



COMMISSIONERS COURT  
COMMUNICATION

REFERENCE NUMBER CO#133567

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DATE: 08/25/2020

SUBJECT: **RECEIVE AND FILE THE AUDITOR'S REPORT OF THE FINANCIAL AND SYSTEM CONTROLS OF THE COUNTY CLERK PROBATE SECTION**

**COMMISSIONERS COURT ACTION REQUESTED:**

It is requested that the Commissioners Court receive and file Auditor's Report of the Financial and System Controls of the County Clerk Probate Section.

**BACKGROUND:**

In accordance with Local Government Code, the County Auditor reviewed the financial and system controls in place for the four month period ended January 31, 2020.

**FISCAL IMPACT:**

There is no direct fiscal impact associated with this item.

SUBMITTED BY: Auditor's Office

PREPARED BY: S. Renee Tidwell  
APPROVED BY:



**TARRANT COUNTY**  
TARRANT COUNTY ADMINISTRATION BUILDING - ROOM 506  
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July 2, 2020

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

Re: Auditor's Report – Review of Financial and System Controls, County Clerk Probate Section

## **SUMMARY**

In accordance with the Local Government Code, we reviewed financial and system controls in place for the four month period ended January 31, 2020. As a result of our review, we observed that procedures related to the oversight and processing of financial related transactions need improvement. We also communicated less significant matters to staff during our review. Attached is management's written response to this report.

## **BACKGROUND**

The primary function of the probate courts is transferring title of the decedent's property to heirs and/or beneficiaries. The probate courts also establish guardianships for incapacitated persons and minors, and supervise the administration of the estates of deceased and incapacitated persons.

The County Clerk's Office is responsible for accepting the filing of applications for probate cases, collecting the appropriate fees, and maintaining the case records. Most filing of applications and fees occurs through *EFILETEXAS.gov*. Clerks receive the electronically filed documents and associated fees for processing and acceptance, review the documents, accept the filings or return them for correction, and provide an electronic timestamp notification to the filer for the accepted documents.

During our review period, the County Clerk's Office recorded probate receipts totaling approximately \$2.1 million into Odyssey, including trust fund receipts totaling approximately \$1.9 million.

## **OBSERVATION AND RECOMMENDATIONS**

*Procedures related to the oversight and processing of financial related transactions need improvement.*

### **Observations**

During our review, we observed that procedures related to the oversight and processing of financial related transactions need improvement. Specifically:

1. Segregation of duties was not always adequate between certain incompatible tasks. During our review, we observed that the assistant manager and supervisor both have access to staff tills in Odyssey along with the ability to process fee adjustments, voids, and/or reverse a charge or payment. Additionally, we noted transactions where charge amounts were reversed without adequate documented justification. Furthermore, there was no procedure in place for the Civil Manager to review modifications to financials transactions processed by management staff.

#### Recommendations

Although system controls are in place requiring secondary approval of adjusted financial transactions, at least monthly we recommend the Civil Manager review adjustments on a sample basis. This review should be documented. Additionally, we recommend all adjustments, voids, and reversals include reasons for modifications.

2. Procedures related to system users' roles and permissions need improvement. We identified seven terminated employees whose access had not been updated in Odyssey. Additionally, we observed another employee that was granted Probate access, which was not relevant to their job duties. While an e-mail was sent to the Information Technology Department for three of the seven, procedures did not include a periodic review of users' roles and permissions to ensure that duties were compatible and access to the system was still necessary.

#### Recommendations

We recommend the County Clerk staff request any transferred or terminated employees' access be deactivated. We also recommend staff implement procedures to periodically review users' roles and permissions to ensure they are still appropriate and no incompatible duties/roles exist.

3. Transactions processed in Odyssey were not adequately supported, recorded timely, or approved. Specifically:
  - We observed eight instances where the charge amount was reduced without adequate supporting documentation. Additionally, we observed six instances where the fee was reversed without any justification.
  - Fees were not reduced for a case with an approved Affidavit of Inability to Pay on file.
  - Refunds were often processed based on an email from the attorney, which was not always uploaded to the case in Odyssey or maintained on a network drive where it could be easily retrieved. We also observed that the Assistant Manager and Supervisor processed refund requests without documented approval by the Civil Manager.

Without adequate documentation and approval, inaccurate or inappropriate adjustments/refunds may not be detected.

#### Recommendations

We recommend that County Clerk staff: 1) Provide additional training to staff to reduce the likelihood of errors; 2) Establish procedures requiring all adjustments or refunds be adequately supported and

approved prior to making adjustments or refunds; and 3) Record all payments in Odyssey at the time of filing or charge occurred.

**CLOSING REMARKS**

We appreciate the cooperation of the County Clerk's staff during our review. Please call me if you have any questions regarding the contents of this report.

Sincerely,



S. Renee Tidwell, CPA  
County Auditor

*Audit Team*

Kimberly Buchanan, Audit Manager  
Maki Ogata Brown, Senior Internal Auditor

*Attachment*

Management's response



Tarrant County 1895 Courthouse

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

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

Date: August 10, 2020

From: Mary Louise Nicholson, Tarrant County Clerk

To: Renee Tidwell, Tarrant County Auditor

Reference: Response to Auditor's Report - County Clerk, 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 seriously and appreciate the Auditor's Office partnership to ensure we properly account for and safeguard the public's money and records.

**"Segregation of duties was not always adequate between certain incompatible tasks. During our review, we observed that the assistant manager and supervisor both have access to staff tills in Odyssey along with the ability to process fee adjustments, voids, and/or reverse a charge or payment. Additionally, we noted transactions where charge amounts were reversed without adequate documented justification. Furthermore, there was no procedure in place for the Civil Manager to review modifications to financials transactions processed by management staff."**

We agree with the Auditor's recommendation to document in the system that a secondary approval has been given prior to adjusting a transaction, and have immediately updated our policy and procedures accordingly.

**"Procedures related to system users' roles and permissions need improvement. We identified seven terminated employees whose access had not been updated in Odyssey. Additionally, we observed another employee that was granted Probate access, which was not relevant to their job duties. While an e-mail was sent to the Information Technology Department for three of the seven, procedures did not include a periodic review of users' roles and permissions to ensure that duties were compatible and access to the system was still necessary."**

We agree with the Auditor's recommendations on the processes listed above and have immediately updated our policy and procedures.



Tarrant County 1895 Courthouse

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

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


**Transactions processed in Odyssey were not adequately supported, recorded timely, or approved.**

We recognize that in rare instances, adequate documentation was not added to the case properly when changes were made to a financial transaction. Our office has immediately updated our policy and procedures accordingly.

Additionally, standard practice requires all payments to be recorded at the time of initial filing, but we would like to document at least one instance where this may not happen.

Example: a single filer who eFiles a numerous amount of cases at the end of a business day and provides one check. Time constraint prohibits the intake clerks to successfully review and receive all cases and apply all monies by close of business. In those instances, eFilings and monies applied will be separated by a working day.

Respectfully,



Mary Louise Nicholson, Tarrant County Clerk