




COLLIN COUNTY

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Date: March 9, 2012
To: Judge Terry Douglas, Justice of the Peace – Precinct 2
From: Jeff May, County Auditor 
Subject: First and Second Quarter FY11 Audit Results – Final

Internal Audit began an examination of the Justice of the Peace, Precinct 2, financial books and records on July 1, 2011 in accordance with Texas Local Government Code §115.002. The audit objectives were to provide reasonable assurance receipts were promptly accounted for, accurately recorded and properly disbursed, and the internal controls were sufficient to protect County assets.

This review covered the period from October 1, 2010 to March 31, 2011. The audit procedures included a cash count, a test of deposits and receipts, a verification of disbursements, a review of the fee schedule and an examination of other financial aspects of your office.

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

Your office personnel were extremely helpful and courteous in assisting with this review. An exit conference was held with you on August 23, 2011.

Please feel free to contact us with any questions you may have.

Bank Reconciliation:

Finding:

General/Fee Account

The book balance on the General/Fee Account was not in agreement with the bank reconciliation for March 2011 and did not show a reconciling item for the difference. The reason for the discrepancy was a check written in April was included in the March bank reconciliation as an outstanding check.

Recommendation:

The outstanding check list should only include checks issued in the current and previous months that are still outstanding.

Response:

My staff has been instructed for many years to zero out the statement. My staff will attempt in every way to make your change.

General Controls:

Finding:

Justice of the Peace 2 is not submitting the required monthly reports timely. All six months in the audit period were received after the 10th day of the following month. Local Government Code Section 114.002 requires the timely submission of required reports. These reports include bank reconciliations, monthly receipts, and weekly disbursements to County Clerk/Treasury.

Recommendation:

All required reports should be submitted to the Auditor's Office by the 10th day of the following month.

Response:

Unfortunately we do not receive the statements by your 10th of the month mandate. We are as timely as we can get.

Auditor's Response:

The table below summarizes the report submission timeline:

Month	Due Date	Date Received
October	11/10/10	1/7/11
November	12/10/10	1/7/11
December	1/10/11	1/21/11
January	2/10/11	2/24/11
February	3/10/11	4/20/11
March	4/10/11	4/20/11

JP-2 should contact the financial institution and request on-line access to the bank account. The on-line account access allows for viewing daily activities as well as monthly bank statements.