

**FORT BEND COUNTY, TEXAS**  
**STATE SINGLE AUDIT REPORT**  
**Year Ended September 30, 2009**



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**FORT BEND COUNTY, TEXAS**  
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***Independent Auditors' 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 the Commissioners Court  
Fort Bend County, Texas

We have audited the financial statements of Fort Bend County, Texas (the "County") as of and for the year ended September 30, 2009, and have issued our report thereon dated March 23, 2010. 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***

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 opinion 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 would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs (items #06-04, and #07-01) to be significant deficiencies in internal control over financial reporting.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency #07-01 described above to be a material weakness.

***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.

***Closing***

This report is intended solely for the information and use of the County Judge, Commissioners Court, management, others within the organization 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.



Houston, Texas  
March 23, 2010

***Independent Auditors' Report on Compliance with  
Requirements Applicable to Each Major State Program  
and on Internal Control over Compliance in Accordance with  
OMB Circular A-133 and the State of Texas Uniform Grant  
Management Standards Chapter IV, "State of Texas Single Audit Circular"***

To the Honorable County Judge and  
Members of the Commissioners Court  
Fort Bend County, Texas

***Compliance***

We have audited the compliance of Fort Bend County, Texas (the "County") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the State of Texas Uniform Grant Management Standards *Chapter IV Texas State Single Audit Circular* that are applicable to each of its major state programs for the year ended September 30, 2009. The County's major state programs are identified in the summary of auditors' 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 state 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; the provisions of OMB *Circular A-133, Audits of States, Local Governments and Non-Profit Organizations*; and, State of Texas Uniform Grant Management Standards *Chapter IV Texas State Single Audit Circular*. 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 state 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 requirements referred to above that are applicable to each of its major state programs for the year ended September 30, 2009.

***Internal Control Over Compliance***

The 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 state 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 state program

in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a state program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement with a state program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 State Awards***

We have audited the financial statements of the governmental activities, each major fund, the aggregate discretely presented component unit, and the aggregate remaining fund information of the County, as of and for the year ended September 30, 2009, and have issued our report thereon dated March 23, 2010. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of State Awards is presented for purposes of additional analysis as required by OMB *Circular A-133* and the State of Texas Uniform Grant Management Standards *Chapter IV Texas State Single Audit Circular* and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

#### ***Closing***

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



Houston, Texas  
March 23, 2010



**FORT BEND COUNTY**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

<u>State Grantor/Pass Through Grantor/Program Title</u>	<u>State Contract Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>State Expenditures and Indirect Costs</u>
<b>Texas Department of Transportation</b>			
<b>Direct Programs:</b>			
Section 5311 State/Local Rural Public Transportation	51012F7019		\$ 868
Section 5311 State/Local Rural Public Transportation	51912F7019		64,313
<b>Total Texas Department of Transportation</b>			<b><u>\$ 65,181</u></b>
<b>Texas Department of Criminal Justice - Community Justice Assistance Division</b>			
<b>Direct Programs:</b>			
<u>Basic Supervision</u>			
Basic Supervision	900		\$ 3,122,202
Basic Supervision	900		156,514
			<u>3,278,716</u>
<u>Diversion Programs</u>			
Day Reporting Center	012		51,476
Mental Impairment	015		97,810
Mental Impairment	015		5,526
Drug Court	016		104,720
Drug Court	016		6,117
Substance Abuse	018		111,387
Substance Abuse	018		5,447
Progressive Sanctions	019		379,879
Progressive Sanctions	019		22,070
DWI Court	020		75,000
			<u>859,432</u>
<u>Community Corrections Programs</u>			
Non-English Speaking	007		151,168
Non-English Speaking	007		7,074
Pre-Trial Intervention	008		405,029
Pre-Trial Intervention	008		13,483
Sex Offender	013		172,062
Sex Offender	013		9,447
			<u>758,263</u>
<u>Treatment Alternative</u>			
Treatment Alternative	010		743,391
Treatment Alternative	010		7,260
			<u>750,651</u>
<b>Total Texas Department of Criminal Justice - Community Justice Assistance Division</b>			<b><u>\$ 5,647,062</u></b>

**FORT BEND COUNTY**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

<u>State Grantor/Pass Through Grantor/Program Title</u>	<u>State Contract Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>State Expenditures and Indirect Costs</u>
<b>Texas Juvenile Probation Commission</b>			
<b>Direct Programs:</b>			
State Aid	TJPC-A-2009-079		\$ 293,727
State Aid	TJPC-A-2010-079		21,976
			<u>315,703</u>
Progressive Sanctions JPO - Program F	TJPC-F-2009-079		184,875
Progressive Sanctions JPO - Program F	TJPC-F-2010-079		11,986
			<u>196,861</u>
Progressive Sanctions 123 - Program G	TJPC-G-2009-079		65,693
			<u>65,693</u>
Commitment Reduction Program - Program C	TJPC-C-2010-079		21,361
			<u>21,361</u>
Salary Adjustment - Program Z	TJPC-Z-2009-079		159,163
Salary Adjustment - Program Z	TJPC-Z-2010-079		11,946
			<u>171,109</u>
Community Corrections Assistance - Program Y	TJPC-Y-2009-079		547,792
Community Corrections Assistance - Program Y	TJPC-Y-2010-079		35,031
			<u>582,823</u>
Progressive Sanctions ISP - Program O	TJPC-O-2009-079		51,210
Progressive Sanctions ISP - Program O	TJPC-O-2010-079		4,945
			<u>56,155</u>
Special Needs - Program M	TJPC-M-2009-079		51,510
Special Needs - Program M	TJPC-M-2010-079		3,014
			<u>54,524</u>
ICBP Regional - Program X	TJPC-X-2009-079		113,208
ICBP Regional - Program X	TJPC-X-2010-079		5,443
			<u>118,651</u>
Progressive Sanctions Level 1-2-3 - Program H	TJPC CCP RG7		673,494
Progressive Sanctions Level 1-2-3 - Program H	TJPC CCP RG7		22,896
			<u>696,390</u>
<b>Total Juvenile Probation Commission</b>			<b>\$ 2,279,270</b>

**FORT BEND COUNTY**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

<u>State Grantor/Pass Through Grantor/Program Title</u>	<u>State Contract Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>State Expenditures and Indirect Costs</u>
<b>Office of the Governor - Criminal Justice Division</b>			
<b>Direct Programs:</b>			
Saved By the Bell Delinquency Reduction Program	SF-09-J20-19587-02		\$ 92,258
Saved By the Bell Delinquency Reduction Program	SF-10-J20-19587-03		6,180
			<u>98,438</u>
Felony Drug Court (CARD), Misdemeanor DWI Court	SF-09-A10-19191-02		150,000
Felony Drug Court (CARD), Misdemeanor DWI Court	SF-10-A10-19191-03		7,546
			<u>157,546</u>
Sex Offender Registration	SF-09-A10-20180-01		65,842
Sex Offender Registration	SF-10-A10-20180-02		4,606
			<u>70,448</u>
			<u>326,432</u>
<i>Subtotal of Office of the Governor-Criminal Justice Division Direct Programs</i>			
<b>Pass-Through Programs From:</b>			
<u>Houston-Galveston Area Council</u>			
Law Enforcement Training Project (Gus George Academy)	SF-08-A10-14719-09		99,864
			<u>99,864</u>
<i>Subtotal of Office of the Governor-Criminal Justice Division Pass-Through Programs</i>			
			<u>99,864</u>
<b>Total Office of the Governor - Criminal Justice Division</b>			<b>\$ 426,296</b>
<b>Texas Education Agency</b>			
<b>Direct Programs:</b>			
Juvenile Justice Alternative Education Program (JJAEP)	TJPC P-2009-079		\$ 208,876
Juvenile Justice Alternative Education Program (JJAEP)	TJPC P-2010-079		34,451
			<u>243,327</u>
<b>Total Texas Education Agency</b>			<b>\$ 243,327</b>
<b>Texas Department of State Health Services</b>			
<b>Direct Programs:</b>			
Tuberculosis Prevention	2009-028471-001		\$ 159,547
Tuberculosis Prevention	2010-032855-001		12,946
			<u>172,493</u>
Tobacco Community Coalition	2009-029455-001		311,865
Tobacco Community Coalition	2010-032893-001		2,261
			<u>314,126</u>
<b>Total Texas Department of State Health Services</b>			<b>\$ 486,619</b>

**FORT BEND COUNTY**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

<u>State Grantor/Pass Through Grantor/Program Title</u>	<u>State Contract Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>State Expenditures and Indirect Costs</u>
<b>Texas Comptroller of Public Accounts</b>			
<b>Direct Programs:</b>			
State Tobacco Enforcement Program - Constable 2	N/A		\$ 3,552
State Tobacco Enforcement Program - Constable 3	N/A		5,851
State Tobacco Enforcement Program - Sheriff	N/A		12,973
State Tobacco Enforcement Program - Constable 4	N/A		904
<b>Total Texas Comptroller of Public Accounts</b>			<b>\$ 23,280</b>
<b>Texas Commission on Environmental Quality</b>			
<b>Direct Programs:</b>			
Air Check Texas	582-2-55082-12		\$ 1,942,747
<i>Subtotal Texas Commission on Environmental Quality Direct Programs</i>			<u>1,942,747</u>
<b>Pass-Through Programs From:</b>			
<u>Houston-Galveston Area Council</u>			
Solid Waste Implementation Grant - Misc Education/Equipment	08-16-G06		24,133
Solid Waste Implementation Grant - Local Enforcement Vehicle	09-16-G06		32,236
Solid Waste Implementation Grant - Enhance HHW Facility/Eq	09-16-G05		40,504
Solid Waste Implementation Grant - Enhance Recycling Facility	09-16-G07		126,700
<i>Subtotal Texas Commission on Environmental Quality Pass-Through Programs</i>			<u>223,573</u>
<b>Total Texas Commission on Environmental Quality</b>			<b>\$ 2,166,320</b>
<b>Texas State Library &amp; Archives Commission</b>			
<b>Direct Programs:</b>			
Lone Star Libraries Grant	442-09416		\$ 117,665
<b>Total Texas State Library &amp; Archives Commission</b>			<b>\$ 117,665</b>

**FORT BEND COUNTY**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

<u>State Grantor/Pass Through Grantor/Program Title</u>	<u>State Contract Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>State Expenditures and Indirect Costs</u>
<b>Office of the Attorney General</b>			
<b>Direct Programs:</b>			
Victim Coordinator Liason Grant	08-01688		\$ 32,984
Victim Coordinator Liason Grant	1014232		<u>2,773</u>
			<u>35,757</u>
Texas VINE Program	0907998		<u>25,817</u>
			<u>25,817</u>
<b>Total Office of the Attorney General</b>			<b><u>\$ 61,574</u></b>
<b>Task Force on Indigent Defense</b>			
<b>Direct Programs:</b>			
Formula Grant	212-09-079		\$ 231,598
Equalization Disbursement			<u>362,485</u>
			<u>594,083</u>
Fort Bend County Mental Health Defender Program	212-10-D18		<u>19,869</u>
			<u>19,869</u>
<b>Total Task Force on Indigent Defense</b>			<b><u>\$ 613,952</u></b>
<b>Texas Department of Family and Protective Services</b>			
<b>Direct Programs:</b>			
Concrete Services	23355842		\$ 1,110
<b>Total Texas Department of Family and Protective Services</b>			<b><u>\$ 1,110</u></b>
<b>Total Expenditures of State Awards</b>			<b><u>\$ 12,131,656</u></b>

The accompanying notes are an integral part of this schedule.

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**FORT BEND COUNTY, TEXAS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
*For the Year Ended September 30, 2009*

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of state awards (the “schedule”) includes the state grant activity of Fort Bend County, Texas (the “County”) under programs of the state government for the year ended September 30, 2009. 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* and the State of Texas Uniform Grant Management Standards *Chapter IV Texas State Single Audit Circular*. 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 - BASIS OF ACCOUNTING**

The County accounts for all awards under programs of the state 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 generally are 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.

State 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, state grant funds are received on a reimbursement basis from the respective state 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 subrecipients as follows:

<u>State Contract Number</u>	<u>Program Name</u>	<u>Amounts Provided to Subrecipients</u>
SF-09-A10-19191-02;	Felony Drug Court (CARD), Misdemeanor	
SF-10-A10-19191-03	DWI Court	\$ 157,546

**FORT BEND COUNTY, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*For the Year Ended September 30, 2009*

**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 - #07-01
b. Significant deficiency(ies) identified that are not considered to be material weakness(es)?	Yes - #06-04

Noncompliance material to the financial statements noted?	None
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*STATE 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)?	None reported

Type of auditors' report issued on compliance with major program:	Unqualified
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Any audit findings disclosed that are required to be reported in accordance with section 510(a) OMB Circular A-133?	No
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Identification of major programs:

<u>State Contract Number(s)</u>	<u>Name of State Program</u>
Various	Texas Department of Criminal Justice - Community Justice Assistance Division Funded Programs
Various	Texas Juvenile Probation Commission Funded Programs
212-09-079	Formula Grant and Equalization Disbursement

Dollar threshold used to distinguish between type A and type B programs:	\$363,950
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Auditee qualified as low-risk auditee?	Yes
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**FORT BEND COUNTY, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)**  
**For the Year Ended September 30, 2009**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**Finding #06-04 - Grant Administration**

**Criteria**

The grant administration function should be centrally managed so that all grant resources are timely and properly accounted for, recognized, and reported. This function also should maintain records of all grants and potential grants including the grant's status, compliance requirements, grant funding amounts, amount of resources utilized in order to facilitate the objectives of the grant, and names of responsible parties of the grantor and grantee (benefiting County department or function).

**Condition**

The County does not have an effective, centralized grant administration function. This results in an increased risk of grant resources not being properly accounted for, utilized, or recognized. This also increases the risk of grantees not meeting the grant compliance requirements or meeting its objectives and reporting requirements.

**Context**

This was determined during the grant testing process.

**Effect**

Not having an effective centralized grant administration function results in grants being improperly accounted for and reported, higher risk of the County not meeting compliance requirements that may result in resources being refunded to the grantor, and lack of monitoring of grants from the grant's implementation through conclusion.

**Cause**

The County does not have a grant department that operates as the central hub for its grant administration.

**Recommendation**

The County should implement a centralized grant administration department which functions as a central hub from the beginning stages (e.g. grant research and application process) through conclusion (e.g. financial reporting). This department would be responsible for tracking the status of all current and potential grants, determine the grants compliance requirements and periodically assess whether or not such requirements are being met. In addition, the grant administration function would verify accounting records with source data from the grantor, maintain a listing of grantor and grantee contacts, and other functions relating to grant administration.

**Views of responsible officials and planned corrective actions**

See Section V

**FORT BEND COUNTY, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)**  
*For the Year Ended September 30, 2009*

**SECTION II - FINANCIAL STATEMENT FINDINGS (continued)**

**Finding #07-01 - Formal, Written Closing Procedures**

**Criteria**

The County should perform its year-end general ledger closing activity on a timely basis, and reconcile significant account balances on at least a quarterly basis. Such activity includes making all necessary journal entries to the accounting system relating to the applicable fiscal year, reconciling all general ledger accounts to source documents, and analyzing the general ledger accounts for reasonableness. Having formal, written procedures will provide guidance and management over the financial accounting and reporting process. Management of the County is responsible for developing formal, written year-end closing procedures and implementing those procedures to ensure proper financial reporting.

**Condition**

The County does not have formal, written year-end closing procedures. This year's closing process was marked with transactions that were corrected for the 2009 fiscal year, but related to prior fiscal years. The County lacked procedures normally included in the closing process, including inventory of source documentation to be used for reconciliations and effective communication among departments, that have an effect on the County's financial reporting process. The inconsistency of such procedures being executed resulted in the County having prior-period adjustments. Specifically, there were numerous prior-period adjustments related to capital assets detected and recorded during the audit process. Having formal, written year-end closing procedures is a necessary step to ensure the financial statements are fairly stated. The prior-period adjustments were, in our judgment, not material to the financial statements. Since the County's control policies and procedures did not prevent or detect a potentially material misstatement of the financial statements, we concluded that there is a material weakness in the County's control policies and procedures required to be reported under professional standards.

**Context**

This was determined during the audit process.

**Effect**

The absence of formal, written year-end closing procedures resulted in activity not being recorded in a timely manner

**Cause**

The County does not have formal, written year-end closing procedures.

**Recommendation**

We recommend that the County develop formal, written year-end closing procedures and assign responsibility for completing the procedures to specific County personnel. The closing procedures should be documented in a way that indicates who will perform each procedure and when completion of each procedure is due and is accomplished. This would include the County making necessary adjustments and reconciling account balances on at least a quarterly basis in order to prevent volumes of entries being necessary subsequent to year-end. This would also include the County communicating with applicable department heads whose processes and transactions affect that of the County's financial reporting system.

**Views of responsible officials and planned corrective actions**

See Section V

**FORT BEND COUNTY, TEXAS**  
***SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)***  
***For the Year Ended September 30, 2009***

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

No matters noted.

**FORT BEND COUNTY, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)**  
**For the Year Ended September 30, 2009**

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

**Finding #06-02 - Year End Closing**

See current year finding #07-01 in Section II

**Finding #06-04 - Grant Administration**

See current year findings in Section II

**Finding #07-01 - Formal, Written Year-End Closing Procedures**

See current year findings in Section II

**FORT BEND COUNTY, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)**  
**For the Year Ended September 30, 2009**

**SECTION V - CORRECTIVE ACTION PLAN**

**Finding #06-04 - Grant Administration**

**Responsible Person** - Commissioners Court

**Corrective Action Plan**

The County assigned the interim responsibility to the Director of Special Services in the County Judge's Office. The Commissioners Court will address the implementation of a centralized grant administration department during the FY2011 budget process that will begin in April 2010.

**Estimated Completion Date** - September 2010

**Finding #07-01 - Formal, Written Year-End Closing Procedures**

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

**Corrective Action Plan**

The County will consolidate the documented software procedures into a single procedure manual with the addition of the processes that occur outside of the software. This procedure manual will be maintained to represent the most current process.

**Estimated Completion Date** - June 2010