

**FORT BEND COUNTY, TEXAS**  
**FEDERAL SINGLE AUDIT REPORT**  
**Year Ended September 30, 2012**



**FORT BEND COUNTY, TEXAS**  
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Robert E. Hebert, County Judge  
and Members of Commissioners Court  
Fort Bend County, Texas

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Fort Bend County, Texas (the “County”) as of and for the year ended September 30, 2012, which collectively comprise the County’s basic financial statements and have issued our report thereon dated March 18, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of the County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs (item #12-01) to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of Commissioners Court, management, others within the entity and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Sante Kal & Co.", is written in a cursive style.

Sugar Land, Texas  
March 18, 2013

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD  
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Robert E. Hebert, County Judge  
and Members of Commissioners Court  
Fort Bend County, Texas

**Compliance**

We have audited Fort Bend County, Texas' (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2012. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2012.

**Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended September 30, 2012, and have issued our report thereon dated March 18, 2013, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of Commissioners Court, management, others within the entity and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Sugar Land, Texas  
March 18, 2013



**FORT BEND COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. Department of Agriculture</b>			
<b>Direct Programs:</b>			
Food Donation (Program Year 2012: 7/1/11 - 6/30/12)	10.555		\$ 3,057
National School Lunch / Breakfast Program 2011-2012	10.553		98,922
Summer Food Service Program for Children	10.559		101,741
<b>Total U.S. Department of Agriculture</b>			203,720
<b>U.S. Department of Housing and Urban Development</b>			
<b>Direct Programs:</b>			
Community Development Block Grant 2007	14.218		57,948
Community Development Block Grant 2008	14.218		205,764
Community Development Block Grant 2009	14.218		183,665
Community Development Block Grant 2010	14.218		892,039
Community Development Block Grant 2011	14.218		708,389
CDBG Disaster Recovery Entitlement Grant Program IKE Housing	14.228		326,904
Community Development Block Grant - Recovery (ARRA)	14.253		54,544
Shelter Care Plus Program	14.238		105,091
HOME Program 2009	14.239		20,876
HOME Program 2010	14.239		386,080
HOME Program 2011	14.239		100,105
ESG Program 2009	14.231		6,000
ESG Program 2010	14.231		19,471
ESG Program 2011	14.231		78,778
Neighborhood Stabilization Program (HERA)	14.264		1,364,300
Homelessness Prevention & Rapid Re-Housing Program (ARRA)	14.262		20,024
Total Direct Programs			4,529,978
<b>Pass-Through Programs From:</b>			
<u>Texas General Land Office</u>			
Community Development Block Grant - State's Program Non Ike Housing	14.228		80,718
Community Development Block Grant - State's Program Non Ike Housing	14.228		32,335
Total Passed Through Texas General Land Office			113,053
<b>Total U.S. Department of Housing and Urban Development</b>			4,643,031
<b>U.S. Department of Justice</b>			
<b>Direct Programs:</b>			
Edward Byrne Justice Assistance Grant FY2009	16.738		8,956
Edward Byrne Justice Assistance Grant FY2009 Recovery Act	16.804		98,145
Edward Byrne Justice Assistance Grant FY2010	16.738		13,966
Edward Byrne Justice Assistance Grant FY2011	16.738		78,055
Organized Crime Drug Enforcement Task Forces (0814)	N/A	DC#8702	108,048
Organized Crime Drug Enforcement Task Forces (0814)	N/A	DC#8705	8,484
Organized Crime Drug Enforcement Task Forces (0833)	N/A	DC#8706	8,860
Organized Crime Drug Enforcement Task Forces (0814)	N/A	DC#8703	17,171
Organized Crime Drug Enforcement Task Forces (0833)	N/A	DC#8083	17,200
Organized Crime Drug Enforcement Task Forces (0814)	N/A	DC#8713	2,735
Organized Crime Drug Enforcement Task Forces (0814)	N/A	DC#8714	48,202
Organized Crime Drug Enforcement Task Forces (0814)	N/A	DC#8720	20,521

*The accompanying notes are an integral part of this schedule.*

**FORT BEND COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Tactical Diversion Task Force	N/A		16,390
ATF-Houston Arson and Explosives Task Force	N/A		3,279
Total Direct Programs			450,012
<b>Federally Funded Pass Thru Grants From:</b>			
<u>The Office of the Governor Criminal Justice Division</u>			
Felony Drug Court (CARD), Misdemeanor DWI Court (JAG)	16.738	1919105	150,000
Edward Byrne Justice Assistance - Special Crimes Detective (Sheriff's Office)	16.738	2018004	65,801
Edward Byrne Justice Assistance - Special Crimes Detective (Sheriff's Office)	16.738	2018005	5,924
Crime Victim Assistance -Victim Services Program-Victim of Crime Act(VOCA) (CSCD)	16.575	1364812	32,921
Crime Victim Assistance -Victim Services Program-Victim of Crime Act(VOCA) (CSCD)	16.575	1364813	2,364
Crime Victim Assistance -Victim Witness Staff Expansion- (VOCA) (District Atty)	16.575	1364512	63,518
Crime Victim Assistance -Victim Witness Staff Expansion- (VOCA) (District Atty)	16.575	1364513	5,178
Violence Against Women Formula Grant - Prosecutor (District Atty) (ARRA)	16.588	1344714	67,383
Violence Against Women Formula Grant - Prosecutor (District Atty)	16.588	1344715	5,459
Violence Against Women Formula Grant - Investigator (District Atty) (ARRA)	16.588	1515713	39,941
Violence Against Women Formula Grant - Investigator (District Atty)	16.588	1515714	3,248
TRANSITIONS Work/Study Program (Juvenile)	16.540	2556001	268
Total Passed Through State Criminal Justice Division			442,005
<u>Executive Office of the President -</u>			
<u>Office on National Drug Control Policy</u>			
High Intensity Drug Trafficking Area (HIDTA)	95.001	G09HN0010A	7,640
High Intensity Drug Trafficking Area (HIDTA)	95.001	G11HN0010A	402,686
High Intensity Drug Trafficking Area (HIDTA)	95.001	G12HN0010A	121,085
Total Passed Through Office on National Drug Control Policy			531,411
Total Pass-Through Programs			973,416
<b>Total U.S. Department of Justice</b>			1,423,428
<b>U.S. Department of Transportation</b>			
<b>Direct Programs:</b>			
Section 5307 Urban Public Transportation	20.507	TX90-X836	25,617
Section 5307 Urban Public Transportation	20.507	TX90-X869	62,069
Section 5307 Urban Public Transportation	20.507	TX90-X847	4,076
Section 5307 Urban Public Transportation	20.507	TX90-X915	997,328
Section 5307 Urban Public Transportation	20.507	TX90-X968	1,236,079
Section 5309 Urban Discretionary Transit	20.500	TX04-0041	100,151
SH 36 Park and Ride	20.507	TX95-X021	687,336
Total Direct Programs			3,112,656
<b>Pass-Through Programs From:</b>			
<u>Texas Department of Transportation</u>			
Section 5309 Capital Investment	20.500	51112F7160	375,670
Section 5310 Elderly & Disabled Transportation Program	20.513	51012F7269	30,954
Section 5310 Elderly & Disabled Transportation Program	20.513	51112F7249	174,701

*The accompanying notes are an integral part of this schedule.*

**FORT BEND COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
Section 5317 New Freedom Federal Funds	20.521	51012F7307	1,799
Section 5311 State/Local Rural Public Transportation	20.509	51012F7206	119,396
Section 5311 State/Local Rural Public Transportation	20.509	51112F7193	290,116
Total Passed Through Texas Department of Transportation			992,636
 <u>Metropolitan Transit Authority of Harris County</u>			
Section 5316 Job Access/Reverse Commute Federal Funds	20.516	TX37-X059	222,753
Section 5317 New Freedom Federal Funds	20.521	TX57-X006	175,041
Total Passed Through Metropolitan Transit Authority			397,794
 <u>Houston Galveston Area Council</u>			
Fort Bend County Express	20.205	CSJ 912-72-030	52,983
Total Pass-Through Programs			1,443,413
<b>Total U.S. Department of Transportation</b>			4,556,069
 <b>U.S. Department of Homeland Security</b>			
<b>Pass-Through Programs From:</b>			
<u>United Way of Greater Houston</u>			
Emergency Food & Shelter - National Board Program	97.024		196,896
 <u>Texas Department of Public Safety -</u>			
<u>Division of Emergency Management</u>			
Regional Catastrophic Preparedness Grant	97.111	2009-CA-T9-0002	49,950
Urban Area Security Initiative (UASI) 2009	97.008	2009-SS-T9-0064	430,933
Urban Area Security Initiative (UASI-LEAP) 2009	97.008	2009-SS-T9-0064	716,930
Urban Area Security Initiative (UASI) 2010	97.008	2010-SS-T0-0008	1,924,679
Urban Area Security Initiative (UASI-LETPA) 2010	97.008	2010-SS-T0-0008	212,153
Urban Area Security Initiative (UASI) 2011	97.067	EMW-2011-SS-00019	671,077
Urban Area Security Initiative (UASI-LETPA) 2011	97.067	EMW-2011-SS-00019	189,814
Hazard Mitigation Program	97.039	DR 1791-194	12,343
Emergency Management Performance Grant	97.042	12-TX-EMPG-0511	105,632
State Homeland Security Program (SHSP) 2010	97.073	2010-SS-T0-0008	52,351
State Homeland Security Program (SHSP-LETPA) 2010	97.073	2010-SS-T0-0008	2,718
State Homeland Security Program (SHSP) 2011	97.067	EMW-2011-SS-00019	23,350
Total Passed Through Texas Department of Public Safety, Division on Emergency Management			4,391,930
<b>Total U.S. Department of Homeland Security</b>			4,588,826
 <b>U.S. Department of Health &amp; Human Services</b>			
<b>Pass-Through Programs From:</b>			
<u>Texas Department of Family &amp; Protective Services</u>			
Foster Care Title IV-EFY '12 (Legal) (ARRA)	93.658	23941775	115,934
Foster Care Title IV-EFY '12 (CWS) (ARRA)	93.658	23941778	24,574
Total Passed Through Texas Department of Family & Protective Services			140,508
 <u>Texas Juvenile Probation Commission</u>			
Title IV-E Foster Care Reimbursement Program	93.658	TJPC E-2012-079	30,225

The accompanying notes are an integral part of this schedule.

**FORT BEND COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<u>Texas Department of State Health Services</u>			
Public Health Emergency Preparedness (PHEP) (Hazards)	93.069	2011-038703	400,179
Public Health Emergency Preparedness (PHEP) (Hazards)	93.069	2013-041111-004	21,482
Public Health Emergency Preparedness - CRI - Cities Readiness Initiative	93.069	2011-038512	143,846
Public Health Emergency Preparedness - CRI - Cities Readiness Initiative	93.069	2013-041111-002	5,003
Public Health Emergency Preparedness - Risk Based	93.069	2012-040288	52,523
Preventive Health Block Grant - RLSS-Local Public Health System	93.991	2012-039505	24,759
Preventive Health Block Grant - RLSS-Local Public Health System	93.991	2013-041111-006	2,150
Immunization Cooperative Agreement - Locals	93.268	2012-039516	204,493
Immunization Cooperative Agreement - Locals	93.268	2013-041111-005	17,204
Tuberculosis Prevention & Control - Federal	93.116	2011-037504	28,812
Tuberculosis Prevention & Control - Federal	93.116	2012-040154	51,885
Tuberculosis Prevention & Control - Federal	93.116	2013-041111-007	7,101
Total Passed Through Texas Department of State Health Services			959,437
<b>Total U.S. Department of Health &amp; Human Services</b>			1,130,170
<b>U.S. Department of Energy</b>			
Texas Energy Efficiency & Conservation Block Grant (ARRA)	81.128	DE-EE000916	177,634
<b>Total U.S. Department of Energy</b>			177,634
<b>U.S. Election Commission</b>			
<b>Pass-Through Programs From:</b>			
<u>Texas Secretary of State</u>			
HAVA General Compliance	90.401		3,795
<b>Total U.S. Election Commission</b>			3,795
<b>U.S. Environmental Protection Agency</b>			
FY05 EPA Stag Grant	66.606		389,039
FY06 EPA Stag Grant	66.606		874,450
FY08 EPA Stag Grant	66.202		29,995
<b>Total US Environmental Protection Agency</b>			1,293,484
<b>Total Expenditures of Federal Awards</b>			<b>\$ 18,020,157</b>

*The accompanying notes are an integral part of this schedule.*

**FORT BEND COUNTY, TEXAS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the “schedule”) includes the federal grant activity of the Fort Bend County, Texas (the “County”) under programs of the federal government for the year ended September 30, 2012. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets or cash flows of the County.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The County accounts for all awards under programs of the federal government in the General and Special Revenue Funds. These programs are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for these funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e. both measurable and available, and expenditures in the accounting period in which the liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds for governmental funds are considered to be earned to the extent of expenditures made under the provisions of the grant. When such funds are advanced to the County, they are recorded as deferred revenues until earned. Otherwise, federal grant funds are received on a reimbursement basis from the respective federal program agencies. Generally, unused balances are returned to the grantor at the close of specified project periods.

**NOTE 3 - SUBRECIPIENTS**

Of the federal expenditures presented in the schedule, the County provided federal awards to sub recipients as follows:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Amounts Provided to Subrecipients</u>
14.218	Community Development Block Grant - Entitlement Grants	\$ 424,448
14.231	ESG Program	101,508
14.239	HOME Program	69,349
16.738	Felony Drug Court (CARD), Misdemeanor DWI Court	150,000

**FORT BEND COUNTY, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

*FINANCIAL STATEMENTS*

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- a. Material weakness(es) identified? Yes - #12-01
- b. Significant deficiency(ies) identified that are not considered to be material weakness(es)? No

Noncompliance material to the financial statements noted?

*FEDERAL AWARDS*

Internal control over major programs:

- a. Material weakness(es) identified? No
- b. Significant deficiency(ies) identified that are not considered to be material weakness(es)? No

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of OMB Circular A-133? No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.500 , 20.507	Federal Transit Cluster
14.218	Community Development Block Grant--Entitlement Grants Cluster
14.264	Neighborhood Stabilization Program
97.008 , 97.067	Homeland Security Program
66.202 , 66.606	Environmental Protection Agency
93.069	Public Health Emergency Preparedness

Dollar threshold used to distinguish between type A and type B programs: \$540,605

Auditee qualified as low-risk auditee? No

**FORT BEND COUNTY, TEXAS**  
***SCHEDULE OF FINDINGS AND QUESTIONED COSTS***  
***FOR THE YEAR ENDED SEPTEMBER 30, 2012***

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**Finding #12-01 – Accounting for Fines and Fees**

**Criteria**

A software program should be in place which records the initial assessment of all fines and fees, records the subsequent collection of fines and fees and identifies outstanding fines and fees. Further, this software program should be used by all County departments that assess fines and fees.

**Condition**

The County does not have a software program in place which records the initial assessment of all fines and fees, records the subsequent collection of fines and fees and identifies outstanding fines and fees. Various departments within the County use various programs to record fines and fees, and some of these departments are unable to produce an accurate listing of outstanding fines and fees at year-end. Therefore, the County is not able to record an accurate amount of receivables for fines and fees on its general ledger at year-end. The County currently uses a method of estimates and assumptions in order to determine the amount of the receivable at year-end. In addition, the receivable for fines and fees recorded on the general ledger has not been adjusted or reviewed in the past five years.

**Context**

This was determined while reviewing receivables recorded on the general ledger at year-end.

**Effect**

Not having all departments using a single software program which records the initial assessment of all fines and fees, records the subsequent collection of fines and fees and identifies outstanding fines and fees, results in an increased risk of fines and fees not being properly recorded and collected and also results in an increased risk that the receivable for fines and fees recorded on the general ledger is misstated.

**Cause**

The County does not have a software program in place which records the initial assessment of all fines and fees, records the subsequent collection of fines and fees and identifies outstanding fines and fees. The County uses a method of estimates and assumptions in order to determine the amount of the receivable for fines and fees at year-end.

**Recommendation**

The County should implement a software program or other capability which records the initial assessment of all fines and fees, records the subsequent collection of fines and fees and identifies outstanding fines and fees. Further, this software program or other capability should be used by all departments within the County that collect fines and fees.

**Views of Responsible Officials and Planned Corrective Actions**

See Section V.

**FORT BEND COUNTY, TEXAS**  
***SCHEDULE OF FINDINGS AND QUESTIONED COSTS***  
***FOR THE YEAR ENDED SEPTEMBER 30, 2012***

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters reported.



**FORT BEND COUNTY, TEXAS**  
***SCHEDULE OF FINDINGS AND QUESTIONED COSTS***  
***FOR THE YEAR ENDED SEPTEMBER 30, 2012***

**SECTION IV - STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

**Finding #11-01 – Accounting for Fines and Fees**

See current year finding #12-01 in Section II.

**Finding #11-02 – Recording of Expenditures/Expenses**

The County has implemented controls to ensure that expenditures/expenses are posted to the correct expenditure/expense categories, including invoices which are coded to expenditure/expense categories by bookkeepers of the component units of the County.

**FORT BEND COUNTY, TEXAS**  
***SCHEDULE OF FINDINGS AND QUESTIONED COSTS***  
***FOR THE YEAR ENDED SEPTEMBER 30, 2012***

**SECTION V-CORRECTIVE ACTION PLAN**

**Finding #12-01 – Accounting for Fines and Fees**

**Responsible Person** – Ed Sturdivant, County Auditor

**Corrective Action Plan**

The courts management software is being modified by the vendor to accommodate the timely and accurate reporting of receivables related to fines, fees and court costs. The solution will be presented to the county along with the implementation plan by September 30, 2013. The solution is expected to be in place during fiscal year 2014.

**Estimated Completion Date** – Fiscal Year 2014