



**Audit Report**  
**LAW LIBRARY**  
**OCTOBER 1, 2012 – MARCH 31, 2013**  
**Status: Final**

**For action:**  
Monika Arris

Director of Budget & Finance

**For information:**

Jeff May  
Shela Vinson

County Auditor  
Second Assistant Auditor

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**Report Summary**

As part of the 2013 Compliance Audit Plan, an audit of the Law Library 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 October 1, 2012 through March 31, 2013.

Refer to the Observations and Recommendations section 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 Director of Budget & Finance was held on Wednesday, January 29, 2014 to discuss this report.

The time and assistance provided by the Director of Budget & Finance and the staff during this engagement is greatly appreciated.

## Observations and Recommendations

Observation	Recommendation	Management Response
<p><b><u>Condition:</u></b> There were several receipts recorded as cash transactions, however when deposited they were checks. There was one receipt recorded as a \$21.60 check transaction, however when deposited it was a \$4.00 check along with several small transactions paid in cash that were not receipted.</p> <p><b><u>Effect:</u></b> There is a higher risk of loss to the County when money collected is not receipted accurately.</p> <p><b><u>Cause:</u></b> Transactions were not recorded accurately in the manual receipt books.</p> <p><b><u>Criteria:</u></b> According to Collin County's Cash Handling Policy, Court Order No. 2013-441-06-17, "A receipt must be issued for each payment received. At a minimum, manual pre-numbered receipts must include the date, mode of payment (cash, check or credit card.)"</p>	<p><b><u>A) Transaction Required:</u></b> None.</p> <p><b><u>B) Internal Control Change:</u></b> The transactions receipted should be reconciled to each deposit by cash and check amounts.</p>	<p><b><u>A. Response:</u></b> The Law Librarian was only aware that a check was not recorded and that cash deposits were not equal to total receipts.</p> <p><b><u>B. Response:</u></b> The transactions receipted are reconciled each week at the time the deposit is prepared for delivery to the Treasury Department. The deposit slip includes a separate entry for cash and checks and includes a beginning and ending receipt number.</p> <p><b><u>Status of Recommendation:</u></b> Due to the unique nature of the Law Library, a Cash Handling Policy specifically for the Law Library has been submitted to the Auditor's Office for approval. Per the Law Library Cash Handling Policy, checks are receipted individually and cash receipts are either bundled for one receipt or, an individual receipt is issued upon request or if the individual amount is over \$8.00. Bundled amounts up to \$20.00 will be individually receipted. The Law Library has requested an exception to the Collin County's Cash Handling Policy as the staff does not have a cash register with an automatic receipting system and amounts received can be as small as \$.10, making creating an individual receipt not only time consuming but also wasteful as the majority of patrons do not require an individual receipt.</p>