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## Executive Summary

### Fiscal Year 2019 – 4th Quarter Report

The Internal Audit Division respectfully submits departmental follow-up reviews as well as their respective cash counts. Departmental follow-up reviews encompassed performing cash counts, reviewing daily cash reports, and inquiring on the progress toward resolving the findings included in our prior Internal Audit Report.

Findings and recommendations herein are limited to the study procedures noted above and are based on the information provided by the Departments and our understanding that the information presented was accurate and to the best of their knowledge.

#### *Follow-up Reviews*

Follow-up reviews were conducted for the following offices and we find that they complied with implementing the recommendations brought forth in our prior Internal Audit Report presented to Management:

- Pre-Trial Services
- Risk Management
- CSCD
- EJ Salinas Community Center
- Justice of the Peace Precinct 3

The following offices have also complied with implementing recommendations set forth in our prior review, with exception(s):

#### **Justice of the Peace Precinct 1 Place 1 (Management's Response Included)**

The Justice of the Peace Precinct 1 Place 1 has begun to submit the Office of Court Administration (OCA) Official Justice of the Peace Monthly Report pursuant to Texas Administrative Code (TAC) § 171.2, but have not submitted the weekly conviction reports as required by Transportation Code §543.203 to the Texas Department of Public Safety. We respectfully request that the required reports be completed and submitted as soon as practicable to be up to date with statute.

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## Cash Counts

No material deviations were noted in the following cash counts conducted at each department, nor in the examination of the corresponding prior month's receipts, deposits, and daily cash reports.

DEPARTMENT	DATE	FINDINGS
Pre-Trial Services	08/27/2019	None
Elections	09/05/2019	None
Risk Management	09/05/2019	None
Planning	09/11/2019	None
CSCD	09/16/2019	None
EJ Salinas Community Center	09/17/2019	None
Justice of the Peace Precinct 3	09/17/2019	None
Constable Precinct 3	09/17/2019	None
Bruni Community Center	09/17/2019	None
Tax Office	09/18/2019	None
Sheriff's Office	09/18/2019	None

### Casa Blanca Golf Course (Management's Response Included)

A cash count was conducted on June 14, 2019 in accordance with Texas Local Government Code § 115.0035 in addition to an examination of prior month's receipts, deposits and daily cash reports. The objective of the cash count was to determine if the change fund and cash receipts were accounted for and if deposits and daily cash reports were processed and prepared in a timely manner.

During the course of the cash count we noted the following observations:

- Deposits are not made in accordance with statute and are not entered into the County's financial system on a timely basis. We recommend daily cash reports be entered promptly into the county's financial system once the validated deposit slip has been obtained as required by Texas Local Government Code.
- The Department exhibits a lack of cash management procedures which revealed the following issues:
  - ❖ **Change Fund.** At the time of the cash count the change fund was not intact. We recommend the Department utilize the "Golf Shop Open and Close Checklist" provided in the Operations Manual at the beginning and end of each shift to minimize discrepancies during the reconciliation process and recover any shortage.
  - ❖ **Standardization of fees.** Services available throughout the course have been restructured and we recommend the proposed service/fee schedule be presented to Commissioners Court to be approved.
  - ❖ **Receipt processing.** Customer names are not entered on the POS invoice leading to issues identifying credit card transactions to POS invoices. We recommend customer name be included in each transaction as stated on the Touchstone Operations Manual.

## *Cash Counts (continued)*

- ❖ **Manual receipting.** Currently the Department does not have manual receipts to issue when the POS is offline. Monies collected on these days cannot be classified in the proper accounts because lack of documentation of items sold. We recommend pre-numbered manual receipts be purchased for use should the system be offline.
  - ❖ **Tax exempt invoices.** Supporting documentation for tax exempt invoices is not maintained and may affect reporting and payment of monthly sales tax. We recommend Department request a copy of the sales tax exempt certificate to process a tax exempt invoice.
- Security concerns regarding grounds and POS logins must be addressed by management as soon as practicable. This will assist in protecting the County and Management against potential losses.

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