



COMMISSIONERS COURT
COMMUNICATION

CO#115607
REFERENCE NUMBER 0
PAGE 1 OF 4
DATE: 7/16/2013

SUBJECT: **RECEIVE AND FILE THE AUDITOR'S REPORT OF THE DISTRICT CLERK'S REGISTRY OF COURT ACCOUNTS**

COMMISSIONERS COURT ACTION REQUESTED:

It is requested that the Commissioners Court receive and file the Auditor's Report of the District Clerk's Registry of the Court Accounts.

BACKGROUND:

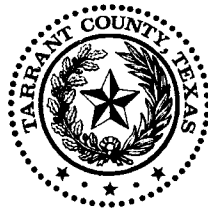
In accordance with Local Government Code, Section 115.0035, Examination of Funds Collected by County Entity or the District Attorney, the Auditor's Office reviewed the Registry of Court Accounts held by the District Clerk for the period ending January 31, 2013. The objective of the review was to determine whether controls were adequate to account for the transactions and balances of the District Clerk's Registry of Court Accounts. The Auditor's Office also determined whether the District Clerk was compliant with IRS requirements related to 1099 reporting.

Attached to this report is a written response from the District Clerk's Office.

FISCAL IMPACT:

There is no direct fiscal impact associated with this item.

SUBMITTED BY:	Auditor	PREPARED BY:	S. Renee Tidwell
		APPROVED BY:	



TARRANT COUNTY

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FIRST ASSISTANT COUNTY AUDITOR
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June 4, 2013

The Honorable Thomas A. Wilder, District Clerk
The Honorable District Judges
The Honorable Commissioners Court
Tarrant County, Texas

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

SUMMARY

In accordance with Local Government Code Section 115.0035, *Examination of Funds Collected by County Entity or the District Attorney*, we reviewed the Registry of Court Accounts held by the District Clerk for the period ending January 31, 2013. The objective of our review was to determine whether controls were adequate to account for transactions and balances of the District Clerk's Registry of Court Accounts. We also determined whether the District Clerk was compliant with IRS requirements related to 1099 reporting.

We confirmed that the District Clerk complied with IRS requirements for 1099 reporting. However, we observed that the bank reconciliations related to the Registry of the Court accounts should be improved. As of January 2013, District Clerk staff made significant improvements in the reconciliation of the funds.

Attached to this report is a written response from the District Clerk's Office.

BACKGROUND

The Registry of the Courts accounts include monies deposited and held for a third party per court order or statute. The funds held in the registry do not belong to the county. Rather, the funds are held by the District Clerk to satisfy a legal pleading or to await the outcome of a legal proceeding. The funds are recorded into TIMS. The clerk is responsible for the deposits, disbursements, and the investment of the registry funds.

In accordance with Local Government Code Section 117.121(b), the Auditor's Office reviews and countersigns each trust check prior to disbursement. Also, KPMG LLP performed an independent audit of the registry funds for fiscal year ending September 30, 2012 as required by Local Government Code Section 117.123. The audit report was filed with Commissioners Court on January 15, 2013.

OBSERVATION AND RECOMMENDATION

The bank reconciliation of the Registry of the Court accounts should be improved.

Background

The District Clerk's Office is responsible for preparing and submitting the monthly financial information, including a bank reconciliation, to the Auditor's Office that is used to record financial information into the County's general ledger. As of January 31, 2013, the District Clerk held Registry of the Court funds totaling \$17.8 million.


Observation

District Clerk staff used various reports to compare differences between the bank balance and book balance. They did not prepare a bank reconciliation that showed the adjusted bank and book balances, including detail of the reconciling items. As of January 2013, District Clerk staff made significant improvements in preparing the monthly bank reconciliations of the Registry of the Court funds, including detail of reconciling items. The reconciliation is provided to the Auditor's Office. *No further recommendation is required.*

CLOSING REMARKS

We appreciate the cooperation of the District Clerk's Office during our review. If you have any questions concerning this report, please do not hesitate to call.

Sincerely,



S. Renee Tidwell, CPA
County Auditor

Attachment: Management's response

Distribution: Doug Gowin, Operation Manager
Andrea Ziton, Registry Fund Manager

Team: Kim Trussell, Audit Manager
Maki Ogata, Senior Auditor
Matt Jones, Internal Auditor



TARRANT COUNTY

THOMAS A. WILDER
DISTRICT CLERK

July 3, 2013

Renee Tidwell
County Auditor
100 E. Weatherford St
Fort Worth TX 76196

Dear Renee,

I want to express my appreciation for the cooperative spirit in which your staff conducted the recent audit of my Registry of the Court accounts. While I am satisfied with the audit results, I am equally pleased that a complete and thorough review was conducted with little impact on staff.

Your audit team, working together with our Accounting, and IT staffs, are to be commended for a job well done.

Sincerely,


Thomas A. Wilder