



COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER CO#122283

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DATE: 03/29/2016

SUBJECT: **RECEIVE AND FILE THE AUDITOR'S REPORT OF THE COUNTY CLERK'S CONTROLS OVER VITAL RECORDS**

COMMISSIONERS COURT ACTION REQUESTED:

It is requested that the Commissioners Court receive and file the Auditor's Report of the County Clerk's controls over vital records.

BACKGROUND:

As required by Local Government Code, Section 115.01 and 115.02, the Auditor's Office reviewed the internal controls over vital record transactions processed by the County Clerk as of September 30, 2015. The objective of the review was to determine whether controls were adequate to reasonably ensure that fees collected were accurate, recorded, and deposited. The Auditor's Office also determined whether controls were adequate to ensure compliance with relevant statutes.

FISCAL IMPACT:

There is no fiscal impact associated with this item.

SUBMITTED BY: Auditor

PREPARED BY: S. Renee Tidwell
APPROVED BY:



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March 9, 2016

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

RE: Auditor's Report – County Clerk, Controls over Vital Records

SUMMARY

As required by Local Government Code, Section 115.01 and 115.02, we reviewed the internal controls over vital record transactions processed by the County Clerk as of September 30, 2015. The objective of the review was to determine whether controls were adequate to reasonably ensure that fees collected were accurate, recorded, and deposited. We also determined whether controls were adequate to ensure compliance with relevant statutes.

We observed the following issues that require management's attention:

- Observation 1 Controls over voided and adjusted receipts were not adequate.
- Observation 2 Controls over the invoice reconciliation process were not adequate.
- Observation 3 The County Clerk did not comply with selected statutes and codes relevant to vital records.

We discussed these issues with the County Clerk's staff on March 9, 2016.

BACKGROUND

The Vital Records Division (Vital Records) of the County Clerk's Office is the local registrar responsible for all duties required by statute related to filing birth and death records within Tarrant County except for the cities of Arlington, Bedford, Benbrook, Grapevine, Keller, and Mansfield. Vital Records is also responsible for issuing marriage licenses, recording assumed names and birth and death certificates, and for issuing certified copies. During the review period, Vital Records processed over 87,000 transactions and collected approximately \$2.8 million.

OBSERVATIONS AND RECOMMENDATIONS

Observation 1 Controls over voided and adjusted receipts were not adequate.

Background

The County Clerk's receipt policy and procedures requires the department supervisor approve voids and adjustments. Individuals authorized to adjust receipts may only adjust receipts issued by another employee. During the review period, Vital Records staff adjusted or voided approximately 3,171 receipts out of the 87,141 transactions processed. To reduce the risk of theft and errors, no one individual should control all key aspects of a transaction.

Systems, both automated and manual, used by the County Clerk, including Aumentum and Navision should provide complete, reliable, and accurate information. Aumentum is the system used to record the collection of receipts related to vital records. It interfaces with Navision, which is the in-house system used for preparing the County Clerk's monthly financial reports.

Observations

During our review, we found that controls over voided and adjusted receipts were not adequate. Specifically:

1. The Accounting Manager has the ability to void and adjust receipts, initiate refunds, and is also responsible for reviewing the *Adjusted Receipts* report, and reconciling the bank statement. While we did not find any evidence of management override, we observed no evidence of an independent or supervisory review.
2. We observed 40 receipts initiated and then subsequently adjusted by the same individual. While we observed that the adjustments were nonmonetary in nature, the individual responsible for adjusting a customer's account should not also have access to customer receipts.
3. Supervisory staff manually enters the document type when adjusting receipts because the predefined drop down menu functionality is only available when the transaction is initially processed. The system also allows the capability to manually override the transaction amount. While we observed no evidence to indicate that receipts were inappropriately adjusted, we did find that there were 64 different transactions type including misspellings or duplicate document types that were treated as unique items. Accordingly, system controls make it difficult to determine whether all adjustments have been recorded or valid.

As a result, a potential risk exists that errors or inappropriate adjustments will go undetected.

Recommendations

We recommend the County Clerk consult with the Information Technology Department to determine whether the system can be configured to 1) prevent the same individual from initiating and voiding/adjusting their own transactions, 2) prevent the ability to manually override the transaction amount, and 3) develop predefined document types for adjusting receipts.

Observation 2 Controls over the invoice reconciliation process were not adequate.

Background

The Texas Administrative Code outlines specific instructions and requirements for issuing certified copies of vital records. These requirements include specific standards adopted by the State Registrar and define minimum-security features, including the paper that can be used. One of the minimum-security features requires consecutive numbers on the paper.

Staff manually records the numbers used on the *Security Papers Log*. Reconciliation of security papers invoiced is an essential control tool in preventing and detecting errors, as well as, ensuring amounts paid are adequately supported.

Observation

During our review, we observed that controls over the invoice reconciliation process were not adequate. While Vital Records staff performs a reconciliation of certificates invoiced by the State, procedures were not sufficient to verify that all certificates invoiced had actually been issued. Specifically, the quantity of certificates invoiced by the State's Vital Statics Unit did not agree with the manual *Security Papers Log* for six of the 12 months reviewed. Because the system does not automatically record the security paper issued, a manual log of certificates issued by location is maintained. Sometimes clerks do not always notify a supervisor when they inadvertently press the "print" key more than once. As a result, the misprint may not be recorded in the manual log as required. While the unreconciled difference was not material, a potential risk exists that errors or the creation of false records will go undetected.

Recommendation

We recommend the County Clerk consult with the Information Technology Department and the vendor to determine whether programing modifications can be implemented to automatically log the security paper numbers used by location. Until the modifications are completed, the County Clerk's staff began reconciling certificates by location on a daily basis.

Observation 3 The County Clerk did not comply with selected statutes and codes relevant to vital records.

Background

Government Code, Section, 603.008 states, "*A county judge, clerk of a district or county court, sheriff, justice of the peace, constable, or notary public shall keep posted at all times in a conspicuous place in the respective offices a complete list of fees the person may charge by law.*"

Local Government Code, Section 118.023 (a), states, "*If the county clerk receives fees for ex officio services or for other public services not otherwise provided for, the commissioners court shall set the fees...*"

Texas Administrative Code, Rule 181.22 (f) states, "*The fee to search for any record or information on file with the Vital Statistic Unit shall be \$10, regardless of whether a certified copy is issued or not.*"

The County Clerk uses VitalChek to provide consumers with the ability to securely order and pay for vital records on-line.

Observations

During our review, the County Clerk did not comply with selected statutes and codes relevant to vital records. Specifically:

1. A complete list of fees was not posted in a conspicuous place or listed on the Tarrant County website.
2. The statute did not specifically prescribe fees for a *Marriage Amendment* and *Duplicate Marriage License* and the County Clerk did not obtain the Commissioners Court approval as required.
3. The County Clerk did not always charge fees related to searches for records or information when vital records were “*not found*”. We found instances where some applicants were charged up to \$22 when requested through VitalChek, while others’ who requested records in person had their receipt voided or reversed.

These conditions occurred because staff was not aware of the statutory requirements. The potential risk exists that the County may be subject to fines for noncompliance.

Recommendations

The County Clerk staff should post a complete list of fees at each location and update the webpage to reflect all fees charged. Annually, the fee list should be updated and any fees not specifically prescribed by the statute approved by the Commissioners Court. We also recommend that management update the “Birth & Death Certificate Certified Copies Policy” to address rules and guidance related to vital records “*not found*”.

SUBSEQUENT EVENT

The Vital Records Manager resigned, and her two weeks notice was waived at her request. This condition was outside our review period, but prior to issuance of our report. Since this individual held a position of trust, we performed limited procedures to ensure that access to County systems was removed, and that any receipts or adjustments made appeared reasonable. Based on our limited review, nothing came to our attention that was unusual or out of the ordinary.

CLOSING REMARKS

We appreciate the County Clerk and her staff for their cooperation during our audit and their prompt attention to our recommendations.

Sincerely,



S. Renee Tidwell, CPA
County Auditor

Attachment:
Management's response

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

Distribution:
Jeff Nicholson, Chief Deputy
James Knowles, Accounting Manager
Gayla Neal, Vital Records Manager



Mary Louise Garcia
County Clerk

TARRANT COUNTY COURTHOUSE

100 W. WEATHERFORD
Fort Worth Texas 76196-0401

Date: March 15, 2016

From: Mary Louise Garcia, Tarrant County Clerk

To: Renee Tidwell, County Auditor

Reference: County Clerk, Controls over Vital Records Audit Response

I would like to thank the Auditor's Office for their approach and professionalism in this audit. We take our responsibility for oversight of vital records very seriously, and appreciate the Auditor's Office partnership to ensure we safeguard the public's money and records to the highest degree possible.

Observation 1 - Controls over voided and adjusted receipts were not adequate.

Internal policies have been adjusted to tighten up the controls. Additionally, the County Clerk's Office, through work with ITD, implemented changes to the records management system's configuration that will prevent a person from adjusting a receipt they created.

Observation 2 - Controls over the invoice reconciliation process were not adequate.

The County Clerk's Office agrees there is an issue reconciling the monthly invoice from the State of Texas for birth records acquired using their remote access system. This is due in large part to the invoice's absence of detail, forcing manual reconciliation with the County Clerk's security paper logs. Until the state's invoice contains sufficient detail, automation alone cannot resolve the issue. A known "bug" in the County Clerk's records management system does complicate the issue, and the clerk's office will partner with IT and the vendor in pursuit of resolution or a workaround. Employees are now bound by policy to log any system issues or user errors when printing certificates to assist reconciling the state's invoice.

As for the security paper itself, every piece of security paper is, and has been accounted for. However, the manual process for managing the paper is less than ideal, and it is agreed it needs to be automated. The County Clerk's Office will work with ITD and the records management system vendor to incorporate tracking security paper electronically, and use the manual process for backup or validation purposes.

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AUDITOR

Observation 3 - The County Clerk did not comply with selected statutes and codes relevant to vital records.

The Tarrant County website does contain a Vital Records fee schedule. Staff will review to ensure it is comprehensive. The fees for Marriage Amendments and Duplicate Marriage Licenses were set at their current rate well over 10 years ago. A search of Commissioner's Court minutes dating back decades failed to locate a record of their authorization. In the near future these items will be presented to Commissioner's Court for approval.

The County Clerk staff will strive to consistently charge the authorized records search fee.

Respectfully,



Mary Louise Garcia, County Clerk

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AUDITOR