



COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER 0

PAGE 1 OF 4

DATE: 3/17/2009

SUBJECT: **RECEIVE AND FILE THE AUDITOR'S REPORT OF BAIL BOND
COLLATERAL FOR THE FISCAL YEAR ENDED 2008**

COMMISSIONERS COURT ACTION REQUESTED:

It is requested that the Commissioners Court receive and file the Auditor's Report for the Bail Bond Collateral for the fiscal year ended 2008.

BACKGROUND:

In accordance with Local Government Code, Subchapter A, Section 115.001, Examination of Records, and Section 115.002, Examination of Books and Reports, the Auditor's Office performed a review of the Bail Bond System to determine whether bail bond collateral, including Certificates of Deposit (CDs) and cash, were properly recorded in the system and the County's general ledger.

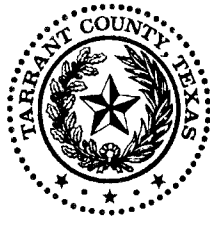
The Auditor's Report was received and filed by the Bail Bond Board on March 4, 2009.

FISCAL IMPACT:

There is no direct fiscal impact associated with this item.

SUBMITTED BY: Auditor

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

RONALD D. BERTEL, CPA
FIRST ASSISTANT COUNTY AUDITOR
rbertel@tarrantcounty.com

February 12, 2009

The Honorable District Judges
The Honorable Commissioners Court
Tarrant County Bail Bond Board
The Honorable Dee Anderson, Sheriff
Tarrant County, Texas

Re: Auditor's Report – Bail Bond Collateral for Fiscal Year 2008

SUMMARY

In accordance with Local Government Code, Subchapter A, §115.001, Examination of Records, and §115.002, Examination of Books and Reports, we performed a review of the Bail Bond System to determine whether bail bond collateral, including Certificates of Deposit (CDs) and cash, were properly recorded on the system and the County's general ledger. During our review, we found CDs and cash recorded on the Bail Bond System and the County's general ledger was correct.

We also determined that management is in the process of implementing the recommendations made in the Auditor's Report – Bail Bond Collateral for Fiscal Year 2007.

BACKGROUND

The Tarrant County Bail Bond Board is responsible for approving an individual or a corporation's application to become a bail bond surety for the County. Chapter 1704, Subchapter A, of the Occupations Code, defines the provisions related to the regulation of bail bond sureties. Section 1704.160, Security Requirements, requires that the applicant either deposit with the County Treasurer a cashier's check, certificate of deposit, or cash for the amount stated on the application, or provide a deed of trust for real estate valued for no less than \$50,000. This chapter also states that the applicant must maintain the amount of the security required during the time the person holds the license.

The collection and recording of bail bonds is the responsibility of the Sheriff's Department. In addition, the Sheriff's Department maintains custody of cash collateral. The Auditor's Office is the custodian of the CDs and the related assignment forms.

As of September 30, 2008, cash and CDs recorded on the Bail Bond System totaled \$4,001,925, as follows:

Cash	\$ 433,543
CDs	<u>3,568,382</u>
Total	\$4,001,925

STATUS OF PRIOR RECOMMENDATIONS

Recommendations

We recommend that the Bail Bond Board consult with the District Attorney's Office to consider:

- adopting a Local Rule that would (1) prohibit bail bondsman from encumbering the required security stated on the bondsman's application and (2) define the County's recourse related to the unconfirmed CDs held as collateral; and
- requiring written consent from the bondsmen during the application process allowing the bank to confirm the amount and assignment of CDs held as collateral.

Furthermore, periodic reviews should be performed to verify CDs held as collateral. Specifically, the reviews should include verification that assignment forms reflect the correct CD provided for collateral and CD numbers recorded on the Bail Bond System are valid and have not been closed or replaced by another CD.

Status


On September 3, 2008 the Bail Bond Board unanimously approved Rule 18 that deters bondsman from encumbering a security required by their application and defines the County's recourse in the event that a CD is not confirmed by the financial institution. Subsequently, the DA developed a standardized form in which the CD owner provides consent to the financial institution to release information related to CDs assigned to the County. The Bail Bond Board Secretary now obtains this consent for all new CDs. Furthermore, she is in the process of obtaining this consent for existing CDs assigned to the County.

Upon receipt of the monthly CD report provided by the Auditor's Office, the Bail Bond Board Secretary determines whether the CD amounts listed on the report agree with the amounts recorded on the Bail Bond System. If any discrepancies are identified, she works with the Auditor's Office for resolution.

CLOSING REMARKS

We appreciate the Sheriff's Office staff for their cooperation during our review. Please don't hesitate to call if you have any questions regarding the contents of this report.

Sincerely,



S. Renee Tidwell, CPA
County Auditor

Distribution:

David Hudson, Assistant District Attorney
Don Kraul, Sergeant
Stephanie Allred, Bail Bond Board Secretary

Team:

Kim Trussell, Audit Manager
Frank Mazza, Audit Supervisor
Larry Baum, Senior Auditor