



COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER CO#140414

PAGE 1 OF 6

DATE: 03/07/2023

SUBJECT: **RECEIVE AND FILE THE AUDITOR'S REPORT OF THE
REGISTRY OF THE COURT ACCOUNTS HELD BY THE COUNTY
CLERK AS OF SEPTEMBER 30, 2022**

***** 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, 2022.

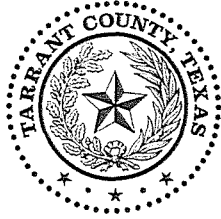
BACKGROUND

In accordance with the Local Government Code 117.123, the Auditor's Office performed an audit of the registry funds held by the County Clerk as of September 30, 2022. The objective of our 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 fiscal impact associated with this item.

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

KIM BUCHANAN, CPA
FIRST ASSISTANT COUNTY AUDITOR
kmbuchanan@tarrantcounty.com

February 17, 2023

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

Re: Auditor's Report – County Clerk, FY2022 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, 2022. 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.

As previously reported, we continue to observe closed cases with small balances that appear to be abandoned and should be escheated in accordance with the Texas Property Code. County Clerk staff is currently working through the closed cases to determine the appropriate disposition of the account balances. No additional recommendation is required at this time. We also communicated other less significant matters identified during our review.

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 2022, the County Clerk's Office presented 1,605 checks totaling \$23,703,875.71 for the auditor's review, approval, and countersignature. Of the 1,605 checks, 17 checks totaling \$271,305.39 were rejected for reasons including an incorrect payee or incorrect case fee. The County Clerk's Office voided and reissued all 17 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. Renee Tidwell, CPA
County Auditor

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

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

Audit Team: Matt Jones, Audit Manager
Rosa Beltran, Senior Internal Auditor

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

Statement of Assets and Liabilities
September 30, 2022

Assets		
Cash in bank (deposits)		\$ 10,751,561
Certificate of deposits, including accrued interest		<u>20,068,401</u>
	Total Assets	<u>\$ 30,819,963</u>
Liabilities		
Due to beneficiaries		<u>\$ 30,819,963</u>
	Total Liabilities	<u>\$ 30,819,963</u>

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

Statement of Changes in Assets and Liabilities
Fiscal Year Ending September 30, 2022

	Uninvested	Invested	Total
Beginning Balance – September 30, 2021	\$ 12,993,659	\$ 16,941,214	\$ 29,934,874
Deposits	26,560,176	-	26,560,176
Interest Earned	-	86,212	86,212
Transfer from Invested to Uninvested	4,593,207	(4,593,207)	-
Transfer from Uninvested to Invested	(7,634,182)	7,634,182	-
Disbursements	(25,761,299)		(25,761,299)
Ending Balance – September 30, 2022	<u>\$ 10,751,561</u>	<u>\$20,068,401</u>	<u>\$ 30,819,963</u>



Tarrant County 1895 Courthouse

Mary Louise Nicholson, County Clerk
Recording life's events since 2011

100 W. Weatherford, Rm.130
Fort Worth Texas 76196-0401

Date: February 27, 2023

From: Mary Louise Nicholson, Tarrant County Clerk

To: Renee Tidwell, Tarrant County Auditor

Reference: Response to Auditor's Report - County Clerk, FY2022 Review Registry of the Court Accounts.

I would like to thank the Auditor's Office for their detailed approach and professionalism in this audit. We take our responsibility for oversight of our financial processes, and properly maintaining the registry of the court accounts seriously and appreciate the Auditor's Office partnership to ensure we properly account for and safeguard the public's money and records.


- 1) **"We continue to observe closed cases with small balances that appear to be abandoned and should be escheated in accordance with the Texas Property Code. County Clerk staff is currently working through the closed cases to determine the appropriate disposition of the account balances. No additional recommendation is required at this time"**

We recognize the necessity to properly escheat abandoned monies to the state and are working through the closed cases to ensure that it is completed accurately. We will again escheat money to the state when the 2023 portal becomes available this June.

- 2) **"During fiscal year 2022, the County Clerk's Office presented 1,605 checks totaling \$23,703,875.71 for the auditor's review, approval, and countersignature. Of the 1,605 checks, 17 checks totaling \$271,305.39 were rejected for reasons including an incorrect payee or incorrect case fee. The County Clerk's Office voided and reissued all 17 checks."**

We have looked into what caused these 17 checks to be issued in error and have addressed it with our accounting team.

Respectfully,


Mary Louise Nicholson, Tarrant County Clerk