



COLLIN COUNTY

OFFICE OF COUNTY AUDITOR
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May 29, 2020

Kenneth Maun
Tax Assessor – Collector
2300 Bloomdale Road, Suite 2302
McKinney, Texas 75071

In accordance with Local Government Code 114.043 and 115.002(b), a First Quarter 2020 Cash Count and Monthly Reporting Compliance Audit of the Tax Office department was conducted. The following procedures were performed:

- Counted all funds on hand and verified with the amount on the Cash Till Report.
- Counted the change fund and verified the amount with the General Ledger balance.
- Reviewed checks for endorsement and proper date.
- Reviewed the procedures for safeguarding the funds collected.
- Verified that monthly reports were submitted to the Auditor's office by the 15th calendar day of each month.

Refer to the Compliance Audit Report Summary for the results of the audit.

The time and assistance provided by the Tax Assessor-Collector and staff is greatly appreciated.

Sincerely,

Linda Riggs
County Auditor



Collin County Auditor

Compliance Audit Report Summary

Auditee: Tax Assessor - Collector
Audit Period: First Quarter FY2020

Cash Count

Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>

A. Checks and Money Orders restrictively endorsed.

Comments:

<input type="checkbox"/>	<input checked="" type="checkbox"/>
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B. Total amount counted matches total amount on Till Report.

Comments: Plano had 1 drawer counted \$20.00 over the total receipted. McKinney had 1 drawer with the counted totals not matching tender type amounts shown on the drawer reports.

<input type="checkbox"/>	<input checked="" type="checkbox"/>
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C. Cash drawer change fund counted agrees with General Ledger.

Comments: The cash drawer change fund was \$12,000 over the authorized amount. (Plano-\$5,000, Frisco-\$2,000, and McKinney-\$5,000)

<input checked="" type="checkbox"/>	<input type="checkbox"/>
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D. Cash, checks and receipts kept in a secured place.

Comments:

Recommendation: Any cash box that is over or short should be supported by an explanation and any existing documentation. When issuing receipts, tender type should be accurately entered. All cash drawer change funds should be the approved cash funds amounts.

Response:

Item B. Plano had 1 drawer counted \$20 over the total receipted.

When I reviewed the property tax drawer in question, I found that it was one of two drawers being worked by the employee. When I asked more questions, the employee was working two drawers at the same time, one being the property tax drawer in question, and the second being a motor vehicle drawer. When I reviewed the balance reports at the end of the day, both drawers balanced with no differences. When I reviewed the audit reports, one of the drawers was counted at 2:19 p.m. and the other drawer was counted at 3:27 p.m. With the drawers being counted over an hour apart, I can't omit the possibility that one drawer may have borrowed from the other, explaining the variance in the second drawer. The employee nor the cashier were able

to remember anything about the drawers being balanced as having no variances regardless of any audit balancing earlier in the day.

It is my recommendation that any cash drawer counts in the future include all drawers that any employee has in their possession at the time of the audits thereby precluding any possibility of one drawer affecting the other. It bothers me that we cannot find the specific reason that an imbalance at 3:27pm cannot be explained by the final daily balancing of the drawers later.

Item B. McKinney had 1 drawer with the counted totals not matching tender type amounts shown on the drawer reports.

We will continue to emphasize with the employees to use the correct method of payment when recording transactions. For practical purposes, if you stand behind the employees, you will find that taxpayers will switch between cash and credit card(s) momentarily depending on the cash they find in their wallets and the amount that they believe they have on their cards. I believe that we are always going to have some of these errors. We have to recognize that our real world is going to have these kinds of misidentifications.

Item C. The cash drawer change fund was \$12,000 over the authorized amount. (Plano-\$5,000, Frisco-\$2,000, and McKinney-\$5,000)

The change fund was not over by any amount. When we were in the period where the county was without an armored car service, there were questions about how we would have the change to operate with having two people every day going to the bank in order to have the needed change to supply the cash drawers on the counter serving the taxpayers. There were no viable answers. I determined that the easiest way for the offices to have sufficient change was for me to supply some of my own money to help cure the change problem for the short time that would limit the bank runs for change. This program, and the procedures that we would use, was discussed with county auditor personnel so that there would be no surprises and we would all understand what was happening.

I supplied my own money, not on the books of the county, which would allow the offices to work without having shortages of change to better serve the taxpayers of Collin County. These funds were kept separate, and apart, from the legal monies of the county. There was a once daily provision of change to the county cash drawers so that the offices would have sufficient change to serve the taxpayers. At no time were the monies comingled, nor were they a part of the county records. This office has made a subsequent request to expand the change funds of the county to accommodate an increase in the basic drawer and in the change funds of each office. When these funds are authorized and provided, I will receive back my money, and the offices will be able to continue service with, we anticipate, no further problems.

Monthly Reports

Yes No

A. Submitted by the 15th calendar day of the subsequent month.

Comments: The bank reconciliations for the 1st quarter of FY2020 (October 2019, November 2019, and December 2019) were not approved by management.

Recommendation: All bank reconciliations should be reviewed and approved by management.

Response: The bank reconciliations were not initialed by the Financial Supervisor. The manager asked the staff auditor, in the office at the time, if it would be okay for her to initial the bank reconciliations. This gave him the opportunity to call not initialing the reconciliations an error. In the course of the conversation, we determined that while the tax office supplies copies of the bank reconciliations monthly, they have not been looked at for over the past year, or so.

I would recommend that the bank reconciliations be reviewed monthly, or quarterly at a minimum. I am not nearly so worried about monthly counting the cash drawers as I am about the correct, accurate bank reconciliations, which I consider to be critical.