



COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER 0

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DATE: 3/22/2011

SUBJECT: **RECEIVE AND FILE THE AUDITOR'S REPORT FOR THE EXIT REVIEW OF THE TARRANT COUNTY JUSTICE OF THE PEACE, PRECINCT 7**

***** CONSENT AGENDA *****

COMMISSIONERS COURT ACTION REQUESTED:

It is requested that the Commissioners Court receive and file the Auditor's Report of the Tarrant County Exit Review for Justice of the Peace, Precinct 7 (JP7).

BACKGROUND:

Effective December 31, 2010, the Honorable Charles Corbin's term expired and on January 1, 2011, Honorable Matt Hayes assumed office. The Auditor's Office performed a limited review of the Justice of the Peace's books and records to provide accountability and cut-off procedures for the transfer of authority. Attached is the report regarding this review.

Attached to this report is a written response from the Justice of the Peace.

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

March 3, 2011

The Honorable District Judges
The Honorable Commissioners Court
The Honorable Matt Hayes, Justice of the Peace, Precinct 7
Tarrant County, Texas

Re: Auditor's Report – Exit Review for the Justice of the Peace, Precinct 7

SUMMARY

On December 31, 2010, the Honorable Charles T. Corbin's term expired as the Justice of the Peace, Precinct 7 (JP7). The successor, the Honorable Matt Hayes, assumed office on January 1, 2011. The Auditor's Office conducted selected procedures to provide accountability for the transfer of authority to the incoming JP7. We do not opine on JP7's financial statements and internal control structure since the scope of this review was limited in nature. During our testing, we performed the following procedures:

- Reviewed and reconciled cash and trust balances as of December 31, 2010
- Performed a cash count of change funds as of December 31, 2010
- Obtained ending receipt numbers, both automated and manual, as of December 31, 2010
- Reviewed documentation for the change of authorized signatures related to accounts payable and Read Soft
- Determined whether the outgoing officeholder's access to County systems and applications were removed
- Verified receipt of out-going officeholder's office keys, building access card, employee identification badge, and parking Chubb card
- Reviewed the incoming officeholders Official Bond and Oath on file with the County Clerk's Office

Based on the results of our testing, the transfer of authority appears to be complete without exception. However, we noted one condition requiring management's attention.

OBSERVATION AND RECOMMENDATIONS

Funds were not escheated to the state in accordance with statute.

Background

The JP previously recorded trust funds on the JP Mainframe System until going live with the Odyssey Case Manager System (Odyssey) in June 2010. The JP holds trust funds and disburses those funds to the rightful owners upon disposition of the case. Trust funds recorded by JP7 totaled \$1,824.70 as of December 31, 2010.

According to Texas Property Code, Chapter 72, property is presumed abandoned if 1) the existence and location of the owner of the property is unknown to the holder of the property, and 2) according to the knowledge and records of the holder of the property, a claim to the property has not been asserted or exercised within three years. Chapter 76 of the Texas Property Code defines the requirements relative to the escheatment of unclaimed property. As of June 30th of each year, departments must identify property considered abandoned to escheat to either (1) the state for items over \$100, or (2) the Auditor's Office for items \$100 and less. This would include property dated June 30, 2008 and earlier. The property must be escheated to the appropriate office annually, no later than November 1st.

Observation

In accordance with Texas Property Code, trust funds totaling \$1,438.50 had not been escheated to the State of Texas. Specifically:

- One cash bond balance totaling \$376 remained in trust. Case records showed that the judgment was filed and entered on June 23, 2006. Case records also showed that JP staff had attempted to contact the defendant to refund the balance.
- One civil case contained trust funds totaling \$1,062.50. Cases records showed that the judgment was filed and entered on May 17, 2007, and JP staff had attempted to contact the owner of the funds.


Recommendations

If owners of the trust funds cannot be located and the funds are presumed abandoned, the JP should escheat the funds relative to both cases to the State Comptroller's Office in accordance with the Texas Property Code. JP staff should also record and document the escheatment of the funds into Odyssey and the case jackets.

CLOSING REMARKS

We appreciate the cooperation of the Honorable Matt Hayes and his staff during our review and their prompt attention to our recommendations. In addition, we express gratitude to the Honorable Tom Corbin for the cooperation extended to the Auditor's Office during his tenure with the County.

Very truly,



S. Renee Tidwell, CPA
County Auditor

Attachment: Management's response dated March 15, 2011

Audit Team: Kim Trussell, Audit Manager
Frank Mazza, Audit Supervisor
Julie Hillhouse, Senior Internal Auditor
Angela Tran-Le, Internal Auditor
Jamaine Walker, Internal Auditor

Distribution: The Honorable Charles T. Corbin, Former Justice of the Peace, Precinct 7
Suzanne McKenzie, Financial Accounting Manager
Brett Self, Supervisor

MATT HAYES
JUSTICE OF THE PEACE
PRECINCT 7



1100 E. Broad Street
Suite 202
MANSFIELD, TEXAS 76063
817-473-5101
FAX 817-473-5100

TARRANT COUNTY

March 15, 2011

S. Renee Tidwell
County Auditor

RE: Auditor's Report – Exit Review for the Justice of the Peace, Precinct 7

Dear Ms. Tidwell,

I am in receipt of the draft report for the exit review your department conducted on my office prior to my arrival. I wish to express my appreciation to your staff for their work and the on-going effort to help my staff resolve the two escheatment issues that were found. With their help, we should have both accounts taken care of in the near future. We are implementing an internal review process to identify these types of accounts and handle them in a timely fashion.

Our Court Manager, Dana Dicken, has on several occasions expressed her appreciation for the willingness of your staff to help on any issue where we have interacted.

Best regards,



Matt Hayes