

Kimberly M. Buchanan, CPA
Tarrant County Auditor



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February 28, 2024

The Honorable Sheriff Bill Waybourn
The Honorable District Judges
The Honorable Commissioners Court
Tarrant County, Texas

Re: Auditor's Report – Review of Financial and System Controls over the Sheriff's Trust Fund

In accordance with the Local Government Code, the Auditor's Office performed a review of the trust funds held by the Tarrant County Sheriff for the period March 1, 2023, through December 31, 2023. The objective of our review was to determine whether controls were adequate to ensure that receipts, disbursements, and the account balance were reasonable, in all material respects. During the ten months, the Sheriff's Office collected \$5,324,149 and disbursed \$5,313,760 from the trust fund. As of December 31st, the ending account balance was \$1,251,035.

We determined that controls were generally adequate. However, we did observe that the financial software used to record transactions has limited functionality and is at the end of its useful life. This issue and management's action plan are described in further detail on the following attached page. We also discussed less significant issues with management and staff.

We appreciate the cooperation of your team during the review. Please call me if you have any questions regarding the contents of this report.

Sincerely,

Kimberly M. Buchanan, CPA
Tarrant County Auditor

Distribution: Jennifer Gabbert, Chief of Staff
Scott Grazer, Accounting Manager
Andre Mendes, Chief Information Officer

INTERNAL AUDIT REPORT
REVIEW OF FINANCIAL AND SYSTEM CONTROLS
February 28th, 2024

Background: The Code of Criminal Procedure Chapter 17.02 governs cash funds after the defendant complies with the conditions of the bond. The Sheriff's Accounting Office currently uses *Microsoft Money* to receipt and disburse funds for cash bonds, fines, fees, and seizures. Cash bonds are held in a trust fund until a case is filed by the Criminal District Attorney's Office. Once a case is filed, the accounting staff disburses the funds to either the County Clerk or District Clerk depending on the offense. Funds for alarm, bail bond surety, estray, and miscellaneous fees are remitted to the Auditor's Office.

What is the issue: *Microsoft Money* is a discontinued personal finance management software program that has not been supported since 2010. Furthermore, the software does not have essential functionality to provide assurance all transactions have been accounted for. Specifically:

- The system does not allow the ability to record all identifiable information (e.g., bond number). The accounting staff is required to perform a *very* manual process to identify cash bond transactions with a filed or disposed case. During our review, we identified 25 out of 991 cash bonds held that should have been remitted to the clerks. 13 of the 25 should be refunded to the owner. Subsequent to our review, 12 of the 25 bonds held were remitted to the clerks and the other cash bond owners are being contacted in order to issue refunds.
- The system does not have controls to prevent users from modifying their own transactions. Furthermore, the system does not track or have a report of user activity.

Overall, the accounting staff has implemented adequate manual controls. But because the current software does not have essential functionality, there is a risk that cash bonds will not be properly accounted for.

Why it matters: When a defendant complies with the conditions of a bond, the amount shown on the face of the receipt less administrative fee should be refunded in a timely manner.

Recommended actions: We recommend the Sheriff's Office work with the Information Technology Department (ITD) to identify a new financial software system to replace *Microsoft Money* as soon as practical. In the interim, we recommend the accounting staff record the bond number in the memo line so that reports from TechShare Bond and/or TechShare Courts can be used to identify cases filed or disposed in a timely manner.

Management's action plan: Management understands the importance of ensuring all bond related transactions are accounted for. Therefore, management will consult with ITD to identify software solutions to replace the unsupported software. In the interim, the Sheriff's Accounting Department is working with the Auditor's Office, ITD, and TechShare to develop a report to identify filed cases with an associated cash bond.



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March 14, 2024

To: Kim Buchannan

From: Calvin Bond

Ref: Commissary Audit

Thank you for your review of our Commissary Operations and Sheriff's Trust Fund. We appreciate your time and look forward to working with you in the future.

Always at Your Service,



Calvin Bond
Senior Chief Deputy
Tarrant County, Texas