

The County Auditor

CHAPTER I

THE COUNTY AUDITOR

A. COUNTY AUDITOR BASICS

1. Introduction

Many people mentally picture auditors as men, wearing high-water pants and thick glasses, with a pocket protector in their shirt, and with little or no personality. Although the stereotype may be cute, it is not true. For example, auditors are just as likely to be female as male.

Auditors do tend to be people who like dealing with numbers, and who like those numbers to balance. They like details. At times, auditors, like many people, can get bogged down in those details and forget the big picture.

Some auditors are better than others. Just like judges and clerks—some are good, some are average, and some are below average. County auditors are generally financially conservative. However, everything is not just black and white to auditors—they do recognize the color gray.

County auditors are not a necessary evil to be avoided at all costs. They do not exist to make life miserable for everyone with whom they come in contact. Life would not be better if they disappeared. In fact, the judiciary, county government, and the taxpayers would be the losers without them.

County auditors are county officials—as distinguished from outside auditors who the county contracts with for specified services (normally an annual audit). They are considered more independent than other county officials since they are appointed by the district judge(s). Although they are not considered as independent (nor take the place of), outside auditors, they do provide a necessary level of accountability and assurance to the public concerning county finances.

The name “county auditor” is somewhat misleading—because in addition to auditing functions, the auditor also has major budgeting, accounting, reporting, and claims approval responsibilities. However, the overriding function of a county auditor is to see to the strict enforcement of the laws governing county finances.

LGC §112.006(b)

County auditors work to help ensure that all aspects of county finances operate as they should. If something is not operating as it should, they try to find out why and then do what they can to get it fixed. Their focus centers around trying to make sure the right amount of money gets to the right person or place at the appropriate time, and that money and other property is properly accounted for and safeguarded.

Good county auditors help to protect public officials and employees who are doing their jobs correctly. They do this by ensuring a good audit trail for money and other assets. An audit trail simply shows who did what, when they did it, and how much or what was involved. By pinpointing responsibility for errors and irregularities, those who did what they were supposed to do, and did it right, should not be unnecessarily suspected or accused of wrongdoing. And that is just one of the reasons for public officials to follow and implement an auditor’s procedural recommendations.

2. Appointment

a. County with a Population of 10,200 or More

In a county with a population of 10,200 or more (according to the most recent federal decennial census), the district judge(s) is **required** to appoint a county auditor.

LGC §84.002(a)

b. County with a Population of Less Than 10,200

In a county with a population of less than 10,200, the district judge(s) **may** appoint a county auditor if the district judge(s) determines the county’s financial circumstances warrant the appointment. However, the district judge(s) **must** appoint a county auditor if: (1) the commissioners court finds that a county auditor is necessary to carry out county business and enters an order in its minutes stating the reason; (2) the order is certified to the district judge(s); and (3) the district judge(s) finds the reason stated by the commissioners court to be good and sufficient.

LGC §84.002(b)

3. Appointment Procedure

a. In a County with a Population of 3.3 Million or More (Harris County)

Each district judge may nominate candidates for the office of county auditor. Appointment has to occur at a meeting called for that purpose with a majority of the district judges present. A candidate must receive at least a two-thirds vote of the district judges who are present at the meeting in order to be appointed county auditor.

LGC §84.005(a)

b. In All Other Counties

The district judge(s) must appoint the county auditor at a special meeting held for that purpose. The district clerk must record the judge's(s') action in the court minutes and certify it to the commissioners court, who then must record the action in its minutes along with an order directing the payment of the auditor's salary. In counties where more than one district judge has jurisdiction, a majority vote of the judges is required to appoint an auditor. If a majority of the judges cannot agree, one of the judges has to certify that fact to the governor, who is required to appoint another district judge to act and vote in the selection of an auditor.

LGC §84.003(a)

LGC §84.003(b)

LGC §84.001

LGC §84.003(a)

4. Term

The term of office for a county auditor is two years. The term begins on the date of appointment and all subsequent appointments begin on the same date. However, in Harris County, the auditor's term of office begins on January 1 of each odd-numbered year.

LGC §84.004

AG Op. O-4903 (1943)

LGC §84.005(b)

5. Qualifications

A county auditor must be: (1) a competent accountant with at least two year's experience in auditing and accounting; (2) thoroughly competent in public business details; and (3) a person of unquestionably good moral character and intelligence. The law requires the district judge(s) to carefully investigate and consider the person's qualifications before appointing him or her county auditor.

LGC §84.006(a)

LGC §84.006(b)

6. Bond and Oath

Before taking office and within 20 days after the date of appointment, the county auditor must execute a bond. The bond must be: (1) a good and sufficient surety bond or a bond secured by two or more good and sufficient personal sureties; (2) in the amount of \$5,000 or more; (3) payable to the district judge(s); (4) conditioned on the faithful performance of the duties of county auditor; and (5) approved by the district judge(s).

LGC §84.007(a)

Additionally, the auditor must take the official oath and a written oath that lists the positions of public or private trust previously held and the length of service in each of these positions. The written oath must also state: (1) that he has the required qualifications; and (2) that he will not be personally interested in a contract with the county.

LGC §84.007(b)

7. Joint Employment of County Auditor in Counties with Population Less Than 25,000

With the exception of Harris County, the commissioners courts of two or more counties may agree to jointly employ and compensate a county auditor.

LGC §84.008(a)

After the commissioners courts have determined that an auditor is necessary and the agreement is made, each commissioners court must enter in its minutes an order stating its determination of the necessity for an auditor and then certify the order to the district judge(s) of the county. If the district judge(s) finds the order good and sufficient, he (they) must, by order appoint the auditor by an order recorded in the minutes of the district courts of all counties party to the agreement. The district clerk of each county shall certify the order to his/her commissioners court, for recording in its minutes.

LGC §84.008(b)

A majority vote of the district judges controls. The county auditor's term begins on the day of appointment.

LGC §84.008(d)

LGC §84.008(e)

8. Continuing Education

County auditors are required to successfully complete at least 40 classroom hours of instruction during each full term of office. Courses must relate to county auditor duties and be accredited by the Texas State Board of Public Accountancy as continuing professional education for certified public accountants.

LGC §84.0085(a)

Once an auditor has completed the courses and accumulated the needed credits, he or she must certify that fact to the district judge(s).

LGC §84.0085(a)

9. Removal From Office

A county auditor may be removed from office after investigation by the district judge(s) who made the appointment if it is proven that the auditor: (1) has committed official misconduct; or (2) is incompetent to faithfully discharge the duties of the office of county auditor.

LGC §84.009(a)

Additionally, the district judge(s) who appointed an auditor under Local Government Code, Section 84.002(b)(2) or Section 84.008, may discontinue the auditor's services after the expiration of one year if it is clearly shown that the auditor is not necessary and the auditor's services are not commensurate with the auditor's salary. Local Government Code, Section 84.002(b)(2) is the section that requires, in a county with a population of less than 10,200, an auditor to be appointed if the commissioners court finds it is necessary, makes the appropriate order, and properly certifies it to the district judge(s). And Section 84.008 is the section that provides for joint employment of county auditors in counties with a population of less than 25,000.

LGC §84.009(b)

10. Assistants

The county auditor may certify to the district judge(s) a list stating the number of assistants to be appointed, their names, duties, qualifications and experience, along with the salary to be paid each one. After careful consideration and inquiry concerning the appointees' qualifications, the positions sought to be filled, and the reasonableness of the requested salaries, the district judge(s) must prepare a list of the approved appointees and the salary for each one. The district judge(s) must then certify the list to the commissioners court, which shall order that the salaries be paid when services are performed, and shall appropriate an adequate amount of money for payment.

LGC §84.021(a)

In emergency situations, the auditor shall recommend the appointment of temporary assistants, and after a hearing held in accordance with Local Government Code, Section 152.905, the district judge(s) shall determine the number of assistants, their salaries, and length of employment.

LGC §84.021(b)

Assistants must take the usual oath of office for faithful performance of duty. The county auditor may require an assistant to give a bond and may determine bond terms. The bond must run in favor of the county and the county auditor as their interests indicate. The county is required to pay for the bond. LGC §84.021(c)

If there is only one assistant appointed, he or she can perform the auditor's duties during the auditor's absence or unavoidable detention. If more than one assistant is appointed, the auditor can designate the assistant to act in his or her place when he or she is absent or unavoidably detained. LGC §84.021(d)

County auditors may discharge an assistant. Additionally, the district judge(s) has the right annually to withdraw the approval and change the number of assistants permitted. LGC §84.021(e)

11. Supplies

A county auditor may purchase, at the county's expense, necessary ledgers, books, records, blank forms, stationery, equipment, telephone service, and postage. The auditor must follow the same purchasing laws other county officials follow. LGC §84.901

12. Procedures for Setting Compensation by District Judges

Before setting the amount of annual compensation of the county auditor and assistant auditors, the district judge(s) must hold a public hearing on the matter. At the hearing, interested parties and citizens must be given an opportunity to be heard. LGC §152.905(b)

Notice of the time, place, and subject of the hearing must be published in a newspaper of general circulation in the county no earlier than 30 days or later than 10 days before the hearing. LGC §152.905(c)

The amount of compensation must be set by the district judge(s) at the hearing. The vote must be recorded, transcribed, and maintained as a public record. LGC 152.905(d)

13. Financial Disclosure Reporting System

The commissioners court of a county with a population of 125,000 or more may adopt, by order, a financial disclosure reporting system for county officers (including county auditors) and county employees (including assistant auditors). The commissioners court must prescribe what is to be reported and when the report is due. The commissioners court may restrict the reporting requirement to a limited part of county employees if all employees with similar jobs are required to report.

LGC §159.033

A person required to file a report is considered to have complied if the person files a report with the appropriate authority that meets the requirements of Chapter 572, Government Code. Chapter 572 addresses personal financial disclosure for state officers and employees.

LGC §159.034(c)

B. MAJOR DUTIES AND RESPONSIBILITIES

1. Introduction

As already indicated, the title “county auditor” is somewhat misleading because auditors have responsibilities in other areas as well, including budgeting, accounting, approving claims, reporting, and countersigning checks.

In this section, the focus is on identifying an auditor’s major duties and responsibilities by looking at what the law requires a county auditor to do.

How an auditor divides time and resources among duties and responsibilities varies from county to county, depending on factors such as the size and complexity of the county, size and experience of the auditor’s office, how the county operates on a day-to-day basis, and what areas of the county’s operations pose the biggest financial management risks.

It is important to realize that auditors, like other county officials, are often strapped for time and resources to get everything done the law requires them to do. Day-to-day functions that require immediate action, such as claims approval, countersigning checks, and accounting, take time away from other functions, such as auditing. As a result, some auditors are not able to perform the quantity of work they would like. The district judge(s) can help this situation by appointing needed assistants. Of course, the auditor needs to make sure the district judge(s) knows specifically what his or her needs are.

2. Budgeting

A county auditor’s budgeting duties depend upon whether the county operates under Subchapter A, B, or C of Chapter 111, Local Government Code.

a. Subchapter A Counties

Subchapter A applies to counties with a population of 225,000 or less and that do not operate under Subchapter C. In these counties, the county judge serves as the budget officer. Specifically, the law requires the county judge, assisted by the county auditor or county clerk, to prepare the budget. The auditor is usually the one to provide assistance, since the

LGC §111.001

LGC §111.002

LGC §111.003

auditor has detailed financial information on the county as a whole, and the clerk generally does not.

LGC §111.004

The auditor's assistance typically entails helping the judge prepare the itemized budget which must show:

- (1) the county's outstanding obligations;
- (2) the cash on hand to the credit of each county fund;
- (3) the funds received from all sources during the preceding fiscal year;
- (4) the funds available from all sources during the ensuing fiscal year;
- (5) the estimated revenues available to cover the proposed budget; and
- (6) the estimated tax rate required to cover the proposed budget.

The auditor must certify to the commissioners court the receipt of all grant or aid money available for disbursement during the fiscal year that is not included in the budget. The commissioners court then must adopt a special budget for the grant or aid money.

LGC §111.0106

The auditor must also certify the receipt of all revenue from intergovernmental contracts available for disbursement during the fiscal year that is not included in the budget. Here also, the commissioners court then must adopt a special budget for the revenue.

LGC §111.0107

Similarly, the auditor must certify the receipt of revenue from a new source not anticipated before the adoption of the budget and not included in the budget for that fiscal year. In this case, the commissioners court may, but does not have to, adopt a special budget.

LGC §111.0108

Except for emergencies, county spending has to be in strict compliance with the adopted budget (including appropriate budget amendments). It is part of the auditor's duties to help ensure this provision is complied with.

LGC §111.010

b. Subchapter B Counties

Subchapter B applies to counties with a population of more than 225,000 and that do not operate under Subchapter C. In these counties, the **county auditor serves as the budget officer** and is responsible for preparing the proposed budget.

LGC §111.031

LGC §111.032

LGC §111.033

The law requires the auditor to itemize the budget in such a way to allow as clear a comparison as practicable between expenditures for similar purposes from year to year. Each project with an appropriation must be shown along with the appropriated amount.

LGC §111.034(a)

The auditor must make sure the budget shows:

LGC §111.034(b)

- (1) the county's outstanding obligations;
- (2) the cash on hand to the credit of each county fund;
- (3) the funds received from all sources during the preceding fiscal year;
- (4) the funds and revenue estimated by the auditor to be received from all sources during the preceding fiscal year;
- (5) the funds and revenue estimated by the auditor to be received from all sources during the ensuing fiscal year; and
- (6) a statement of all accounts and contracts on which money is due to or owed by the county as of the end of the preceding fiscal year (excluding taxes and court costs).

The auditor may require officials to provide information necessary to prepare the budget. The auditor must also file a copy of the proposed budget with the county clerk.

LGC §111.036

LGC §111.037(a)

The auditor's revenue estimating responsibility is significant because budget expenditures, by fund, may not exceed the beginning fund balance plus the auditor's anticipated revenue for the fiscal year.

LGC §111.039(b)

Subchapter B also requires the county auditor to certify to the commissioners court the receipt of all grant or aid money available for disbursement during the fiscal year that is not included in the budget. The court then must adopt a special budget for the grant or aid money.

LGC §111.043

A similar certification and special budget is required for revenue from intergovernmental contracts.

LGC §111.0431

The auditor must also certify the receipt of revenue from a new source not anticipated before the adoption of the budget and not included in the budget for that fiscal year. In this case, the commissioners court may, but does not have to, adopt a special budget.

LGC §111.0432

Until a budget is adopted, the county may not make payments during that fiscal year except for emergencies and obligations legally incurred before the start of the fiscal year for salaries, utilities, materials, and supplies. It is part of the auditor's duties to help ensure that the county complies with this provision.

LGC §111.035

Additionally, the county auditor is required to make a copy of a budget filed by the county tax assessor-collector, covering funds not included in the county budget, available to the public at all reasonable times.

LGC §111.095

c. Subchapter C Counties

Subchapter C applies to counties with a population of more than 125,000 and that do not operate under Subchapter A or B. In these counties, the commissioners court may appoint a budget officer. The court may also abolish the position. If abolished, the county judge acts as budget officer in counties with a population of 225,000 or less and the county auditor performs those duties in counties with a population of more than 225,000.

LGC §111.061

LGC §111.062(a)

LGC §111.062(b)

As in Subchapter B counties, the budget officer in Subchapter C counties must itemize the budget in such a way as to allow as clear a comparison as practicable between expenditures for similar purposes from year to year. Each project with an appropriation must be shown along with the appropriated amount.

LGC §111.063(a)

A Subchapter C budget officer also must make sure the budget shows:

LGC §111.063(b)

- (1) the county's outstanding obligations;
- (2) the cash on hand to the credit of each county fund;
- (3) the funds received from all sources during the preceding fiscal year;
- (4) the funds and revenue estimated by the auditor to be received from all sources during the preceding fiscal year;
- (5) the funds and revenue estimated by the auditor to be received during the ensuing year; and
- (6) a statement of all accounts and contracts on which money is due to or owed by the county as of the end of the preceding fiscal year (excluding taxes and court costs).

If actual amounts for items (1), (2), (3), or (6) above are not available, the budget officer may use estimates made by the auditor.

LGC §111.063(c)

If the auditor is not the budget officer, the auditor must furnish necessary information to the budget officer, who is responsible for preparing the proposed budget.

LGC §111.063(b)

Until a budget is adopted, a county may not make payments during that fiscal year except for emergencies and obligations legally incurred before the start of the fiscal year for salaries, utilities, materials, and supplies. It is part of the auditor's duty to help ensure the county complies with this provision.

LGC §111.064

The budget officer can require officials to provide any information necessary to properly prepare or monitor the budget.

LGC §111.065

The budget officer must file a copy of the proposed budget with the county clerk and the county auditor. LGC §111.066(a)

The auditor's responsibility with respect to estimating revenues is significant because amounts budgeted in a fiscal year for expenditures from the various county funds cannot exceed the beginning fund balances plus the auditor's anticipated revenue for the fiscal year. LGC §111.068(b)

The commissioners court must file a copy of the approved budget with both the county clerk and county auditor. LGC §111.069

Subchapter C also requires the auditor to certify to the commissioners court the receipt of all grant or aid money and revenue from intergovernmental contracts and for the court to adopt special budgets for these amounts. LGC §111.0706
LGC §111.0707

Similarly, the auditor must certify the receipt of revenue from a new source not anticipated before the adoption of the budget and not included in the budget for that fiscal year. In this case, the commissioners court may, but does not have to, adopt a special budget. LGC §111.07075

The law provides that the budget officer may assist the commissioners court in performing the court's duties relating to the efficiency and effectiveness of county operations. However, the provision does not give any detail about what those duties include. LGC §111.071

Additionally, if the county auditor serves as budget officer, he or she is required to make a copy of a budget filed by the county tax assessor-collector, covering funds not included in the county budget, available to the public at all reasonable times. LGC §111.095

d. Budget Appropriations

Once the commissioners court adopts a budget, the auditor's focus shifts from budget preparation to budget compliance. The auditor is required to open an appropriation account for each main or special budgeted item. The auditor is also required to enter each warrant drawn against an appropriation account and to periodically inform the commissioners court of the condition of the appropriation accounts. LGC §111.091

It is the auditor's responsibility to ensure a department's expenses do not exceed their appropriations. LGC §111.092

In counties with a population of more than 225,000, the auditor must charge all purchase orders, requisitions, contracts, and salary and labor allowances to the appropriation accounts. This is often referred to as encumbrance accounting. Requisitions and contracts are not binding until the auditor certifies there is budget authority and funds are or will be available to pay or make payment when due.

LGC §111.093

3. Accounting

Perhaps the most comprehensive and time-consuming duty of the county auditor is accounting. The auditor is required to keep a detailed set of records showing all county transactions relating to accounts, contracts, indebtedness, receipts and disbursements. In other words, the auditor must keep a detailed set of journals and ledgers along with supporting documents and files.

LGC §112.007

Several other provisions give the auditor authority related to keeping the detailed set of books. In counties with a population of less than 190,000, the auditor may adopt and enforce regulations the auditor considers necessary for the speedy and proper collecting, checking, and accounting of the revenues and other funds and fees that belong to the county. The regulations cannot be inconsistent with another law, or with a rule adopted by the Comptroller of Public Accounts under Section 112.003, Local Government Code.

LGC §112.001

In counties with a population of 190,000 or more, the authority is even broader. In addition to being able to adopt and enforce regulations similar to those mentioned above, the auditor is required to prescribe the system of accounting for the county. In other words, the auditor prescribes how officials are to keep their books. (Note: in counties with a population of 190,000 or more, there is an additional requirement that the regulations adopted by an auditor may not be inconsistent with generally accepted accounting principles as established by the Governmental Accounting Standards Board.)

LGC §112.002

Also, the county auditor has general oversight of officials' books and records and is charged with the responsibility to see to the strict enforcement of the law governing county finances. This would include making sure monies are deposited in the proper funds and accounts and that there is compliance with any spending restrictions provided by law or contract.

LGC §112.006

Remember, the law requires the auditor to open an account for each main or special item in the budget and to charge the appropriate account when a disbursement is made. And, in counties with a population of more than 225,000, the auditor is required to use encumbrance accounting. Encumbrance accounting helps the auditor keep track of and stay within the budget by charging commitments that are not yet liabilities against budget appropriations.

LGC §111.091

LGC §111.093

4. Auditing

Auditing is another major responsibility of the county auditor. Several different laws address audit duties. Some laws provide specific details about audit requirements, but others use broad language without providing any specifics. Several audit requirements overlap. Different auditors meet the requirements in different ways.

Perhaps the auditor's broadest responsibility is seeing to the strict enforcement of county finance laws. This includes laws relating to budgeting, accounting, auditing, reporting, cash management, investing, and purchasing. It also includes not only compliance by the auditor, but compliance by other officials as well.

LGC §112.006(b)

The specific requirements pertaining to the audit authority of the county auditor are:

(1) Audit officials' books, accounts, reports, vouchers, and other records.

LGC §115.001

(2) Audit the commissioners court's orders relating to county finances.

(3) Audit reports about the collection of money that are required to be made to the commissioners court.

LGC §115.002(a)

- County officials that receive money are required to make monthly reports to the commissioners court.

(4) Audit officials' books and reports at least quarterly.

LGC §115.002(b)

- The auditor has to stamp the books and reports approved or note any differences, errors, or discrepancies.

(5) Audit the county treasurer's monthly report to the commissioners court, along with canceled warrants/checks.

LGC §115.002(c)

- The auditor has to verify the warrants/checks with what is shown on the auditor's books.

(6) At least quarterly, do a surprise audit of the funds held by the county treasurer or in a bank in which the treasurer has put the funds.

LGC §115.003

- The auditor has to make sure that all fund balances are actually on hand and that all investments are legally authorized.

- (7) At least annually, do a surprise audit of all officials. LGC §115.035
- The auditor has to verify accounts are correct and report the findings to the next term of the commissioners court.
- (8) Audit the accounts, dockets, and records of each clerk, justice of the peace, and constable and of the sheriff and tax assessor-collector to determine if the official has custody of any money that belongs to the county and that has not been properly accounted for and remitted. LGC §115.901
- If such money does exist, the auditor has to report the findings to the commissioners court at its next term.
- (9) Audit the receipt book of each official collecting fines and fees in criminal cases each month to determine whether money collected has been properly disposed of. CCP Art. 103.011
- Officials are required to deliver receipts or allow electronic access to receipt records to the county auditor at the end of each month's business.
- (10) In counties with a population of 190,000 or more, audit the accounts of officials at the end of each fiscal year or the accounting period fixed by law. LGC §115.004

5. Countersigning Checks/Warrants

Excluding jury service checks/warrants, county auditors are required to countersign checks/warrants drawn against the county treasury. The auditor's signature validates the check/warrant as a proper and budgeted item of expenditure. LGC §113.043

6. Approving Claims

Claims, bills, and accounts must be examined and approved by the county auditor before they can be paid. Each one approved must be stamped as such by the auditor. The auditor may require an affidavit indicating its correctness and may administer oaths prior to approval. LGC §113.064
 The auditor is prohibited from approving a claim unless it was incurred as provided by law. LGC §113.065

Additionally, if the account is for the purchase of supplies or materials, the auditor cannot approve it unless a requisition, signed by the ordering officer and approved by the county judge, is attached to the account. In counties that have a county auditor, the commissioners court, by written order, can waive the requirement of the county judge's approval. LGC §113.9
 The commissioners court may establish an electronic requisition system. If the system is established, the county auditor, subject to the approval of the commissioners court, must establish procedures for administering the system.

7. Reporting

County auditors are required to make and receive written financial reports. Reports must be sworn to by the officer making them and monthly reports must be filed within five days of month's end.

LGC §114.001

a. Reports Made By the County Auditor

There is quite a bit of overlap in the auditor's reporting requirements.

As indicated previously, the auditor is required to periodically inform the commissioners court of the status of the budget. Auditors generally comply by making a monthly report to the court showing for each budget line item:

LGC §111.091

- (1) the amount budgeted;
- (2) the amount received/expended for the month;
- (3) the amount received/expended year-to-date; and
- (4) the unreceived/unexpended balance for the rest of the fiscal year.

At each regular commissioners court meeting, the auditor has to present a tabulated report of the county's receipts and disbursements, and the county's accounts.

LGC §114.024

Monthly and annual reports also have to be made to the commissioners court and district judge(s). The reports have to show:

LGC §114.025(a)

- (1) the total amounts received and disbursed from each fund;
- (2) the condition of each account;
- (3) the amount of funds on deposit in the county depository;
- (4) the amount of county bonded debt and other debt; and
- (5) anything else the auditor considers appropriate or that is required by the commissioners court or district judge(s).

In addition, the annual report must include a record of transactions made during the year.

LGC §114.025(b)

Also, at the time the annual report is delivered to the commissioners court and the district judge(s), the auditor must send to the bonding company of each officer a report indicating the condition of that person's office.

LGC §114.025(c)

In counties with a population of more than 225,000, the auditor must report at least monthly to the commissioners court on the county's financial condition. In addition to information the auditor considers necessary, or that is required by the commissioners court, the report must contain:

LGC §114.023

- (1) all facts of interest related to the county's financial condition;
- (2) a consolidated balance sheet;
- (3) a statement of the balances on hand at the beginning and end of the month;
- (4) a statement of total receipts and disbursements by fund;
- (5) a statement of transfers to and from each fund;
- (6) a statement of bond and warrant debt with corresponding interest rates; and
- (7) a summarized budget statement that shows:
 - (A) expenses paid for each office or department during the month and year-to-date;
 - (B) encumbrances against the budget; and
 - (C) amounts available for further expenditures.

A condensed copy of the above monthly report must be published once in a daily paper published in the county.

LGC §114.023(c)

b. Reports Made To the County Auditor

All auditors must determine when and how reports are made to them. Additionally, in counties with a population of 190,000 or more, the auditor may require monthly, annual, or other reports regarding receipts, disbursements, or money on hand. Also, each auditor must require every person who receives county money, or who is responsible for disposing of or managing county property, to make reports to the auditor.

LGC §114.002

LGC §114.043

LGC §112.005(c)

Those required to make reports to the auditor and who intentionally refuse to comply with a reasonable request of the auditor, commit an offense. The offense is a misdemeanor punishable by:

LGC §114.003

- (1) a fine of not less than \$25 or more than \$200;
- (2) removal from office; or
- (3) both a fine and removal from office.

8. Purchasing

The county auditor also serves as purchasing agent in certain counties. In counties that have not appointed a purchasing agent, the auditor serves in that position if:

LGC §262.012

- (1) the county has a population of 41,680 to 42,100; or
- (2) appointed by the commissioners court of a county that jointly employs an auditor under Section 84.008 of the Local Government Code.

Additionally, in counties with a population of more than 100,000 where the commissioners court has established the position of purchasing agent and then abolishes the position, the auditor shall serve as purchasing agent.

LGC §262.0115

9. Other Duties and Responsibilities

Other duties and responsibilities of the auditor include:

- (1) receiving employee requests for payroll deductions;
- (2) prescribing a system to be used by the county treasurer for receiving and depositing money;
- (3) in a county with a population of 190,001 to 200,000, in which the financial records of a municipal and county hospital must be kept, keeping the financial records for and making required reports of the hospital; and
- (4) in a county with a population of more than 600,000, appointing and supervising a comptroller for the County Building Authority.

LGC §155.002

LGC §113.023

LGC §84.902

LGC §293.025

C. COMMUNICATING WITH YOUR COUNTY AUDITOR

Communications with your county auditor should be centered around the similar goals mentioned earlier—more effective and efficient government, which is fair and accountable to the public.

1. First Things First

Meet with the auditor and any members of his/her staff that will be dealing with your office. Ask the auditor to explain his/her major duties and responsibilities. Explain your major duties and responsibilities to the auditor as well.

Give the auditor a copy of your operating procedures and manuals. It should make the auditor's job easier and, in the long run, reduce the amount of time the auditor has to spend auditing your office and asking questions. Show the auditor around your office and introduce him/her to your staff. Give your staff a general explanation of what the auditor will be doing and why. Make sure they know that a good auditor reinforces those who do their job right.

If you are a new official, ask the auditor to brief you on any past issues that have not been cleared up yet. Take any necessary steps to resolve the issues.

2. Audits

Let the auditor know about any areas of your operations you would like him/her to give special attention to when auditing your office. Ask for written audit reports and for a meeting to explain any negative audit findings before a written report is issued. If you do not understand an audit finding, methodology, or recommendation—ask.

Respond to audit findings in writing. Do you agree or disagree with the finding? If you disagree, explain why. Comment on recommendations for procedural changes. Explain what changes you will make, along with how and when they will be made. Be open-minded when it comes to recommendations.

Consider asking the auditor for a copy of some *basic* audit programs to give you an idea of what the auditor will be looking at and help you be better prepared. Generally, an increased emphasis on auditing in an office has the added benefit of serving as a deterrent, and reduces the likelihood of wrongdoing. And if you are not being audited, ask to be.

If necessary, put the request in writing. If that does not work, contact the district judge(s).

3. Day-In and Day-Out

Be yourself when dealing with the auditor. Do not try to intimidate the auditor or his/her staff. Give them access to your staff and office—within reason, of course, and make sure you are kept informed of what is going on.

Know your own operations in detail and make sure the auditor knows to whom he/she can go for certain types of information and answers to detailed questions—whether it be you or various members of your staff. If you do not know something—admit it, and then find the answer or the information requested.

Realize there will be times you disagree with the auditor. There is just no way to agree with the way the auditor does every aspect of his/her job. This is to be expected. The auditor probably will not agree with the way you do everything either. Handle any disagreements in a professional manner.

If you become aware of a financial management problem in your office (e.g., money may be missing), bring it to the auditor's attention. Attempts to hide it could make you a party to an illegal transaction. Also, you be the one to make the auditor aware of legislative changes, court cases, or attorney general opinions that have a financial management impact on your office. Doing so should save you time in the long run.

Finally, judge the auditor based on your relationship with him/her—not on what other officials and employees say. You may not know all the facts. And you would not want to be judged that way either. Bottom line, treat the auditor like you want him/her to treat you.

D. SPECIAL FOR DISTRICT JUDGES—COUNTY AUDITOR SELECTION, EVALUATION, AND DISCONTINUANCE OR REMOVAL

The authority and responsibility of appointing and removing county auditors gives district judges a significant impact on their county's financial management system. The better the job the district judge(s) do at selecting an auditor, the more positive the impact. A good selection process will also save judges time in the long run—less time spent dealing with auditor-related issues.

Some district judges have been criticized in the past for their role in county financial management. Over the years, we have heard each of the following—or a variation of each of the following—more than once:

- *“The district judge is only interested in appointing who the county judge wants as county auditor.”*
- *“After appointing an auditor, the district judge never gets involved in the county's financial management again until it's time to make another appointment.”*
- *“The district judge never supports the auditor.”*
- *“The district judge is too concerned with getting re-elected to get involved in county financial management.”*

Although the above comments are the exception, and not the rule, they do tend to support the belief that district judges, as a whole, should be more actively involved in county financial management. One way to do this is for judges to become more active in the selection and evaluation of the county auditor.

1. Selecting a County Auditor

Local Government Code, Section 84.006 (*see Appendix - page 27*) specifies the qualifications for a county auditor. These qualifications are:

- a competent accountant with at least two years' experience in auditing and accounting;
- thoroughly competent in public business details; and
- a person of unquestionably good moral character and intelligence.

Section 84.006 also requires district judges to carefully investigate and consider a person's qualifications before making an appointment.

District judges must determine whether and to what extent someone meets the qualifications. The selected auditor should be someone who has both accounting and auditing experience, and who has some familiarity with governmental financial management. Familiarity with governmental financial management can come from past government work experience, having had government clients, or past volunteer service in government.

There is no statutory requirement that the auditor be a licensed certified public accountant. However, depending on the needs and size of your county, this can probably be made a requirement. See *State v. Ramfield* (523 S.W. 2d 453).

Become familiar with the auditor's duties and responsibilities. This handbook hopefully will help in this regard. If this will be your county's first time to have an auditor, visit with some district judges from counties that have an auditor to get their perspectives and past experience.

If your county's current auditor is leaving, take into account the reason(s) why. If he/she is leaving under good circumstances, get his/her thoughts and recommendations on a successor. If the circumstances are not good, consider why. For example, if the county has received several outside audit reports indicating major accounting problems, you will want to focus on hiring a successor with strong accounting skills and experience. Take a look at the last few outside audit reports and contact the outside auditor(s) if you have questions. Some outside auditors are more willing to talk about their reports than others.

Before starting the selection process, consider visiting with other local officials and department heads to get their views on the county auditor position. **When weighing their comments, remember they are audited by the county auditor.**

Be sure all applicants fill out a county application form and complete all required sections. Although resumes are okay and should be accepted if provided, do not accept them in lieu of applications. If you do, you generally will not get all the information you want. Also, application forms generally include a statement certifying that the information provided in the application is true and complete, which is signed by the applicant. Further, it is usually easier to compare applicants if they have filled out the standard county application.

Once you get the applications, be sure and verify the information given and contact references and previous and possibly current employers of the applicants you are considering. Many employers fail to take the time to do so and frequently wish later they had.

Interview the top applicants before making a selection. In addition to focusing on the applicant's background and experience, center the interview around the county auditor's major duties and responsibilities. This will give you an idea of how much the applicant really knows about the job. Do not overlook the importance of communication skills. Also, keep in mind that computer experience and background are becoming more important. This is an area you might want to discuss with your county's information technology folks or other appropriate individuals before the selection process begins.

Although not a statutory requirement, it is probably desirable in many counties for the auditor to possess an accounting degree. And the larger the office, the more attention and focus you must give to an applicant's supervisory/managerial experience and background. For example, regardless of the technical background, you probably would not want someone with no supervisory/managerial experience to run a thirty-person office.

Do your best to determine whether an applicant has any outside interests that may conflict with the job. For example, if an auditor has a large tax practice, this may conflict with the job during tax season. This does not mean that you should not hire the applicant, but be aware of the outside interest, talk about it, and come to an understanding before the applicant is offered the job. In other words, do not be surprised later.

Consider some sort of evaluation form to use during the application and interview process. You can pick the areas you want to rate and how much weight to give each one. For example, you might want to weight technical background 30 percent, work experience 40 percent, and how the individual does in the interview 30 percent.

Remember, the final decision is yours.

2. Evaluating a County Auditor

District judges do not *supervise* county auditors as that term is normally used, because county auditors are appointed officials. However, evaluating auditor performance is important to give district judges a sound basis for making reappointment decisions. Doing a thorough job takes time, but it is worth it. And the taxpayers are the ultimate beneficiaries.

Although a county auditor appointment is normally for a two-year period, evaluation should generally be an ongoing activity. At least annually, district judges should formally meet with the auditor to discuss his/her performance. Some sort of written evaluation will help make sure the many areas of the auditor's responsibilities are covered.

If there is more than one district judge in your county, agree beforehand which judge will be responsible for which part of the evaluation process.

Evaluations should be done more frequently than annually, when necessary. For example, if there is some part of an auditor's performance that needs to be improved in order for the auditor to be reappointed, this should be communicated to the auditor; and the auditor should be given sufficient time to make any necessary changes.

Similar to a law enforcement officer, a county auditor's evaluation should not be based on popularity. By the nature of their work, the auditor is going to rub some people the wrong way. In fact, if an auditor is too well-liked, you might want to find out why. Maybe he/she is not doing some of the things he/she should be doing.

Ask yourself the following:

- *Has the auditor kept me advised of the major financial management issues, problems, and concerns in the county in a timely manner?*
- *How did the auditor handle any major problems that arose since the last evaluation (e.g., promptly, thoroughly)?*
- *Does the auditor appear to manage his/her staff well?*
- *Does the auditor look for ways to make the county more effective and efficient from a financial management standpoint?*
- *Has the auditor's efforts improved the county's financial management?*

- *Does the auditor deal professionally with other officials and the media?*

Periodically, contact other officials and department heads, along with the outside auditor for information. Remember, though, that you should not expect all comments from other officials and department heads to be positive. **Just as everyone will not always agree with your judicial decisions, everyone will not always agree with what the auditor does.**

To assist you, an “Evaluation Checklist” has been included (see page I-28). Revise the checklist to meet your particular needs.

3. Discontinuing or Removing a County Auditor

District judges have the authority to remove or discontinue the services of a county auditor.

An auditor may be removed from office after investigation by the district judge(s) who made the appointment if it is proven that the auditor: (1) has committed official misconduct; or (2) is incompetent to faithfully discharge the duties of the office of county auditor.

LGC §84.009(a)

The provisions for removing elected county officials probably does not apply to county auditors. Removing an auditor appears to be within the sole discretion of the district judge(s):

Although many of the cases cited and discussed in this chapter state that the county auditor is a county official - and there is no doubt that the auditor possesses attributes of a public official - it has never been determined in a reported opinion whether the removal statutes applicable to county officials also apply to the county auditor. It is suggested that the statutory procedures for removing an elected constitutional official with the attendant right of a jury trial should not apply to the auditor because he is not elected by the voters in the first place. The auditor probably serves at the pleasure of the district judges; in fact, the legislature created the auditor’s office as a means by which the judges could meet their constitutional duty to exercise general supervision over the county commissioners court.¹

¹David Brooks, 35 *Texas Practice* §19.5 (1989)

The terms “official misconduct” and “incompetency” are not defined in Local Government Code, Section 84.009 (*see Appendix - page 28*), which provides for the removal of a county auditor. However, when considering a county auditor’s removal from office, it is recommended that district judges use the following definitions of those terms as they apply to elected county officials, which are found in Local Government Code, Section 87.011 (*see Appendix - page 29*):

“Incompetency” means:

LGC §87.011

- (A) gross ignorance of official duties;
- (B) gross carelessness in the discharge of those duties; or
- (C) unfitness or inability to promptly and properly discharge official duties because of a serious physical or mental defect that did not exist at the time of the officer’s election.

“Official misconduct” means intentional, unlawful behavior relating to official duties by an officer entrusted with the administration of justice or the execution of the law. The term includes an intentional or corrupt failure, refusal, or neglect of an officer to perform a duty imposed on the officer by law.

The statutes also specifically provide for discontinuing the services of certain auditors. District judges who appoint an auditor under Local Government Code, Section 84.002(b)(2) [*see Appendix - page 26*] or Section 84.008 (*see Appendix - page 28*) may discontinue the auditor’s services after the expiration of one year after appointment if it is clearly shown that the auditor is not necessary and the auditor’s services are not commensurate with the auditor’s salary. Local Government Code, Section 84.002(b)(2) is the section that requires an auditor to be appointed if the commissioners court finds it necessary, makes the appropriate order, and properly certifies it to the district judges. This section only applies to counties with a population of less than 10,200. Local Government Code, Section 84.008 is the section that provides for joint employment of county auditors in counties with a population of less than 25,000.

LGC §84.009(b)

Discontinuing an auditor’s services should be based on what is best for the county. And remember, an auditor should not really be surprised if he/she is not reappointed. If there is some deficiency in an auditor’s performance, it should have been communicated to him/her through the evaluation process.

District judges are encouraged to consult with the county attorney before removing or discontinuing the services of an auditor.

E. EVALUATION CHECKLIST

The following checklist has been included as a tool to assist district judges in making reappointment decisions by helping them consider all the areas of an auditor’s responsibilities when evaluating their performance. The checklist can also be used to help district judges become more familiar with the responsibilities and duties of the county auditor. A questionnaire format is used and a “yes” answer indicates that the auditor met the legal requirement or other expectation. A “no” answer indicates that the auditor did not meet the legal requirement or other expectation. A “not applicable” (N/A) answer indicates that the expectation does not apply to your auditor. You may have additional or different questions. Modify the checklist to fit your needs. A separate column indicates whether the question is based on a legal requirement.

Do not expect a “yes” to every question. No auditor is flawless, and perfection should not be expected from him/her.

Question	Legal Requirement	Legal			Comments
		Yes	No	N/A	

I. General

1.	Does the auditor keep me advised of the major financial management issues, problems, and concerns in the county?	No	___	___	___	_____
2.	Does the auditor periodically report to me on who was audited, when they were audited, and what the significant findings (if any) were?	No	___	___	___	_____
3.	Does the auditor properly handle any major problems that arise (e.g., promptly, thoroughly)?	No	___	___	___	_____
4.	Does the auditor manage his/her staff well?	No	___	___	___	_____
5.	Does the auditor look for ways to make the county more effective and efficient from a financial management standpoint?	No	___	___	___	_____
6.	Does the auditor’s efforts improve the financial management of the county?	No	___	___	___	_____
7.	Does the auditor deal professionally with other officials, employees, and the media?	No	___	___	___	_____

Question	Legal Requirement	Legal			Comments
		Yes	No	N/A	

II. Budgeting

A. Subchapter A Counties

1.	Does the auditor assist the county judge in preparing the proposed budget?	Yes	___	___	___	_____
2.	Is the assistance in 1. above					
	a. Adequate?	No	___	___	___	_____
	b. Timely?	No	___	___	___	_____
3.	Does the auditor certify to the commissioners court the receipt of:					
	a. All grant or aid money available for disbursement during the fiscal year that was not included in the budget?	Yes	___	___	___	_____
	b. All revenue from intergovernmental contracts available for disbursement during the fiscal year that was not included in the budget?	Yes	___	___	___	_____
	c. Revenue from a new source not anticipated before the adoption of the budget and not included in the budget for the fiscal year?	Yes	___	___	___	_____
4.	Are the certifications in 3. above done timely?	No	___	___	___	_____

B. Subchapter B Counties

1.	Does the auditor serve as the budget officer?	Yes	___	___	___	_____
2.	Does the auditor prepare the proposed budget?	Yes	___	___	___	_____
3.	Is the proposed budget prepared timely?	Yes	___	___	___	_____
4.	Does the auditor follow any budget policy guidelines established by the commissioners court in preparing the proposed budget?	No	___	___	___	_____
5.	Does the auditor itemize the budget in such a way as to allow as clear a comparison as practicable between expenditures for similar purposes from year to year?	Yes	___	___	___	_____
6.	Is each project with an appropriation shown along with the appropriated amount?	Yes	___	___	___	_____

Question	Legal Requirement	Legal			Comments	
		Yes	No	N/A		
7.	Does the budget show:					
a.	The county's outstanding obligations?	Yes	___	___	___	_____
b.	The cash on hand to the credit of each county fund?	Yes	___	___	___	_____
c.	The funds received from all sources during the preceding fiscal year?	Yes	___	___	___	_____
d.	The funds and revenue estimated by the auditor to be received from all sources during the preceding fiscal year?	Yes	___	___	___	_____
e.	The funds and revenue estimated by the auditor to be received from all sources during the ensuing fiscal year?	Yes	___	___	___	_____
f.	A statement of all accounts and contracts on which money is due to or owed by the county as of the end of the preceding fiscal year (excluding taxes and court costs)?	Yes	___	___	___	_____
8.	If needed, does the auditor require officials to provide information necessary to prepare the budget?	Yes	___	___	___	_____
9.	Does the auditor file a copy of the proposed budget with the county clerk?	Yes	___	___	___	_____
10.	Does the auditor certify to the commissioners court the receipt of:					
a.	All grant or aid money available for disbursement during the fiscal year that was not included in the budget?	Yes	___	___	___	_____
b.	All revenue from intergovernmental contracts available for disbursement during the fiscal year that was not included in the budget?	Yes	___	___	___	_____
c.	Revenue from a new source not anticipated before the adoption of the budget and not included in the budget for the fiscal year?	Yes	___	___	___	_____
11.	Are the certifications in 10. above done timely?	No	___	___	___	_____
12.	Is the proposed budget easy to understand and follow?	No	___	___	___	_____
13.	Are key components and features of the proposed budget adequately identified and explained?	No	___	___	___	_____

Question	Legal Requirement	Legal			Comments
		Yes	No	N/A	

14.	Does the auditor make a copy of any budget filed by the county tax assessor-collector, covering funds not included in the county budget, available to the public at all reasonable times?	Yes	___	___	___	_____
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C. Subchapter C Counties

1.	Does the auditor certify to the commissioners court the receipt of:					
a.	All grant or aid money available for disbursement during the fiscal year that was not included in the budget?	Yes	___	___	___	_____
b.	All revenue from intergovernmental contracts available for disbursement during the fiscal year that was not included in the budget?	Yes	___	___	___	_____
c.	Revenue from a new source not anticipated before the adoption of the budget and not included in the budget for the fiscal year?	Yes	___	___	___	_____
2.	Are the certifications in 1. above done timely?	No	___	___	___	_____
3.	Does the auditor furnish necessary information to the budget officer for preparing the proposed budget?	Yes	___	___	___	_____

If the position of budget officer is abolished and the county population is more than 225,000, the county auditor performs the duties of the budget officer. If that situation exists in your county, the following questions would also apply:

4.	Does the auditor follow any budget policy guidelines established by the commissioners court in preparing the proposed budget?	No	___	___	___	_____
5.	Does the auditor itemize the budget in such a way as to allow as clear a comparison as practicable between expenditures for similar purposes from year to year?	Yes	___	___	___	_____
6.	Is each project with an appropriation shown along with the appropriated amount?	Yes	___	___	___	_____

Question	Legal Requirement	Legal			Comments	
		Yes	No	N/A		
7.	Does the budget show:					
a.	The county's outstanding obligations?	Yes	___	___	___	_____
b.	The cash on hand to the credit of each county fund?	Yes	___	___	___	_____
c.	The funds received from all sources during the preceding fiscal year?	Yes	___	___	___	_____
d.	The funds and revenue estimated by the auditor to be received from all sources during the preceding fiscal year?	Yes	___	___	___	_____
e.	The funds and revenue estimated by the auditor to be received from all sources during the ensuing fiscal year?	Yes	___	___	___	_____
f.	A statement of all accounts and contracts on which money is due to or owed by the county as of the end of the fiscal year (excluding taxes and court costs)?	Yes	___	___	___	_____
8.	If needed, does the auditor require officials to provide information necessary to prepare the budget?	Yes	___	___	___	_____
9.	Does the auditor file a copy of the proposed budget with the county clerk?	Yes	___	___	___	_____
10.	Is the proposed budget easy to understand and follow?	No	___	___	___	_____
11.	Are key components and features of the proposed budget adequately identified and explained?	No	___	___	___	_____
12.	As requested, does the auditor assist the commissioners court in performing the court's duties relating to efficiency and effectiveness of county operations? <i>(The law provides that the county auditor may assist the court in performing the court's duties.)</i>	Yes	___	___	___	_____
13.	Does the auditor make a copy of any budget filed by the county tax assessor-collector, covering funds not included in the county budget, available to the public at all reasonable times?	Yes	___	___	___	_____
D. Budget Appropriations - Subchapter A, B, and C Counties						
1.	Does the auditor open an appropriation account for each main or special budgeted item?	Yes	___	___	___	_____

Question	Legal Requirement	Legal			Comments
		Yes	No	N/A	
2. Does the auditor enter each warrant/check drawn against an appropriation to the proper account?	Yes	___	___	___	_____
3. Does the auditor periodically inform the commissioners court of the condition of the appropriation accounts?	Yes	___	___	___	_____
4. Does the auditor ensure each department's expenses do not exceed their appropriations?	Yes	___	___	___	_____
5. In counties with a population of more than 225,000, does the auditor charge all purchase orders, requisitions, contracts, and salary and labor allowances to the appropriation accounts?	Yes	___	___	___	_____
E. Other - Subchapter A, B, and C Counties					
1. Are the auditor's revenue estimates reasonably accurate?	No	___	___	___	_____
2. Does the auditor adequately assist other officials and department heads in preparing departmental budget requests?	No	___	___	___	_____

III. Accounting

1. Does the auditor keep a detailed set of records showing all county transactions relating to accounts, contracts, indebtedness, receipts and disbursements?	Yes	___	___	___	_____
2. Does the auditor adopt and enforce regulations the auditor considers necessary for the speedy and proper collecting, checking, and accounting of the revenues and other funds and fees that belong to the county? <i>(This authority is permissive rather than mandatory. The law provides that the auditor "may" adopt and enforce regulations, not that the auditor "shall" adopt and enforce regulations.)</i>	Yes	___	___	___	_____
3. Are all regulations adopted under 2. above consistent with another law or a rule adopted by the Comptroller under Local Government Code, Section 112.003?	Yes	___	___	___	_____

Question	Legal Requirement	Legal			Comments
		Yes	No	N/A	
4. In counties with a population of 190,000 or more, are all regulations adopted under 2. above consistent with generally accepted accounting principles as established by the Governmental Accounting Standards Board?	Yes	___	___	___	_____
5. In counties with a population of 190,000 or more, does the auditor prescribe the system of accounting for the county?	Yes	___	___	___	_____
6. Does the outside auditor's opinions or reports lack any negative references to the county's accounting system?	No	___	___	___	_____
7. Does the auditor provide appropriate accounting guidance and assistance to other county officials and department heads?	No	___	___	___	_____

IV. Auditing

1. Does the auditor see to the strict enforcement of county finance laws?	Yes	___	___	___	_____
2. Does the auditor:					
a. Audit officials' books, accounts, reports, vouchers and other records?	Yes	___	___	___	_____
b. Audit commissioners court's orders relating to county finances?	Yes	___	___	___	_____
c. Audit reports about the collection of money that are required to be made to the commissioners court?	Yes	___	___	___	_____
d. Audit officials' books and reports at least quarterly, stamping the books and reports approved or noting any differences, errors, or discrepancies?	Yes	___	___	___	_____
e. Audit the county treasurer's monthly report to the commissioners court, along with canceled warrants/checks, and verify the warrants/checks with what is shown on the auditor's books?	Yes	___	___	___	_____
f. At least quarterly, do a surprise audit of the funds held by the county treasurer or in a bank in which the treasurer has put the funds, making sure that all fund balances are actually on hand and that all investments are legally authorized?	Yes	___	___	___	_____

Question	Legal Requirement	Legal			Comments
		Yes	No	N/A	
g. At least annually, do a surprise audit of all officials, verifying accounts are correct and reporting the findings to the next term of the commissioners court?	Yes	___	___	___	_____
h. Audit the accounts, dockets, and records of each clerk, justice of the peace, constable and of the sheriff and tax assessor and collector to determine if the official has custody of any money that belongs to the county and that has not been properly accounted for and remitted? If such money does exist, does the auditor report the findings to the commissioners court at its next term?	Yes	___	___	___	_____
i. Audit the receipts of each official collecting fines, fees and court costs in criminal cases each month to determine whether money collected has been properly disposed of?	Yes	___	___	___	_____
j. In counties with a population of 190,000 or more, audit the accounts of officials at the end of each fiscal year or the accounting period fixed by law?	Yes	___	___	___	_____
3. Does the auditor respond promptly and appropriately when a possible error or irregularity has occurred?	No	___	___	___	_____
4. Does the county auditor meet with the outside auditor to see if there is any audit work that can be done by the county auditor to cut down on the amount of work needed to be done by the outside auditor?	No	___	___	___	_____
5. Does the auditor do other work of an audit nature to help the county operate more efficiently and effectively?	No	___	___	___	_____
V. <u>Countersigning Warrants/Checks</u>					
1. Excluding warrants/checks for jury service, does the auditor sign all checks drawn against the county treasury?	Yes	___	___	___	_____
VI. <u>Approving Claims</u>					
1. Does the auditor examine and approve all claims, bills, and accounts before they are paid?	Yes	___	___	___	_____

Question	Legal Requirement	Legal			Comments
		Yes	No	N/A	
2. Does the auditor stamp each approved claim, bill, and account as approved?	Yes	___	___	___	_____
3. Does the auditor require an affidavit or administer an oath prior to approving a claim, bill, or account when the auditor feels it is necessary?	Yes	___	___	___	_____
4. Does the auditor not approve a claim unless it was incurred as provided by law?	Yes	___	___	___	_____
5. Does the auditor not approve an account for the purchase of supplies or materials, unless a requisition signed by the ordering officer and approved by the county judge is attached to the account? <i>(The commissioners court, by written order, can waive the requirement of the county judge's approval.)</i>	Yes	___	___	___	_____

VII. Reporting

1. Does the auditor periodically inform the commissioners court of the status of the budget?	Yes	___	___	___	_____
2. Does the auditor present a tabulated report of the county's receipts and disbursements, and accounts at each regular commissioners court meeting?	Yes	___	___	___	_____
3. Does the auditor make monthly and annual reports to the commissioners court and district judge(s) showing:					
a. The total amounts received and disbursed from each fund?	Yes	___	___	___	_____
b. The condition of each account?	Yes	___	___	___	_____
c. The amount of funds on deposit in the county depository?	Yes	___	___	___	_____
d. The amount of county bonded debt and other debt?	Yes	___	___	___	_____
e. Anything else the auditor considers appropriate or that is required by the commissioners court or district judge(s)?	Yes	___	___	___	_____
4. In the report discussed in 3. above, does the auditor include a record of transactions made during the year?	Yes	___	___	___	_____

Question	Legal Requirement	Legal			Comments	
		Yes	No	N/A		
5.	In counties with a population of more than 225,000, does the auditor report monthly to the commissioners court on the county's financial condition, with the report containing:					
a.	All facts of interest related to the county's financial condition?	Yes	___	___	___	_____
b.	A consolidated balance sheet?	Yes	___	___	___	_____
c.	A statement of the balances on hand at the beginning and end of the month?	Yes	___	___	___	_____
d.	A statement of total receipts and disbursements by fund?	Yes	___	___	___	_____
e.	A statement of transfers to and from each fund?	Yes	___	___	___	_____
f.	A statement of bond and warrant debt with corresponding interest rates?	Yes	___	___	___	_____
g.	A summarized budget statement showing:					
1)	expenses paid from each office or department during the month and year-to-date?	Yes	___	___	___	_____
2)	encumbrances against the budget?	Yes	___	___	___	_____
3)	amounts available for further expenditure?	Yes	___	___	___	_____
h.	Other information the auditor considers necessary?	Yes	___	___	___	_____
i.	Other information required by the commissioners court?	Yes	___	___	___	_____
6.	Does the auditor publish a condensed copy of the monthly report discussed in 5. above in a daily paper published in the county?	Yes	___	___	___	_____
7	Does the auditor prepare other reports as needed to enhance the efficiency and effectiveness of the county?	No	___	___	___	_____
8	Does the auditor determine when and how reports from others are made to the auditor?	Yes	___	___	___	_____
9	Does the auditor require each person who receives money, or who is responsible for disposing of or managing county property, to make reports to the auditor?	Yes	___	___	___	_____

Question	Legal Requirement	Legal			Comments
		Yes	No	N/A	

VIII. Purchasing

- | | | | | | |
|----|--|-----|-----|-----|-----|
| 1. | In counties that have not appointed a purchasing agent, does the auditor serve in that position if: | | | | |
| a. | The county has a population of 41,680 to 42,100? | Yes | ___ | ___ | ___ |
| b. | Appointed by the commissioners court of a county that jointly employs an auditor under Section 84.008 of the Local Government Code? | Yes | ___ | ___ | ___ |
| 2. | In counties with a population of more than 100,000, where the commissioners court has established the position of purchasing agent and then abolished the position, does the auditor serve as purchasing agent for the county? | Yes | ___ | ___ | ___ |
| 3. | If the auditor serves as the county's purchasing agent, does the auditor: | | | | |
| a. | Comply with the County Purchasing Act? | Yes | ___ | ___ | ___ |
| b. | Follow sound purchasing guidelines when making purchases? | No | ___ | ___ | ___ |
| c. | Administer the county's purchasing program in an effective and efficient manner? | No | ___ | ___ | ___ |

IX. Continuing Education

- | | | | | | |
|----|--|-----|-----|-----|-----|
| 1. | Does the auditor successfully complete at least 40 classroom hours of instruction during each full term of office? | Yes | ___ | ___ | ___ |
| 2. | Do the courses relate to county auditor duties and are they accredited by the Texas State Board of Public Accountancy as continuing professional education credits for certified public accountants? | Yes | ___ | ___ | ___ |
| 3. | Upon completing the courses and accumulating the credits, does the auditor certify that fact to the district judge(s)? | Yes | ___ | ___ | ___ |

X. Miscellaneous

- | | | | | | |
|----|--|-----|-----|-----|-----|
| 1. | In counties with a population of 125,000 or more, does the auditor meet the financial disclosure reporting requirements, if any? | Yes | ___ | ___ | ___ |
|----|--|-----|-----|-----|-----|

Question	Legal Requirement	Legal			Comments
		Yes	No	N/A	
2. Does the auditor receive employee requests for payroll deductions?	Yes	___	___	___	_____
3. Does the auditor prescribe a system to be used by the county treasurer for receiving and depositing money?	Yes	___	___	___	_____
4. In a county with a population of 190,001 to 200,000, does the auditor keep the financial records for and make any required reports for a municipal or county hospital?	Yes	___	___	___	_____
5. In a county with a population of more than 600,000, does the auditor appoint and supervise a comptroller for the County Building Authority?	Yes	___	___	___	_____