bank. If the return check items are not recorded in the monthly cash reports, they should be stated in the bank reconciliation as book adjusting items.

### **Response:**

We will implement the recommendation and this should remedy the identified problem.

## **Report Verification**

### **Findings:**

1. Seven (7) checks were recorded incorrectly in the monthly reports.

|   | Check date | Check Number | Check Amount | Month Recorded |
|---|------------|--------------|--------------|----------------|
| 1 | 9/30/2009  | 2061         | 1,882.82     | Oct-2009       |
| 2 | 9/30/2009  | 2062         | 5,365.00     | Oct-2009       |
| 3 | 10/29/2009 | 2063         | 103,046.99   | Nov-2009       |
| 4 | 11/13/2009 | 2069         | 4,750.00     | Dec-2009       |
| 5 | 2/19/2010  | 2081         | 150.00       | Mar-2010       |
| 6 | 2/26/2010  | 2082         | 1,900.00     | Mar-2010       |
| 7 | 2/26/2010  | 2083         | 100.00       | Mar-2010       |

Note: these checks were updated correctly on the monthly reports by the Constable staff and submitted to the Auditor's office after the problems were identified during the audit.

2. A commission fee was under calculated by \$250 based on the total judgment cost of \$167,773.27 on the Order of Sale for case # 380-3171-07. The correct amount should be \$8,638.66 instead of \$8,388.66.

### **Recommendation:**

1. In the monthly cash reports, disbursement checks should be recorded in the month that the checks were written and dated.
2. Constable's commission should be calculated by using the documents in the Order of Sale and the rates documented in the fee schedule approved by the Commissioner's Court.

### **Response:**

We will implement the recommendation and this should remedy the identified problem.