



COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER CO#124661

PAGE 1 OF 6

DATE: 03/07/2017

SUBJECT: **RECEIVE AND FILE THE AUDITOR'S REPORT OF THE REGISTRY OF THE COURT ACCOUNTS HELD BY THE DISTRICT CLERK AS OF SEPTEMBER 30, 2016**

***** 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 District Clerk as of September 30, 2016.

BACKGROUND:

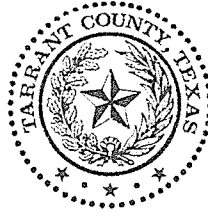
As required by Local Government Code 117.123, the Auditor's Office performed an audit of the registry funds held by the District Clerk as of September 30, 2016. The objective of the audit was to determine whether the registry account balances shown on the attached financial statements were materially correct. The Auditor's Office also determined whether collateral held jointly by the District 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**

**CRAIG MAXWELL
FIRST ASSISTANT COUNTY AUDITOR
cmaxwell@tarrantcounty.com**

February 15, 2017

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

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

SUMMARY

As required by Local Government Code 117.123, we performed an audit of the registry funds held by the District Clerk as of September 30, 2016. 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 District Clerk and the depository was adequate. In our opinion, the District Clerk's registry account balances shown on the attached financial statements were presented fairly, in all material respects. We also found that the value of collateral held by the clerk and the depository exceeded the amounts required by the contract. During our review, we observed less significant items that were communicated to the District Clerk's Office. Through collaboration between the Auditor's Office and the District Clerk's Office, procedures were developed to address those items. No further recommendations are necessary.

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 District Clerk holds the funds in a fiduciary capacity to satisfy a legal pleading or to await the outcome of a legal proceeding. The registry accounts are recorded into the Trust Information Management System (TIMS) application, the District Clerk's case management system. The clerk is responsible for the deposits, disbursements, and the investment of the registry funds. Currently, the registry accounts are held at JP Morgan Chase.


In accordance with Local Government Code Section 117.21, *Disbursements of Funds*, the Auditor's Office reviews and countersigns disbursements made from the District 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 2016, the District Clerk's Office presented 2,416 checks totaling \$11,666,312 for the auditor's review and approval. The auditor approved and countersigned disbursements totaling \$11,467,618. Of the 2,416 checks presented to the Auditor's Office during FY2016 for review and countersignature from the registry account, 43 checks totaling \$198,694 were rejected for reasons such as an incorrect check amount or payee, the statutory time period for disbursement of excess proceeds had not elapsed, or 30 days not waived by the court order. The District Clerk's Office voided and reissued the 43 checks.

CLOSING REMARKS

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

Sincerely,



Renee Tidwell, CPA
County Auditor

Attachments: Statement of Assets and Liabilities
Statement of Changes in Assets and Liabilities
Management's response

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

Audit Team: Kim Buchanan, Audit Manager
Kara Hoekstra, Internal Auditor

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

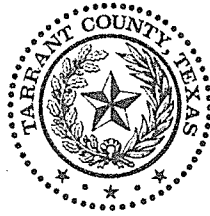
Statement of Assets and Liabilities
Fiscal Year Ending September 30, 2016

Assets		
Cash (deposits)	\$	685,869
Certificates of deposits, including accrued interest		<u>22,851,576</u>
Total Assets	\$	<u><u>23,537,445</u></u>
Liabilities		
Due to beneficiaries	\$	<u>23,537,445</u>
Total Liabilities	\$	<u><u>23,537,445</u></u>

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

Statement of Changes in Assets and Liabilities
Fiscal Year Ending September 30, 2016

	<u>Uninvested</u>	<u>Invested</u>	<u>Total</u>
Beginning Balance - September 30, 2015	\$ 557,754	\$ 22,201,983	\$ 22,759,737
Deposits	12,165,193		12,165,193
Interest earned		120,289	120,289
Transfer from Invested to Uninvested	11,096,794	(11,096,794)	
Transfer from Uninvested to Invested	(11,626,098)	11,626,098	
Disbursements			(11,507,774)
	<u>(11,507,774)</u>		<u>(11,507,774)</u>
Ending Balance - September 30, 2016	<u>\$ 685,869</u>	<u>\$ 22,851,576</u>	<u>\$ 23,537,445</u>



TARRANT COUNTY

THOMAS A. WILDER
DISTRICT CLERK

February 16, 2017

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

HAND DELIVERED

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

Dear Ms. Tidwell:

I would like to express my appreciation for your prompt and thorough review of the Registry of the Court Accounts for FY2016. I am in agreement with your findings, and I am pleased that the review was conducted with minimal impact on my staff.

I also want to express my appreciation to the Commissioners Court for approving a new accounting position for the 2017 fiscal year. By spreading the workload, this position should allow us to continue toward the goal of reducing all errors despite the 40% average annual increase in registry accounts.

Your audit team, working together with my Accounting staff, is to be commended for a job well done.

Sincerely,


Thomas A. Wilder