



Audit Report
Tax Assessor/Collector-Property Division
July 1, 2011 – December 31, 2011
Status: Final

For action:

Kenneth Maun Tax Assessor/Collector

For information:

Jeff May County Auditor
Randall Rice First Assistant Auditor
Shela Vinson Audit Manager

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Report Summary

As part of the 2012 Compliance Audit Plan, an audit of the Tax Assessor/Collector's Property Division was conducted in accordance with Texas Local Government Code §115.002.

The overall objective of the audit was to provide assurance that internal controls are in place to ensure:

- The officer has collected all the money they are obligated to collect
- The money collected was properly remitted to the appropriate party
- All funds are properly managed
- All money is properly accounted for, accurately reported, and adequately safeguarded
- The operations of the office conform to prescribed procedures
- Exposure to potential risk is minimized

The audit scope included an audit of banking, cash receipts and internal controls. The time period audited was July 1, 2011 through December 31, 2011.

Refer to the Observations and Recommendations section, as well as the Appendix for the results of the audit.

This review was not intended to provide absolute assurance on all procedures, activities, or controls. We will continue to examine aspects of the office in compliance with statutes and to provide reasonable assurance that County assets are safeguarded and appropriately managed.

An exit conference with the Tax Assessor/Collector was held to discuss this report.

The time and assistance provided by the Tax Assessor/Collector and the staff during this engagement is greatly appreciated.

Observations and Recommendations

Observation	Recommendation	Management Response
<p><u>FINDING NUMBER:</u> 12-TX-Q1-1</p>		
<p><u>Condition:</u> Out of the 82 drawers that were verified, 2 drawers were over and 2 drawers were short, for a net overage of \$14.95. See appendix for details</p> <p><u>Effect:</u> Customers are not receiving the correct change.</p> <p><u>Cause:</u> An error was made when making change.</p> <p><u>Criteria:</u> All cash overages and shortages must be documented by individual cash drawer on a daily basis and documented with that day's activity.</p>	<p><u>a. Transaction Required:</u> Two of these issues have been adjusted on the general ledger. The other two issues need adjustments made to the general ledger to reflect the overage/shortage.</p> <p><u>b. Internal Control Change:</u> All transactions should be verified to ensure that the correct change is being returned to each customer. All cash drawers and cash boxes should be verified daily to ensure the cash on hand is correct.</p>	<p>Status of corrections:</p> <p>Date Completed: No response was received</p> <p>Status of procedure change:</p> <p>Date Implemented: No response was received</p>

Observation	Recommendation	Management Response
FINDING NUMBER: 12-TX-Q1-2		
<p>Condition: There were three checks that were accepted with the incorrect date, and one check accepted with inconsistent amounts in the numerical and written parts of the check.</p> <p>Effect: The collection of the checks may be delayed because the incorrect dates and varying amounts presented on the checks.</p> <p>Cause: The checks were not verified for the correct date and amount before being accepted.</p> <p>Criteria: The date and amount on the checks should be verified before being accepted.</p>	<p>a. Transaction Required: None</p> <p>b. Internal Control Change: All checks should be verified for the correct date, amount, and signature.</p>	<p>Status of corrections:</p> <p>Date Completed: No response was received</p> <p>Status of procedure change:</p> <p>Date Implemented: No response was received</p>

Observation	Recommendation	Management Response
<p>FINDING NUMBER: 12-TX-Q1-3</p>		
<p>Condition: There were three Beer & Wine temporary receipts that did not include the \$100 late fee. These renewal licenses were paid after the due date, therefore requiring a late charge fee of \$100.</p> <p>Effect: The Tax Assessor/Collector is not collecting all fees required by statutes.</p> <p>Cause: When issuing a Beer & Wine renewal receipt, \$100 late fee was not assessed. This appears to be a result of clerk error.</p> <p>Criteria: Texas Alcoholic Beverage Code allows the holder of a license or permit issued under this code to renew the license or permit rather than reapply for an original license or permit if, not later than the 30th [calendar] day after the date of the expiration of the license and permit. During this 30 day grace period, the late fee for each permit and/or license is \$100.00. (TABC Section 6.04)</p>	<p>a. Transaction Required: None Note: The three Beer & Wine temporary receipts that did not include the \$100 late fees were reassessed the late charge in order for TABC to process their application for a renewal license.</p> <p>b. Internal Control Change: When completing a Beer & Wine renewal receipt, the current date and the expiration date on the license should be compared. If the current date has surpassed the expiration date on the license, then a late fee of \$100 should be assessed.</p>	<p>Status of corrections:</p> <p>Date Completed: No response was received</p> <p>Status of procedure change:</p> <p>Date Implemented: No response was received</p>

Observation	Recommendation	Management Response
FINDING NUMBER: 12-TX-Q1-4		
<p>Condition: There was one disbursement check written from the General Account that cleared the bank without a signature.</p> <p>Effect: Unapproved checks that are overlooked in the signing process could clear the bank without proper approval.</p> <p>Cause: During the approval (signing) process, a check was overlooked for signing.</p> <p>Criteria: Refunds or expenditures must be paid through the appropriate county bank account on a signed county generated check.</p>	<p>a. Transaction Required: none</p> <p>b. Internal Control Change: All disbursement checks should be verified after the signing process is complete to ensure every check is signed.</p>	<p>Status of corrections:</p> <p>Date Completed: No response was received</p> <p>Status of procedure change:</p> <p>Date Implemented: No response was received</p>

Appendix

12-TX-Q1-1:

Cash Drawer Overage and Shortage

Drawer Number	Overage/Shortage
McKinney 300-2	\$.75
McKinney 301-2	\$(.80)
Plano 330-B	\$16.00
Frisco Cash Box	\$(1.00)
Totals	\$14.95