



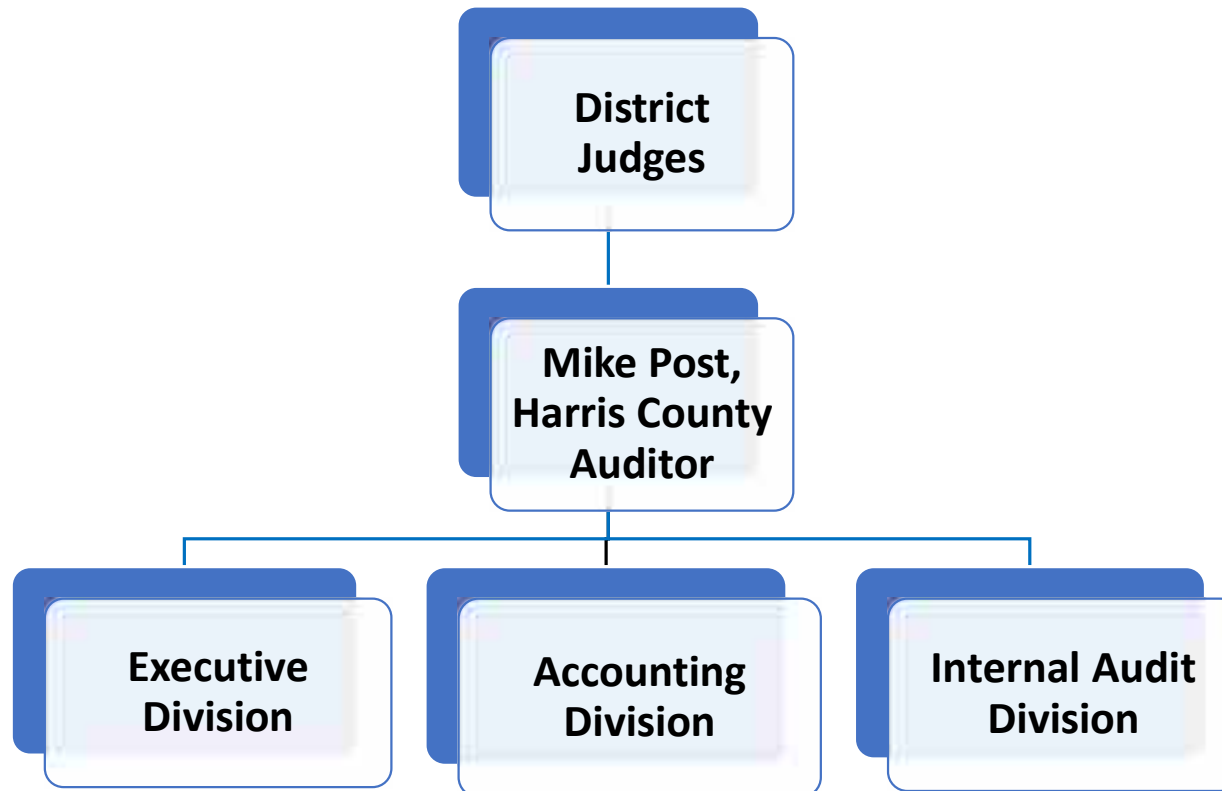
Auditing the County Clerk

Harris County Auditor's Office
May 2, 2025



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Harris County Auditor's Office



Auditing the County Clerk

- Elected to office for a 4-year term.
- Serves as clerk and custodian of records for the commissioners court, constitutional county court and statutory county courts.
- Acts as a recorder and custodian of important public records, including all bonds, deeds, birth and death certificates, assumed names and livestock brands, ensuring that records are maintained in a secure, archival manner.
- Issues marriage licenses.
- Serves as chief elections officer in most counties.

*Source: <https://www.county.org/resources/resource-library/education-and-training/duties-texas-county-officials>



Auditing the County Clerk

County Clerk vs District Clerk

- County clerks differ from **district clerks** in terms of which courts they serve. The county clerk in a county serves the county courts, while the district clerk serves the district courts, which handle felony criminal cases and higher-stakes civil litigation.
- In counties with a population less than 8,000, a combination county & district clerk may be elected unless the voters choose to elect separate offices.



Auditing the County Clerk



Harris County Clerk has 11 office locations throughout the County.



In Texas, 10 new County Clerks were elected for their first terms in 2024.



Statutory Requirements

LGC §112.006:

- (a) The county auditor has general oversight of the books and records of a county, district, or state officer authorized or required by law to receive or collect money or other property that is intended for the use of the county or that belongs to the county.
- (b) The county auditor shall see to the strict enforcement of the law governing county finances.

LGC §115.002:

- (a) The county auditor shall carefully examine and report on all reports that are about the collection of money for the county and that are required to be made to the Commissioners Court.
- (b) At least once each quarter, the county auditor shall check the books and shall examine in detail the reports of the county tax assessor-collector, the county treasurer, and all other officers. The auditor shall verify the footings and the correctness of those books and reports. The auditor shall either stamp the books and reports approved or shall note any differences, errors, or discrepancies.

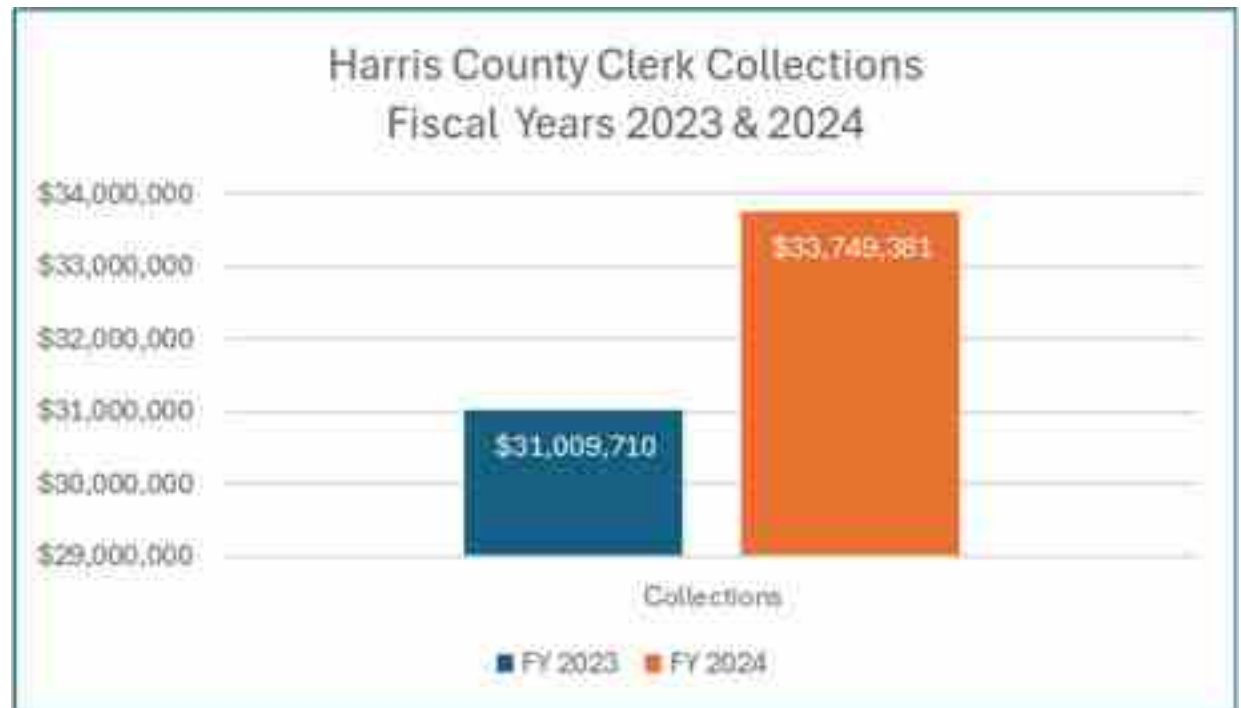


Auditing the County Clerk

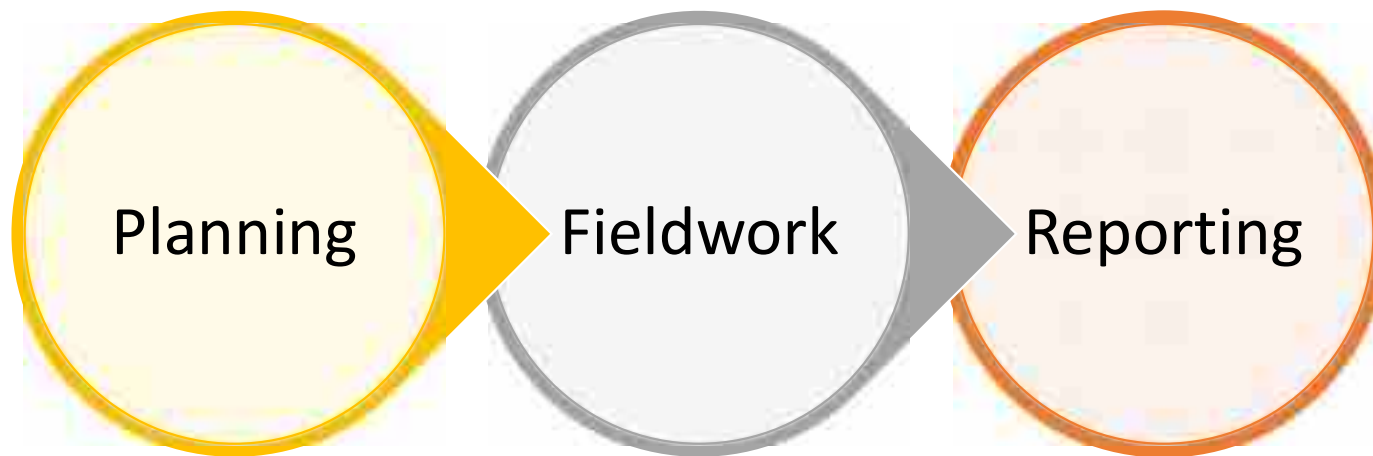
- A great deal of money is collected by the County Clerk's Office in the form of fines, fees of court, and marriage license fees.
- Collected fees can include:
 - filing fees
 - costs for certified copies
 - court fees that stay in the county
 - miscellaneous copies
 - beer license fees

Auditing the County Clerk

Collections
over the last
2 fiscal years



Auditing the County Clerk



Auditing the County Clerk - Planning

Risk Areas:

- ❑ Incorrect assessment of fines and fees
- ❑ Collection and recording of receipts
- ❑ Incorrect use of manual receipts
- ❑ Improper voids
- ❑ Untimely deposits
- ❑ Missing deposits

Auditing the County Clerk - Planning

Common Limitations:

- Documents are not electronic
 - Receipts
 - Required forms
 - Required approvals
- Lack of system interface
- Internal processes not formally documented
- Lack of adequate staffing



Auditing the County Clerk – Planning

Can include, but not be limited to:

1. Background interviews and walkthroughs.
2. Reevaluating the approach used in previous audits for efficiency and effectiveness.
3. Identifying any potential fraud risks associated with the collections reported.
4. Determining if there were any changes to the processes that require changes in your normal audit procedures.
5. Evaluating department controls that are in place to ensure compliance with the statutory requirements.
6. Deciding whether tests for compliance will employ sampling or if 100% of the population will be tested due to either efficiency or risk.



Auditing the County Clerk – Planning

Sample Objectives

1. To verify that the monthly collection reports were submitted timely and accurately.
2. To verify that fees charged complied with the current fee schedule.
2. To verify that the amounts reported were properly recorded in the County's depository.
3. To verify that receipts were properly allocated in the County's Financial System.
4. To verify the numerical sequencing of receipts *(if applicable)*.



Auditing the County Clerk – Planning

- Remain knowledgeable of relevant laws.
- Stay updated on county policies.
- Confirm departmental contacts and note any key personnel changes.
- Evaluate changes in departmental processes.
- Determine how you will obtain your requested documentation.
- Document any additional areas of risk that may not be within the scope of your current audit.



Auditing the County Clerk - Fieldwork

Sample Audit Procedures

1. Confirm submission of the monthly collections report.
 - Was it submitted timely?
 - Was it signed by the County Clerk or designee?
2. Verify that all collections reported agree to the amounts deposited.
 - Do total deposits equal to the amounts on the collections report?
3. Verify the accuracy of collections reported.
 - Do the amounts on the monthly collections report reconcile to the amounts in the department's internal receipting system?
 - Were fees collected in accordance with current fee schedules?
 - Were receipts issued in numerical order, or was there a break in sequence?



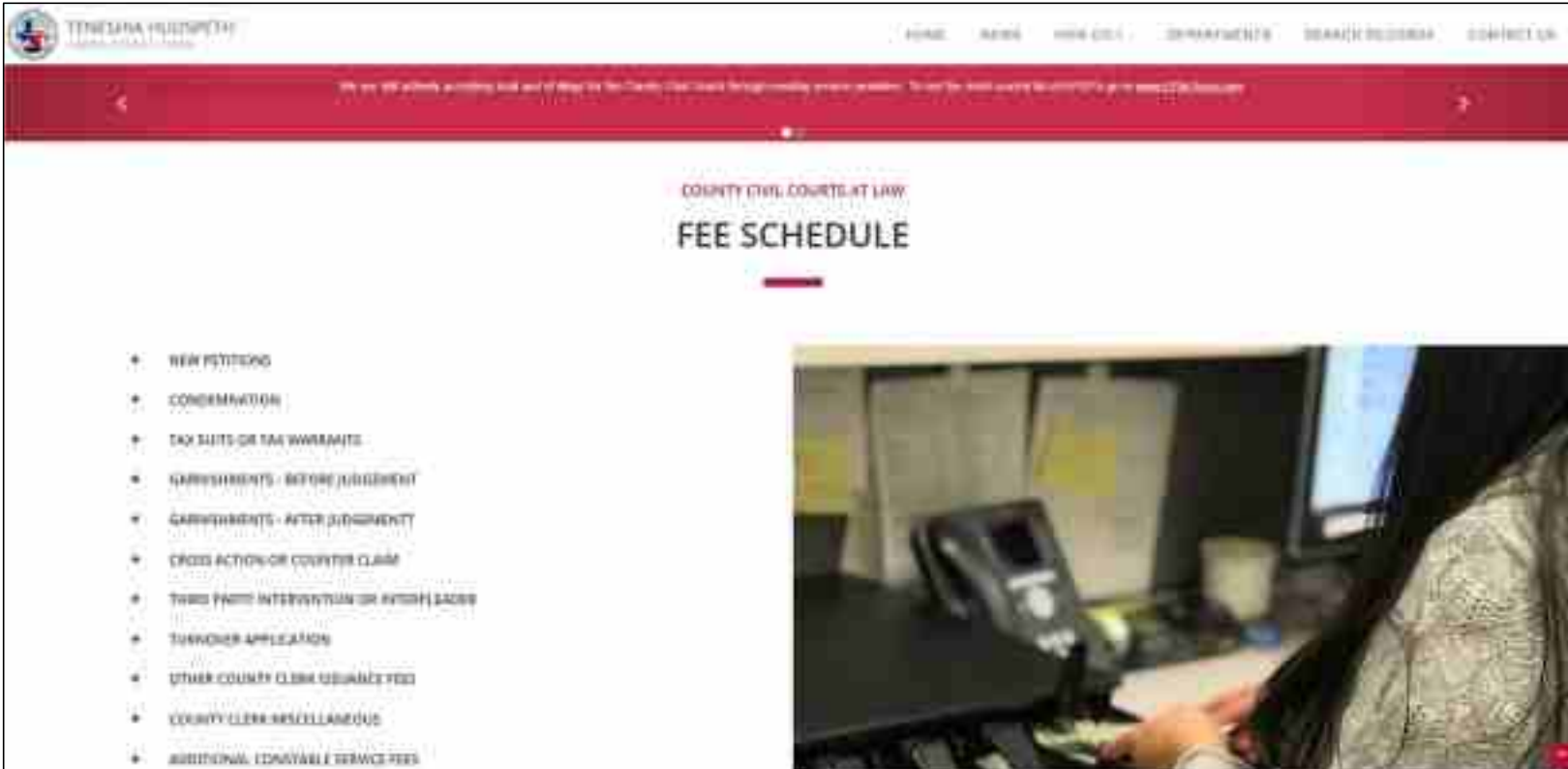
Auditing the County Clerk - Fieldwork

Sample Audit Procedures

4. Confirm that receipts were properly recorded in the County's financial records.
5. Verify that manual receipts have been properly recorded and entered into the system timely.
 - Manual receipts are harder to track than system receipts and should be verified on a continuous basis.
6. Verify that voided receipts were processed appropriately and documented.
 - Were the voids processed by an authorized supervisor?
 - Was an explanation documented for the void?



Auditing the County Clerk - Fieldwork



The screenshot displays the Tennessee Judicial Branch website. The header includes the Tennessee Judicial Branch logo and navigation links: HOME, NEWS, HOW TO USE, DEPARTMENTS, SEARCH RECORDS, and CONTACT US. A red banner below the header contains the text: "We are currently working on a new and improved County Clerk's Fee Schedule. We will be posting the new schedule as soon as it is available." The main content area is titled "COUNTY CIVIL COURTS AT LAW FEE SCHEDULE". To the left of the schedule is a list of categories with expandable arrows:

- NEW PETITIONS
- CONDEMNATION
- TAX SUITS OR TAX WARRANTS
- GARNISHMENTS - BEFORE JUDGMENT
- GARNISHMENTS - AFTER JUDGMENT
- CROSS ACTION OR COUNTER CLAIM
- THIRD PARTY INTERVENTION OR PARTIAL SALES
- TURNOVER APPLICATION
- OTHER COUNTY CLERK ISSUANCE FEES
- COUNTY CLERK MISCELLANEOUS
- ADDITIONAL DISMISSABLE SERVICE FEES

To the right of the list is a photograph of a person's hands typing on a keyboard in an office setting.

Auditing the County Clerk - Reporting

Common audit observations:

- Monthly collection reports were not submitted timely.
- Monthly collection reports submitted were not accurate.
- Monthly collection reports were not signed by the Elected Official or approved designee.
- Funds deposited during the quarter did not reconcile to the receipts issued.



Auditing the County Clerk - Reporting

Sample Audit Report

County Clerk, Harris County, Texas
Harris County Auditor

Harris County Auditor's Office
1000 North Loop West, Suite 200
Houston, Texas 77008-1000

Richard R. Rouse, CPA, CMA
Harris County Auditor

January 24, 2024

Dear Honorable Member, Harris County Clerk:

The Harris County Auditor's Office (HCAO) completed periodic review of the Harris County Clerk's Office monthly collection reports for the six months ended September 30, 2023. As required by State Government Code § 113.362 (a) and (b), HCAO has prepared this financial audit report to the monthly collection reports and related income.

The objectives of the engagement were to determine whether:

- The monthly collection reports were submitted timely, and the amounts reported were properly reported to the County's accounts;
- The periodic inventory of receipts was accounted for; and
- Receipts were properly deposited in the County's Financial System.

Results:
In accordance with the procedures performed, no material observations were noted.

We appreciate the time and attention provided by you and your staff during the engagement. If you have any questions, please contact me or those following: Chief Accountant, Harris County Auditor, 713.274.8610.

Sincerely,

Richard R. Rouse
County Auditor

Responsibility:
The auditor's responsibility is to express an opinion on the financial statements of the County Clerk's Office. The County Clerk's Office is responsible for the preparation of the financial statements and the accuracy of the information provided.

The engagement was completed in accordance with the standards of the American Institute of Certified Public Accountants (AICPA) and the standards of the Texas Board of Accountancy (TBA).

For the County Clerk's Office:
County Clerk (Signature) County Clerk (Print Name) County Clerk (Title)

For the Harris County Auditor's Office:
Harris County Auditor (Signature) Harris County Auditor (Print Name) Harris County Auditor (Title)

1000 North Loop West, Suite 200
Houston, Texas 77008-1000
(713) 274-8610
www.harriscountytx.gov



Auditing the County Clerk

Cash Counts

➤ **Statutory Reference: LGC §115.0035:**

(b) At least once each county fiscal year, or more often if the county auditor desires, the auditor shall, **without advance notice**, fully examine the accounts of all precinct, county and district officials.

➤ **Objective:** To verify that petty cash and change funds reconcile to the balances authorized by Commissioners Court.



Auditing the County Clerk

Closeout Audits

➤ Statutory Reference: Harris County Road Law Section 10

[Final accounting upon death, resignation, or retirement of officer or employee] “Upon the death, resignation, or retirement of officer or employee, the Auditor shall require an accounting of all property of every kind of the County or its political subdivisions of which he has custody, possession, control, or supervision ...”

➤ Objectives:

- To verify the existence of capital assets.
- To verify that purchase cards expenditures complied with County policy.
- To verify that bank account reconciliations were timely and that signatory rights were removed.
- To verify that physical and system access was disabled.



Auditing the County Clerk

Audit finds thousands missing, data manipulation in Erie County Clerk's Office

At least \$90,000 unaccounted for

Former Erie County deputy clerk sentenced for theft

January 18, 2025 4:11 PM / [1](#) Staff Report

Alexander McDougall, a former deputy clerk in Erie County, was sentenced to 1 1/3 to 4 years in prison and ordered to repay over \$320,000 he stole from county funds. McDougall diverted cash collected for court fees and taxes into his personal account between 2019 and 2023, using his position to falsify records and conceal the theft.

