



# COLLIN COUNTY

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Date: August 19, 2010  
To: Judge Paul Raleeh, Justice of the Peace – Precinct 1  
From: Jeff May, County Auditor   
Subject: Third & Fourth Quarter of FY09 and First Quarter of FY10 Audit Results – Final

Internal Audit began an examination of books and records on November 19, 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 01, 2009 through December 31, 2009. The audit procedures included performing a cash count; a test of deposits, disbursements and bank reconciliations; and an 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 interview was held with you and Shannon Robertson on February 10, 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

### Findings:

JP-1 did not complete a manual reconciliation of the book balance with the bank balance for 8 out of the 9 months audited – May through December of 2009.

A reconciliation report exists within the Odyssey Program, but it does not reconcile the differences between the bank balance and book balance, just reflects bank statement activity. The balance is listed at the end of the month and that balance is adjusted with activity already recorded in the bank statement. There is not a list of outstanding checks, deposits in transit, assets to liability or an adjustments listing. Also, the check register cannot be pulled for a specific date range with a beginning and/or ending balance.

### Recommendations:

JP-1 should perform monthly manual reconciliations of the bank balance with the book balance in order to identify any discrepancies between the two and sufficiently document and explain those differences.

### Response:

I have received my audit report and met with the auditors after it was over. Your staff was very professional however; I see no need to respond to anything. I think we got in this habit of doing things for some unknown reason. There is no requirement that I respond and I believe we worked out all the issues in the exit meeting. So I say, we're done.

## Report Verification

### Finding:

We found 4 checks with duplicate entries, out of the total of 201 checks issued during the audit period.

Odyssey			Bank		
Check #	Date Issued	Amount	Check #	Date Cleared	Amount
2694	11/23/2009	\$ 47.50	2694	12/2/2009	\$ 47.50
2694	11/16/2009	\$ 36,119.30			Duplicate in Odyssey
2682	Not Used	Not Used	2682	11/20/2009	\$ 36,119.30
2690	11/19/2009	\$ 51.98	2690	12/3/2009	\$ 55.00
2691	11/23/2009	\$ 55.00	2691	11/27/2009	\$ 51.98

**Recommendation:**

JP-1 should ensure that all check numbers in the Odyssey system are entered correctly and not duplicated.

**Note:** The Odyssey system does not have safeguards in place to prevent a check number from being used twice. This issue has been identified in other audits of County agencies currently on the Odyssey system and has been reported to Tyler.

**Response:**

I have received my audit report and met with the auditors after it was over. Your staff was very professional however; I see no need to respond to anything. I think we got in this habit of doing things for some unknown reason. There is no requirement that I respond and I believe we worked out all the issues in the exit meeting. So I say, we're done.

**Finding:**

The auditor found 10 receipt numbers that were missing from a total of 8,656 receipts issued over an 8 month period since the conversion to the Odyssey system.

**Note:** This issue has been identified in other audits of County agencies currently on the Odyssey system and has been reported to Tyler. A correction had been implemented by Tyler Technologies that will require verification at a later date. The Auditor's Office will continue to monitor this issue.

**Recommendation:** None at this time

**Response:** None Required.

**Asset Verification**

**Finding:**

An audit of assets in inventory was performed with no discrepancy.

**Recommendation:** None at this time

**Response:** None required