

COUNTY AUDITOR

The County Auditor's office was created to provide an independent oversight of the financial transactions of the County. Although the County Auditor is under the direction and appointed by the District Judge, she/he works together with the Commissioners' Court to maintain the integrity of financial administration in County government.

Several functions of the County Auditor's office are – (See attached handout)

- Serves as a check on the financial operations of other county offices including continuous access to all books and records
- Serves as a checks and balances on the Treasurer's office regarding funds deposited into the County treasury
- Approves bills for payment for all depts. – Average 900-1000 invoices/month
- Assists the County Judge in preparing the budget as stated in the LGC
- Handles auto liability, property(bldg & contents), mobile equipment insurances
- Tracks fixed assets, prepares Indigent Defense Task Force Grant report and annual Tobacco expenditure report
- Prepares monthly reports for Commissioners' Court and generates any other reports requested by other depts.
- Provides general information and assistance when requested
- Never a dull moment!!!

Staff includes 1 employee – Tiffany Greene is the Human Resources/Auditing Assistant.

She works very hard and contends with multiple duties. Some of her duties include

- Processes all new employee and retiring employee paperwork
- Answers any employee questions that arise
- Handles all health and voluntary insurance issues
- Prepares and files all unemployment and workers' comp claims
- Helps perform the Accts Payable disbursement cycle of processing invoices – very time consuming. This also serves as a checks and balances with the Treasurer's office.
- Records all vacation and sick leave for employees
- Reconciles multiple bank accounts which also serves as a major checks and balances with the Treasurer's office

Recently, the County decided to convert from cash basis accounting to full accrual basis accounting as of January, 2014. However, due to budget constraints such as the capital murder trial and Luminant issues, we will hopefully switch over in 2015. Also, there are significant costs associated with converting to full accrual. It will cost approximately \$30,000 for the conversion. Some of the expenses include, but are not limited to

- Hiring an outside firm to perform an actuarial study for the County's post employment benefits program
- Annual external audit will be more expensive due to lengthier audit time period and more in-depth fieldwork.
- Increased personnel costs – will require at least 1 part-time employee to perform extra/added duties
- All depts. will need time to prepare for the switch which may include some software upgrades

Full accrual seems to be a more intense reporting process than the County's current cash basis of accounting. Full accrual is used to measure the financial position of an entity and show a more accurate net profit. Revenue is reported when earned, not when cash is paid. Expenses must then be matched for the time period. This type of accounting is used to estimate the revenue and expenses of a given period, to try to determine the amount of profit the entity can expect to achieve.

The County's external audit firm, Pattillo, Brown & Hill are in the process of performing the financial audit for fiscal year 2012. Most of the fieldwork was done during the month of June. They are required to provide the results to the County by September 30th.

What is a County Auditor?

The County Auditor plays the vital role of Fiscal Officer of the County with oversight responsibility of all financial books and records of all county offices.

Why have a County Auditor?

County government was created in the Constitution of 1876, and subsequently, it was determined that county government needed a system of checks and balances so as to ensure no one branch of government would be without accountability in complying with the State's statutes.

In response to addressing a need of checks and balances, the position County Auditor emerged years later in 1905.

There are many reasons to have a County Auditor, but the main one is to maintain the integrity of financial administration in county government.

The County Auditor, by law, has oversight of all financial books and records of all officers of the County and is charged with administering the budget. Commissioners Court, by law, is the governing and administrative body in county government. Among the many duties of Commissioners Court is the power to determine the county budget and make appropriations of funds to meet that budget.

Both the County Auditor and Commissioners Court are required, by law, to approve or reject claims for disbursement of county funds. Simply put, the integrity of county financial administration is entrusted to a dual control system of "checks and balances."

This system works, not just because there is a County Auditor and not just because there is a Commissioners Court; it works because neither has creative or authoritative control over the other.

Implementing Authority

In counties having a population over 10,000, appointment of the County Auditor is vested in the majority of State District Judges of that particular County for a two-year period pursuant to *Local Government Code, Section 84.002*.

Qualifications

A County Auditor is:

- A person of unquestionably good moral character and intelligence
- Thoroughly competent in the administration of public business
- A competent accountant, qualified in auditing and accounting
- Skilled in interpersonal relationships and office management

Duties (Varies by County)

- Prepares and administers accounting records for all county funds
- Audits the records and accounts of the various county departments
- Administers the county budget as approved by the Commissioners Court
- Forecasts financial data for budgetary formulation purposes
- Other delegated duties:
 - Treasury
 - Budget Officer
 - Investment Officer
 - Payroll

- Human Resources
- Purchasing
- Information technology officer

Responsibilities

The County Auditor....

- Has a general oversight of all books and records of all County Officials
- Is charged with strictly enforcing laws governing county finances
- Advises Commissioners Court concerning financial conditions and the County's financial position as it relates and affects the Court in the decision-making process

The Government Team

County Auditors are a vital part of the County Government Team and are a resource to each and every elected official and department head in county government.

County Auditors play a part in a delicate system of constitutional checks and balances created to protect county funds. It is the integrity of county's financial administration that is entrusted to a dual control system of "checks and balances" amongst the multitude of elected and appointed officials. Effectively, County Government works together and is reflective of how officials perform their statutory duties while simultaneously maintaining those checks and balances.

Perceptions

The Local Government Code dictates, "The County Auditor shall see to the strict enforcement of the law governing county finances". County Auditors find themselves in a very unpopular situation when they are

forced to "step up" and make the difficult call that a given action may not be in compliance with the law.

If the statutes had not been adopted to allow for the level of independence the County Auditor has today, the County Auditor would not be able to carry out these duties and responsibilities in a proper manner.

"In other words, Texas law gives County Auditors responsibility for guarding the public purse and using the authority of the Auditor's office to ensure that local governments comply with the law."

Expectations

Not only do County Auditors provide oversight for the public but County Auditors are expected to also assist in ensuring that Texas counties are able meet the increasing demands of fiscal accountability in the future.

County Auditors at times walk a very fine line and have a duty to strive to work professionally with each and every elected official and department head, and together strive for good county government today and for a better county government for tomorrow.

COUNTY AUDITOR

The county auditor is appointed by the district judge or judges in counties with a population over 10,200 (Local Government Code, Sec. 84.002). The following duties and responsibilities of the county auditor are arranged according to several categories. The first category includes a few miscellaneous statutes related to the general description of the office. The second category covers those statutes related to the auditor's budgetary functions.

The auditor serves as a check on the financial operations of other county offices and has certain financial accounting and recordkeeping responsibilities, as well as certain duties related to the operation of improvement districts.

COUNTY AUDITOR

DUTY/RESPONSIBILITY	AUTHORITY
1. DESCRIPTION OF OFFICE	
	Local Government Code
Auditors for counties over or under 10,200;	Sec. 84.002
Joint auditors for other counties;	Sec. 84.008
Qualification of auditor includes , good moral character and intelligence, competent business ability, and two years experience as accountant;	Sec. 84.006
Must take oath and make bond within 20 days of appointment;	Sec. 84.007
May appoint assistants and organize office with consent of district judge;	Sec. 84.021
Gets mileage for use of personal car in connection with county business;	Sec. 152.035
Salary set by district judges; not to exceed salary of highest paid elected county official;	Secs. 152.031, 152.032
May have salary set by district judges following public hearing;	Sec. 152.905
Term of office is two years; term begins on January 1 of each odd numbered year (bracket legislation).	Secs. 84.004, 84.005
2. FINANCIAL OPERATION OF COUNTY OFFICES	
The county auditor serves as a check on the financial operations of other county offices.	
	Local Government Code
Serve as a check on treasurer in recordkeeping of deposit of funds and examining reports to commissioners courts on finances; count or examine money or accounts on deposit with treasurer on occasion without notice;	Sec. 115.003
Relieve county clerk of duties;	Sec. 112.009
Request and receive reports or other financial information from other county officials;	Sec. 114.003
Appointment of assistants;	Sec. 84.021
Public hearing conducted by district judge before setting salary of auditor and assistants;	Sec. 152.905
Determination of compensation and expenses;	Sec. 152.031 et seq.

COUNTY AUDITOR

DUTY/RESPONSIBILITY	AUTHORITY
2. FINANCIAL OPERATION OF COUNTY OFFICES, continued	
	Tax Code
Refund erroneous overpayment of taxes.	Sec. 31.11
3. RECORDKEEPING	
The county auditor has certain recordkeeping responsibilities.	
	Local Government Code
Keep a register of all warrants issued by judges or clerks on county treasury;	Sec. 113.046
Keep account for officers collecting funds and in so doing relieve county clerk of keeping finance ledger;	Sec. 112.005
Maintain general set of books showing all transactions of county relating to accounts, contracts, indebtedness, receipts, and disbursements;	Sec. 112.007
Receive report of receipts and disbursements of private business operations on public property;	Sec. 291.006
Make monthly and annual report to commissioners court and to district judge;	Sec. 114.025
Prescribe system of accounting; determine time and manner for reports;	Secs. 112.002, 114.002
Keep records from copies of warrants issued for deposits in county treasury;	Sec. 113.023
Act as purchasing agent in certain counties;	Sec. 262.012 et seq.
Keep account of all monies accruing to office and examine such accounts of other county officials;	Sec. 114.041
Responsible for equipment and personnel records in counties over 500,000 (includes employees of flood control district);	Sec. 151.903
Make payroll deductions for authorized purpose on request;	Sec. 155.001
Place interest from trust funds in general fund;	Sec. 117.054
Maintain payroll records for county officers who elect not to be paid for their services;	Secs. 152.051, 152.052