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## Polk County

Livingston, Texas

**Polk County Auditor**  
602 E. Church St.  
Suite 108  
Livingston, Texas 77351

May 23, 2017

To the Honorable County Judge and  
Members of the Commissioners' Court of  
Polk County, Texas:

I am submitting this letter in response to the request from Judge Sydney Murphy, to report to Commissioners Court the corrective actions implemented for the findings/concerns given in the Comprehensive Annual Financial Report, for the year ended September 30, 2016. Listed below are the findings that were written in the Management Letter from the outside auditors, the status and the corrective action plan to prevent future findings.

### **2016-001. ESCHEAT PAYABLE**

#### **Criteria**

Under Texas State Property Code Chapter 72, Subchapter B. Section 72.101, property is presumed abandoned if the owner of the property does not claim the property within three years. Under Texas State Property Code Chapter 74, Subchapter D. Section 74.301, each holder who on March 1 holds property that is presumed abandoned Chapter 72 shall deliver the property to the Comptroller on or before the following July 1 accompanied by the report required to be filed under Section 74.101. Under Texas State Property Code Chapter 74, Subchapter B Section 74.101, each holder who on March 1 holds property that is presumed abandoned under Chapter 72 of this code shall file a report of that property on or before the following July 1.

#### **Condition**

The Tax Assessor Collector has a significant number of checks outstanding at year end, some of which are more than three years old. This is a repeat of finding numb 2015-001. In addition, the Sheriff's Jail Division Inmate and Historical commission accounts have outstanding checks at year end, some of which are more than three years old.

#### **Cause**

The departments do not have procedures in place to review and remit outstanding checks more than three years old to the State Comptroller.

#### **Effect**

Outstanding checks that are more than three years old that held by the departments result in overstatement of liabilities for the County.

**Recommendation**

All outstanding checks that are more than three years old from March 1 of the current year should be reported and delivered to the State no later than July 1. The departments should monitor all outstanding checks and record escheat payable in accordance with the Texas State Property Code noted above.

**Management's Corrective Action Plan**

The County is working on submitting all funds that should be escheated to the State in accordance with the Texas State Property Code.

**Status/Corrective Action Plan**

Each bank account with outstanding checks of three years or more are currently being researched to locate the owner of the property under the statutory guidelines of the Texas State Property Code Chapters 72-76. Many of them have already been resolved. After all avenues have been exhausted, the remaining outstanding checks of \$100.01 or more will be escheated to the State in accordance with the Texas State Property Code by July 1.

All offices that maintain bank accounts have been advised to write procedures on handling outstanding checks in a timely manner and escheating unclaimed property to the State in accordance with the Texas State Property Code Chapters 72-76.

The Auditor's office has added the additional procedure; to review all dates of the outstanding checks on bank reconciliations and notify any office that are reaching the two-year mark of outstanding. To guarantee each department is monitoring outstanding checks and recording escheat payable in accordance with the Texas State Property Code Chapters 72-76.

**2016-002. DUE TO JAIL INMATES**

**Condition**

The Sheriff's Jail Inmate account does not have detailed listing of the amount due to the inmates.

**Cause**

The Sheriff's department does not have a procedure in place to review and reconcile the amount due to the inmates held in trust.

**Effect**

The amount recorded as a liability for the County Could potentially be misstated.

**Recommendation**

The amount recorded in the Jail Inmate checking account should be reviewed and reconciled monthly and compared to the detailed listing of the amount due back to the inmates.

Management's Corrective Action Plan

The Sheriff's office is working to provide a detailed listing of the amount due to the jail inmates.

Status/Corrective Action Plan

A change in staff at the time of the audit and the new employee did not understand what the outside auditor was requesting. The bank account was being reconciled, but not by each inmate account. There is a report can be run to reconcile each inmate's account and balance to the system with the bank account.

The Auditor's office is currently working with the Jail Admin Secretary on written procedures for future employees to follow.

Sincerely,

A handwritten signature in cursive script, appearing to read "Margie N. Ainsworth". The signature is written in dark ink and includes a long horizontal flourish at the end.

Margie N. Ainsworth, CPM  
Polk County Auditor