



COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER
CO#116058

PAGE 1 OF
5

DATE: 9/10/2013

SUBJECT: RECEIVE AND FILE THE AUDITOR'S REPORT OF THE REVIEW OF THE DISTRICT CLERK'S CIVIL SECTION

COMMISSIONERS COURT ACTION REQUESTED:

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

BACKGROUND:

In accordance with Local Government Code Section 115.0035, the Auditor's Office reviewed the District Clerk's civil section for the six (6) months ended March 31, 2013. The objective of the review was to determine whether controls were adequate to reasonably ensure that civil case filing fees, court costs, and miscellaneous fees were accurately assessed and recorded.

Attached is a response from the District Clerk.

FISCAL IMPACT:

There is no fiscal impact associated with this item.

SUBMITTED BY:	Auditor	PREPARED BY: APPROVED BY:	S. Renee Tidwell
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July 29, 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 Civil Section

SUMMARY

In accordance with Local Government Code Section 115.0035, *Examination of Funds Collected by County Entity or the District Attorney*, we reviewed the District Clerk's Civil Section for the six months ended March 31, 2013. The objective of our review was to determine whether controls were adequate to reasonably ensure that civil case filing fees, court costs, and miscellaneous fees were accurately assessed and recorded. As a result, we found that certain reports prepared by the Information Technologies Department and provided to management should be improved.

We discussed this issue with management on August 20, 2013. Attached to this report is a written response from the District Clerk's Office.

BACKGROUND

The initiation of a civil suit is always at the option of the plaintiff, or petitioner. There are no indictments in civil cases. After the plaintiff files the original petition, the District Clerk, will issue a citation and deliver the citation as directed by the plaintiff or plaintiff's attorney. The role of the District Clerk is to file and record these instruments, make them available to the court as requested, and to issue the appropriate processes.

A suit can be filed in person, by mail, or by fax with the District Clerk's office. There were 3,161 cases filed during the review period (excluding Tax cases). Per Government Code Chapter 51, the District Clerk must collect the fee for filing a suit at the time the suit is filed, and issue a receipt for the fee paid.

During the audit period, the District Clerk Civil Section received \$1,426,715 into the general fund and \$5,145,214 in the registry fund. The accounts receivable balance totaled \$538,998 during this same period.

OBSERVATION AND RECOMMENDATION

Certain reports prepared by the Information Technologies Department for management should be improved.

The Information Technologies Department (ITD) staff provides financial reports to the District Clerk Accounting staff. Accounting staff forwards the financial reports, including accounts receivable reports, to the Auditor's Office to include in the County's monthly financial statements. We observed the following:

1. For GASB purposes, ITD programmed the court cost accounts receivable reports to *exclude* all fee categories with negative receivable balances. Fee categories showing negative receivable balances could be an indicator that costs were not assessed correctly or an overpayment was received. Since the reports did not show negative receivables, District Clerk management did not have the tools necessary to research fee categories having negative receivable balances. The inability to compare amounts assessed and subsequent receipts increase the opportunity for errors and fraud to occur.

Recommendation:

ITD agreed to generate and provide management with a separate report that includes fee categories with negative balances. Management should review the report to determine whether fees and court costs were properly assessed and the respective case accounts receivable balances are accurate.

2. ITD prepares a report detailing the funds received held in the Deposit on Cost fee category. The Deposit on Cost report only included "closed" cases. The Deposit on Cost fee category is a holding account for overpayments and money received that has not been applied to a particular Constable for citation service fees. Since the report did not include pending cases, management did not detect clerical errors during their review.

During our review, ITD re-programmed the monthly Overpaid Report to include all pending cases in addition to closed cases for all fee categories, including the Deposit on Cost fee category. Furthermore, management created a separate fee category to record overpayments apart from the Deposit on Cost fee category. *No further recommendation required.*

Auditor's Report – Review of District Clerk Civil Section
Page 3 of 3

CLOSING REMARKS

We appreciate the cooperation of the District Clerk and ITD staff 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
Lisa Arnesen, Civil/Family Manager
Lisa Porter, Database Analyst

Team:
Kim Trussell, Audit Manager
Maki Ogata, Senior Auditor



August 27, 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 civil section. 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, Civil Section, and IT staffs, are to be commended for a job well done.

Sincerely,

Thomas A. Wilder