

# Preparing for Internal Audits

---

V.G. YOUNG SCHOOL FOR COUNTY TAX ASSESSOR-COLLECTORS  
NOVEMBER 2025

# Contact Information

Connor Buchanan

Attorney, Shareholder

[cbuchanan@mvmalaw.com](mailto:cbuchanan@mvmalaw.com)

210-383-4324

The logo for the law firm consists of the lowercase letters 'mvba' in a bold, red, sans-serif font. The letters are closely spaced and have a modern, clean appearance.

McCreary Veselka Bragg & Allen PC  
Attorneys at Law

# Ethics and Audits

---

## WHAT NOT TO DO: Trapped in the Closet

- Audits can be intimidating!
- Make life easy for your auditor = make life easy for you

## Keeping your office above reproach

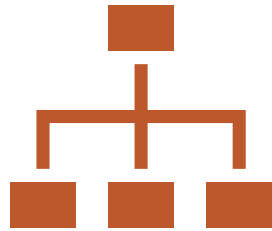
- Seems like every month there's another public servant in the news.
- Around 80% of crimes are those of opportunity
- Build and solidify public opinion

## Increased criminal penalties for public servants

- **Texas Penal Code Section 31.01(f)** An offense (theft)...is increased to the next higher category of offense if it is shown at trial of the offense that: (1) the actor was a public servant at the time of the offense and the property appropriated came into the actor's custody, possession or control by virtue of his status as a public servant.

# Preparing for Audits are like brushing your teeth.

---



**County Auditors have three kinds of authority, including ACCESS AUTHORITY and PRESCRIPTIVE AUTHORITY.**



**Texas Local Government CODE Section 151.001:**

The County auditor shall have continual access to and shall examine and investigate the correctness of:

- Books, accounts, reports, vouchers, and other records of any officer.

Either you “brush your teeth” regularly, or the auditor is going to come in and “drill them out”

# Responsibilities of the Auditor in Tax Offices

---

**Texas Local Government Code Section 115.002**: “At least once each quarter, the county auditor shall check the books and examine in detail the reports of the county tax assessor-collector... the auditor shall verify the footings and the correctness of those books and reports.”



Most auditors will break down their duties into two primary functions

**Controls/Compliance**

**Financial Review**

# Controls and Compliance

## No standard audit policy/procedure for County Auditors

- Depends on:
  - Resources
  - Size of the County
  - Duties of the office

## 1. Risk Assessment / Policies and Procedures

- Review all internal controls for office
- Interview with you, your staff
  - This process MAY seem like you're being interrogated, and you are!
- Review chain of custody for all funds
- Bank account activity; new accounts, closed accounts, etc.
- Personnel changes
- Inquire about weaknesses and solutions

## Controls and Compliance

### 2. Accreditation Review

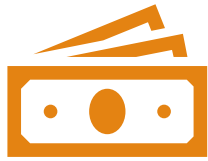
- Auditors don't just make sure you're office is compliant, they're checking to make sure you're compliant as well
- Could provide documentation, or they may check with TACA.

### 3. Bond Review

- Verify Oath of Office is on file
- Verify Bond is in place
- If no bond in place, oversee purchase

# Financial Review

---



## Property Tax Collections

Balancing  
Supplements  
Disbursements to entities  
Refunds



## Motor Vehicle:

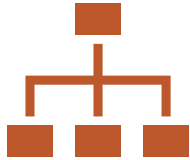
Balancing  
Spot-checking reports  
RTS 5-day reports



## Bank Reconciliation

# How to Prepare

---



## Each County is DIFFERENT

Staffing (of both offices)  
Duties and responsibilities  
Software & reports produced



## Meet with your auditor AHEAD OF TIME

Set expectations  
Understand what your auditor is going to want to see (prescribed reports)  
Build processes together to make life easier for both offices



## Use technology to your advantage

Who else gets freaked out when they have an auditor in their office? What if they didn't HAVE TO BE?

- Some County officials really want them there anyway!

Examples:

- Shared folders
- Thumb drives
- PAPER?!?!

# How to Prepare

---



## **BANK RECONCILIATION!**

Bank reconciliation is half or more of the battle

**BIG RED FLAG**: reconciling accounts MONTHS after the fact  
If you need help, ask for it!



## **Keep reports up to date!**

RTS is OLD, antiquated, difficult to catch-up

Closing days, weeks, months



## **Surprise cash counts**

**BIG RED FLAG**: missing money on surprise cash counts

**BIGGER RED FLAG**: not holding cashiers accountable if drawers are short

# Afterwards: Prescriptive Authority

---

## Be prepared for constructive criticism

- Remember, this is to keep you and your employees OUT OF JAIL

## Local Government Code Section 112.001 & 112.002

- Populations less than 190K.
  - The auditor may adopt and enforce regulation the auditor considers necessary for speedy and property collecting, checking, and accounting of revenues and other funds that belong to the county.
- Populations over 190k.
  - SHALL prescribe the system of accounting for the county.

## Local Government Code Section 114.003:

- “A county official who is required to provide a report, statement or other information to the county auditor and who intentionally refuses to comply with a reasonable request commits an offense...punishable by... a fine AND removal from office.”

# Afterwards



Take findings and make necessary corrections



Meet with your auditor, AGAIN  
(if necessary)



Request copies of the audit for  
your records