

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



3411 Richmond Avenue, Suite 500
Houston, Texas 77046
(713) 621-1515

FORT BEND COUNTY, TEXAS

TABLE OF CONTENTS

	<u>Page</u>
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 <i>Government Auditing Standards</i>	1
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB <i>Circular A-133</i>	3
Schedule of Expenditures of Federal Awards	5
Notes to Schedule of Expenditures of Federal Awards	11
Schedule of Findings and Questioned Costs	12

**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 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 that reads "Null & Laism, P.C." in a cursive, flowing script.

Houston, Texas
March 23, 2010

***Independent Auditors' Report on
Compliance with Requirements Applicable
to Each Major Federal Program and on Internal Control
Over Compliance in Accordance with OMB Circular A-133***

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* that are applicable to each of its major federal programs for the year ended September 30, 2009. The County's major federal 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 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 on the County's compliance with those requirements.

In our opinion, Fort Bend County, Texas complied, in all material respects, with requirements referred to above that are applicable to each of its major federal 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 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 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 federal 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 federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal 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 significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal 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 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, 2009, and have issued our report thereon dated March 23, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB *Circular A-133* 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 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 that reads "Null & Laism, P.C." in a cursive, stylized font.

Houston, Texas
March 23, 2010

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

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Direct Programs:			
Food Donation (Program Year 2008: 7/1/07 - 6/30/08)	10.550		\$ 3,281
Food Donation (Program Year 2009: 7/1/08 - 6/30/09)	10.550		266
			<u>3,547</u>
National School Lunch / Breakfast Program 2008-2009	10.553		75,603
National School Lunch / Breakfast Program 2009-2010	10.553		23,622
Summer Food Service Program for Children	10.559		62,072
			<u>161,297</u>
Total U.S. Department of Agriculture			<u>\$ 164,844</u>
U.S. Department of Housing and Urban Development			
Direct Programs:			
Community Development Block Grant 2005	14.218		\$ 25,343
Community Development Block Grant 2006	14.218		33,627
Community Development Block Grant 2007	14.218		957,108
Community Development Block Grant 2008	14.218		941,049
Community Development Block Grant 2009	14.218		4,186
Community Development Block Grant - Recovery (ARRA)	14.253		611
			<u>1,961,924</u>
Shelter Care Plus Program	14.238		91,103
			<u>91,103</u>
HOME Program 2004	14.239		106,020
HOME Program 2007	14.239		93,238
HOME Program 2008	14.239		257,504
			<u>456,762</u>
ESG Program 2007	14.239		21,445
ESG Program 2008	14.239		46,095
			<u>67,540</u>
Neighborhood Stabilization Program	14.256		10,803
			<u>10,803</u>
Homelessness Prevention & Rapid Re-Housing Program (ARRA)	14.270		1,103
			<u>1,103</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 2,589,235</u>

FORT BEND COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
U.S. Department of Justice			
Direct Programs:			
State Criminal Alien Assistance Program FY2009	16.606		\$ 279,258
			<u>279,258</u>
C.O.P.S. Universal Hiring Program	16.710		<u>136,923</u>
			<u>136,923</u>
Edward Byrne Justice Assistance Grant	16.738		17,006
Edward Byrne Justice Assistance Grant	16.738		11,620
Edward Byrne Justice Assistance Grant	16.738		19,640
			<u>48,266</u>
Organized Crime Drug Enforcement Task Forces (0672)	N/A		126,136
Organized Crime Drug Enforcement Task Forces (0672)	N/A		38,791
			<u>164,927</u>
Subtotal of U.S. Department of Justice Direct Programs			<u>629,374</u>
Pass-Through Programs From:			
<u>State Criminal Justice Division</u>			
Victim Services Program-Victim of Crime Act (VOCA)	16.575		1,673
Victim Services Program-Victim of Crime Act (VOCA)	16.575		29,409
Victim Witness Staff Expansion (VOCA)	16.575		3,651
Victim Witness Staff Expansion (VOCA)	16.575		54,899
Victim Witness Staff Expansion (VOCA)	16.575		7,000
			<u>96,632</u>
Violence Against Women Prosecutor	16.588		4,151
Violence Against Women Prosecutor	16.588		74,431
Violence Against Women Investigator	16.588		2,894
Violence Against Women Investigator	16.588		43,171
			<u>124,647</u>

FORT BEND COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2009

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
U.S. Department of Justice (continued)			
Pass-Through Programs From:			
<u>Executive Office of the President -</u>			
<u>Office on National Drug Control Policy</u>			
High Intensity Drug Trafficking Area (HIDTA)	16.001	I5PHNP540Z	\$ 105,785
High Intensity Drug Trafficking Area (HIDTA)	16.001	I6PHNP540Z	80,718
High Intensity Drug Trafficking Area (HIDTA)	16.001	I8PHNP540Z	177,740
High Intensity Drug Trafficking Area (HIDTA)	16.001	G09HN0010A	168,426
			<u>532,669</u>
Subtotal of U.S. Department of Justice Pass-Through Programs			<u>753,948</u>
Total U.S. Department of Justice			<u>\$ 1,383,322</u>
U.S. Department of Transportation			
Direct Programs:			
Section 5307 Urban Public Transportation	20.507		\$ 96,971
Section 5307 Urban Public Transportation	20.507		551,936
Section 5307 Urban Public Transportation	20.507		944,782
Section 5307 Urban Public Transportation	20.507		17,124
			<u>1,610,813</u>
Subtotal of U.S. Department of Transportation Direct Programs			<u>1,610,813</u>
Pass-Through Programs From:			
<u>Texas Department of Transportation</u>			
Section 5310 Elderly & Disabled Transportation Program	20.513	51812F7175	164,402
Section 5310 Elderly & Disabled Transportation Program	20.513	51912F7217	89,680
Section 5317 New Freedom Federal Funds	20.521	51812F7074	90,093
			<u>344,175</u>
Section 5311 State/Local Rural Public Transportation	20.509	51912F7150	4,623
Section 5311 State/Local Rural Public Transportation	20.509	51812F7098	132,117
			<u>136,740</u>
<u>Metropolitan Transit Authority of Harris County</u>			
Section 5317 New Freedom Federal Funds	20.521	TX57-X006	8,346
			<u>8,346</u>
Subtotal of U.S. Department of Transportation Pass-Through Programs			<u>489,261</u>
Total U.S. Department of Transportation			<u>\$ 2,100,074</u>

FORT BEND COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
U.S. Department of Homeland Security			
Direct Programs:			
Emergency Food & Shelter - National Board Program	97.024		\$ 305,138
Emergency Food & Shelter - (ARRA)	97.114		52,041
			<u>357,179</u>
Subtotal of U.S. Department of Homeland Security Direct Programs			<u>357,179</u>
Pass-Through Programs From:			
<u>Texas Department of Public Safety -</u>			
<u>Division of Emergency Management</u>			
Urban Area Security Initiative (UASI) 2006	97.008	2006-GE-T6-0068	34,079
Urban Area Security Initiative (UASI) 2007	97.008	2007-GE-T7-0024	1,798,594
Urban Area Security Initiative (UASI) 2008	97.008	2008-GE-T8-0034	146,939
			<u>1,979,612</u>
Disaster Assistance: FEMA-1606-DR Hurricane Rita	97.039	FEMA-1606-DR	8,701
			<u>8,701</u>
Emergency Management Performance Grant	97.042	08-TX-EMPG-0511	81,336
			<u>81,336</u>
State Homeland Security Program (SHSP) 2007	97.073	2007-GE-T7-0024	129,948
			<u>129,948</u>
Law Enforcement Terrorism Prevention Program (LETPP) 2007	97.074	2007-GE-T7-0024	2,460
			<u>2,460</u>
Buffer Zone (Sheriff's Office)	97.078	2007-BZ-T7-0023	171,338
			<u>171,338</u>
<u>Texas Department of Homeland Security</u>			
Disaster Assistance	97.036		11,575,826
			<u>11,575,826</u>
Subtotal of U.S. Department of Homeland Security Pass-Through Programs			<u>13,949,221</u>
Total U.S. Department of Homeland Security			<u>\$ 14,306,400</u>

FORT BEND COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health & Human Services			
Pass-Through Programs From:			
<u>Texas Department of Family & Protective Services</u>			
Foster Care Title IV-E FY '09 (Legal)	93.658	23401921	\$ 85,849
Foster Care Title IV-E FY '09 (CWS)	93.658	23380554	25,574
			<u>111,423</u>
<u>Texas Department of State Health Services</u>			
CPS - Bioterrorism Preparedness	93.283	2008-028069-001	295,712
CPS - Bioterrorism Preparedness	93.283	2009-031827-001	55,694
CPS - Bioterrorism Discretionary Fund Projects Phase II	93.283	2009-031276-001	9,956
			<u>361,362</u>
CRI - Cities Readiness Initiative	93.283	2008-028071-001	162,823
CRI - Cities Readiness Initiative	93.283	2009-031680-001	26,128
			<u>188,951</u>
RLSS-Local Public Health System	93.991	2009-028250-001	24,053
RLSS-Local Public Health System	93.991	2010-032780-001	2,195
			<u>26,248</u>
Nurse & Aide's Salaries - IMM/Locals	93.268	2009-029154-001	143,606
Nurse & Aide's Salaries - IMM/Locals	93.268	2010-031694-001	11,019
			<u>154,625</u>
Total U.S. Department of Health & Human Services			\$ 842,609
Total Expenditures of Federal Awards			\$ 21,386,484

The accompanying notes are an integral part of this schedule.

(This page intentionally left blank.)

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

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, 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*. 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 subrecipients as follows:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Amounts Provided to Subrecipients</u>
14.218	Community Development Block Grant - Entitlement Grants	\$ 109,730
14.239	HOME Program	200
14.239	ESG Program	53,354
14.239	ADDI Program	3,461

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

SECTION I - SUMMARY OF AUDITOR'S 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

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)?	None reported
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>
14.218; 14.253	Community Development Block Grant - Entitlement Grants Cluster
20.507	Federal Transit Cluster
97.024; 97.114	Emergency Food and Shelter Program Cluster
97.036	Disaster Grant (FEMA)
Dollar threshold used to distinguish between type A and type B programs:	\$641,595
Auditee qualified as low-risk auditee?	Yes

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 in 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 - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters reported.

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 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