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January 21, 2024

Ms. Tina Glenn, Director, Human Resources
The Honorable District Judges
The Honorable Commissioners Court
Tarrant County, Texas

Re: Auditor's Report – Cash and Other Asset Controls Review, Tarrant County Human Resources

In accordance with Local Government Code, the Auditor's Office conducted surprise cash counts of the Tarrant County Human Resources (HR) Department on September 28, 2023. The objectives of our review were to determine whether cash and other remittances reconciled at the time of the count and adequate controls were in place to protect County assets.


A nominal overage was identified for Six Flags Ticket sales because staff does not have the ability to make change. The practice has been to donate the nominal cash overages to the Oakhurst Elementary Cookie Fund. While controls were generally adequate, the Auditor's Office observed the following issues that require management's attention. Specifically:

- Due to staffing limitations, incompatible tasks were not adequately segregated. We recommend implementing an independent secondary review of the deposit submitted to the Auditor's Office.
- A *Six Flags Ticket Purchase Acknowledgment Form* is completed by County employees but not included with the weekly deposit. We recommend these forms accompany the weekly deposits to assist with contract reconciliation and invoice payment. Furthermore, the spreadsheet used to track sales should be submitted with the final invoice from Six Flags.
- Written cash handling policies or procedures do not exist. We recommend staff develop policies and procedures to ensure that assets are adequately safeguarded, and employees are aware of their cash handling responsibilities.

We also observed the continued use of a checking account established by a retired County employee to collect donations for the Tarrant Area Food Bank. While these funds are not assets belonging to the County, we have a responsibility to ensure funds are adequately safeguarded. Due to the risk associated with maintaining the account, HR agreed to close the account and provided support for the closure on December 13, 2023.

We appreciate the cooperation of your staff during the review. If you have any questions, please do not hesitate to call.

Sincerely,


Kimberly M Buchanan, CPA
Tarrant County Auditor

Cc: Chandler Merritt, Tarrant County Administrator

Attachment: Management's response



TARRANT COUNTY

Department of Human Resources
Tina T. Glenn
Director

Civil Service
Administration

February 21, 2024

Kimberly M. Buchanan, CPA
Tarrant County Auditor

Subject: Auditor's Report – Cash and Other Asset Controls Review, Tarrant County Human Resources

Observation/ Issue 1: Due to staffing limitations, incompatible tasks were not adequately segregated. We recommend implementing an independent secondary review of the deposit submitted to the Auditor's Office.

HR Response: As clarified during HR's meeting with Audit staff, there is a secondary review process in place and it is as follows: Each Six Flags Ticket Purchase Acknowledgment Form is recorded by date of purchase on a Deposit tracker. All forms are verified by both a primary and secondary reviewer to ensure accuracy. The Deposit tracker is finalized and verified at the end of each day's sales, just before the funds are deposited to the County Auditor's Office. Attached are examples of the Six Flags Purchase Acknowledgment Form and Deposit tracker. At the bottom of the Deposit tracker, you will find the term 'verified' followed by the handwritten initials of both the primary and secondary reviewers. This ensures that all payments have been counted and verified by two HR employees before depositing. Furthermore, a third-party reviewer will verify the funds, initial the Deposit tracker and carry out the deposit to the County Auditor's Office.

Observation 2: A Six Flags Ticket Purchase Acknowledgment Form is completed by County employees but not included with the weekly deposit(s). We recommend these forms accompany the weekly deposits to assist with contract reconciliation and invoice payment. Furthermore, the spreadsheet used to track sales should be submitted with the final invoice from Six Flags.

HR Response: Moving forward all Six Flags Ticket Purchase Acknowledgment Forms will be copied and submitted at least weekly to the Auditor's Office. Additionally, the Deposit tracker will accompany Acknowledgement Forms and payments.

Observation 3: Written cash handling policies or procedures do not exist. We recommend staff develop policies and procedures to ensure that assets are adequately safeguarded, and employees are aware of their cash handling responsibilities.


HR Response: We have formalized a comprehensive cash handling procedure for Six Flags Ticket Sales to enhance clarity and adherence to best practices. The adopted procedure is as follows:

1. Record Keeping: Maintain accurate records by completing a Ticket Purchase Acknowledgment form for each sale.
2. Data Transfer: Transfer the information to the daily deposit tracker and collect the corresponding cash and checks.
3. Dual Verification: After primary and secondary review, both employees involved in the verification process will initial the deposit tracker.
4. Secure Storage: Move the verified cash to the safe located in the back HR storage room, accessible only to the Community Resource Coordinator, Secretary, and Office Manager.
5. Deposit Timeline: Ensure a deposit is made within 48 business hours.

The Auditor's Office will keep a copy of all Acknowledgment Forms and the Deposit tracker. The Community Resource Coordinator receives and retains a Six Flags deposit receipt for all deposits. If the Community Resource Coordinator is unavailable, The Office Manager will ensure timely deposits.

We appreciate the opportunity to respond to Audit's findings and look forward to making process improvements.

Sincerely,



Tina Glenn
Director of Human Resources