




COLLIN COUNTY

OFFICE OF COUNTY AUDITOR
200 S. McDonald Street • Suite 300
McKinney, Texas 75069
(972) 548-4731 • Metro (972) 424-1460
Fax (972) 548-4696

Date: April 16, 2009
To: Ms. Hannah Kunkle, District Clerk
From: Donald W. Cozad, County Auditor 
Subject: Second and Third Quarters of FY08 Audit Results - Final

Internal audit began an examination of books and records on August 4, 2008 for the County Auditor quarterly audit requirements. The audit objectives were to ensure county property and cash receipts were promptly accounted for, accurately recorded, safeguarded and disbursed properly.

The time period reviewed was January 1, 2008 through June 30, 2008. The audit procedures included performing a cash count; a test of deposits, disbursements and bank reconciliations; and a fixed asset inventory.

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

Your office personnel were extremely helpful and courteous in assisting with the quarterly review. An exit interview was held with yourself and staff on February 4, 2009.

Please feel free to contact us with any questions or requests for assistance.

Cash Drawer

Finding:

A cash count was performed with no discrepancy.

Recommendation: None at this time

Response: None required

Bank Reconciliation's

Findings:

We reviewed the bank statements and the corresponding bank reconciliations of the Attorney Fax, Cash Bond, Child Support, Court Registry and Fee Accounts for January through June of 2008 and identified the following exceptions:

1. Book adjustments were not accurately reflected on the Fee Account manual register:
 - An adjustment was identified on the June 16th Receipt Journal in the amount of \$259.00, which was not adjusted on the manual register.
 - An Adjustment Till was created on June 27th in the amount of \$25.00. This was not adjusted on the manual register.
 - An adjustment in the amount of \$231.00 was identified on the manual register in June which should have only been a bank adjustment.
2. When transitioning from AS400 to Odyssey, a monthly reporting variance was identified on the AS400 Monthly Recapitulation Reports and the Odyssey Monthly Receipt Journals when the same monies were entered on both systems, resulting in duplicate general ledger entries, as shown below:
 - The AS400 Monthly Recapitulation Report is reflecting an additional credit, in the amount of \$75,000, in the Month of April on the Registry of the Court Account Register. The payment was receipted on the Odyssey System on March 27, 2008 and was also reflected on the Receipt Journal for the month of March.
 - The Odyssey Receipt Journal is reflecting an additional \$18,717.35 payment in the month of April on the Registry of the Court Account. The payment was posted to the AS400 on April 17, 2008.
 - The AS400 Monthly Recapitulation report is reflecting a credit in the amount of \$400 in the month of April on the Fax Account and a payment in the amount of \$400 on the Odyssey Receipt Journal in the month of April.
 - The Odyssey Receipt Journal is reflecting an additional \$10,867.11 payment in the month of June on the Registry of the Court Account. The \$10,867.11 was posted to AS400 on June 26, 2008 and is reflected on the AS400 Monthly Recapitulation Report.

3. When transitioning from AS400 to Odyssey, monthly reports were not received by the Auditors' office for disbursements made or posted on all of the accounts from the Odyssey System, as well as the Trust Fund Account monthly reports.
4. Twenty-two checks were issued on the Registry of the Court account that did not have the County Auditor countersignature.

Recommendations:

1. The manual register should be documented correctly to ensure that it is accurately recorded. Adjustment tills should be recorded on the manual register.
2. The AS400 Monthly Recapitulation Report and Odyssey Receipt Journal should accurately reflect the monthly activity; any variance should be identified and documented on the corresponding reports.
3. Monthly disbursements made or posted to the Odyssey System and Monthly reports on the Trust Fund Account should be forwarded to the Auditor's office each month.
4. Each check issued for disbursement of the Trust Fund should have the County Auditor countersignature.

Response:

When these issues were brought to our attention during the audit they were corrected. We are learning new procedures in the new case management system as we go.

Report Verification

Fees

Finding:

Twelve fees identified on the 2008 County Commissioners' approved Fee Schedule for the office were not setup on the system fee table to be assessed. The fees are:

CERTIFIED COPY OF RECORD OF APPOINTEES	1.50
COURTHOUSE SECURITY FUND FEE – FILING DOCUMENT NOT SUBJECT TO SECURITY FEE	1.00
FAX TRANSMITTAL FEE	1.50
FRAUDULENT RECORD FEE	15.00
FRAUDULENT RECORD FEE - NOTICE FEE	20.00
INSURANCE CONTINGENCY FUND FEE	5.00
INTERPRETER FEE	3.00
IV-D FEES AND COSTS	15.00
NONRESIDENT ATTORNEY FEE	250.00
PETITION FOR REVIEW OF APPRAISAL REVIEW BOARD ORDER RELATING TO MULTICOUNTY PROPERTY	5.00
SPECIAL COMMISSIONER FEE	10.00
STOP PAYMENT ORDER	20.00

Recommendation:

All fees should be reflected on the system fee table and assessed as appropriate.

Response:

We are researching these fees at this time.

Receipts

Findings:

Each cashier has a cash drawer till. At the end of each day, each cashier reconciles receipts to the money (cash, checks, or other types of payment) received for the day with the till.

When the till is not closed on the same day as the receipts, the till totals are carried forward to the following business day. This causes days to overlap. One day will be understated; the next day will be overstated. There are instances where the till is not closed after the reconciliation. An adjustment till is created by a supervisor after reviewing the cashier's work for the day and determining that a correction or adjustment is necessary.

A till balance was created on April 14, 2008 and not closed until the next day, April 15, 2008. Another till balance was created on June 19, 2008 and not closed until the next day, June 20, 2008. Adjustment till for June 19, 2008 was not included in the reconciliation process.

Recommendation:

Reconciliation and the till closing should be done at the end of the same business day. Tills should be closed after the reconciliation process is completed. If there is an adjustment till, it should be included in the reconciliation process for that day.

Response:

All tills are reconciled and closed every night as well as the deposit. This was a learning process as well.

Asset Verification

Finding:

An asset inventory test was performed with no discrepancy.

Recommendation: None at this time

Response: None required