COLLIN COUNTY

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Date: September 9, 2011

To: Judge W.M. Yarbrough, Justice of the Peace 4

From: Jeff May, County Auditor

Subject: First Quarter FY11 Audit Results – Final

Internal audit began an examination of books and records on March 4, 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, safeguarded and disbursed properly.

The time period reviewed was October 1, 2010 through December 31, 2010. The audit procedures included performing a cash count; a test of deposits, disbursements, and bank reconciliations; and a fee verification.

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.

Your office personnel were extremely helpful and courteous in assisting with the quarterly review. An exit interview was held with yourself and staff on June 2, 2011.

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

Cash Drawer

Finding:
There were two out of the five drawers that did not have their checks and money orders stamped with endorsements on the back of the documents. There were a total of seventeen checks/money orders that were not endorsed when the cash count was performed.

Recommendation:
All checks and money orders must be properly endorsed by the clerk during the transaction process. This step should not be made at the end of the day during the drawer close-out.

Response:
Clerks have been re-instructed as to the proper method of endorsing checks and money orders. Additional endorsement stamps have been placed in the drawers at the front counter so clerks no longer have to wait to share the same stamp.

Bank Reconciliation

Findings:
During the review of the bank reconciliation for the General/Fee Account, we found fourteen outstanding checks that were stale dated. The checks were written between 2/21/07 and 3/15/10, totaling $4,739.30.

During the review of the bank reconciliation for the Escrow Account, we found fifty outstanding checks that were stale dated. The checks were written between 1/19/07 and 6/18/10, totaling $15,941.62.

Recommendations:
The stale-dated checks should be researched to determine the reason they are still outstanding and, if necessary, voided and reissued.

Response:
Although locating addresses for old checks and cases has been an on-going process, research will be given more work time going forward. Letters have been sent to the last known address, but better research tools would make finding people easier than simply relying on basic free internet searches. Currently to void some of the checks would mean manually adding everything from the old cases into Odyssey since the cases were not converted.

Many of the checks, especially Escrow, were left as outstanding until they could be escheated to the State after the 3 year waiting period (from the last activity –

not necessarily from the check date), so that the check could be voided and a new one written to the State without having to re-enter each case into Odyssey.

Report Verification

Findings:

1) We found that the Juvenile Case Manager Fee of $5 has not been applied to convictions or deferred adjudications on fine-only misdemeanor offenses as per the Texas Code of Criminal Procedure CCP 102.0174(c): "…require a defendant convicted of a fine-only misdemeanor offense in a justice court, county court, or county court at law to pay a juvenile case manager fee not to exceed $5 as a cost of court." This fee was added to the Collin County Fee Schedule for Fiscal Year 2011.

Of fifty-five receipts sampled we found two (2) instances where the Juvenile Case Manager Fee should have been applied but was not.

The following is a list of fees charged incorrectly:

Receipt Date	Case	Charge	Amount collected	Correct Amount	Difference
11/09/10	04-TR-10-05270	Fail to maint. control	180.00	185.00	(5.00)
12/20/10	04-TR-10-06427	Driving 1-20 over	180.00	185.00	(5.00)

2) We found the Cost on Conviction Fee of $0.10 was not correctly applied to moving violations as per CCP 102.022(b): "A defendant convicted of a moving violation in a justice court, county court, county court at law, or municipal court shall pay a fee of $0.10 as a cost of court."

Of 55 receipts sampled we found four (4) moving violations where this fee was not applied to the charge and should have been. We found one (1) non-moving violation where the fee was applied and should not have been.

The following is a list of fees charged incorrectly:

Receipt Date	Case	Charge	Amount collected	Correct Amount	Difference
10/12/10	04-TR-10-04675	Driving 1-20 over	190.00	190.10	(.10)
10/25/10	04-TR-10-05581	No valid inspect cert.	120.10	120.00	.10
11/09/10	04-TR-10-05270	Fail to maint. control	180.00	180.10	(.10)
11/19/10	04-TR-10-03636	Driving 1-20 over	180.00	180.10	(.10)
12/20/10	04-TR-10-06427	Driving 1-20 over	180.00	180.10	(.10)

Recommendation:
When fee schedules are changed, updates need to be immediately made in the system and the staff needs to be notified to ensure the correct fees are charged.

Response:

1) Fees are added by one person for all JP courts; however, someone (Audit or Budget) must let her know when fees change or new fees are to be added as the courts do not monitor commissioner court meetings, and the approved fee schedule was not received until well into the year and then only after specific requests were made by each court administrator. The fee was added as soon as discovered, and per Auditor's office instructions, was not back-dated.

2) Although the $.10 fee is to be added to moving violations as defined by DPS, actually applying that to the way Odyssey is set up is difficult and would require adding two additional fee schedules and re-assigning offenses. Currently we have what breaks down to Rules of the Road fees ($103) and non-Rules of the Road fees ($70), the difference being the $30.00 State Traffic fine and the $3.00 local traffic fee added to the Rules fee schedule.

   Since most moving violations fall within the Transportation Code sections covered by the Rules of the Road fees, the $.10 Cost of Conviction fee was added to that category. However, some of the offenses classified as moving by DPS are from sections outside Subsection C, and not all of the offenses within that subsection are classified as moving. To catch and adjust this manually would mean that the clerks would have to memorize all moving violations and override the system for each charge added to the system. To fix it in Odyssey would mean a great deal of re-entry of offense data.

Auditor's Response:
JP- 4 should contact Tyler Technologies and other JP offices to properly set up the fee table to correctly charge fees in compliance with statutes. Perhaps two additional fee schedules need to be added to the Odyssey tables; one for Rules of the Road Offense (but not a moving violation) and one for Non-Rules of the Road Offenses (but not a moving violation). Because this is a matter of law and because Collin County is not the only jurisdiction in Texas currently using the Odyssey system, Tyler may have other customers with similar request and may have an easier solution to this problem.