

**Sandy Hill
County Auditor**

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Van Zandt County Auditor

121 E Dallas Street, Room 102
Canton, TX 75103

November 30, 2022

Van Zandt County Clerk
Attn: Hon. Susan Strickland
Canton, TX 75103

Re: Internal Control Audit

The Van Zandt County Auditor's Office performed an internal control audit at the Van Zandt County Clerk's office on November 29, 2022. I have attached our report for review.

The objective of this audit was to determine the adequacy of internal controls over receipting, operational office controls and completeness of the audit trail.

We would like to thank Honorable Susan Strickland, VZ County Clerk, who cooperated and assisted with this audit. She was very open in discussing the current office operations and willing to help resolve any issues that we discussed.

As a follow up to our audit, Honorable Susan Strickland will be forwarding her current training hours and file marked copies of her office employee's bonds.

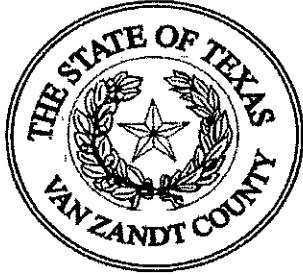
Please let me know if you have any questions or concerns.

Respectfully submitted,

A handwritten signature in cursive script that reads "Lisa Hutcherson".

Lisa Hutcherson
Assistant Auditor

cc: District Judge - Chris Martin
Judge- Don Kirkpatrick
County Commissioners
Auditor- Sandy Hill



AUDITOR: SANDY HILL

Van Zandt County Clerk's Office
Internal Control Audit
2022

Van Zandt County Auditor's Office

November 29, 2022

121 East Dallas, Room 102, Canton, TX 75103

903-567-2171 phone 903-567-4700 fax

EXECUTIVE SUMMARY

We have completed an audit of receipting controls in the Van Zandt County Clerk's Office. Our audit was performed in accordance with generally accepted government audit standards and intended to state objectives based on this audit.

Objectives, Scope and

Methodology

The objective of this audit was to determine the adequacy of internal controls over receipting and depositing compliance with procedures and completeness of audit trail. This includes all functions from the time of receipt to its recording and reconciling of transactions.

Summary of Findings and

Recommendations

We found that management and staff were very receptive to explaining their procedures in their control environment and open to suggestions for improvement.

Commendation

We would like to thank the Honorable Susan Strickland, County Clerk, who cooperated and assisted with this audit. She was very open in discussing her current operations and willing to help resolve any issues that were raised.

BACKGROUND

Initial Contact

The Van Zandt County Auditor's Office contacted the Honorable Susan Strickland and requested a formal audit of internal controls for November 29, 2022, at 2:00 p.m.

Organization

The County Clerk's Office handles many aspects including but not limited to civil, criminal, birth/death/marriage certificates, land records, and wills/probate. They are open to the public Monday thru Friday 8-4:30 and closed all federal holidays. Computer systems used in this office are LGS, Tyler Technology, Vital, Team Certified payments – credit cards, State systems Cjis and OCA.

Collection Points

The County Clerk's Office collects money for various purposes including but not limited to:

- Criminal fines
- Cash Bonds
- Permits
- Birth/death/marriage certificates
- Land records
- Filing Fees
- Copies

This office accepts cash, personal checks (for certain items), money orders, cashier's checks, credit cards in person and paid through the internet and e-file.

The clerks currently have a \$100 cash drawer starting balance.

Money collected from clerks is deposited into three different accounts of the County Clerk. They are as follows:

General Fund Account-Texas Bank and Trust-

Daily receipts for civil, criminal, and daily work. Signers on this account are Kenny Edwards, Susan Strickland and Tabetha McMullen

Trust Account-Texas Bank and Trust-

Interest bearing account for money being held for minors or lawsuit funds. Signers on this account are Kenny Edwards, Susan Strickland and Tabetha McMullen

Bond Account- Texas Bank and Trust-

Cash bonds for criminal and civil. Signers on this account are Kenny Edwards, Susan Strickland and Tabetha McMullen

ANALYSIS OF CONTROLS

In the following sections, we detail our analysis of control strengths as well as recommended improvements.

Strengths

- Strong interest to have adequate controls
- Bank reconciliations are completed in a timely manner and copies are forwarded to the County Auditor's Office monthly for auditing purposes
- Standard accounting procedures are followed for receipting money as the clerks take in the money, balance and deposits are prepared by Tabetha McMullen and completed by Susan as a means of dual control.
- Knowledge and longevity of current Chief Deputy Clerk, Tabetha McMullen.
- Cross-training and absentee coverage established.
- All employees are sufficiently trained to their job duties and then cross training begins to cover all areas of the office.
- Funds are deposited daily, if not the same day then the next morning.
- Checks and money orders are stamped/endorsed front and back upon receipt.
- Two signatures are required on all written checks.
- Monthly checks are written to the County Treasurer regularly at month's end for disbursements.

EMPLOYEES

Currently the office has six employees including the County Clerk, with one full time position being open.

Susan Strickland, County Clerk, 4 years
Tabetha McMullen, Chief Deputy, 12 years
Shannon Maddox – Deputy Clerk, 4.5 years
Jayla McEnturff – Deputy Clerk, 3 years
Emilee Seale, Deputy Clerk, 1 year
Amber Cavasoz, Deputy Clerk, 1 year

RISK ASSESSMENT

Encourage New Ideas

During our review, we tried to identify three basic items:

- All possible risks
- Existing preventive controls for each risk, and
- Existing detective controls for each risk.

AREAS of CONCERN

Weaknesses

- During our review there were concerns with passwords being shared, keys locking/opening more than one cash drawer.
- We also discussed the balancing routine/counting of the drawers at the end of the day. We supplied Susan with a form we are offering all departments that details the cash more clearly and accounts for the start-up drawer money.
- the office does not have a mail log for documenting contents of mail received daily. This office receives a wide variety of documents in the mail, including payments, documents for filing and correspondence from inmates regarding their cases.

-filing the open position would help with the overflow of duties and help with the volume of mail etc.

-No main safe/vault that all monies/deposits could be secured in overnight.

-The Department does have a petty cash fund of \$100 to help with change as needed for the clerk's cash drawers and election meals etc. It would be our recommendation that a separate bank bag labeled as petty cash be used for this money and include all receipts that back up any expenditures from this money.

Guidelines for Implementing

Changes

We are encouraged by the controls that the County Clerk's Office currently have in place and as our review unfolds that management maintains those as well as considers our guidelines for controlling money, establishing accountability, prioritizing changes and monitoring processes.

As changes are made, management should monitor to make sure new processes are effective. Through this monitoring, they may discover a need to change other procedures or provide further training. If any areas remain problematic, they may consult with our office to help analyze and propose solutions.

RECAP OF

RECOMMENDATIONS

Our recommendations cover a range of control improvements including a more detailed balancing routine. In addition, a high priority would be for the current keys be changed to operate only one cash drawer.

This report is to provide examples of best practice guidelines to be used by the County Clerk's Office.

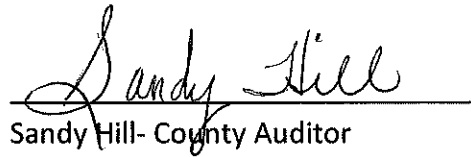
We appreciate the County Clerk's office and their hard work and efforts. We believe they will be successful in continuing to implement a model control system.

Respectfully submitted,

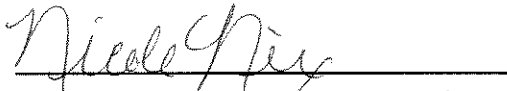
Reviewed and Approved By



Lisa Hutcherson –Assistant County Auditor



Sandy Hill- County Auditor



Nicole Nix – Assistant County Auditor

Date 11/30/2022

Date 11/30/2022

cc: Judge Chris Martin
Judge Don Kirkpatrick
County Commissioners
Sandy Hill