COMMISSIONERS COURT COMMUNICATION

COURT ORDER NUMBER 145691

DATE: 8/19/2025

SUBJECT: **RECEIVE AND FILE THE AUDITOR'S REPORT OF THE COURT MANAGER EXIT REVIEW FOR THE JUSTICE OF THE PEACE, PRECINCT 7**

***** CONSENT AGENDA *****

COMMISSIONERS COURT ACTION REQUESTED

It is requested that the Commissioners Court receive and file the Auditor's Report of the Court Manager Exit Review for the Justice of the Peace, Precinct 7.

BACKGROUND

The Auditor's Office performed procedures to ensure accountability during the transition of authority from the outgoing Court Manager, who terminated County employment on May 30, 2025, to the incoming Court Manager. Procedures included verifying cash and other receipts, fiduciary fund balances, and other financial matters.

Management's response is attached.

FISCAL IMPACT

There is no fiscal impact.

SUBMITTED BY	Auditor	PREPARED BY:	Kim Trussell
		APPROVED BY:	Kimberly Buchanan

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July 15, 2025

The Honorable Kenneth Sanders, Justice of the Peace, Precinct 7
The Honorable District Judges
The Honorable Commissioners Court
Tarrant County, Texas

Re: Auditor's Report – Court Manager Exit Review for Justice of the Peace, Precinct 7

The Auditor's Office performed procedures to ensure accountability during the transition of authority from the *outgoing* Court Manager, who terminated County employment on May 30, 2025, to the *incoming* Court Manager. Procedures included verifying cash and other receipts, fiduciary fund balances, and other financial matters. Exhibit A further describes the scope of our work. Based on the results of our testing, the transfer of authority appears complete.

Although our review was limited in scope, we observed two issues requiring management's attention:

1. Fifteen voided transactions totaling $2,888.90 lacked evidence of secondary review and approval. Although each void appeared legitimate, the absence of an independent review poses a risk of error or unauthorized activity. Odyssey system controls require independent approval - typically by the Court Manager - of all voided transactions. However, when the Court Manager initiates a void, the system does *not* require independent approval. In such cases, we recommend that physical documentation be retained that shows an independent review was performed. Additionally, the "Comment" field in Odyssey should clearly state the reason for each void.

2. Payments totaling $1,750 were accepted and deposited into the justice court's registry for five appealed cases. According to Rule 143a of the Texas Rules of Civil Procedure, parties appealing judgment from a justice court must pay filing fees directly to the *county court* within 20 days of receiving notice from the county clerk. Therefore, we recommend that filing fees be paid directly to the County Clerk for appealed cases.

We appreciate the cooperation of your staff during our review. Please don't hesitate to contact me if you have any questions.

Sincerely,

[redacted]

Kimberly M. Buchanan, CPA
Tarrant County Auditor

Attachments: Exhibit A - Scope and Methodology
Management's response

EXHIBIT A

SCOPE AND METHODOLOGY

Court Manager Exit Review
July 15, 2025

1) Performed a cash count of funds in the custody of the JP's office as of May 30, 2025.

2) Verified proper cutoff for computer-generated *receipts.* Reviewed receipts for sequential issuance and unusual items.

3) Verified proper cutoff for computer-generated *disbursements.* Reviewed check register for sequential issuance and unusual items.

5) Requested the credit card processing companies remove the *outgoing* court manager as the point of contact and login access.

6) Reviewed the monthly reporting for April and May 2025 to determine whether reporting was complete, accurate, and properly approved.

7) Obtained documentation to support the removal of authorized signer for the Accounts Payable signature list and ReadSoft authorizations.

8) Verified the *outgoing* court manager's security authorizations were *deactivated* for the various County computer systems and applications.

9) Verified the *outgoing* court manager surrendered office keys, building access card, and employee identification badge.

10) Determined whether training fees or membership dues were paid from the County's general fund and required reimbursement by the *outgoing* court manager, per County policy.

JUDGE
KENNETH D. SANDERS
JUSTICE OF THE PEACE
PRECINCT SEVEN

1100 E. BROAD STREET
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TARRANT COUNTY

In response to the Auditor's Report regarding the Exit Review of the outgoing Court Manager for Precinct 7, we thank the Auditor's Office for conducting a thorough and timely review. We appreciate the conclusion that the transition of authority was completed successfully and take seriously the issues identified during the review. Our responses to the findings are as follows:

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1. Voided Transactions – Lack of Independent Review

Auditor's Comment:

Fifteen voided transactions totaling $2,888.90 lacked documented independent review and approval. While the voids appeared legitimate, system controls require that voids initiated by the Court Manager be independently reviewed and documented.

Management Response:

We acknowledge the importance of maintaining strong internal controls over voided transactions. Effective immediately, the following actions have been implemented:

- All voided transactions, regardless of origin, must be accompanied by physical or electronic documentation of independent review.
- A second staff member will review and sign off on all voids initiated by the Court Manager. These reviews will be retained in the transaction file.
- Staff have been instructed to ensure that the "Comment" field in the Odyssey system clearly describes the reason for the void and, where applicable, the reviewer's name.

These steps are designed to comply with Odyssey system controls and strengthen our accountability processes.

JUDGE
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2. Improper Collection of Appeal Filing Fees

Auditor's Comment:

A total of $1,750 was received and deposited into the court registry for five appealed cases, rather than being paid directly to the County Clerk as required by Rule 143a of the Texas Rules of Civil Procedure.

Management Response:

We agree with this finding and have taken immediate corrective steps:

- All court staff have been retrained on the proper handling of filing fees related to appeals, with emphasis on directing parties to remit payment directly to the County Clerk.
- Internal procedures have been updated to prevent the court from receiving or depositing any such fees in the future.
- Any incorrect payments received in error will be returned to the payor with written guidance on the correct payment process.

These measures will ensure compliance with applicable legal procedures and avoid recurrence.

We appreciate the Auditor's constructive feedback and continued support in helping maintain high standards of financial integrity and operational compliance in our court. Should further clarification or documentation be required, please contact our office directly.

Respectfully submitted,

[redacted]

The Honorable Kenneth Sanders
Justice of the Peace, Precinct 7
Tarrant County, Texas