



COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER CO#132348

PAGE 1 OF 5

DATE: 03/10/2020

SUBJECT: **RECEIVE AND FILE THE AUDITOR'S REPORT OF THE REGISTRY OF THE COURT ACCOUNTS HELD BY THE COUNTY CLERK AS OF SEPTEMBER 30, 2019**

***** CONSENT AGENDA *****

COMMISSIONERS COURT ACTION REQUESTED:

It is requested that the Commissioners Court receive and file the Auditor's Report of the Registry of the Court Accounts held by the County Clerk as of September 30, 2019.

BACKGROUND:

As required by Local Government Code Section 117.123, the Auditor's Office performed an audit of the registry funds held by the County Clerk as of September 30, 2019. The objective of the audit was to determine whether the registry account balances shown on the attached financial statements were materially correct. The Auditor's Office also determined whether collateral held jointly by the County Clerk and the depository was adequate.

FISCAL IMPACT:

There is no direct fiscal impact associated with this item.

SUBMITTED BY: Auditor's Office

PREPARED BY: S. Renee Tidwell
APPROVED BY:



TARRANT COUNTY
TARRANT COUNTY ADMINISTRATION BUILDING - ROOM 506
100 E. WEATHERFORD
FORT WORTH, TEXAS 76196-0103
817/884-1205
Fax 817/884-1104

S. RENEE TIDWELL, CPA
COUNTY AUDITOR
rtidwell@tarrantcounty.com

VINCE CRUZ JR.
FIRST ASSISTANT COUNTY AUDITOR
vcruz@tarrantcounty.com

February 28, 2020

The Honorable Mary Louise Nicholson, County Clerk
The Honorable District Judges
The Honorable Commissioners Court
Tarrant County, Texas

Re: Auditor's Report – County Clerk, Review of Registry of the Court Accounts

SUMMARY

As required by Local Government Code Section 117.123, we performed an audit of the registry funds held by the County Clerk as of September 30, 2019. The objective of our audit was to determine whether the registry account balances shown on the attached financial statements were materially correct. We also determined whether collateral held jointly by the County Clerk and the depository was adequate. In our opinion, the County Clerk's registry account balances shown on the attached financial statements are presented fairly, in all material respects. We also found that the value of collateral held by the County Clerk and the depository exceeded the amounts required by the contract.

We continue to observe closed accounts with small balances that appear to be abandoned for 3 or more years that have not been escheated in accordance with the Texas Property Code. The Auditor's Office will work with County Clerk management on a resolution. We also communicated less significant matters during the audit. Management agreed with our observations and chose not to provide a written response.

BACKGROUND

The registry accounts are funds deposited and held for a third-party per court order or statute. The funds held in the registry do not belong to Tarrant County. Rather, the County Clerk holds the funds in a fiduciary capacity or to await the outcome of a legal proceeding. The registry accounts are recorded into Odyssey, the County Clerk's case management application. The clerk is responsible for the deposits, disbursements, and the investment of the registry funds. Currently, registry accounts are held at JP Morgan Chase.

In accordance with Local Government Code Section 117.121, *Disbursement of Funds*, the Auditor's Office reviews and countersigns disbursements made from the County Clerk's Registry Accounts. The code states, "All checks or drafts issued for the disbursement of the registry fund must be submitted to the county auditor for the auditor's countersignature before delivery or payment. The county auditor may countersign the check only on written evidence of the order of the judge of the court in which the funds have been deposited, authorizing the disbursement of the funds."

During fiscal year 2019, the County Clerk's Office presented 1,948 checks totaling \$24,579,220 for the auditor's review, approval, and countersignature. Of the 1,948 checks presented to the Auditor's Office during FY2019, 15 checks totaling \$108,205 were rejected for reasons such as an incorrect check amount or payee. The County Clerk's Office voided and reissued the 15 checks.

CLOSING REMARKS

We appreciate the cooperation of the County Clerk's staff during this audit. If you have any questions, please do not hesitate to call.

Sincerely,



S. Kerfee Tidwell, CPA
County Auditor

Attachments: Statement of Assets and Liabilities
Statement of Changes in Assets and Liabilities

Distribution: Clinton A. Ludwig, Chief Deputy
James Knowles, Accounting Trust Manager

Audit Team: Kimberly M. Buchanan, Audit Manager
Brandy R. Greene, Senior Internal Auditor

**TARRANT COUNTY, TEXAS
COUNTY CLERK
REGISTRY OF THE COURT ACCOUNTS**

Statement of Assets and Liabilities
September 30, 2019

Assets

Cash in bank (deposits)	\$ 7,418,206
Certificate of deposits, including accrued interest	<u>17,682,145</u>
Total Assets	<u>\$ 25,100,351</u>

Liabilities

Due to beneficiaries	<u>\$ 25,100,352</u>
Total Liabilities	<u>\$ 25,100,352</u>

**TARRANT COUNTY, TEXAS
COUNTY CLERK
REGISTRY OF THE COURT ACCOUNTS**

Statement of Changes in Assets and Liabilities
Fiscal Year Ending September 30, 2019

	Uninvested	Invested	Total
Beginning Balance – October 1, 2018	\$ 15,416,273	\$ 23,600,848	\$ 39,017,121
Deposits	11,847,267		11,847,267
Interest Earned		440,460	440,460
Transfer from Invested to Uninvested	10,737,701	(10,737,775)	(74)
Transfer from Uninvested to Invested	(4,378,611)	4,378,611	
Disbursements – Registry Accounts	(24,471,015)		(24,471,015)
Disbursements – Cash Bonds	(1,733,407)		(1,733,407)
Ending Balance – September 30, 2019	<u>\$ 7,418,206</u>	<u>\$ 17,682,145</u>	<u>\$ 25,100,352</u>