

**THE OFFICE OF
COUNTY AUDITOR**

Presented by:
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**V.G. Young Institute of County Government
School for Commissioners Court**

February 19, 2025

Commissioners Court Advanced Curriculum Phase 2: 2.012

What is a County Auditor?

- History and Background
- *What was happening in Texas??*

What is a County Auditor?

- History and Background
 - Created by statute in 1905
 - Pop. $\geq 10,200$ – Required
 - Pop. $< 10,200$ – Optional
 - Joint employment
- Qualifications
 - Competent, experienced, moral character

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What is a County Auditor? Cont'd

- Appointment
 - Appointed by District Judge(s)
 - Majority vote – Special meeting
 - Two year term
 - Oath & Bond requirements

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What is a County Auditor? Cont'd

- Independence
 - Nature of the relationship with District Judges
 - Ensures a system of checks & balances
 - Not just the Auditor
 - Cooperative effort

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What is a County Auditor? Cont'd

- Auditor Salary
 - Set by District Judges at Public Hearing
 - Max. = highest paid elected county official, with a few exceptions
- Staff
 - District Judges approve list and salaries
 - 5% increase limitation

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FOUR STATUTORY AUTHORITIES

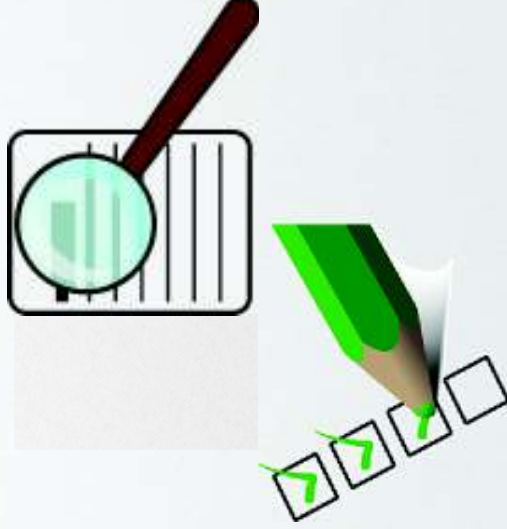
- Oversight
- Access
- Prescriptive
- Verification
- *Various Other Responsibilities*



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Statutory

- Oversight
 - General oversight of books and records
 - See to strict enforcement of laws – county finances
 - Annual Review Required

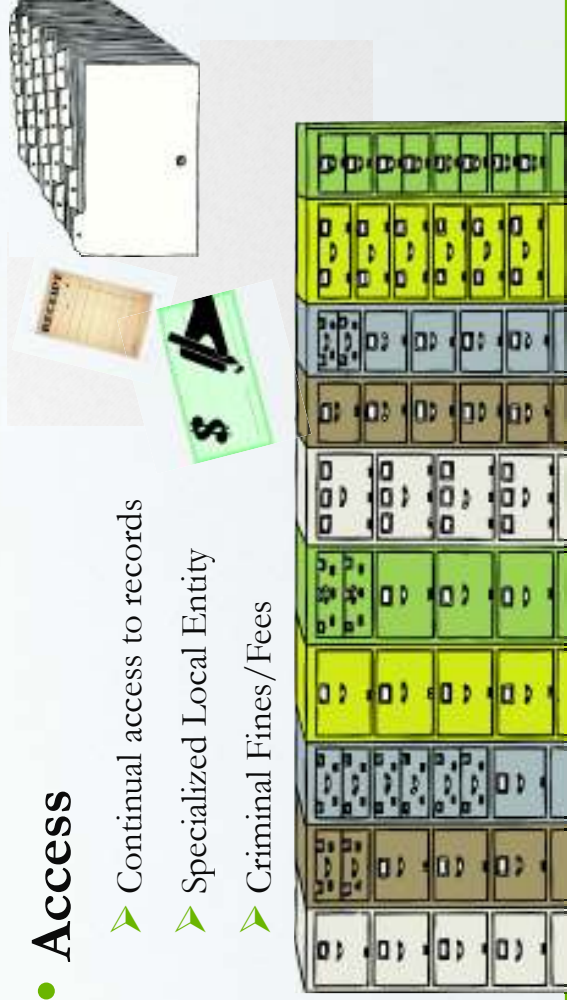


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Statutory

- Access

- Continual access to records
- Specialized Local Entity
- Criminal Fines/Fees



Statutory cont'd

- Prescriptive

- Regulations for collecting & accounting
- System of accounting (>190,000)
- Time, manner, form of reports to Auditor



Statutory cont'd

- Verification

- Claims approval

- Claim incurred as provided by law



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Case Law Concerning the County Auditor

Navarro Co v. Tullos (1922) - The Court held that the duties of the county auditor cannot be delegated to a special auditor.

Agan v. Titus County (1996) Who can prepare payroll? More information on a later slide...

Fullerton v. Harris County (1980) - Can Commissioners Court sell the Auditor's computer system and not provide a new one? More information on a later slide...

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Case Law Concerning the County Auditor

Guerrero v. Refugio County (1997) Is the Auditor an employee?



Crider v. Cox (1997) The examination and approval of bills for payment by the Auditor must preclude approval by CCt and is not a ministerial step to protect the checks and balances the legislature intended.

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Case Law Samples *(cont'd)*

Agan v. Titus County

- Commissioners Court can delegate the payroll function to whatever county official it desired.
- Most authoritative listing of the constitutional and statutory duties of the County Treasurer
- Reinforced the principle that any county functions that are not assigned to an officer by the constitution may be delegated to an officer by the legislature.
- Those duties that have been specifically assigned by the constitution or the legislature cannot be removed from an officer by the Commissioners Court.

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Case Law Samples

(cont'd)



Fullerton v. Harris County

- Commissioners Court has ministerial duty to approve office equipment requested by the auditor absent an abuse of discretion in the request.
- Commissioners Court may reject the auditor's budget request for equip/supplies if the request is excessive or unreasonable.
- Commissioners Court may not dictate what equipment would be used in the auditor's office.

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Duties and Responsibilities

- Auditing
 - All funds due/collected/disposed
 - All funds/assets safeguarded
 - Examine books of all officials/departments
 - Review internal controls

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Duties and Responsibilities

- Accounting and Financial Reporting
 - Maintain general ledger & chart of accts
 - Periodic reports – internal/external
 - Coordinate outside audits



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Duties and Responsibilities (cont'd)

- Budgeting
 - Subchapter A – Auditor assists with budget
 - Subchapter B – Auditor is budget officer
 - Subchapter C – Commissioners Court appoints budget officer



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Duties and Responsibilities (*cont'd*)

- Purchasing and Approval of Claims

- Verify compliance with contracts
- Legally acquired and budgeted expenditures



Duties and Responsibilities (*cont'd*)

- Accounts Payable

- Budgetary compliance
- Co-sign checks with Treasurer
- Optional Duties

- Payroll

- Routine audits for compliance
- Co-sign checks with Treasurer
- Optional Duties

- Other.....

Review

- Four statutory authorities
- **Oversight**
- **Access**
- **Prescriptive**
- **Verification**
- Various Other Responsibilities –
BUT -- bottom line - the County Auditor is primarily responsible for insuring that county finances comply with the law.



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Challenges to the County Auditor

- Maintaining Independence
- Mastering Diverse Functions –
 - management of cash, debt, grants, risks
 - personnel & employment law
 - budgetary control
 - internal auditing & financial reporting

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Challenges to the County Auditor

- inventory of fixed assets
- ensuring proper liability insurance coverage
- etc
- Co-Existence
- Staff Recruitment
- “Inherent” Conflicts/Effective Working relationships

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Knowledge within the County Auditor’s Office

- Because their responsibilities are County-wide, your Auditor has lots of data and information that you can utilize in your position as County Judge or County Commissioner.

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Knowledge within the County Auditor's Office

- This bank of knowledge was highlighted with the creation of the Unfunded Mandate Survey in 2016 put together by the Texas Association of Counties with the assistance of your Auditors (or Treasurers if the County has no Auditor).

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Knowledge within the County Auditor's Office

- Possible useful data items for you:
 - *What percentage have we given in raises the last 5 years?*
 - *How many vehicles does the County insure at full coverage?*
 - *How many full time employees do we employ?*
 - *How many insurance claims have the Sheriff's office filed in the last 3 years?*
 - *What is the last 5 years' daily average cost per inmate at the Jail?*
 - *How much hotel occupancy tax have we collected over the last 10 years?*
 - *How much has indigent health care increased over the last 5 years? Have we maxed out?*

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Resources

Texas Association of Counties

- www.county.org

Texas Association of County Auditors

- www.texascountyauditors.org

Texas Attorney General – Opinion Subjects

- www.texasattorneygeneral.gov

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