

# COUNTY AUDITOR'S REPORT

## COUNTY CLERK'S OFFICE AND REGISTRY ACCOUNT AUDIT

QUARTER 1

FISCAL YEAR 2022




January 31, 2022

Connie Williams, C.P.A.  
Upshur County Auditor

Linda Sikes  
Upshur County Assistant Auditor

Greg Dodson  
Upshur County Assistant Auditor

FILED  
TERRI ROSS  
COUNTY CLERK  
2022 FEB 15 PM 1:17  
UPSHUR COUNTY, TX.  
BY  DEPUTY

**Upshur County Auditor**

P.O. Box 730  
Gilmer, TX 75644  
(903) 680-8110



**Connie Williams**

County Auditor  
Linda Sikes  
Assistant Auditor  
Greg Dodson  
Assistant Auditor

January 31, 2022

Ms. Terri Ross  
County Clerk  
100 W. Tyler Street  
Gilmer, Texas 75644

RE: County Clerk's Office and County Clerk's Registry Accounts Audit, Quarter 1 FY 2022

Ms. Ross:

Pursuant to Texas Local Government Code Section 115, the Upshur County Auditor's Office conducted an internal audit of the County Clerk's Office and the County Clerk's Registry Accounts for the first quarter of FY 2022. A copy of the report will be provided to the Upshur County Commissioners Court.

The scope of the internal audit encompassed the financial records and administrative procedures related to the County Clerk's Office.

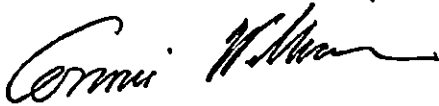
As part of the procedures performed we:

- Reviewed the County Clerk's Bond to ensure compliance with Government Code (GC) 51.302.
- Reviewed a sample of daily deposits to ensure that amounts deposited with the Treasurer agreed with the daily reports and were deposited on a timely basis in compliance with LCG 113.02. Selected a sample of cases from these daily reports to ensure fees charged were compliant with pertinent statutes.
- Reviewed a sample of disbursements from the County Clerk's Registry Account to ensure disbursements were supported by court orders and disbursements for interest bearing accounts were in compliance with LCG 117.054 and 117.055.
- Reviewed the bank reconciliations for the County Clerk's Bond Account and determined that there had been no withdrawals during the first quarter of 2022, therefore no further test work performed.
- Performed a surprise cash count.

The enclosed Auditor's Report presents an overview of the County Clerk's Office and County Clerk's Registry Accounts, the results of our audit and suggested opportunities for procedural improvements.

Please accept my gratitude and appreciation for the assistance and cooperation we received, from you and your staff, in completing the audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Connie Williams". The signature is fluid and cursive, with a long horizontal stroke at the end.

Connie Williams  
Upshur County Auditor

cc: Upshur County Judge Todd Tefteller  
Commissioners:  
Gene Dolle, Pct 1.  
Dustin Nicholson, Pct 2  
Michael Ashley, Pct 3  
Jay Miller, Pct. 4

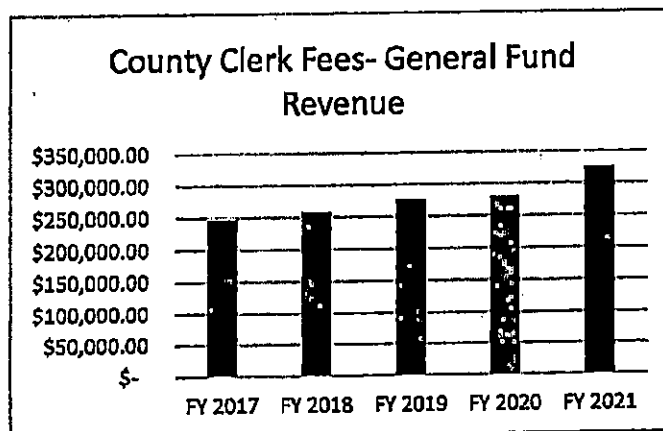
## BACKGROUND

The office of the County Clerk has been in existence in Texas since 1836 as set out in section 20, Article 5 of the Texas Constitution, Article V, Section 9. The County Clerk is an elected official with a four-year term of office. The County Clerk serves as clerk and custodian of records for the commissioners' court, constitutional county court and statutory county courts. The County Clerk acts a recorder and custodian of important public records including all bonds, deeds, birth and death certificates, assumed names and livestock brands ensuring that records are maintained in a secure, archival manner. The County Clerk also issues marriage licenses. The current County Clerk has served Upshur County as District Clerk for seven (7) years, since January 2015.

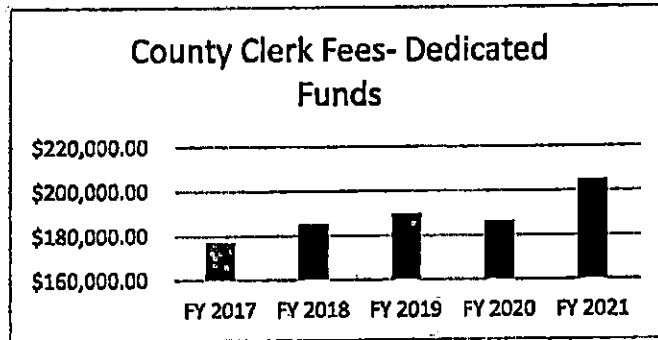
Each District and County Clerk must maintain a bank account(s) to receive money ordered tendered into the court's registry. The County Clerk has two separate registry accounts:

- The County Clerk Registry Account- to account for the deposits and withdrawals of: funds paid in satisfaction of judgements; funds of minors or incapacitated persons; funds tendered in interpleader action and any other funds tendered to the clerk for deposit into the registry of the court.
- The County Clerk Bond Account- funds generated for cash bonds in civil cases and cash bail bonds.

Financial reports are generated from the NET Data software showing all transactions occurring each day. The following chart shows County Clerk fees collected over the past five years for the General Fund:



In addition, the County Clerk collects various fees for special and dedicated funds such as court records management (both court and property), records technology and records archive. The following chart shows County Clerk fees collected over the past five years for these special and dedicated funds:



#### **DAILY DEPOSITS**

- LCG 113.02 requires that funds received should be deposited with the County Treasurer on or before the next business day, an exception can be made, if circumstances permit, not to exceed 5 business days. Of the five (5) receipts selected all were deposited on the next business day as required by statute.
- Of the daily deposits reviewed we noted that in all cases the total deposit as recorded on the "Report of Funds Delivered to Upshur County Treasurer" prepared by the County Clerk's Office agreed to the amount deposited with the Treasurer's Office and to the NET Data Collections report for judicial and the Journal Account Totals report for non-judicial receipts.
- Of the individual bill of costs for the specific cases selected the fees assessed for each case type were in compliance with statute.

#### **PROPOSED CORRECTIVE ACTION:**

There were no issues noted in the sample of daily deposits reviewed, all receipts were very well documented and the deposits were made by the next business day with no exception.

#### **SURPRISE CASH COUNT**

On January 26<sup>th</sup>, a surprise cash count was conducted in the County Clerk's office. All receipts were examined and the amount verified to the total of cash and checks in each cash drawer. All receipts and cash balanced perfectly to the daily reports.

**PROPOSED CORRECTIVE ACTION:**

There were no issues noted in the sample of daily deposits reviewed, all receipts were very well documented and the deposits were made by the next business day with no exception.

**REGISTRY ACCOUNT**

In all disbursements we reviewed the amount distributed and the payee agreed to and were supported by a filed court order. However, two distribution checks issued on July 28, 2021, and given to the attorney, have not cleared the bank. We suggest that the County Clerk contact the attorney to determine if the checks are lost and if so void the checks, place a hold with the bank and reissue.

**PROPOSED CORRECTIVE ACTION:**


We suggest that the County Clerk contact the attorney to determine if the checks are lost and if so void the checks, place a hold with the bank and reissue the checks.

**INTEREST BEARING ACCOUNTS AND ADMINISTRATIVE FEES**

- LCG 117.054 states that at the time of withdrawal from a registry account the clerk shall deduct an administrative fee and remit to the County Treasurer.
- If the registry account is interest bearing the clerk shall deduct ten percent (10%) of interest earned on the account. If the registry account is non-interest bearing the clerk shall deduct a fee of 5% of the withdrawal, not to exceed \$ 50.00.
- We determined that the Court Order did not specify payment of administrative fees nor did the County Clerk deduct administrative fees on two of the distributions per LCG 117.054.

**PROPOSED CORRECTIVE ACTIONS:**

We suggest that the County Clerk consider adding to the procedures for disbursements of funds the deduction for administrative fees as allowed by statute.

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