

COUNTY AUDITOR'S REPORT

CASH COUNT AND RECEIPTING REVIEW


FISCAL YEAR 2020



January 22, 2020

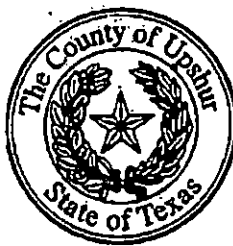
Connie Williams, Upshur County Auditor

Linda Sikes, Upshur County Assistant Auditor

FILED
TERRI ROSS
COUNTY CLERK
2020 JAN 31 AM 11:03
UPSHUR COUNTY, TX.
BY 
DEPUTY

Upshur County Auditor

P.O. Box 730
Gilmer, TX 75644
(903) 843-4001



Connie Williams

County Auditor
Linda Sikes
Assistant Auditor
Greg Dodson
Assistant Auditor

January 22, 2020

Upshur County Judge Todd Tefteller
Paula Gentry, Pct. 1 Commissioner
Dustin Nicholson, Pct. 2 Commissioner
Frank Berka, Pct. 3 Commissioner
Jay Miller, Pct. 4 Commissioner

RE: Surprise Cash Count and Receipting Audits

Judge Tefteller and Commissioners;

Pursuant to Texas Local Government Code 115.003, Linda Sikes, Upshur County Assistant Auditor conducted surprise cash count and receipting audits at the following six (6) Upshur County Offices:

- District Clerk's Office- October 30, 2019
- County Clerk's Office- October 30, 2019
- Elections Office-October 30, 2019
- Tax Office- November 20, 2019
- Pct. 1, Justice of the Peace- December 18, 2019
- Pct. 4, Justice of the Peace- December 18, 2019

(Note: Although surprise cash counts were scheduled for Pct. 2, Justice of the Peace, Pct. 3 Justice of the Peace and Dump, the offices were closed. Therefore, cash counts for these locations will be conducted in February).

PROCEDURES

- Prior to beginning the audit, the Auditor's Office obtained a report of all receipts from the last date of deposit with the Treasurer's Office through the date of the surprise cash count.
- Inquired and documented the location of any undeposited cash/checks (i.e. locked drawer, safe or other location) and who has access to those funds.
- Funds in each cash drawer were counted, in the presence of the responsible employee, and totals were notated on the auditor's cash count sheet. The cash counted was compared to the total per the receipts report to determine if an overage/shortage existed. Documented any over/short variances and requested an explanation.

- The receipt numbers were reviewed to ensure there were no breaks in sequence not due to voids or reversals.
- Determined if funds were deposited with the Treasurer's Office within the required time frame as stated in LCG 113.022.

Following is a summarization of Ms. Sikes audit findings (attached).

FINDINGS

DISTRICT CLERK'S OFFICE

The District Clerk's Office has seven (7) money bags, one for each employee and a separate bag to hold all previous day(s) money pending deposit with the Treasurer's Office. The Auditor's Office conducted the surprise cash count on October 30, 2019 and noted that receipts for four (4) business days had not been deposited with the Treasurer's Office. The deposit for money received for the period October 24 through October 30, 2019 was deposited with the Treasurer on October 31, 2020.

Per LCG 113.022, County Officers shall deposit money collected with the County Treasurer's Office on or before the next business day after the date the money is received. If there is a reason this deadline cannot be met, the money must be deposited, with no exception, by the fifth (5th) business day after the day on which the money is received.

A letter to Ms. Karen Bunn, District Clerk (copy attached) was delivered via E-Mail on January 22, 2020 recommending that The District Clerk's Office deposit funds with the Treasurer's Office on the next business day following the day the money is received.

COUNTY CLERK'S OFFICE

The County Clerk's Office has five (5) money bags, one for each employee. All money bags balanced and reconciled to the receipts report, with no exceptions. Additionally, the County Clerk's Office makes daily deposits with the County Treasurer, in full compliance with LCG 113.022.

ELECTIONS

The Elections Office receives a minimal amount of cash/checks for such services as providing copies of voter lists and therefore has only one cash drawer and no formal receipting system. Receipts are produced via an excel template.

All money and receipts balanced perfectly and the cash drawer remains locked at all times. Ms. Harle, Elections Administrator, has the only key to the cash drawer.

A letter to Ms. Harle, Elections Officer (copy attached) was delivered via E-Mail on January 22, 2020 recommending that the Elections Office deposit funds with the Treasurer's Office on the next business day following the day the money is received but no later than the fifth business day after funds received. Additionally, recommendation was made to purchase a two-part pre-numbered receipt book to generate receipts.

TAX OFFICE

The tax office has twelve (12) cash drawers and deposits to the Treasurer's office are made on a daily basis. All cash drawers are reconciled on a daily basis by the Tax Office and stored securely in a vault at the end of each business day.

At the time of the cash count, one drawer was short \$ 29.00 and it was later determined that Ms. Howell, the Tax Assessor had taken the \$ 29.00 to the bank to obtain change. All other cash drawers balanced perfectly and funds counted were deposited at the bank the next business day.

A letter to Ms. Howell, Tax Assessor (copy attached) was delivered via E-Mail on January 22, 2020 recommending that in when cash is removed from a cash drawer to make change, a note to that effect be placed in the drawer until the funds are returned.

Pct 1, JUSTICE OF THE PEACE

The JP 1 Office has two (2) cash drawers and a safe. The Auditor's Office conducted the surprise cash count on December 18, 2019 and noted that receipts for two (2) business days had not been deposited with the Treasurer's Office. The deposit for money received for the period December 16 through December 18, 2019 was deposited with the Treasurer on December 19, 2020 which is within the five (5) business day requirement of LCG 115.003. Both cash drawers balanced to the receipt totals per reports.

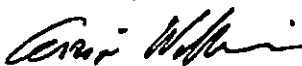
Pct 4, JUSTICE OF THE PEACE

The JP 4 Office has one (1) cash bag however, there is no locking drawer or safe in which to secure undeposited funds. The Auditor's Office conducted the surprise cash count on December 30, 2019 and noted that receipts for five (5) business days had not been deposited with the Treasurer's Office.

The cash drawer balanced to the receipt totals per reports, however Ms. Bunn, JP4 Clerk stated that she does not reconcile the cash bag at the end of each day.

A letter to Mr. Betterton, Pct. 4 Justice of the Peace (copy attached) was delivered via E-Mail on January 22, 2020 recommending that the office purchase either a lock box or safe to secure cash at the end of each day. Additionally, the cash bag should be reconciled to the receipts report on a daily basis and funds deposited with the Treasurer's Office on the next business day following the day the money is received but no later than the fifth business day after funds received.

Sincerely,



Connie Williams, County Auditor



Linda Sikes, Asst. Auditor

cc: Upshur County Judge Todd Tefteller

Commissioners:

Frank Berka

Paula Gentry

Jay Miller

Dustin Nicholson

Upshur County Auditor
P.O. Box 730
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Connie Williams
County Auditor

Linda Sikes
Assistant Auditor

Greg Dodson
Assistant Auditor

January 22, 2020

Ms. Karen Bunn
Upshur County District Clerk
405 Titus Street
Gilmer, Texas 75644

RE: District Clerk's Office-Cash Count and Receipting Review

Dear Ms. Bunn;

Pursuant to Texas Local Government Code (LCG) 115.0035, the Upshur County Auditor's Office performed an unannounced cash count and receipt review of the District Clerk's Office on October 30, 2019.

As part of the procedures performed, we counted the funds in each of the money bags in the presence of the responsible employee (if available) and compared the counted amount to the total per the Collection Register for the period subsequent to last date of deposit with the Treasurer's Office (October 24 through October 30). We inquired and documented as to whether undeposited or unreceipted funds were maintained in a secure location. Additionally, we reviewed the timeliness of deposit of these funds with the County Treasurer's Office to ensure compliance with LCG 113.022.

All funds for the period under review were accounted for and balanced to the Collection Register. Each employee confirmed they reconciled their money bags daily and place the bags in the safe at the end of each work day. Additionally, the staff exhibited courtesy and cooperation during the review.

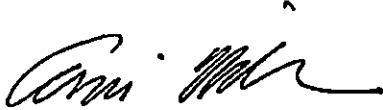
However, we did note that that receipts for four (4) business days had not been deposited with the Treasurer's Office. The deposit for money received for the period October 24 through October 30, 2019 was deposited with the Treasurer on October 31, 2020.

Per LCG 113.022, County Officers shall deposit money collected with the County Treasurer's Office on or before the next business day after the date the money is received. If there is a reason this deadline cannot be met, the money must be deposited, with no exception, by the fifth (5th) business day after the day on which the money is received.

We recommend that, as a general rule, the District Clerk's Office deposit all funds with the County Treasurer's Office on the next business day after the funds are received and exceptions made only in in extenuating circumstances.

Please accept my gratitude and appreciation for the assistance and cooperation we received from your staff, in completing the review.

Sincerely,

A handwritten signature in black ink, appearing to read "Connie Williams". The signature is fluid and cursive, with a small mark above the second "i".

Connie Williams
Upshur County Auditor

cc: Upshur County Judge Todd Tefteller

Commissioners:

Frank Berka

Paula Gentry

Jay Miller

Dustin Nicholson

Upshur County Auditor
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Connie Williams
County Auditor

Linda Sikes
Assistant Auditor

Greg Dodson
Assistant Auditor

January 22, 2020

Honorable Anthony Betterton
Pct. 4 Justice of the Peace
100 W Tyler Street
Gilmer, Texas 75644

RE: Pct. 4 Justice of the Peace-Cash Count and Receipting Review

Dear Justice Betterton;

Pursuant to Texas Local Government Code (LCG) 115.0035, the Upshur County Auditor's Office performed an unannounced cash count and receipt review of the Pct. 4 Justice of the Peace on December 30, 2019.

As part of the procedures performed, we counted the funds in the single money bag and compared the counted amount to the total per the Collection Register for the period subsequent to last date of deposit with the Treasurer's Office (December 19 through December 30). We inquired and documented as to whether undeposited or unreceipted funds were maintained in a secure location. Additionally, we reviewed the timeliness of deposit of these funds with the County Treasurer's Office to ensure compliance with LCG 113.022.

All funds for the period under review were accounted for and balanced to the Collection Register. Additionally, the staff exhibited courtesy and cooperation during the review.

However, we did note that that receipts for five (5) business days had not been deposited with the Treasurer's Office. The deposit for money received for the period December 19 through December 30, 2019 was deposited with the Treasurer on January 2, 2020. Additionally, the Pct. 4 Justice of the Peace does not have a secure location (i.e. lockbox, safe, locking drawer, etc.) in which to secure undeposited funds and the money bag is not reconciled at the end of each workday.

Per LCG 113.022, County Officers shall deposit money collected with the County Treasurer's Office on or before the next business day after the date the money is received. If there is a reason this deadline cannot be met, the money must be deposited, with no exception, by the fifth (5th) business day after the day on which the money is received.

We recommend that, as a general rule, the Pct. 4 Justice of the Peace deposit all funds with the County Treasurer's Office on the next business day after the funds are received and exceptions made only in extenuating circumstances. We also recommend that the money be reconciled to receipts at the end of each day to more quickly identify discrepancies, if any. Finally, we suggest Pct. 4 Justice of the Peace

either purchase a lock box or have a lock installed on a drawer to allow undeposited funds to be secured.

Please accept my gratitude and appreciation for the assistance and cooperation we received from your staff, in completing the review.

Sincerely,

A handwritten signature in black ink, appearing to read "Connie Williams". The signature is fluid and cursive, with a long horizontal stroke at the end.

Connie Williams
Upshur County Auditor

cc: Upshur County Judge Todd Tefteller

Commissioners:

Frank Berka

Paula Gentry

Jay Miller

Dustin Nicholson

Upshur County Auditor

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Connie Williams

County Auditor

Linda Sikes

Assistant Auditor

Greg Dodson

Assistant Auditor

January 22, 2020

Ms. Lory Harle
Elections Administrator
100 W Tyler Street
Gilmer, Texas 75644
RE: Elections-Cash Count and Receipting Review

Dear Ms. Harle;

Pursuant to Texas Local Government Code (LCG) 115.0035, the Upshur County Auditor's Office performed an unannounced cash count and receipt review of the Elections Office on October 30, 2019.

As part of the procedures performed, we counted the funds in the cash drawer and compared the counted amount to the receipts total. We inquired and documented as to whether undeposited or unreceipted funds were maintained in a secure location. Additionally, we reviewed the timeliness of deposit of these funds with the County Treasurer's Office to ensure compliance with LCG 113.022.

All funds for the period under review were accounted for and balanced perfectly to the receipts. The cash drawer is locked at all times and opened only for transactions. Receipts are printed from a template and the receipt number is typed in. To ensure that all receipts are recorded and there is no break in sequence, we suggest that the Elections Office consider using a two part pre-printed receipt book. .

We did note that that receipts for five (5) business days had not been deposited with the Treasurer's Office. The deposit for money received for the period October 23 through October 30, 2019 was deposited with the Treasurer on November 6, 2020.

Per LCG 113.022, County Officers shall deposit money collected with the County Treasurer's Office on or before the next business day after the date the money is received. If there is a reason this deadline cannot be met, the money must be deposited, with no exception, by the fifth (5th) business day after the day on which the money is received.

Even though funds received by the Elections Office are infrequent and minimal, we recommend that as a general rule, the Elections Office deposit all funds with the County Treasurer's Office on the next business day after the funds are received and exceptions made only in extenuating circumstances

Please accept my gratitude and appreciation for the assistance and cooperation we received from your office in completing the review.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Williams', with a long, sweeping horizontal stroke extending to the right.

Connie Williams
Upshur County Auditor

cc: Upshur County Judge Todd Tefteller

Commissioners:

Frank Berka

Paula Gentry

Jay Miller

Dustin Nicholson

Upshur County Auditor

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County Auditor

Linda Sikes
Assistant Auditor

Greg Dodson
Assistant Auditor

January 22, 2020

Ms. Luana Howell

Tax Assessor

215 North Titus Street

Gilmer, Texas 75644

RE: Tax Assessor-Cash Count and Receipting Review

Dear Ms. Howell;

Pursuant to Texas Local Government Code (LCG) 115.0035, the Upshur County Auditor's Office performed an unannounced cash count and receipt review of the Tax Assessor Office on November 20, 2019.

As part of the procedures performed, we counted the funds in each of the cash drawers in the presence of the responsible employee (if available) and compared the counted amount to the total per the Collection Register for that day. We inquired and documented as to whether undeposited or unreceipted funds were maintained in a secure location. Additionally, we reviewed the timeliness of deposit of these funds with the County Treasurer's Office to ensure compliance with LCG 113.022.

Initially one cash drawer was short \$ 29.00 at the time counted however it was later determined that the missing funds had been taken to the bank to obtain change. We suggest that in future, a signed note should be placed in any drawer when funds are removed for any reason. All other cash drawers reconciled perfectly to the Collection Register. Each employee confirmed they reconciled their cash drawers daily and place the drawers in the safe at the end of the workday.

Additionally, funds received by the Tax Office are deposited at the bank on a daily basis, in full compliance with LCG 113.022.

We received full courtesy and cooperation from your office during the review.

Please accept my gratitude and appreciation for the assistance we received from your office in completing the review.

Sincerely,

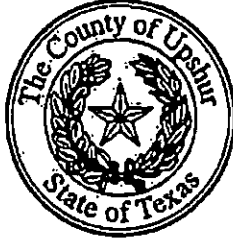
A handwritten signature in black ink, appearing to read 'Connie Williams', with a long horizontal flourish extending to the right.

Connie Williams
Upshur County Auditor

cc: Upshur County Judge Todd Tefteller
Commissioners:
Frank Berka
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Connie Williams
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Linda Sikes
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Greg Dodson
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November 19, 2019

On October 30, 2019, I completed an unannounced cash count audit for the office of the District Clerk. Their office has 7 money bags, one for each employee and one that holds all previous days' money awaiting deposit to the Treasurer. Since their last deposit was for October 23rd, reports were generated for 10/24-10/30. I examined all receipts and verified the amount of cash and checks in their individual money bags.

The funds for October 24th through October 30th were all accounted for and all reports balanced. Mr. James Thomas was absent and his money bag was in the safe, as well as, Mrs. Karen Bunn's. Ms. Lauren Taylor Gipson was there at the beginning, but had to go into the District Courtroom for court, so Ms. Hali Jackson signed off on her cash count worksheet. Each employee confirmed that they reconcile their money bags at the end of the day and then place their individual bags in the safe.

The funds counted during this audit were deposited with the Treasurer's office on October 31st, 2019.

The staff exhibited courtesy and cooperation during the audit.

Linda Sikes

Upshur County Auditor

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Connie Williams
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Linda Sikes
Assistant Auditor

Greg Dodson
Assistant Auditor

November 19, 2019

On October 30, 2019, I completed an unannounced cash count audit for the office of the County Clerk. Their office has 5 money bags, one for each employee. They make daily deposits to the Treasurer, so I only had money for that day to count and reconcile. I examined all receipts and verified the amount of cash and checks in their individual money bags.

All employees' money and reports balanced perfectly. Each employee confirmed that they reconcile their individual bags at the end of each day and then place them in the safe.

The funds counted during this audit were deposited with the Treasurer's office on October 31st, 2019.

The staff exhibited courtesy and cooperation during the audit, as anticipated.

Linda Sikes

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Connie Williams
County Auditor

Linda Sikes
Assistant Auditor

Greg Dodson
Assistant Auditor

January 8, 2020

On December 18th, 2019, I completed an unannounced cash count audit for the office of the Pct. 1 Justice of the Peace. Their office has 2 cash drawers and a safe. At the time of the audit, the safe was locked due to the battery failing and therefore, they were using one cash drawer to keep previous days money in and the other drawer held the current day's money. Their last deposit to the Treasurer was through December 15th, therefore, reports were generated for 12/16-12/18. I examined all receipts and verified the amount of cash and checks in both cash drawers and all money balanced.

Greg Dodson accompanied me on the audit to work on their safe. He fixed the safe and now they can go back to keeping their money in the safe at the end of the day after both drawers are reconciled, which is their general practice.

The staff exhibited courtesy and cooperation during the audit.

The funds counted during this audit were received at the Treasurer's office on December 19th, 2019 and their office entered in on December 20th on Receipt #R00013156.

Linda Sikes

Upshur County Auditor

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Connie Williams
County Auditor

Linda Sikes
Assistant Auditor

Greg Dodson
Assistant Auditor

January 8, 2020

On December 30th, 2019, I completed an unannounced cash count audit for the office of the Pct. 4 Justice of the Peace. Their office has one cash bag. Their last deposit to the Treasurer was through December 18th, therefore, reports were generated for 12/19-12/30. I examined all receipts and verified the amount of cash and checks and all money balanced.

This office has no lock box, no locking drawer to keep cash in overnight, and no safe. Mrs. Brittany Bunn, Court Clerk, stated that she does not reconcile the money at the end of each day. It is my recommendation that their money should be counted at the end of each day and reconciled to the receipt register. This way, if ever there are discrepancies, it would be easier to look at one day's receipts rather than several. I also recommend that they purchase either a lock box or a safe.

The staff exhibited courtesy and cooperation during the audit.

The funds counted during this audit were received at the Treasurer's office on January 2nd, and their office entered it on the same day on receipt #R00013256.

Linda Sikes

Upshur County Auditor

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Connie Williams
County Auditor

Linda Sikes
Assistant Auditor

Greg Dodson
Assistant Auditor

November 20, 2019

On October 30, 2019, I completed an unannounced cash count audit for the Elections Office. Their office has one cash drawer. The cash drawer had transactions from October 23rd and copies of the receipts were given. They have no formal receipting system so they have to manually enter the next invoice number every time.

All money and receipts balanced perfectly. According to Mrs. Lory Harle, the cash drawer stays locked and is only opened when transactions are made. Mrs. Harle has the only key to the drawer.

It is my recommendation that receipting software be purchased for the Elections office, the Library, and Road and Bridge. With a uniform receipting system, there would be less room for error and an actual receipting report could be generated to better audit their intake of funds. Additionally, with those offices that allow more than one person to receive money, it would keep better record of which individual handled each transaction, should any shortage or overage occur.

The funds counted during this audit were deposited with the Treasurer's office on November 6th, 2019. The Treasurer's office receipted the funds on November 8th, 2019 in receipt number R00012730.

The Elections staff exhibited courtesy and cooperation during the audit.

Linda Sikes

Upshur County Auditor

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Connie Williams
County Auditor

Linda Sikes
Assistant Auditor

Greg Dodson
Assistant Auditor

January 8, 2020

On November 20th, 2019, I completed an unannounced cash count audit for the office of the Tax Office. Their office has 12 cash drawers. They make deposits daily so the only cash they had was for that day. I examined all receipts and verified the amount of cash and checks for 10 cash drawers, the last two were with customers the entire time and it was the end of the day.

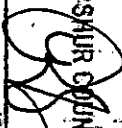
One drawer was short by \$29.00 at the time I counted it and it was later learned that Luana Howell had taken that money to the bank to get change, without the drawer owner's knowledge. When Mrs. Howell returned with the change, the drawer balanced. I recommend that when change is needed, a signed note be left in the drawer until the change is brought back to make the drawer whole again.

There were three employees absent that day and their drawers were in the vault. All employees reconcile at the end of each day and place their drawers in the vault.

The funds counted during this audit were taken to the bank on November 21st and an ACH was received by the Treasurer's office on November 22nd on receipt #R00012884.

The staff exhibited courtesy and cooperation during the audit, as usual.

Linda Sikes

FILED
TERRI ROSS
COUNTY CLERK
2020 JAN 31 AM 11:03
UPSHUR COUNTY, TX.
BY 
DEPUTY