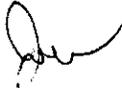




COLLIN COUNTY

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Date: June 14, 2012
To: Tracey Dry, President, Child Protective Services Board
From: Jeff May, County Auditor 
Subject: First Quarter through Fourth Quarter FY11 Audit Results – Final

An examination of the CPS financial books and records was conducted in accordance with Texas Local Government Code §115.002. The audit objectives were to provide reasonable assurance receipts 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 October 1, 2010 through September 30, 2011. The audit procedures included a test of deposits, a verification of disbursements, and an examination of other financial aspects of the Office of CPS.

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.

CPS personnel were extremely helpful and courteous in assisting with this review. An exit conference was held on May 29, 2012.

Please feel free to contact this office with any questions.

Disbursements

Finding:

March 2012, the Auditor's Office identified blank CPS checks were pre-signed by one of the signatories.

Recommendation:

As an internal control procedure, checks should not be pre-signed. Checks should be prepared by the Treasurer after the expenditure is approved by the CPS Board. The co-signer on the check should then review the check to verify the check details match the previously approved disbursement.

Note: At the April 23, 2012 board meeting, the CPS Board approved a CPS Policy entitled, "Board Check Writing Procedures", which states, "Allow 1 or 2 officers (President & Treasurer) to sign checks prior to drafting to allow for expedient and prompt payment of services for the benefit of foster children and CPS."

Response:

This procedure has been used by the CPS Board for the entire time I have been a member of it (since at least 2006). Since the checks required two signatures, in order to expedite the process of providing payment to foster care families, the President signed the estimated number of checks needed to cover the special needs requests for that month's meeting. The President signs the checks (usually 10-15) at the end of each month's meeting and then the Treasurer completes the request, fills in the check and signs it at the time it is to be mailed. The checks are always kept with the Treasurer in a secure location. All checks are then listed in the financials at the next month's meeting for follow-up and verification. At no time in the 6 years that I have been on this board has there ever been an issue or problem with this process. In fact, it allows the Board to respond quickly and effectively to our foster care families to provide their reimbursements.

We formalized this process with a unanimous vote at the April meeting in the CPS Board minutes.