

THE STATE OF TEXAS

COUNTY OF COLLIN

Subject: Audit Results, 3rd & 4th Quarter FY2013, Tax Assessor Collector – Auditor

On December 14, 2015, the Commissioners Court of Collin County, Texas, met in regular session with the following members present and participating, to wit:

Keith Self
Susan Fletcher
Cheryl Williams
Chris Hill
Duncan Webb

County Judge, Presiding
Commissioner, Precinct 1
Commissioner, Precinct 2
Commissioner, Precinct 3
Commissioner, Precinct 4

During such session the court considered a request from the County Auditor to accept and file the 3rd & 4th Quarter FY2013 Audit Results – Final for the Tax Assessor Collector.

Thereupon, a motion was made, seconded and carried with a majority vote of the court to accept and file the 3rd & 4th Quarter FY2013 Audit Results – Final for the Tax Assessor Collector. Same is hereby approved in accordance with the attached documentation.



~ Voted No ~

Keith Self, County Judge

Susan Fletcher, Commissioner, Pct. 1

Cheryl Williams, Commissioner, Pct. 2

Chris Hill, Commissioner, Pct. 3

Duncan Webb, Commissioner, Pct. 4

ATTEST:

Stacey Kemp, Ex-Officio Clerk
Commissioners Court
Collin County, T E X A S



Audit Report
TAX ASSESSOR / COLLECTOR
APRIL 1, 2013 – SEPTEMBER 30, 2013
Status: Final

For action:

Kenneth Maun

Tax Assessor-Collector

For information:

Jeff May

Linda Riggs

County Auditor

First Assistant Auditor

Audit Report
TAX ASSESSOR / COLLECTOR
APRIL 1, 2013 – SEPTEMBER 30, 2013

Report Summary

As part of the 2013 Compliance Audit Plan, an audit of the Tax Assessor / Collector 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 April 1, 2013 through September 30, 2013.

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 on Friday, November 07, 2014 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>Condition:</u> The lobby area of the Plano location has two doors leading into the office that were not locked and secured on two different occasions during the audit. Furthermore, the door into the dealer room, off of the side entrance, was found to be locked. However the room was able to be accessed by pushing on the door.</p> <p><u>Effect:</u> The Plano Tax Office personnel, funds collected, and supplies were not properly protected from unauthorized access and were left vulnerable to theft.</p> <p><u>Cause:</u> The lobby doors do not have badge access and are left unlocked by employees. Also the door to dealer room does not have badge access and does not latch properly when closed.</p> <p><u>Criteria:</u> Personnel and assets should be protected at all times. All doors that are accessible to the general public should be properly secured to prevent unauthorized access.</p>	<p><u>A. Transaction Required:</u> N/A</p> <p><u>B. Internal Control Change:</u> Badge access readers should be installed at all entrance points in the Plano Tax Office. Employees should only access the office area from a secure badge access door to ensure proper safeguarding of cash and supplies, and the safety of personnel. Doors not controlled with badge access should be locked and properly secured at all times during business hours.</p>	<p><u>A. Response:</u></p> <p><u>B. Response:</u> Badge access readers to the doors accessing the “behind the counter areas” have been requested in the Permanent Improvements to the budget. These have been requested before. These are a security concern. The county has not wanted to go to the expense of installing the badge readers.</p> <p><u>Status of Recommendation:</u></p>

Observation	Recommendation	Management Response
<p><u>Condition:</u> Surrendered license plates are sold to a recycling center and the money received is not being correctly reported as revenue.</p> <p><u>Effect:</u> The revenue is not accounted for in the financial records of the Tax Office; therefore revenue is understated.</p> <p><u>Cause:</u> The proceeds from the sale of the surrendered license plates are not deposited in the County depository or recorded in the Tax Office accounting system (ACCPAC).</p> <p><u>Criteria:</u> According to Collin County's Cash Handling policy, Court Order No. 2013-441-06-17, cash must be deposited promptly to the Treasury Department or County depository. Accounting for the cash needs to be completed as it is received.</p>	<p><u>A. Transaction Required:</u> Proceeds from the sale of the surrendered license plates should be deposited in the County depository and recorded in the Tax Office accounting system (ACCPAC).</p> <p><u>B. Internal Control Change:</u> Identify all revenue to ensure all monies are deposited in the County depository and recorded in the Tax Office accounting system (ACCPAC).</p>	<p><u>A. Response:</u> TxDMV, on different occasions, has said that any funds received from the sale of recycled license plates could be used for the benefit of the tax office employees. These surrendered license plates are not to be re-issued and only after accumulation are they worth anything to a recycling center.</p> <p><u>B. Response:</u> The office has received approximately \$200.00 per quarter. This has not been considered county cash. Funds are kept separate from county funds and properly secured in the vault.</p> <p><u>Status of Recommendation:</u></p>

Observation	Recommendation	Management Response
<p><u>Condition:</u> The Plano Tax Office has a few employees who are designated as limited power of attorney for Plano security guards. These Tax Office employees are cashing checks made out to the security guards for services performed during their extended work hours on Tuesdays. The cash is given to the guards at the beginning of their shift without any acknowledgement of receipt for payment.</p> <p><u>Effect:</u> The Tax Office does not have proof of payment if the checks made out to the guards are cashed by clerks and the guards are paid in cash. The process of employees cashing and handling cash creates a potential loss for Collin County. Additionally , having Tax Office personnel designated as limited power of attorney for Collin County vendors is a conflict of interest.</p> <p><u>Cause:</u> The security guards that perform services for the Tax Office are signing a limited power of attorney allowing employees of the Tax Office to cash their checks.</p>	<p><u>A. Transaction Required:</u> The employees of the Plano Tax Office should not cash checks made out to security guards. These checks should be mailed out and cashed by the guards.</p> <p><u>B. Internal Control Change:</u> The employees of the Plano Tax Office should not sign limited power of attorney in order to cash security guard checks.</p>	<p><u>A. Response:</u> The cash pool that is used to cash the checks of the security guards is the personal funds of Kenneth Maun, and none of it is county money. The personnel performing the security service for the office are used to timely payment of “extra duty” jobs. The short time of the weekly job (two and a half hours each week) is not sufficient to generate a lot of interest. The county’s original payment schedules were so erratic and unreliable that we were going to lose the services of the personnel performing the jobs. I want to retain the services of the security personnel for the evenings the office is open late. I am willing to use my money to make this as positive a situation as I can for the benefit of the tax office employees.</p> <p><u>B. Response:</u> The employees of the Collin County Tax Assessor Collector office do not sign a power of attorney. The security personnel do, just so that when the checks are finally received, they may be cashed to replenish the fund used for that purpose. Personal monies of Kenneth Maun are at risk. No county funds are at risk.</p> <p><u>Status of Recommendation:</u></p>

Criteria:

When services are performed for security work, checks should be mailed to and cashed by the payee. Employees of the Tax Office should not cash security guard checks and pay them for future services with cash.

Additionally, Tax Office employees should not be designated as power of attorney for Collin County vendors.

<p><u>Criteria:</u> When services are performed for security work, checks should be mailed to and cashed by the payee. Employees of the Tax Office should not cash security guard checks and pay them for future services with cash. Additionally, Tax Office employees should not be designated as power of attorney for Collin County vendors.</p>		
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Appendix