

Erath County Auditor
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Wanda Pringle, District Clerk
Honorable Tab Thompson, County Judge
Dee Stephens, Commissioner Precinct 1
Herbert Brown, Commissioner Precinct 2
Joe Brown, Commissioner Precinct 3
Scot Jackson, Commissioner Precinct 4

Executive Summary

The purpose of an internal audit is to review and examine documents, processes, and procedures with the intent of evaluating compliance with the laws of the Federal Government, State of Texas, internal control practices, and generally accepted accounting principles. An internal audit is not to find innocence or guilt because that is the purpose of our courts. Any irregularities found during an internal audit are referred to the appropriate agency.

Summary

The District Clerk's Office was randomly selected for audit. The audit began in May 2017 and was completed in October 2017. The delay in completing the audit was in no way the fault of the District Clerk. Multiple issues arose in the County delaying work on the audit. The rules governing the District Clerk's Office come from several Texas Codes and are extensive. The codes governing the Office are Texas Government Code (TGC) sections 9, 11, 20, 24, 51, 61, and 121. Local Government Code (LGC) sections 82, 84, 113, 114, 117, 152, 291, 292, and 323. Texas Occupations Code (TOC) section 1704, Texas Elections Code Title 14 Sections 221 and 231, and Texas Property Code (TPC) section 52.

Procedures, Findings, and Recommendations

Administrative Requirements

The seal used by the District Clerk has a star with five points and is engraved with the words "District Court of Erath County, Texas" as prescribed in TGC 51.301(d). A sample of the seal impression was obtained.

The District Clerk is bonded (TGC 51.302) through RLI which has an A+ rating. The face amount of the bond is \$40,000 and therefore meets the requirements in TGC 51.302(4) that state the amount of the bond should not be less than 20% of the maximum amount of fees collected in any year during the term of office immediately preceding the term of office for which the bond is given. The fees collected during fiscal year 2013 were \$181,200. The bond amount also meets the additional code requirements of not less than \$5,000 and not greater than \$100,000.

The oath taken by the District Clerk was the State prescribed oath. TGC 51.302(4)(b)

An Errors and Omissions insurance policy covers all elected officials of Erath County and is permissible in TGC 51.302(4)(c). The policy is for two million dollars.

The District Clerk also has an insurance policy that covers losses from burglary, theft, robbery, counterfeit currency, or destruction as required by TGC 51.302(4)(d). Confirmation of the policy was made through review and reading the policy.

Texas Government Code 51.303 outlines the responsibilities for the District Clerk related to recording the proceedings of the District Court and the related records. A sample of five civil and five criminal cases were selected. The cases were recorded and the software used in the District Clerk's office satisfies the search and demographic requirements of the Code.

Finding:

The bond from RLI is payable to "Erath County" contrary to the requirement in TGC 51.302(3) which states the bond is to be made payable to the Governor of the State of Texas.

Recommendation:

The payee on the bond should be corrected and made payable to the Governor of the State of Texas.

District Clerk Fees

The same sample cases selected to confirm compliance to TGC 51.303 were used to test the fees assessed by the District Clerk. The fees assessed matched to items in the case file and the fees assessed agree with the fees allowable. The computer system used in the District Clerk's Office, NetData, assigns fees as each item is entered into the case.

All criminal fees are collected for the District Clerk by the Community Supervision and Corrections Department (CSCD) Office. The fees collected were found to be properly allocated between court costs, fines, and fees based on AG Opinion GA-0147 and all the opinions listed therein.

Finding:

LGC 113.022 requires daily deposits and gives an option to counties with populations under 50,000 for deposits to be made every 15 days with the approval of Commissioners' Court. Currently, CSCD is remitting money collected only monthly.

Recommendation:

Request Commissioners' Court to approve deposits every 15 days instead of daily.

District Clerk Registry & Trust

The Registry bank account and certificates of deposit were reviewed on a sample basis. The funds held in the Registry agree with the related court orders. Disbursements made agree with the related court orders.

Finding:

One certificate of deposit held is from a case which began in 1998 and in September 2000 the Commissioner's Report was confirmed according to the civil docket. Texas Property Code 72.101 defines abandoned personal property. Although no document of notification was found because of the age of the case, the Civil Docket contains an entry stating notification was ordered.

Recommendation:

The balance of the certificate of deposit should be sent to the Texas Comptroller Unclaimed Property Office.

Respectfully submitted,

Janet S. Martin CPA, CFE