



COLLIN COUNTY

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Date: February 15, 2011
To: Mr. Johnny Todd, Constable, Precinct 4
From: Jeff May, County Auditor 
Subject: Third & Fourth Quarters FY10 – Final

An entrance conference was conducted with you on November 1, 2010 to start an examination of the books and records 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, 2010 through September 30, 2010. The audit procedures included a review of receipts, deposits, disbursements, bank statements and bank reconciliations, and commissions.

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 November 18, 2010.

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

Report Verification

Finding:

There were 4 out of 94 (4% error rate) deposit slips that were completed incorrectly. Each time there should have been an amount deposited for currency (cash) and instead all of the deposit was completed under the check section of the deposit slip. Proper internal controls recommend that currency be separated and shown on the appropriate line, with checks entered on separate lines. The purpose for the control is to permit an easier review of the summary report against the deposit slip and to prevent substituting a check for cash.

Recommendation:

Bank deposit slips should be completed to show the split between currency and checks, with each in the appropriate area of the deposit slip.

Response:

The actual separation of checks and currency is done correctly in the actual deposit / bank bag. The way our deposit slips are designed doesn't allow for more than one currency deposit to be listed and documented along with the receipt number, which is what we use to track down any problems or issues that might arise with a particular case. This could be corrected with a minor change to the deposit slips. I understand, for auditing purposes, the auditor would like to see a breakdown on the actual deposit slip, but the payment type is indicated in 2 separate places on the handwritten receipts. (Which should also be indicated now with Odyssey, but for the audit period we were still hand writing receipts.) For our office stand point, we must make sure that for a particular amount, whether cash or check, that it is documented to which case it should apply so that we have a paper trail to use for back-tracking. If we do not have that, we will start to have other issues.

Auditor's Response

A deposit slip should be used to identify the payment tender that make up the deposit that is sent to the bank. The payment tender identified on the deposit slip should be consistent with the tender methods reflected on the corresponding receipts issued. This will ensure that the records sent to the bank are consistent with internal records, in the event of any discrepancies between the bank deposit records and the internal deposit records.

Fee/Commission Verification

Finding:

There was 1 out of 10 (10% error rate) commissions for an Order of Sale that was charged incorrectly. The judgment amount was changed after the sale; this was not reflected in the commission.

Recommendation:

When completing commission calculations, you should ensure the judgment or other costs have not changed. If a change occurs, the commission calculation should be updated accordingly.

Response:

This was a decision made by the deputy working executions at the time. He was not present for questioning at the time of the audit. This is not the responsibility of the Administrative Secretary.

Auditor's Response

Appropriate follow-up procedures should be implemented to ensure that any changes to the original judgment amount are addressed and updated accordingly.