



COLLIN COUNTY

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Date: June 8, 2011
To: Judy Florence, Myers Park and Event Center Manager
From: Jeff May, County Auditor 
Subject: Third and Fourth Quarters FY 10 Audit Results - Final

Internal Audit personnel began an examination of books and records on February 15, 2011 for the County Auditor quarterly audit requirements. The audit objectives were to ensure county property and cash receipts were promptly accounted for, accurately recorded, and safeguarded.

The time period reviewed was April 1, 2010 through September 31, 2010. The audit procedures included performing a cash count; a test of deposits; a test of contract files; and a test of manual receipts.

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 March 24, 2011.

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

Deposit Report/Treasury Receipt Verification:

Finding:

Out of the ninety-four (94) receipts sampled, forty-two (42) receipts or 45% were not deposited with the treasury until 3-10 days later. This was a prior audit finding.

There is no segregation of duties between the cash collecting and receipting function and the preparation of the deposits. Both activities are currently done by the Event Coordinator. This was a prior audit finding.

Recommendation:

Deposits of a hundred dollars or greater should be deposited with the treasury by the next business day.

There should be a separation of the responsibilities of the cash handling components: collecting and depositing.

Response:

Due to the schedules of both the Manager and the Event Coordinator, it is not always feasible or even possible to meet the recommendations outlined above. We are very diligent in trying to deposit funds of any amount within the criteria outlined above; however when we cannot, we are diligent about keeping funds locked in the safe while it is at Myers Park.

Myers Park has purchased three locking Night Deposit bank bags, we keep a key and Treasury has a set of keys. The deposit bag is delivered Mondays, Wednesdays, and Fridays with the mail. With mail pick up only 3 days, there may still be times when there is a couple of days lag in getting money deposited.

With few people in the office it is difficult to impossible to separate the responsibilities of cash handling, collections and depositing and have the deposits made by the criteria outlined above.

Myers Park has had a second office staff person review each deposit and sign off prior to it's delivery since the last audit in 2010. Currently we have taken one more step to separate duties. The Manager prepares the deposit and places it in the bank bag, locks and places it in the out going mail Monday, Wednesday, or Friday only.

One way to cut down on said cash or checks remaining on the premises would be to offer a credit card option for rental fees or deposits.

Auditor's Response:

The Auditor's office has informed the office to immediately cease sending deposits through interoffice mail. Myers Park management has been advised to bring the deposits to the Treasury office. Extending courier service to this location is currently being considered. The cost of courier service one time per week is \$145 and \$225 for service two times per week.

Contract Verification:

Finding:

Out of twenty (20) contracts sampled, three (3) rental payments were not paid ten calendar days prior to event:

- 1) Contract 10-013: Event Date-5/29/10 Payment Date-5/28/10
- 2) Contract 10-128: Event Date-5/23/10 Payment Date-5/20/10
- 3) Contract 10-089: Event Date-4/03/10 Payment Date-3/31/10

This was a prior audit finding.

Recommendation:

Myers Park and Event Center Facility Usage Agreement page one (1), item four (4): Rental Fees – All rental fees are due ten (10) calendar days prior to the event. Myers Park personnel should ensure that all the terms of the agreement are enforced.

Response:

One of the three cited for facility rental fees are believed to be oversights by Myers Park staff. One rental facility fees are believed to have been mailed in and did not meet the ten day requirement due to weekend dates or Event Coordinator being out. Myers Park will make a note on receipt if this happens in the future. Myers Park has also initiated reminder cards to mail to each Lessee, 20 days prior to the final payment due date. Staff mails just a white note card reminding them that their final payment is due 10 days prior to their event (we type in that specific date).

Contract #10-013 cited as facility rental not paid 10 days prior to event; Lessee was making payments to Myers Park and miscalculated final payment by \$100. Total rental fee owed was \$1800; \$1700 was collected in full by 5/10/11 which did meet the 10 day requirement.

Contract #10-128 cited as facility rental not paid 10 days prior to event; fees were mailed in and were delayed meeting the 10 day requirement.

Contract #10-089 fees are believed to be an oversight by Myers Park staff.

Having credit card availability would allow Lessee's to make payment over the phone and avoid final payment missing the 10 day requirement.