

## MEMORANDUM

**TO:** Mary Ann Borgeson, Chair, Douglas County Commissioner  
Clare Duda, Vice-Chair, Douglas County Commissioner  
Mike Boyle, Douglas County commissioner  
Marc Kraft, Douglas County commissioner  
PJ Morgan, Douglas County Commissioner  
Chris Rodgers, Douglas County Commissioner  
Pam Tusa, Douglas County Commissioner  
Thomas Cavanaugh, Douglas County Clerk/Comptroller  
John Ewing, Douglas County Treasurer

**CC:** Kathleen Hall, Chief Deputy Douglas County Clerk/Comptroller  
Jerry Prazan, Finance Administrator Douglas County Clerk/Comptroller  
Tim Cavanaugh, Chief Deputy Douglas County Treasurer  
T. Paul Tomoser, Audit Committee Chair  
Jack Armitage  
Ron Bucher  
Joni J. Davis  
Kathleen Kelley, Chief Administrative Officer  
Joe Lorenz, Director of Budget and Finance  
Patrick Bloomingdale, Deputy County Administrator  
Fred Weber, Hayes & Associates

**FROM:** Mike Dwornicki, Internal Audit Director

**DATE:** August 24, 2011

**SUBJECT:** Property Tax Consolidation and Distribution

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### Background

As part of the fiscal year audit plan, Douglas County Internal Audit performs internal control testing for the Douglas County external audit firm, Hayes and Associates, LLC. The external auditor uses the test data provided by Internal Audit to formulate a professional opinion about the County's year-end financial statements. Below are the details related to tests of the controls to levy and collect the taxes for real and personal properties.

### Objectives

The objective of the audit was to ensure that the taxes collected for the consolidated tax levies were distributed to the appropriate funds and accounts completely and accurately.

**Scope and Methodology**

The audit included testing the motor vehicle, real, and personal property taxes collected for the two most recent tax years for five randomly selected months for the County levy and five other political subdivisions. The other five subdivisions were chosen from those included in the sample for the individual property tax collection audit. The following tests were performed for the monthly collections tested:

- The distribution of the total amount collected for each political subdivision was recalculated based upon approved levies.
- The recalculated distribution amounts were traced and agreed to the appropriate accounts and funds in the Oracle financial system.

**Findings**

There were no issues identified.

**Audit Standards**

Internal Audit conducted this audit in accordance with generally accepted government auditing standards. Those standards require that the audit is planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. Internal Audit believes that the evidence obtained provides a reasonable basis for its findings and conclusions based on the audit objectives.

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Internal Audit has reviewed this information with the Douglas County Treasurer and Chief Deputy Douglas County Clerk. Internal Audit appreciates the excellent cooperation provided by management and staff. If you have any questions or wish to discuss the information presented in this report, please contact Mike Dwornicki at (402) 444-4327.