



ERATH COUNTY AUDITOR

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Hon. Alfonso Campos, County Judge
Dee Stephens, Commissioner Precinct 1
Albert Ray, Commissioner Precinct 2
Joe Brown, Commissioner Precinct 3
Jim Buck, Commissioner Precinct 4


A routine audit of a bank reconciliation was performed on an account randomly selected. The account selected was an account from the Tax Assessor's Office.

An audit of a bank reconciliation is meant to verify the reconciliation is mathematically correct, all outstanding items are reasonable, all activity is accurate, and no stale dated transactions exist.

No irregularities were found during the audit.

Thank you for the opportunity to serve.

Respectfully,


Janet S. Martin, CPA, CFE

cc: Hon. Jennifer Carey

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ERATH
COUNTY

Audit Report

Tax Office - Bank reconciliation audit

Audit Period: October 2018

Audit Status: Audit Work Approved

Erath County: Erath County

Audit details

Unique Reference	27
Audit Period	October 2018
Reference	October 2018
Audit Type	Standard
Audit Status	Audit Work Approved
Audit Score	100%
Associated Teams	

Audit Opinion

Notes

Audit Scope and Objectives

Audit one month bank reconciliation of the Tax Assessor's Office selected at random within the last year. Objective is to ensure the accuracy of the bank reconciliation and all transactions have been appropriately recorded.

Audit Programs

Name	Status	Score	Weighting
Bank Reconciliation	Approved	100%	1 (100%)

Audit Program Details

Bank Reconciliation	100%
Approved	
Risk 1: Bank and reconciliation errors	100.0%
<i>Control 1: Review monthly bank reconciliations for bank errors and/or errors in the reconciliation process.</i>	<i>100.0%</i>

Tests, Text Fields & Linked Files

Test 1: Obtain the current and previous month bank statements and all supporting documents for the bank account to be audited. **Yes (100.0%)**

Work performed:

Secured copies of September, October, and November 2018

Conclusions:

All bank statements were available.

Test 2: Does the bank reconciliation mathematically foot? **Yes (100.0%)**

Work performed:

All math on the bank reconciliation was calculated. The totals for all outstanding items or items in transit were verified.

Conclusions:

The reconciliation is mathematically correct. All outstanding items or items in transit were mathematically correct and properly used.

Test 3: Trace the bank balance on the bank reconciliation back to the bank statement. Do they agree? **Yes (100.0%)**

Work performed:

The beginning balance on the bank reconciliation was traced to the beginning balance on the October 2018 bank statement.

Conclusions:

The beginning balance used on the October 2018 bank reconciliation agrees with the beginning balance on the October 2018 bank statement.

Test 4: Does the preceding month ending balance per bank statement trace to the current month beginning balance per the bank statement? Yes (100.0%)

Work performed:

The ending balance on the September 2018 bank statement was traced to the beginning balance on the October 2018 bank statement.

Conclusions:

The September 2018 ending bank statement balanced was the opening balanced for the October 2018 bank statement.

Test 5: Have the outstanding checks listed on the prior month bank statement either show to have cleared in the current month or be carried as outstanding items on this bank reconciliation? Yes (100.0%)

Work performed:

The September 2018 bank reconciliation had 15 outstanding checks listed. The October 2018 bank reconciliation was reviewed.

Conclusions:

Three of the fifteen items cleared in the October bank statement. Seven of the outstanding checks were dated in 2015 or 2016.

Test 6: Have the deposits in transit listed on the prior month bank statement either show to have cleared in the current month or be carried as an outstanding item on the current bank reconciliation? Yes (100.0%)

Work performed:

September 2018 and October 2018 bank statements were reviewed. There were no deposits in transit listed on the September 2018 bank reconciliation. All deposits on the October 2018 bank statement were from the month of October 2018.

Conclusions:

All deposits were added to the bank during the appropriate month.

Test 7: Locate all outstanding items greater than \$5,000. Review the related documentation to verify the item is a valid outstanding item. Yes (100.0%)

Work performed:

The October 2018 bank reconciliation contained one outstanding checks greater than \$5,000. The check was issued as a refund after an agriculture exemption was applied. The check cleared in the December 2018 bank statement

Conclusions:

No inappropriately issued outstanding checks were found.

Test 8: Review all outstanding items requiring more than 60 days to clear. Research to assess the reason why the item has not cleared. Yes (100.0%)

Work performed:

The review of the October 2018 bank reconciliation showed seven outstanding checks dated either in 2015 or 2016. The dollar amounts of the individual checks ranged from \$3.72 to \$249.67.

Conclusions:

Checks dated March 1, 2016 and before are being escheated to the Unclaimed Property Department of the Texas Comptroller. The only check not escheated was voided and re-issued. All outstanding checks are proper.

Test 9: Were all outstanding items recorded in the correct period? Yes (100.0%)

Work performed:

Outstanding checks from the October 2018 bank statement were reviewed.

Conclusions:

All outstanding checks were recorded in the correct period.

Test 10: Print a Receipt Register from NetData. Compare the total receipts from the register to the total deposits to ensure all money receipts has been deposited and all deposits have a corresponding receipt. Yes (100.0%)

Work performed:

A receipt register from NetData was printed. The register amounts for October 2018 were compared to the money deposited and with the internal reports from the Tax Assessor's Office.

Conclusions:

All money balanced and had been properly handled.

Test 11: If the account is interest bearing has the interest been recorded in the proper fund? Yes (100.0%)

Work performed:

The account audited is an interest-bearing account. Interest is included in the General Fund.

Conclusions:

Interest income is properly recorded.

Risk 2: Reconciled balance does not agree with the general ledger.	Not Applicable
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Control 1: Does the reconciled bank balance agree with the general ledger?	0.0%
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Tests, Text Fields & Linked Files

Test 1: Print the trial balance from NetData for the fund containing the bank account. Compare the trial balance amount with the reconciled bank balance. They should agree.	Not Applicable
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Risk 3: Stale dated checks have not been escheated to the State	100.0%
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Control 1: Outstanding stale dated checks are escheated to the State annually.	100.0%
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Tests, Text Fields & Linked Files

Test 1: Review the dates on all outstanding checks. Based on the applicable code should any of the outstanding checks be escheated to the State?	Yes (100.0%)
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Work performed:

The outstanding check list from the October 2018 reconciliation was reviewed.

Conclusions:

The outstanding checks dated March 1, 2016 and prior have either been escheated to the Unclaimed Property Department of the Texas Comptroller's Office or have been re-issued.

Findings details

No Findings assigned