

INVOICE TRANSMITTAL

Vendor #	13879-13	
Vendor Name	FORT BEND COUNTY TAX OFFICE	
Address	1317 EUGENE HEIMANN CIRLCE	
City	RICHMOND	
State	Zip Code	Date
TX	77469	03/26/24

Amount	1,350.00
Total	1,350.00

Robert L. Smith dt

Authorized Department Approval

Treasurer's Register Stamp and Number



COUNTY AUDITOR
Fort Bend County, Texas

Robert Ed Sturdivant
County Auditor

281-341-3769, 281-341-3744 (fax)
Ed.Sturdivant@fortbendcountytx.gov

February 9, 2024

Carmen P. Turner, MPA
Fort Bend County Tax Assessor-Collector
1317 Eugene Heimann Circle
Richmond, TX 77469

Ms. Turner:

On February 2, 2024, Jennifer Brogdon, Irene Arreguin, Kim Henderson, and Luz Carreon met with Debra Tiemann and Kellie McAnally at the Sienna Tax Office Substation. The meeting was scheduled due to an incident that occurred on January 22, 2024. On January 26, 2024, Jennifer Brogdon, Chief of Accounting and Irene Arreguin, Chief of Tax reported to Ed Sturdivant that a clerk from this office was short cash for business day of January 22, 2024. The Internal Control Questionnaire was completed during the interview. Additional questions pertaining to the Tax Office Controls and Procedures were discussed.

The visit was scheduled to address the Internal Controls of the Tax Office and the details pertaining to the Clerk's shortage on January 22, 2024. The concerns were:

- Why a substantial amount of money was missing.
- Delay in reporting the incident to the Auditor.

FINDING:

- The \$1,800.00 cash was the first transaction of the day, which included a cash payment of \$835.97 to Tax Year 2023 and a cash payment of \$964.03 to tax year 2022 for account 4600-000-42-1022-907. The taxpayer did not speak English and Luz Carreon, Assistant Supervisor was required to translate for the clerk. The clerk handed Luz the money to run through the counterfeit machine, Luz handed the funds back to the clerk. Luz stated that she did not see the clerk put the funds in the drawer as she had another clerk to help. The clerk did not realize that she was short until the end of the day when depositing funds into the Cash Recycler Machine.
- There is a Clean Out Policy in effect at every tax office. Cash collections over \$3,000.00 at any time of the year must be deposited into the Cash Recycler. The Clerk's total cash for the day should have been \$24,177.24. The clerk did not make a Clean Out deposit during the day according to policy.

RECOMMENDATIONS:

- Clerks should balance collections to their reports at their desk before going to the Cash Recycler. A shortage should be noted before leaving their workspace.
- There should be a secure method of transporting funds from the clerk's desk to the Cash Recycler. Funds should be carried in a secure bag to the Recycler.
- There should be monitoring of when Cash Clean Out is needed at a workstation.
- Incidents should be reported to the Auditor's by the next business day.

Due to this situation, the Tax office has implemented a new policy that places personal responsibility for any receipted funds with the clerk only. Another clerk or supervisor is not allowed to run funds through the counterfeit machine or make a Clean Out Deposit. A payment plan will be established when necessary. Failure to repay shortages will result in termination. The only exception to this new rule is the Drive Thru window, the accounting department will continue to make deposits into the Cash Recycler after clerks have balanced. For this situation the clerk is being made to pay 25% of the shortage, which is \$450.00, leaving a deficit of \$1,350.00.

The Auditor is accountable to Commissioner's Court, Fort Bend County, Independent Auditors and the State Comptroller for appropriate Internal Controls and compliance requirements for the financial accounting of all County Departments/Offices. When the Auditor is not promptly notified of suspicious circumstances with the potential for fraud, the controls in place are not adequate. The Auditor's office works with the Tax Office daily and weekly and was not notified of the investigation or the missing funds until the end of the week.

It is our goal to work together to ensure the integrity of the Tax Office's financial operations. The Auditor's office should be one of the first to be notified of concerns regarding the potential of fraud, counterfeit bills and theft in a County Office. The Auditor's office is a resource, and our presence will contribute to deterring misconduct or dishonest practices. We will not disrupt an investigation but be there when guidance is requested or needed.

We appreciate the staff at the Sienna Branch along with Jennifer Brogdon and Irene Arreguin for their cooperation and taking time out of their busy schedules to meet with us. They were very helpful in answering our questions and providing the necessary information regarding the investigation and the circumstances under which it was initiated.

Sincerely,



Melissa Elster
Internal Audit Supervisor

Cc: Ed Sturdivant, County Auditor