



COLLIN COUNTY

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Date: May 18, 2012
To: Ms. Andrea Stroh Thompson, District Clerk
From: Jeff May, County Auditor 
Subject: Second and Third Quarters FY11 Audit Result – Final

An examination of the District Clerk financial books and records began on May 16, 2011 in accordance with Texas Local Government Code §115.002. The audit objectives were to provide reasonable assurance receipts and disbursements were promptly accounted for, accurately recorded and properly disbursed, and the internal controls were sufficient to protect County assets.

This review covered the period between January 1, 2011 and June 30, 2011. The audit procedures included a cash count, a test of deposits and receipts, a verification of disbursements, a review of the fee schedule and an examination of other financial aspects of the Office of District Clerk.

During the review, certain practices and procedures were identified that could be enhanced to strengthen internal controls and increase efficiencies. This review was not intended to be a comprehensive examination of every procedure, activity, or control. Accordingly, the findings and recommendations presented in this report should not be considered all-inclusive of the areas where improvements may be needed.

District Clerk personnel were extremely helpful and courteous in assisting with this review. An exit conference was held on February 13, 2012.

Please feel free to contact this office with any questions.

Bank Reconciliation

Findings:

Bank statements, corresponding bank reconciliations and Odyssey Financial Manager System for the Attorney Fax, Cash Bond, Criminal Court Costs, Court Registry, and Fee Accounts were reviewed and compared to the ledger.

The Attorney Fax, Cash Bond, Criminal Court Cost, and the Court Registry account were all reconciled for the period under review.

On the June 2011 Fee Account bank reconciliation, the manual book balance listed did not match the book balance on the Odyssey Financial Manager (OFM). The book balance per OFM was \$101,977.88 but the book balance used on the reconciliation was \$59,187.78. Some corrections have been made to this outstanding issue. As of the current audit period the variance is \$42,790.10.

The total adjustments that should be made to the OFM to properly document financial activity amount to (\$43,670.10). These individual adjustments are detailed in the schedule below.

Amount	Note
\$ (44,504.52)	Manual deposit done in error (<i>this accounts for nearly the entire amount of the imbalance</i>)
\$ (358.00)	Check 10217 was not posted on OFM
\$ (236.17)	Deposit was over on OFM
\$ (53.03)	Adjustment not documented on OFM
\$ (48.11)	Check 10194 is recorded OFM for \$48.11 less than it was issued
\$ (35.83)	Difference in Deposits between book and OFM
\$ (33.00)	Adjustment not documented on OFM
\$ (24.95)	Interest was backdated on OFM
\$ (19.24)	Check 10189 is recorded OFM \$19.24 less than it was issued
\$ (17.00)	Deposit was over on OFM
\$ (5.00)	Deposit was over on OFM
\$ (2.50)	Deposit was over on OFM
\$ (0.99)	Deposit was reversed in OFM
\$ 25.00	Deposit not documented on OFM
\$ 90.00	Deposit was short on OFM
\$ 150.00	Check 11449 not voided in OFM
\$ 1,403.24	Multiple deposits not documented on OFM
\$ (43,670.10)	Total

Adjustments to the manual books to properly document financial activity amount to a net amount of \$880.00 are as follows:

Amount	Note
\$ (37.00)	Check not voided on manual books
\$ 160.00	Error in manual books
\$ 375.00	Void checks in August 2010
\$ 382.00	Void checks in June 2010
\$ 880.00	Total

The adjustments to OFM of (\$43,670.10) and the manual book adjustments of \$880.00 combine for a total of (\$42,790.10).

UPDATE:

As part of Internal Audit's follow-up procedures, we revisited this issue during the subsequent Change-of-Office Audit and determined it has been resolved.

Response:

No response is needed as this issue has been resolved.

Fee Schedule

Findings:

1. There were twenty four (24) fees on the District Clerk 2011 fee schedule that were not set up in Odyssey and therefore could not be assessed on any case.

According to District Clerk personnel, these fees do not apply to the District Clerk's Office and should not be on their fee schedule.

THE FOLLOWING IS A LIST OF THE TWENTY FOUR (24) FEES:

1. Certified Copy of Record of Appointees Names - \$1.50 – *Civil Practice & Remedies Code 126.012*
2. Child Safety Fund Fee for Crossing Guard Services - \$20 – *CCP 102.014*
3. Child Safety Fund for Truancy Offenses - \$20 – *CCP 102.014(d)*
4. Confiscated Game Fee - Actual Cost – *Govt. Code 102.0214*
5. Cost for Malicious or Frivolous Action Filed by Inmate - No Amount Listed – *Civil Practice & Remedies Code 14.007*
6. Court Cost for Special Services - Rules of the Road Misdemeanor Conviction - \$3 – *Govt. Code 102.0213(1)*
7. Courthouse Security Fund Fee – Filing Document Not Subject to Security Fee - \$1 – *LGC 291.008(d)*
8. Disallowed Fees on IV-D Agency - No Amount Listed – *Family Code 231.204*
9. Electronic Monitoring Fee - Actual Cost – *CCP 17.43*
10. Examining Trial Fee - \$5 – *Govt. Code 102.011(d)*
11. Game Value Recovery Fee - Set by Judge – *Govt. Code 103.031*
12. Hearing Fee for Juvenile Probation Diversion Fund - \$20 – *Govt. Code 103.0212(2)(c)*
13. Indigent Inmate Court Fees & Costs - No Amount Listed – *Civil Practice & Remedies Code 14.006*
14. Indigent Inmate Remaining Court Fees & Costs - No Amount Listed – *Govt. Code 101.061(5)*
15. Initial Operations Fee for Domestic Relations - \$15 – *Govt. Code 103.022(8)*
16. Insurance Contingency Fund Fee - \$5 – *Govt. Code 51.302*
17. Petition for Review of Appraisal Review Board Order Relating to Multicounty Property - \$5 – *Govt. Code 101.0617*
18. Pretrial Intervention Program Supervision Fee - \$60 – *CCP 102.0129(a)*
19. Supervision Fee - No Amount Listed – *Family Code 157.213*
20. Teen Court Fee - \$10/\$20 – *Govt. Code 103.0212(2)(f)*
21. Teen Court Program Administrative Fee - \$10 – *Family Code 54.032(g)*

22. Teen Court Program Request Fee - \$10/\$20 – *Govt. Code 103.0212(2)(b)*
23. Veteran Court Program Fee - \$1,000 – *Health & Safety 617.006(1)*
24. Veteran Court Testing Counseling & Treatment Fee - No Amount Listed – *Health & Safety 617.006(2)*

2. As partial payments are received, the collections are not applied to the court cost prior to paying the fine.

There were two (2) cases where the fine was collected before the court costs and fees.

3. The cashiers at the District Clerk's office are able to reverse fees charged without supervisor's approval.

There were two (2) reversals of fees charged that did not have supervisors' approval one in the amount of \$10 and another in the amount of \$1,800. The case relating to the \$1,800 reversal is closed but still shows a financial balance of \$301.

Recommendations:

1. The District Clerk's Office should not have fees on the fee schedule that do not apply to the office or that cannot be assessed by the office.

The District Clerk's Office should coordinate with the Law Library to ensure only the fees applicable to the office are included in the fee schedule submitted to the Commissioner's Court for approval. Any changes to the fee schedule should be reviewed by the District Clerk prior to submission.

2. The District Clerk should ensure the Odyssey system is configured to collect court costs and fees prior to fines when applying partial payments. The exception to this would be a court order mandating the order of payments.
3. The District Clerk should review the cases in question to determine the accuracy of the case files. If corrections need to be made, the case should be re-opened and any adjustments properly documented.

The District Clerk should update the rights and roles function within the Odyssey Case Manager system to ensure each employee has been assigned the appropriate rights for the corresponding duties.

The District Clerk should verify all closed cases in the system do not have a financial balance; they should also verify no balance exists on the case before closing it.

Response:

1. The District Clerk's office is working to research and revise our fee schedule so that in the next budget cycle, only fees that are actually applicable to our office are included on the fee schedule.

2. In one case, the fines and court costs have been paid in full, so there is no deficiency. In the other cases, the party is on a payment plan and the clerk has been reminded to assess court cost first, before fines.
3. The "reverse" option is available to the clerks under a generic "right and role" that we cannot remove without removing other "rights and roles" that they must have. We are currently working with Tyler to customize those fields to allow us to remove that option from the clerks. Until that option can be removed from the clerks, we have reminded and retrained the clerks that they may not reverse without a supervisor's approval.