



Angela Maselli
Assistant County Auditor

Liberty County Auditor's Office
310 Main Street
Liberty, Texas 77575
(936)336-4624

January 2, 2018

Paulette Williams
Liberty County, County Clerk,

Attached for your consideration is the internal audit report of the Liberty County, County Clerk. The County Auditor's Office has conducted an internal compliance and performance audit over the safeguarding of assets, reliability and integrity of the information, and compliance with laws, regulations, contracts, policies, plans and procedures of the Liberty County, County Clerk, as required by Local Government Code (LGC) §115.0035. The audit covered the period of February 1, 2017 through August 31, 2017.

The audit objectives were designed to provide reasonable but not absolute assurance that the County Clerk is in compliance with laws, regulations, and contracts; to ascertain whether controls in place are adequate to safeguard assets; revenue transactions and department funds are properly supported, recorded, and deposited in their entirety in a timely manner and in accordance with all governing laws and regulations.

The audit included examining transactions on a test basis and required exercising judgment in the selection of tests. This was not a detailed examination of all transactions, therefore there is a risk there may be errors, fraud, incomplete financial records, or noncompliance in areas not examined. The scope of the audit encompassed the financial records and administrative procedures related to the Liberty County, County Clerk. It included, but was not limited to, the books, accounts, reports and records of the court.

We wish to take this opportunity to express appreciation for the assistance and cooperation extended to our office by Liberty County, County Clerk Paulette Williams and her staff during the course of the audit.

Your response to this audit will be included as part of the final report.

Sincerely,

A handwritten signature in cursive script that reads "Angela Maselli".

Angela Maselli
Assistant County Auditor

cc: Honorable Jay Knight and Commissioners Court
Honorable Mark Morefield, 75th District Judge
Honorable Chap Cain, III, 253rd District Judge

Liberty County ~ County Clerk
Internal Audit Report
For the period February 1, 2017 to August 31, 2017

Introduction

Texas Constitution, Article V, Section 20 establishes the office of County Clerk stating "There shall be elected for each county, by qualified voters, a County Clerk, who shall hold the office for four years, who shall be the clerk of the County and Commissioners Courts and recorder of the county, whose duties, perquisites and fees of office shall be prescribed by the Legislature..."

The County Clerk of Liberty is Paulette Williams. She has been in office since 2011.

The duties of the county clerk are to serve as clerk and custodian for the Commissioners Court, Constitutional County Court and Statutory County Courts. The county clerk is to act as a recorder and custodian of public records, including all bonds, deeds, birth and death certificates, assumed names and livestock brands, ensuring that the records are maintained in a secure, archival manner. The clerk also issues marriage licenses and serves as chief election officer in most counties.

A major responsibility of the county clerk is to support the courts and be the administrator of the court records. The county clerk is the administrator of the staff, records and fees collection for civil, misdemeanor, juvenile, probate courts and Commissioners Court.

County clerks are called on to assure that affairs of the county courts are maintained objectively and securely with the full confidence of judicial authorities. Duties include indexing and safe guarding all court records, recording court verdicts, collecting fees as specified in the statutes, and handling funds held in litigation and money awarded to minors. A county clerk files documents and maintains a list of court fines and fees.

In accordance with statutory requirements, the county clerk also gathers data and reports to many state and local agencies including the Office of Court Administration. The Office of Court Administration aids the Supreme Court of Texas in carrying out its administrative duties pertaining to the Texas judicial system. The Office of Court Administration collects data and publishes performance reports of information regarding the efficiency of courts of this state. This reporting assists the county, the state and the Legislature in determining proper operation of the courts, the effectiveness of statutes, and allocation of funding based on information provided in the reports. These reports include facts supporting court activity such as the number of pending cases, number of disposed cases, number of cases in which a jury was selected, number of court appointed attorneys, types of sentences imposed and so forth. This data aids in determining when and if additional courts should be requested based on factors such as caseload and case activity, jury activity, dismissals, additions, pending cases, etc. State and local agencies review these reports for information regarding the efficient functioning of the judicial system."

Audit Objectives:

An internal audit was conducted of the Liberty County - County Clerk as required by Local Government Code §115.0035. The internal audit covered the period February 1, 2017 to August 31, 2017.

The primary objectives of the internal audit are to prove reasonable assurance concerning:

- Compliance with laws, regulations, contracts, policies, plans and procedures
- Safeguarding of assets
- Reliability and integrity of information

The scope of the internal audit encompassed the financial reports and administrative procedures related to the Liberty County Clerk. The internal audit included, but was not limited to the books, accounts, reports, dockets, and records of the court.

The internal audit included examining transactions on a test basis, and required exercising judgment in the selection of such tests. As the internal audit was not a detailed examination of all transactions, there is a risk that errors or fraud were not detected. The county clerk therefore retains the responsibility for the accuracy and completeness of the financial information.

Executive Summary:

Compliance with Statutes, Policies, and Procedures

- Criminal court costs have not been updated since January 2010. (Page 5)
- County Clerk has not updated court costs in NetData since she took office in January 2011. (Page 5)
- Criminal court costs provided by the Liberty County Clerk's office to the County Attorney's office were inaccurate. The court costs did not agree to the most current "County Clerk's Misdemeanor Conviction Court Cost Chart." (*Repeat Finding October 2014, June 2015*) -- (Page 9)
- Defendants charged with misdemeanor criminal offenses were either charged unallowable fees, undercharged amounts of certain fees, overcharged amounts of certain fees and/or not charged certain applicable fees depending on the offense type. (Page 9)
- Civil court costs are not properly allocated between fees retained by the county and fees submitted to the state comptroller. The County is retaining more of the fees than allowed and the state comptroller is receiving less than the required amounts. (Page 14)
- Petitioners filing for guardianships and Writs of Sequestration were undercharged for each filing. (Page 14)
- County Clerk Record's Management and Preservation fees charged are accurate and correspond with statutes. As of August 31, 2017, the balance in the County Clerk's Record Management fund was \$556,499.02. These funds must be used specifically for County Clerk record's management and preservation. (Page 18)
- Probate docket could not be produced using NetData software due to incomplete data entry beginning in May 2015 to present. (Page 19)
- OCA codes for probate case types were not reporting accurately due to incorrect codes assigned during data entry. (Page 19)

Safeguarding of Assets

- All cash collected on the day of the surprise cash count was accounted for and present. (Page 21)
- Fee collections are deposited within 1-3 business days with the County Treasurer's Office. (Page 21)
- Credit card fees recorded on daily reports are transferred to the County Treasurer's office via check before they have been received in the County Clerk's bank account. This practice can result in overdrafts. (Page 22)
- Cash donated back to the county by jurors to send to various charities for a total amount of \$783.00 was located in an unlocked file cabinet drawer unsecured and had been accumulating since 8/24/2015. (Page 23)
- The county clerk does not have adequate controls to ensure proper segregation of duties relative to recording, authorizing, and collecting of funds. Clerks all work out of one cash drawer. (*Repeat Finding - September 2014*) -- (Page 25)

Reliability and Integrity of Information

- County Clerk bond account bank reconciliations were reviewed. A list of cases compiled by the county clerk was provided to the county attorney's office to determine if further actions are needed on outstanding cases. A full review to be completed in a separate internal audit at a later date

Compliance with Statutes, Policies, and Procedures:

Finding 2017-01

- ***Criminal court costs have not been updated in NetData since January 2010.***
(Repeat Finding October 2014, June 2015)
- ***County Clerk Paulette Williams has not updated court costs since she was sworn into office in January 2011. Since that time updated court costs charts were issued by the Office of the Court Administration as of 9/28/2011, 9/01/2013, and 01/01/2016.***
(Repeat Finding October 2014, June 2015)

Criteria:

The County Clerk is responsible for custodial care and safekeeping of court records. In conjunction with its court duties, the office also accounts for all monies paid as deposits on civil cases, funds awarded minors in court action that are paid into the court registry, as well as recording information such as criminal court costs and criminal fines as they are decided within the courtrooms.

County court clerks must prepare a bill of costs in every criminal conviction. Erroneous charges may be challenged by the defendant. Detailed charts and tables of state and local court costs are maintained by the Office of Court Administration (OCA). The information is available on the agency's website along with periodic updates.

Penalties may be incurred if fees are overcharged in bad faith.

Local Government Code §118.801- Overcharging of Fees; Penalty.

(a) An officer named in this chapter who, in bad faith, demands and receives a higher fee than authorized under this chapter or a fee that is not authorized under this chapter is liable to the aggrieved person for four times the amount unlawfully demanded and received.

(d) In this section, "bad faith" includes a demand that an officer makes with the knowledge that a fee is not authorized by law.

Local Government Code §87.013- General Grounds for Removal

- (a) An officer may be removed for:*
- (1) incompetency;*
 - (2) official misconduct*

Local Government Code §87.011- Definitions.

(2) *"Incompetency" means:*

- (A) gross ignorance of official duties;*
- (B) gross carelessness in the discharge of those duties;*

(3) *"Official misconduct" means intentional, unlawful behavior relating to official duties by an officer entrusted with the administration of justice or the execution of the law. The term includes an intentional or corrupt failure, refusal, or neglect of an officer to perform a duty imposed on the officer by law.*

Condition:

Criminal court costs are not properly assessed or collected on misdemeanor convictions as outlined in the "County Clerk's Misdemeanor Conviction Court Cost Chart (ORIGINAL JURISDICTION) – 01/01/2016." This same finding was reported to the County Clerk during an internal audit by the Liberty County Auditor's Office in October 2014 and June 2015.

Criminal court cost amounts have not been updated in NetData since January 2010. These amounts should have been updated to reflect current costs per the updated charts available on the Office of Court Administrations website.

The Office of Court Administration has issued updates for the chart titled "County Clerks' Misdemeanor Court Cost Chart" on the following dates: 9/28/2011, 9/01/2013, and 1/01/2016.

The current county clerk Paulette Williams took office January 1, 2011.

County Clerk Paulette Williams was contacted during the course of this audit by the auditor's office in February 2017 and questioned as to why the court costs had not been updated as previously requested in earlier audits.

The county clerk verified that no changes or corrections had been made to the court costs during her terms in office and stated that she was not aware of the chart available on the OCA website.

A chart had been provided to the Liberty County Clerk along with copies of internal audit reports conducted by the county auditor's office in October 2014 and in June 2015 notifying her of the court cost findings.

An internal audit was issued in October 2014 notifying the county clerk that various codes in NetData should be reviewed for accuracy and completeness. Detailed descriptions were provided of amounts that contained errors including incorrect amounts for certain court costs, unallowable fees being charged to defendants, and required fees that were not being charged at all.

No corrections were made.

In October 2014 the county clerk had been provided a copy of the Internal Audit Report dated October 13, 2014 along with attachments of the most current "County Clerks' Misdemeanor Court Cost Chart" at that time which was dated 9/30/13.

This matter was addressed again on June 12, 2015, in a meeting between the staff members of the County Attorney's office, County Clerk Paulette Williams, and Dwayne Gott who was Assistant County Auditor at that time. As documented within the findings and recommendations during a second internal audit report date June 30, 2015, it was agreed upon that the court costs and fees being charged had not been updated. It was agreed that the necessary changes would be forthcoming. As of June 30, 2015 the corrections had not been made. An updated listing of court courts and fees had not been provided by the County Clerk to the staff of the County Attorney's office. It was also noted that by not making necessary updates and changes, Liberty County is being exposed to possible future liability.

No corrections were made.

The County Clerk was advised of the penalties that could be imposed pursuant to Local Government Code §118.801 for overcharging fees in bad faith. Bad faith includes a demand that an officer makes with the knowledge that a fee is not authorized by law. The clerk was notified in two previous audits that certain amounts were being charged to defendants that were not authorized by law.

Below is an excerpt from an email from County Clerk Paulette Williams date February 23, 2017, in response to Liberty County Assistant Auditor Angela Maselli when questioned about the inaccurate court cost and being reminded of the penalties that could ensue.

"...Talk of penalties and consequences do not motive (sic) me. They don't scare me into changing anything..." – County Clerk Paulette Williams

No corrections were made.

Assistant County Auditor met with Country Attorney Matthew Poston on March 7, 2017 to discuss the incorrect court costs. On March 9, 2017, the county attorney issued a notice that county court criminal court costs would be reported as "to be determined" (TBD) instead of actual amounts until the court cost corrections were completed.

During the internal audit correspondence County Clerk Paulette Williams had informed the assistant county auditor that she would be on vacation for 3 weeks beginning around March 9, 2017.

Once the TBD was issued for court costs it halted orders from being entered into NetData within the county clerk's office for the criminal division. The county attorney and assistant county auditor assisted a county clerk staff member in making corrections, additions, and revisions to the criminal court costs. This process also included creating a new bill of cost with correct court cost line items amounts provided by the county clerk's office to the county attorney's office for use in assessing court costs on a case by case basis. The final bill of cost was reviewed by County Court at Law Judge Tommy Chambers, County Attorney Matthew Poston, and Assistant County Auditor Angela Maselli.

The corrected court costs were effective in Liberty County as of March 20, 2017. County Clerk Paulette Williams was on vacation and out of the office at the time of the corrections.

Recommendation:

The County Auditor's office worked together with the County Attorney's office and clerks within the County Clerk's office to correct the court costs without the assistance of County Clerk Paulette Williams.

Liberty County Clerk Paulette Williams failed to correct court costs during three separate internal audits spanning from 2014 to present.

Court costs should be reviewed and updated by the County Clerk to reflect accurate amounts as provided within the statutes.

Update

Court costs on civil actions increased as a result of Senate Bill 42 will be effective 9/1/17.

Per the July 2017 Texas Judiciary Legislative update regarding the 85th legislature, SB 42 requires the collection of a \$5 fee at the time of filing of any civil action or proceeding requiring a fee, the funds collected to be used to improve security; prohibits the addition of any service fee to this fee.

The County Clerk's office updated the civil fees in a timely manner to reflect the changes per Senate Bill 42.

Finding 2017-02

- ***Criminal court costs provided by the Liberty County Clerk's office to the County Attorney's office were inaccurate. The court costs did not agree to the most current "County Clerk's Misdemeanor Conviction Court Cost Chart." (Repeat Finding October 2014, June 2015)***
- ***Defendants charged with criminal misdemeanor offenses were charged unallowable fees, undercharged amounts of certain fees, overcharged amounts of certain fees and/or not charged certain applicable fees. See details under "Condition" below.***

Criteria:

The County Clerk is responsible for custodial care and safekeeping of court records. In conjunction with its court duties, the office also accounts for all monies paid as deposits on civil cases, funds awarded minors in court action that are paid into the court registry, as well as recording information such as criminal court costs and criminal fines as they are decided within the courtrooms.

Clerks must prepare a bill of costs in every criminal conviction. Erroneous charges may be challenged by the defendant. Detailed charts and tables of state and local court costs are maintained by the Office of Court Administration (OCA). The information is available on the agency's website along with periodic updates.

The court costs are categorized between amounts that are always assessed and costs that may be assessed if a service is performed by a peace officer. Separate fees also apply for drug court costs, child abuse prevention funds, and emergency medical services, trauma facilities, and trauma care systems costs depending on the offense. The Department of Public Safety is authorized to assess surcharges as well pursuant to the driver responsibility program once a driver has been convicted of certain driving offenses.

Condition:

Criminal court costs are not properly assessed or collected on misdemeanor convictions as outlined in the "County Clerk's Misdemeanor Conviction Court Cost Chart (ORIGINAL JURISDICTION) – 01/01/2016." This same finding was reported to the County Clerk during an internal audit by the Liberty County Auditor's Office in October 2014 and June 2015.

The County Clerk did not provide an accurate list of misdemeanor court costs to the Liberty County Attorney's office. The list being used by the County Attorney's office was outdated and inaccurate. It listed a "flat rate" fee per type of offense rather than a base fee with a list of possible add-on fees that should be determined on a case by case basis.

Below are the amounts that were incorrect when comparing amounts charged to defendants versus amounts listed within the statutes. These amounts have not been updated as far back as 2011 or longer.

**Class A and B Misdemeanor - Penal Code Ch 49.04(b-d) offense
(DWI - "A & B" from Misdemeanor Chart)**

| Description of Fee | Amount Assessed during Fieldwork | Correct Amount | Receiving Entity | (Under)/Over |
|-------------------------------------|----------------------------------|----------------|------------------|-----------------|
| Visual Recording Cost | 15.00 | - | County | \$ 15.00 |
| Records Management Criminal | 20.00 | 22.50 | County | (2.50) |
| County Clerk Records Management Fee | - | 2.50 | Co Clerk | (2.50) |
| Judicial Support Fee | 4.00 | 6.00 | State | (2.00) |
| Indigent Defense Fee | - | 2.00 | State | (2.00) |
| Blood Alcohol Test | 30.00 | - | State | 30.00 |
| Crime Stoppers | 2.00 | - | State | 2.00 |
| Net (Under)/Overcharged | | | | <u>\$ 38.00</u> |

Defendants were overcharged a net amount of \$38.00 per misdemeanor DWI case as far back as 2011.

The County, including the county clerk records management fund, received a net of \$10.00 more than the amount allowed within the statutes per offense.

The State received a net of \$28.00 more than allowed within the statutes per offense.

Per NetData, 865 DWI offenses have been filed for the period of 1/1/2011 to 2/28/2017. The amount of fees overcharged to defendants for 865 DWI offenses at \$38.00 per offense for the past six years would be \$32,870.00.

**Standard A and B Misdemeanor - Health & Safety Code Ch 481
(Drug Offense - "E" from Misdemeanor Chart)**

| Description of Fee | Amount Assessed during Fieldwork | Correct Amount | Receiving Entity | (Under)/Over |
|-------------------------------------|----------------------------------|----------------|------------------|------------------|
| Records Management Criminal | 20.00 | 22.50 | County | (\$ 2.50) |
| County Clerk Records Management Fee | - | 2.50 | Co Clerk | (2.50) |
| Judicial Support Fee | 4.00 | 6.00 | State | (2.00) |
| Indigent Defense Fee | - | 2.00 | State | (2.00) |
| Crime Stoppers | 2.00 | - | State | 2.00 |
| Net (Under)/Overcharged | | | | <u>(\$ 7.00)</u> |

Defendants were undercharged a net amount of \$7.00 per a Type E misdemeanor drug offense case as far back as 2011.

The County, including the county clerk records management fund, received a net of \$5.00 less than the amount allowed within the statutes per offense.

The State received a net of \$2.00 less than allowed within the statutes per offense.

Per NetData, 1,661 drug offenses have been filed for the period of 1/1/2011 to 2/28/2017. The amount of fees undercharged to defendants for 1,661 drug offenses at (\$7.00) per offense for the past six years would be (\$11,627.00).

**General Class A and B Misdemeanor
(Moving violation - "I" from Misdemeanor Chart)**

| Description of Fee | Amount Assessed during Fieldwork | Correct Amount | Receiving Entity | (Under)/Over |
|-------------------------------------|----------------------------------|----------------|------------------|------------------|
| Records Management Criminal | 20.00 | 22.50 | County | (\$ 2.50) |
| County Clerk Records Management Fee | - | 2.50 | Co Clerk | (2.50) |
| Judicial Support Fee | 4.00 | 6.00 | State | (2.00) |
| Indigent Defense Fee | - | 2.00 | State | (2.00) |
| Crime Stoppers | 2.00 | - | State | 2.00 |
| Net (Under)/Overcharged | | | | <u>(\$ 7.00)</u> |

Defendants were undercharged a net amount of \$7.00 per a Type I misdemeanor moving violation case as far back as 2011.

The County, including the county clerk records management fund, received a net of \$5.00 less than the amount allowed within the statutes per offense.

The State received a net of \$2.00 less than allowed within the statutes per offense.

**General Class A and B Misdemeanor
(Not a moving violation - "J & K" from Misdemeanor Chart)**

| Description of Fee | Amount Assessed during Fieldwork | Correct Amount | Receiving Entity | (Under)/Over |
|-------------------------------------|---|-------------------|------------------|------------------|
| Records Management Criminal | 20.00 | 22.50 | County | (\$ 2.50) |
| County Clerk Records Management Fee | - | 2.50 | Co Clerk | (2.50) |
| Judicial Support Fee | 4.00 | 6.00 | State | (2.00) |
| Indigent Defense Fee | - | 2.00 | State | (2.00) |
| Crime Stoppers | 2.00 | - | State | 2.00 |
| Net (Under)/Overcharged | | | | <u>(\$ 7.00)</u> |

Defendants were undercharged a net amount of \$7.00 per a Type J or K misdemeanor non moving violation case as far back as 2011.

The County, including the county clerk records management fund, received a net of \$5.00 less than the amount allowed within the statutes per offense.

The State received a net of \$2.00 less than allowed within the statutes per offense.

Failure to Appear

| Description of Fee | Amount Assessed during Fieldwork | Correct Amount | Receiving Entity | (Under)/Over |
|-------------------------------------|----------------------------------|----------------|------------------|--------------|
| Records Management Criminal | 20.00 | 22.50 | County | (\$ 2.50) |
| County Clerk Records Management Fee | - | 2.50 | Co Clerk | (2.50) |
| Judicial Support Fee | 4.00 | 6.00 | State | (2.00) |
| Indigent Defense Fee | - | 2.00 | State | (2.00) |
| Crime Stoppers | 2.00 | - | State | 2.00 |

Net (Under)/Overcharged (\$ 7.00)

Defendants were undercharged a net amount of \$7.00 on Failure to Appear, HSC or TBC case as far back as 2011.

The County, including the county clerk records management fund, received a net of \$5.00 less than the amount allowed within the statutes per offense.

The State received a net of \$2.00 less than allowed within the statutes per offense.

Recommendation:

As noted in Finding 2017-01, corrections were made to the above fees through the collaboration of the County Auditor's office, the County Attorney's office, and clerks in the County Clerk's office without the involvement of County Clerk Paulette Williams. She was out of town on vacation at the time the changes were implemented. As noted, she was aware of these discrepancies as they were reported to her in two previous internal audit findings.

Court costs should be reviewed by the County Clerk and updated periodically.

Update:

An audit was conducted by the Texas Comptroller of Public Accounts that covered the period 10/1/2014 through 03/31/2017. Although amounts had been over collected and submitted to the Texas Comptroller, it was determined that the amounts would remain with the State Comptroller at this time. Per written correspondence addressed to the Liberty County Auditor from the Audit Division of the State Comptroller, no additional taxes were due to the Texas Comptroller as of the date of the audit.

Finding 2017-03

- *Civil court costs are not properly allocated between fees retained by the county and fees submitted to the state comptroller.*
- *In civil filings, the county is retaining more of the fees than allowed and the state comptroller is receiving less than the required amounts. See details under "Condition" below.*

Finding 2017-04

- *Petitioners filing for guardianships are undercharged by \$47.00 each filing and petitioners filing Writs of Sequestration are undercharged \$5.00 for each filing.*

Criteria:

Clerks must prepare a bill of costs in every civil filing. Detailed charts and tables of state and local court costs are maintained by the Office of Court Administration (OCA). The information is available on the agency's website along with periodic updates.

Condition:

Civil court costs are not properly assessed or collected as outlined on the state comptroller's website. The amounts being charged do not agree do the amounts listed on our County Clerk's website titled "Probate/Guardianship Fees for Liberty County. Effective January 1, 2014." The list on the website contains the correct amounts of the individual fees. NetData amounts did not agree to the amounts listed per the County Clerk's website.

Below are the amounts that were incorrect when comparing amounts charged to petitioners versus amounts listed within the statutes. These amounts have not been updated as far back as 2011 or longer.

Petitioners were charged the correct overall amount for most of the offenses except for guardianships and writs of sequestrations. The overall amount was not allocated properly between amounts retained by the County and amounts submitted to the state comptroller.

Petitioner's filing guardianships are being undercharged by \$47.00 per filing. Petitioners filing writs of sequestration are being undercharged \$5.00 per filing.

See below the details of the allocations between County funds retained in error and amounts the state comptroller should have received per type of civil filing.

Civil Petition NonDisclosure

| Description of Fee | Amount Assessed during Fieldwork | Correct Amount | Receiving Entity | (Under)/Over |
|---------------------------|----------------------------------|----------------|------------------|----------------|
| Clerk Fee Civil | 50.00 | 40.00 | County Clerk | \$ 10.00 |
| Records Management Civil | 10.00 | 5.00 | County Clerk | 5.00 |
| Court Record Preservation | 0.00 | 10.00 | County Clerk | (10.00) |
| Net (Under)/Overcharged | | | | <u>\$ 5.00</u> |

| | | | | |
|--------------------------------------|-------|-------|-------|------------------|
| State Civil Fees/Civil Judicial Fund | 50.00 | 40.00 | State | 10.00 |
| Judicial Support Fee | 37.00 | 42.00 | State | (5.00) |
| Indigent Fee – Civil | 0.00 | 10.00 | State | (10.00) |
| Net (Under)/Overcharged | | | | <u>(\$ 5.00)</u> |

Difference (\$ 0.00)

The petitioner paid the correct overall amount.

The County Clerk funds received a net of \$5.00 more than the amount allowed within the statutes per petition.

The State received a net of (\$5.00) less than allowed within the statutes per petition.

Probate/Guardianship/Constable

| Description of Fee | Amount Assessed during Fieldwork | Correct Amount | Receiving Entity | (Under)/Over |
|-----------------------------|----------------------------------|----------------|------------------|-------------------|
| Judges Education on Probate | 3.00 | 5.00 | County Judge | (\$ 2.00) |
| Court Record Reservation | 0.00 | 10.00 | County Clerk | (10.00) |
| Net (Under)/Overcharged | | | | <u>(\$ 12.00)</u> |

| | | | | |
|--------------------------------|-------|-------|-------|-------------------|
| Judicial System Support Fee | 37.00 | 42.00 | State | (5.00) |
| State Electronic Filing System | 0.00 | 5.00 | State | (30.00) |
| Net (Under)/Overcharged | | | | <u>(\$ 35.00)</u> |

Difference (\$ 47.00)

The petitioner was undercharged a total of (\$47.00).

The County received a net of (\$12.00) less than the amount allowed within the statutes per guardianship filed.

The State received a net of (\$35.00) less than allowed within the statutes per guardianship filed.

Probate/Writ of Sequestration

| Description of Fee | Amount Assessed during Fieldwork | Correct Amount | Receiving Entity | (Under)/Over |
|-------------------------|----------------------------------|----------------|------------------|------------------|
| Indigent Fee – Civil | 5.00 | 10.00 | State | (\$ 5.00) |
| Net (Under)/Overcharged | | | | <u>(\$ 5.00)</u> |

The petitioner was undercharged a total of (\$5.00).

The State received a net of (\$5.00) less than allowed within the statutes per writ of sequestration filed.

Probate/Writ of Sequestration 2 Parties

| Description of Fee | Amount Assessed during Fieldwork | Correct Amount | Receiving Entity | (Under)/Over |
|---|---|-------------------|------------------|-------------------|
| Indigent Fee – Civil | 5.00 | 10.00 | State | (\$ 5.00) |
| Judicial System Support Fee | 37.00 | 42.00 | State | (5.00) |
| Appellate Judicial Fee (9 th Crt of Appeals) | 0.00 | 5.00 | State | (5.00) |
| Net (Under)/Overcharged | | | | <u>(\$ 15.00)</u> |

The petitioner was undercharged a total of (\$15.00).

The State received a net of (\$15.00) less than allowed within the statutes per writ of sequestration filed.

Recommendation:

Audit findings were provided to County Clerk Paulette Williams and corrections were made to the above fees during the course of this audit.

Court costs should be reviewed by the County Clerk and updated as needed.

Compliance with Statutes, Policies, and Procedures:

Collection of County Clerk Records Management and Preservation Fee:

- ✓ Reviewed receipts to verify correct amounts were charged and received for County Clerk Record's Management and Preservation fees.
- ✓ County Clerk Record's Management and Preservation fees charged are accurate and correspond with statutes.
- ✓ As of August 31, 2017, the balance in the County Clerk's Record Management fund was \$556,499.02.

Criteria:

The county clerk collects a record management and preservation fee in the amount of \$10.00 per case as noted in the following statutes: Local Government Code 118.001(b)(2), Code of Criminal Procedures art. 102.005(f)(2), and Local Government Code 203.003.

The fee for "Records Management and Preservation" is for the records management and preservation services performed by the county clerk after the filing and recording of a document in the records of the office of the clerk. It is deposited into a separate records management and preservation account in the general fund of the county.

The fee may be used only to provide funds specifically for records management and preservation, including for automation purposes. It may also be used to digitize records and protect them from natural disasters.

Recommendation:

The county clerk should utilize these funds as allowed by the statutes for expenditures relating to records management and preservation as they are deemed necessary. Each year an annual payment to Manatron, software used within the county clerk's office, is made for approximately \$65,000. This is the largest annual expenditure with total expenditures for the past two fiscal years averaging \$86,000 each year.

No exceptions noted.

Finding 2017-05

- *Probate docket could not be produced using NetData software due to incomplete data entry beginning in May 2015 to present.*

Finding 2017-06

- *OCA codes for probate case types were not reporting accurately due to incorrect codes assigned during data entry.*

Criteria:

As stated the Texas Rules of Civil Procedure, Rule 26: each clerk shall also keep a court docket in a permanent record that shall include the number of the case and the names of the parties, the names of the attorneys, the nature of the action, the pleas, the motions, and the ruling of the court as made. In accordance with statutory requirements, the county clerk gathers data and reports to many state and local agencies. The Office of Court Administration collects data and publishes performance reports of information regarding the efficiency of courts of this state. This reporting assists the county, the state and the Legislature in determining proper operation of the courts, the effectiveness of statutes, and allocation of funding based on information provided in the reports.

These reports include facts supporting court activity such as new cases filed, type of case, type of estate if it is a probate case, type of guardianship if it is a guardianship case, inventories filed, etc. This data aids in determining when and if additional district courts should be requested based on factors such as caseload and case activity, jury activity, dismissals, additions, pending cases, etc. State and local agencies review these reports for information regarding the efficient functioning of the judicial system.

Condition:

Probate dockets could not be produced within the NetData software due to incomplete data entry, specifically dates that were omitted. The probate dockets could not be recreated after May 2015 to present. Also, the OCA code entered on probate cases did not reflect the proper type of estates or guardianships.

It was determined that a personnel change occurred within the county clerk's office around the time the probate dockets were no longer available around May 2015. The new staff member was not properly trained and inadvertently omitted dates and entered incorrect OCA codes concerning probate case activity.

Recommendation:

Probate cases beginning in May 2015 to present should be reviewed. Dates and correct OCA codes should be entered and or corrected to utilize the NetData software in creating and retaining probate dockets.

New staff members should be trained on NetData data entry items as they pertain to their job duties.

Update:

During the wrap up of this audit the probate cases from May 2015 to present were reviewed for complete and accurate data entry. Corrections were made during the course of this audit. Probate dockets are now able to be produced utilizing the NetData software.

Safeguarding of Assets:

- ✓ All cash collected on the day of the surprise cash count was accounted for.
- ✓ Fee collections are deposited within 1-3 business days with the County Treasurer's Office.

Daily depositing is one of the best methods of minimizing exposure of collections to loss as well as providing the county with the maximum benefit of collections. Per Local Government Code §113.022 listed below the county has a policy to deposit collections at the maximum within 5 business days.

Deposits were tested for timeliness.

Time between deposits to the Liberty County treasurer's office during the period under audit ranged from one to three business days.

Local Government Code §113.022 - Time for Making Deposits

- (a) A county officer or other person who receives money shall deposit the money with the county treasurer on or before the next regular business day after the date on which the money is received. If this deadline cannot be met, the officer or person must deposit the money, without exception, on or before the fifth business day after the day on which the money is received.*

For the month ended May 31, 2017, there were no exceptions noted that the time between money being received and money being deposited with the treasurer's office was greater than five business days.

The following deposits were made between two and three business days of receipt of funds.

| <u>Money Received</u> | <u>Deposited</u> | <u>Number of business days</u> | <u>Amount</u> |
|-----------------------|------------------|--------------------------------|---------------|
| 05/02/2017 | 05/04/2017 | 2 | \$7,051.00 |
| 05/04/2017 | 05/08/2017 | 2 | \$2,361.00 |
| 05/12/2017 | 05/16/2017 | 2 | \$ 481.00 |

Finding 2017-07

- *Credit card fees recorded on daily reports are transferred to the County Treasurer's office via check before they have been received in the County Clerk's bank account. This can result in overdrafts.*

Condition:

The County Clerk's office accepts cash and credit cards as forms of payment. Credit card payments can take up to four business days to post to the county clerk's bank account. Cash amounts collected by the county clerk's office are deposited into the county clerk's bank account within an acceptable time. These monies must be submitted to the Treasurer's office. The county clerk's office is writing checks to the Treasurer's office before credit card amounts recorded on the daily reports have been deposited into the county clerk's bank account. Credit cards can take up to four business days to post to the bank account.

Effect:

Writing checks to transfer credit card amounts that are not yet in the bank account will cause the county clerk bank account to have a negative balance.

Recommendation:

Credit card deposits into the bank account should be reconciled to the daily credit card collection reports. This credit card reconciliation should be submitted along with the monthly bank reconciliation to the auditor's office for review.

Once all credit cards for a particular report have been received in the bank account, then the check transferring the money to the Treasurer should be delivered to the Treasurer's office.

Update:

County Clerk Paulette Williams will provide the auditor's office with a summary of daily credit card reconciliations. The checks written to transfer credit card collections from the County Clerk's bank account to the County Treasurer will not be released until all credit cards for a particular report have been received in the County Clerk's bank account.

Finding 2017-08

- *Cash donated back to the county by jurors to send to various charities was located in a file cabinet drawer unsecured.*
- *The cash had been accumulating in the file cabinet draw since 8/24/2015.*

Citizens selected for jury duty are paid \$6.00 for each day or fraction of a day while in attendance in court as a prospective Juror when not selected. Jurors that are selected receive \$40.00 for each day or fraction of each day while in attendance in court.

Pursuant to Texas Government Code §61.003, the citizens have the option to donate all or part of the juror pay to various charities. Jurors wishing to donate all or part of their juror pay fill out a juror donation form and the money is returned to clerk within the county clerk's office. The money is then deposited with the county treasurer and sent to the charity as indicated by the juror on the juror donation form.

Daily depositing is one of the best methods of minimizing exposure of collections to loss as well as providing the county with the maximum benefit of collections. Per Local Government Code §113.022 listed below the county has a policy to deposit collections at the maximum within 5 business days.

Local Government Code §113.022 - Time for Making Deposits

- (b) *A county officer or other person who receives money shall deposit the money with the county treasurer on or before the next regular business day after the date on which the money is received. If this deadline cannot be met, the officer or person must deposit the money, without exception, on or before the fifth business day after the day on which the money is received.*

Condition:

A clerk within the county clerk's office received juror donation forms and money over a period of time. The clerk did not know what to do with the cash that was received. The clerk put the cash along with the forms and envelopes in a bottom file drawer beginning in August 24, 2015. Cash in the amount of \$783.00 accumulated in the file drawer until February 2017 when the clerk informed the assistant county auditor about the situation during the entrance meeting at the beginning of this internal audit of the county clerk's office.

The following cash juror donations were received and accumulated in an unlocked file cabinet drawer within the county clerk's office from August 2015 to February 2017.

| <u>Received</u> | <u>Deposited</u> | <u>Description</u> | <u>Business Days</u> | <u>Amount</u> |
|-----------------|------------------|---|----------------------|------------------|
| 05/08/2015 | 02/15/2017 | Pregnancy Care Center-Dayton | 444 | \$ 40.00 |
| 08/24/2015 | 02/15/2017 | Lib. Co. Children's Protective Services Board | 370 | \$ 40.00 |
| 10/14/2015 | 02/15/2017 | Lib. Co. Children's Protective Services Board | 335 | \$ 40.00 |
| 10/20/2015 | 02/15/2017 | Pregnancy Care Center-Dayton | 331 | \$ 20.00 |
| 10/20/2015 | 02/15/2017 | Bridgehaven | 331 | \$ 20.00 |
| 10/20/2015 | 02/15/2017 | TX State Crime Victim's Comp. Fund | 331 | \$ 40.00 |
| 11/14/2015 | 02/15/2017 | Lib. Co. Children's Protective Services Board | 313 | \$ 3.00 |
| 11/14/2015 | 02/15/2017 | Bridgehaven | 313 | \$ 3.00 |
| 11/16/2015 | 02/15/2017 | Bridgehaven | 313 | \$ 55.00 |
| 12/14/2015 | 02/15/2017 | Lib. Co. Children's Protective Services Board | 294 | \$ 40.00 |
| 12/14/2015 | 02/15/2017 | CASA | 294 | \$ 160.00 |
| 12/14/2015 | 02/15/2017 | TX State Crime Victim's Comp. Fund | 294 | \$ 40.00 |
| 05/16/2016 | 02/15/2017 | TX State Crime Victim's Comp. Fund | 188 | \$ 6.00 |
| 07/18/2016 | 02/15/2017 | CASA | 145 | \$ 6.00 |
| 07/18/2016 | 02/15/2017 | Lib. Co. Children's Protective Services Board | 145 | \$ 6.00 |
| 07/18/2016 | 02/15/2017 | Lib. Co. Children's Protective Services Board | 145 | \$ 6.00 |
| 07/18/2016 | 02/15/2017 | TX State Crime Victim's Comp. Fund | 145 | \$ 6.00 |
| 10/17/2016 | 02/15/2017 | Pregnancy Care Center-Dayton | 82 | \$ 6.00 |
| 10/17/2016 | 02/15/2017 | Due to various jurors | 82 | \$ 240.00 |
| 01/23/2017 | 02/15/2017 | TX State Crime Victim's Comp. Fund | 17 | \$ 6.00 |
| | | | | <u>\$ 783.00</u> |

Effect:

Cash was left in an unsecured location for over a year. It was not deposited timely with the Treasurer's office. The employee that received the juror donations stated they were not trained on what to do with the juror donations.

Recommendation:

All cash collections including juror donations should be deposited with the county treasurer on or before the next regular business day after the date on which the money is received.

Update:

According to a memo dated June 19, 2017, prepared by County Clerk Chief Deputy Hope Cross the chief deputy now handles juror donations. They are deposited with the treasurer's office by the next business day.

Finding 2017-09

- ***Improper Segregation of Duties*** (Repeat Finding - September 2014)

Criteria:

One of the most important internal controls is to have proper separation of duties. No one individual should be able to authorize transactions, have physical custody of assets, and record transactions.

Accountability and stewardship are overall goals of management in the accounting of funds. To help mitigate risks of asset misappropriations and ensure a proper accounting of funds, key duties and responsibilities should be segregated among different individuals to reduce the risk of error or fraud.

Condition:

All employees work from the same cash drawer. Each clerk uses a unique log in ID to identify which clerk accepted the payment.

County clerk employees that receive mail also receive money, issue receipts, open the mail, balance the cash drawer to daily receipts, prepare official depository tickets, and take the deposit to the treasurer.

Effect:

These conditions could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds.

Recommendation:

Each employee accepting cash should be assigned a specific cash drawer. Each employee should be responsible for the daily reconciliation of receipts from that drawer to the system.

In the event that segregation of duties is not possible due to limited personnel, compensating controls should be implemented to mitigate the risk involved with concentration of duties among a limited number of individuals. Compensating controls would include separating key processes and/or critical functions of the office, and having management review and approval of accounting functions.

Reliability and Integrity of Information:

County Clerk Bond Account Review

- ✓ Full review to be completed in a separate internal audit at a later date.
- ✓ Reviewed bank account reconciliations.
- ✓ Provided list of cases compiled by the county clerk with notes and details to the county attorney's office to determine if further actions are needed on outstanding cases.

PAULETTE WILLIAMS
LIBERTY COUNTY CLERK
P.O. BOX 369
LIBERTY, TEXAS 77575



PHONE: (936) 336-4676
FAX: (936) 334-8174
EMAIL: coclerk@co.liberty.tx.us

OFFICE OF THE COUNTY CLERK
THE COUNTY OF LIBERTY
LIBERTY, TEXAS

January 4, 2018

RE: Response to Audit Report dated January 2, 2018

To Whom It May Concern:

I have received the audit report prepared by Angela Maselli. I first want to say that I am appreciative and grateful for the work Angela has done to push through changes that needed to be made in our court cost procedures. Her tenacity made the difference in ensuring a successful outcome.

Her findings are in essence correct, and I have no problem taking responsibility for letting the problem fall through the cracks. However, I am very disappointed in the tone of the audit. I feel like it mischaracterizes me personally and goes way beyond what an objective audit should include. I never acted in "bad faith" and I believe the partial quote of my email response to Angela should not have been included. I would've appreciated the whole of the correspondence being used, as the email ended with me saying, "I have worked very hard to improve a very dysfunctional office and I am always ready to correct any issues that arise."

It has been my experience that the old saying, "You catch more flies with honey than with vinegar" is wise. There is another side to the personal narrative spelled out in this audit. I have decided not to discuss it in the public arena so I won't attempt to defend to my actions in this response. My office door is always open and I would be happy to answer any questions that arise:

Sincerely,

A handwritten signature in cursive script that reads "Paulette Williams".

Paulette Williams
Liberty County Clerk



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

December 01, 2017

DWAYNE GOTT
COUNTY AUDITOR
LIBERTY COUNTY
1923 SAM HOUSTON ST STE 102
LIBERTY, TX 77575-4842

Re: LIBERTY COUNTY
Taxpayer Number: 1-74600-1604-5
Cnty Crim Costs/Fees
October 01, 2014 through March 31, 2017

Dear Mr Gott:

I am pleased to tell you that the above referenced audit of your firm has shown no additional taxes are due. The Texas Notification of Audit Results is attached.

The results of this audit do not rescind or replace any previous notices you may have received regarding outstanding balances. You are liable for any amounts still due. The results of this audit should not be taken as approval of your tax reporting system. Law changes and new rulings might result in different findings in future audits and you will be responsible for any taxes found owing and due.

Let me commend you for your diligent and successful efforts to comply with the applicable Texas law. The manner in which you have handled your obligations helps make each tax dollar go further in paying for the essential services provided by state government.

I also want to thank you for the cooperation and courtesy extended to my auditor during the audit.

Please feel free to call on us anytime we can be of assistance.

Sincerely,

Keith Womack
Assistant Manager, Audit Division

TEXAS NOTIFICATION OF AUDIT RESULTS
(TEX. TAX CODE ANN. SEC. 111.008)STATEMENT DATE
December 04, 2017

Taxpayer Name and Mailing Address

LIBERTY COUNTY
1923 SAM HOUSTON ST STE 102
LIBERTY, TX 77575-4842Taxpayer Number
1-74-6001604-5Type of TAX
LOCAL REVENUEAudit Period
10-01-2014 thru 03-31-2017

| | TOTAL |
|--------------------------------|---------|
| TAX | \$ 0.00 |
| TOTAL DUE AS OF STATEMENT DATE | \$ 0.00 |

The results of this audit do not rescind or replace any previous notices you may have received regarding outstanding balances. You are liable for any amounts still due.

The results of this audit should not be taken as approval of your tax reporting system. Law changes and new rulings might result in different findings in future audits and you will be responsible for any taxes found owing and due.

TAXPAYER RIGHTS SUMMARY

If you disagree with the audit results, you may request a redetermination hearing. Your request must be postmarked by 02-02-2018.

Hearing requests must include a Statement of Grounds that describes, in detail, the reasons you believe the determination is incorrect. Your statement should describe, as clearly as possible, the facts and the provisions of the tax laws and Comptroller rules upon which you are relying. All hearing requests should be in writing and sent to the Audit Processing section of the Audit Division at Comptroller of Public Accounts, 111 E. 17th Street, Austin, Texas 78774-0100. Hearing requests must be accompanied by a valid Statement of Grounds.

The Comptroller wants to give all taxpayers full consideration in each case. There is more information in our brochures, "Contesting Disagreed Audits" and "The Rules of Practice and Procedure". You can obtain them at our local offices, or call 1-800-531-5441, ext. 3-3900 toll-free nationwide, or call 512/463-3900.

Liberty County Attorney
Internal Audit Report
Misdemeanor Court Costs and Fees
June 30, 2015

Overview:

This report summarizes the results of internal audit procedures completed on July 8, 2015 for the period June 30, 2015.

Conclusion:

As clerk of the county courts, the county clerk collects and is responsible for money paid in court costs, fines and fees and for the payment of juror fees.

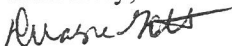
Findings and Recommendations:

As per the **Liberty County – County Clerk’s Office Internal Audit** (attached) completed on October 13, 2014 by the Office of the Liberty County Auditor, there are numerous inaccuracies in the court costs and fees being assessed in misdemeanor criminal court cases. Certain mandatory court costs were being overcharged, undercharged, not charged at all, or charged when not allowed.

A meeting was conducted on June 12, 2015 in the office of the Liberty County Attorney, between staff members of the County Attorney’s office, Paulette Williams, and I addressing the need to make the necessary corrections. It was agreed upon that the court costs and fees being charged had not been updated in several years. All sides agreed that the necessary changes would be forthcoming.

As part of my recently completed audit of the Office of Liberty County Attorney, it was determined that the correction of mandatory court costs and fees had still not been performed by the office of the Liberty County Clerk. An updated listing of court costs and fees had not, as of yet been provided to the staff of County Attorney’s office. By not making the necessary updates and changes, Liberty County is being exposed to possible future liability.

Sincerely,



Dwayne Gott

Assistant County Auditor

Cc: Paulette Williams, Liberty County Clerk
Hon. Thomas Chambers, Liberty County Court at Law

Liberty County -County Clerk's Office
Internal Audit Report
October 13, 2014

Objectives

Pursuant to Texas Local Code § 115.002, we analyzed selected financial records and internal controls of the County Clerk – Liberty County. Our purpose was to verify the accuracy and completeness of selected fees and to assess compliance with selected internal controls.

Conclusion

The County Clerk serves as clerk of the court for all misdemeanor county, criminal and civil courts including Commissioners' Court and probate court; maintaining the official records of the courts they serve. The county clerk records the acts and proceedings of each of these courts, entering all judgments, recording all executions issued and the returns issued on the executions as applicable, and administers trust accounts for minors and registry accounts; additionally, the clerk must keep an index of the parties to all suits filed in the court, and make reference to any judgment made in each case. As clerk of the county courts, the county clerk collects and is responsible for money paid in court costs, fines and fees and for the payment of juror fees.

The County Clerk receives the case disposition from the County Attorney's Office detailing the total court costs and fines of the individual guilty of the offense. The processing clerk enters the code for the particular offense into the NetData software. The County Clerk's Office utilizes five (5) fine codes to classify all misdemeanor convictions;

- (1) J6 – DWI Cases
- (2) H8 – Failure to Appear, Hindering Secured Collateral, Theft by Check
- (3) J3 – Misdemeanor Drug Cases, Public Intoxication; Minor 3rd Enhanced.
- (4) H5 – Other Misdemeanor
- (5) P7 – Other Misdemeanor, Moving Violation

Findings and recommendations

Finding # 1 – Misdemeanor criminal court costs and fees assigned to various fine codes in NetData should be reviewed for accuracy and completeness by the County Clerk.

The criminal misdemeanor fine codes in the NetData system contain numerous errors. Individuals were charged incorrect amounts for certain court cost/ fees, charged unallowable fees and not charged other required fees.

Court cost assessed for a DWI conviction:

| Cost | Current Amount Assessed | Correct Amount |
|---------------------------|----------------------------|-------------------|
| Blood Alcohol Test | \$30.00 | \$0 * |
| Judicial Support Fee | \$ 4.00 | \$6.00 |
| Crime Stoppers | \$ 2.00 | \$0 |
| Record Management | \$20.00 | \$22.05 |
| County Clerks Record Mgt. | \$0 | \$2.50 |
| Indigent Defense Fee | \$0 | \$2.00 |

*A breath alcohol fee of \$ 22.50 is to be deducted from the Consolidated Court Costs fee of \$83.00, Art. 102.016 CCP, and not included as additional fee.

Court Cost assessed for Misdemeanor Drug Cases, Public Intoxication: Minor 3rd Enhanced:

| Cost | Current Amount Assessed | Correct Amount |
|---------------------------|----------------------------|-------------------|
| Judicial Support Fee | \$4.00 | \$6.00 |
| Crime Stoppers | \$2.00 | \$0 |
| Record Management | \$20.00 | \$22.50 |
| County Clerks Record Mgt. | \$0 | \$2.50 |
| Indigent Defense Fund | \$0 | \$2.00 |

Court Cost assessed for Misdemeanor Failure to Appear, Hindering a Secured Creditor, and Theft by Check.

| Cost | Current Amount Assessed | Correct Amount |
|---------------------------|----------------------------|-------------------|
| Judicial Support Fee | \$4.00 | \$6.00 |
| Crime Stoppers | \$2.00 | \$0 |
| Record Management | \$20.00 | \$22.50 |
| County Clerks Record Mgt. | \$0 | \$2.50 |
| Indigent Defense Fund | \$0 | \$2.00 |

Court Costs assessed for Other Misdemeanors.

| Cost | Current Amount Assessed | Correct Amount |
|---------------------------|----------------------------|-------------------|
| Judicial Support Fee | \$4.00 | \$6.00 |
| Crime Stoppers | \$2.00 | \$0 |
| Record Management | \$20.00 | \$22.50 |
| County Clerks Record Mgt. | \$0 | \$2.50 |
| Indigent Defense Fund | \$0 | \$2.00 |

Court Costs assessed for other Misdemeanors/Moving Violations.

| Cost | Current Amount Assessed | Correct Amount |
|---------------------------|----------------------------|-------------------|
| Judicial Support Fee | \$4.00 | \$6.00 |
| Crime Stoppers | \$2.00 | \$0 |
| Record Management | \$20.00 | \$22.50 |
| County Clerks Record Mgt. | \$0 | \$2.50 |
| Indigent Defense Fund | \$0 | \$2.00 |

Recommendation

Court costs and fees in the associated fine codes within NetData need to be reviewed and corrected as needed.

Finding # 2 – The reporting of additional court costs needs improvement.

There are currently five (5) court cost categories for misdemeanor convictions;

- (1) J6 – DWI Cases
- (2) H8 – Failure to Appear, Hindering Secured Collateral, Theft by Check
- (3) J3 – Misdemeanor Drug Cases, Public Intoxication; Minor 3rd Enhanced.
- (4) H5 – Other Misdemeanor
- (5) P7 – Other Misdemeanor, Moving Violation

The current reporting and recording of court costs doesn't account for all possible variables in the total amount of court costs.

Below is a listing of the additional costs/fees that vary among different misdemeanor cases for services performed by Peace Officer;

| | |
|---------------------------------|---------|
| (1) Arrest with a Warrant | \$50.00 |
| (2) Arrest without a Warrant | \$5.00 |
| (3) Take and Approve Bond | \$10.00 |
| (4) Each Commitment and Release | \$10.00 |
| (5) Summon Witness | \$5.00 |
| (6) Summon Jury | \$5.00 |

Recommendation

A control mechanism needs to be implemented between the County Attorney's Office and the County Clerk's Office to insure that additional fees are identified and the correct amount is collected on each misdemeanor case.

I am attaching copies of the *County Clerks' Misdemeanor Court Cost Chart -9/30/13*, *Texas Comptroller of Public Accounts- Audit Manual- Chapter 4- Criminal Costs- Counties*, and a fee list derived from *Travis County -County Clerk Misdemeanor Fee Schedule*.

If any assistance is needed please contact the Liberty County Auditor's Office.



LIBERTY COUNTY

DWAYNE GOTT, CPA - COUNTY AUDITOR

310 MAIN
LIBERTY, TEXAS 77575

936-336-4604
936-346-4638 FAX

Re: Rapid Deposit Law (RDL) Review

Dear Paulette Williams:

The Rapid Deposit Law review for your office has been completed. The review was conducted to determine compliance with *Texas Local Government Code, Sec. 113.022*.

Objective

The Rapid Deposit Law Review is conducted to ensure all county funds collected by a county officer or employee is to be deposited with the county treasurer within the specified time frame. The law requires that funds shall be deposited on or before the next business day. However, if extenuating circumstances exist a period of (5) five days from receipt of funds to the deposit of funds with the county treasurer is permitted. The Office of the County Auditor strongly recommends that all county funds be deposited on or before the next business day to properly safeguard county assets.

Scope

The scope of the review involved all deposits made by County Clerk's office from the period of January 4, 2016 to January 8, 2016.

Findings

The following deposits were not made to the county treasurer within the time frame mandated by the Rapid Deposit Law

| County Clerk <u>Receipt #</u> | <u>Date Received</u> | Date Deposited <u>With Treasurer</u> | <u># Days Outstanding</u> |
|----------------------------------|----------------------|---|---------------------------|
| 374247-374259 | 12/17/2015 | 01/04/2016 | 9 |
| 374263-374264 | 12/18/2015 | 01/04/2016 | 8 |
| 374282-374283 | 12/28/2015 | 01/07/2016 | 7 |
| Manatron | 12/21/2015 | 01/05/2016 | 8 |
| Manatron | 12/23/2015 | 01/06/216 | 6 |

| | | | |
|---------------|------------|------------|---|
| Manatron | 12/28/2015 | 01/07/2016 | 7 |
| 374290-374291 | 12/29/2015 | 01/07/2016 | 6 |
| Manatron | 12/29/2015 | 01/07/2016 | 6 |
| 374292-374295 | 12/30/2015 | 01/07/2016 | 5 |
| Manatron | 12/30/2015 | 01/07/2016 | 5 |

Recommendation

Texas Local Government Code, §113.022

- (a) A County officer or other person who receives money shall deposit the money with the county treasurer on or before the next business day after the date on which the money is received. If this deadline cannot be met, the officer or person must deposit the money, without exception, on or before the next business day after the day on which the money was received.

To ensure compliance with this law, we recommend that all money collected by the County Clerk's office be deposited on or before the next business day.

Additional Findings

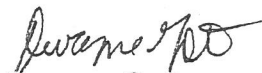
The December bank statement for the Bond account was not balanced. Voided checks were still being listed as outstanding.

Recommendation

Each department head/elected official is responsible for ensuring the application of proper accounting procedures are being followed in their perspective offices.

Your response to these findings will a part of the final audit report.

Sincerely,


Dwayne Gott
County Auditor

Cc: File