



COLLIN COUNTY

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Date: November 4, 2009

To: Hannah Kunkle, District Clerk

From: Jeff May, County Auditor 

Subject: Fourth Quarter of FY08 and First & Second Quarter of FY09 Audit Results- Final

Internal audit began an examination of books and records on May 4, 2009 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 July 1, 2008 through March 31, 2009. 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 your First Assistant, Patricia Crigger, and staff on September 3, 2009.

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

Prior Audit Finding

Report Verification

Fees

Finding:

Twelve fees identified on the 2008 County Commissioners approved Fee Schedule for the office were not set-up to be assessed. The fees are as follows:

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:

Kristy is working on this.

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 and identified the following exceptions:

1. Monthly reports are not being submitted to the Auditor's office timely, and or not consistently signed as approved by the Department Head each month.
2. The Criminal Fee Account was not reconciled for all months in the period under review.
3. A \$1500.00 re-deposit notice from the bank on the Court Registry Bank Account was incorrectly recorded, as a non-sufficient funds item on the books.

Recommendations:

1. The monthly reports should be in our office no later than the 5th day of the month. If necessary, the bank activity should be printed from the bank website to use to ensure all transactions are recorded. The monthly report should be signed for approval by the Department Head each month.
2. Each bank account should be completely reconciled each month.
3. The book balance should be corrected to reflect \$1500.00 payment posted to the book balance

Response:

These issues were resolved when the audit was taking place.

Report Verification

Receipts

Finding:

Two receipt numbers from the sequence of receipts issued for January 5, 2009 could not be identified on the Odyssey System.

NOTE: Missing cash receipt numbers have been corrected by TYLER in April 2009.

Recommendations: None at the time of audit

Response: None required.

Disbursements

Finding:

Seven disbursements issued on the Court Registry Account did not have the 10% of the interest earned and/or the \$50 handling fee for administrative expenses remitted to the District Clerk's office to compensate for the accounting and administrative expenses.

Recommendation:

The Trust Fund handling fee as stated in the Local Government Code and approved by the Commissioners' Court should be collected for all Trust Fund accounts maintained by the District Clerk. Local Government Code Section 117.055 states *"To compensate the county for the accounting and administrative expenses incurred in handling the registry finds that have not earned interest, including funds in a special or separate account, the clerk shall, at the time of withdrawal, deduct from the amount of the withdrawal a fee in an amount equal to five percent of the withdrawal but that may not exceed \$50.00."*

Ten percent of the interest earned should be collected as stated in the Local Government Code Section 117.054: *"if a special or separate account earns interest, the clerk, at the time of withdrawal, shall pay in a manner directed by a court with proper jurisdiction the original amount deposited into the registry of the court and any interest credited to the account in the manner calculated in Subsection (b).*

(b) The interest earned on a special account or a separate account shall be paid in the following amounts:

- (1) 10 percent of the interest shall be paid to the general fund of the county to compensate the county for the accounting and administrative expenses of maintaining the account; and*
- (2) 90 percent of the interest shall be credited to the special or separate account.*

Response:

We will begin deducting 10% out of the interest when the Judge signs the order.

Asset Verification

Finding: An asset inventory test was performed with no discrepancy.

Recommendation: None at this time

Response: None required