



**Comprehensive Audit Report
TAX ASSESSOR / COLLECTOR
OCTOBER 1, 2017 – SEPTEMBER 30, 2018
Status: Final**

For action:

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Tax Assessor-Collector

For information:

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County Auditor

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Report Summary

As part of the 2018 Comprehensive 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 October 1, 2017 through September 30, 2018.

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 6, 2020 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> On 10/17/16 a title application transaction totaling \$395.75 was voided because only \$289.90 was collected. On 12/15/17, the same customer was credited \$289.90 on a title application transaction totaling \$592.75 for the same vehicle which included penalties resulting from the 10/17/16 voided transaction.</p> <p><u>Effect:</u> The Motor Vehicle account was short \$289.90 due to a misapplied credit which resulted in the over/short paid to the county was reduced by the shortage amount.</p> <p><u>Cause:</u> The payment was manually put into the RTS system by clerk. The clerk entered payment and processed transaction without collecting funds.</p> <p><u>Criteria:</u> All fees shall be paid at the point of sale per Transportation Admin Code 209.23.</p>	<p><u>A. Transaction Required:</u> The ownership of the vehicle has since been transferred. There is no recourse to collect the \$289.90 shortage.</p> <p><u>B. Internal Control Change:</u> Because the motor vehicle RTS system requires the clerk to manually enter payment in order to process a transaction, all clerks should be diligent when processing transactions and receiving payment. Also be sure to keep all documentation for special situations.</p>	<p><u>A. Response:</u></p> <p><u>B. Response:</u> If a transaction cannot be paid, it should not be processed and the taxpayer's documents and funds should be returned. If a transaction is to use an unusual source of funds, including anything other than cash or credit card, the transaction should be reviewed and approved by the supervisor before being completed. Unusual situations such as this should be discussed separately in the training of new or promoted employees and in our office meetings for emphasis.</p> <p><u>Status of Recommendation:</u> The \$289.90 in uncollected monies (shortage) should be collected from the customer or paid to Collin County by the Tax Office.</p>