

TOM GREEN COUNTY



San Angelo, Texas

OFFICE OF THE County Auditor

January 25, 2021

The Honorable Dianna Spieker
Tom Green County Treasurer
112 W. Beauregard Avenue
San Angelo, Texas 76903

Dear Ms. Spieker,

We have completed our review of your office's financial records for the period of October 1, 2019 through June 30, 2020. Included in the review were internal controls, revenues, accounts payable to include quarterly payments to the state, cash and near cash balances, securities, bank reconciliations, collateralization, payroll, 941 payroll tax reports, TCDRS deposits, docks, paid time off accruals, outstanding debt, unclaimed property, investment reports, interest earned, and your continuing education hours.

We found that the County's bank accounts at Wells Fargo were under-collateralized seven days during the review period. December had five days of shortfalls totaling \$3,724,450.66. When the County's funds are not fully collateralized, there is a risk of loss in the event of bank default, and the County is not in compliance with the Public Funds Collateral Act. In the bid paperwork, Wells Fargo states that "the account would be fully collateralized per State of Texas requirements". We reviewed your documentation and concur that you are following the proper steps and protocols in notifying Wells Fargo and attempting to maintain appropriate collateral on the accounts. We recommend advancing this issue to higher management at the depository, and if it still persists further, inquiring with the County Attorney to determine if Wells Fargo is failing to fulfill their contractual agreement.

We reviewed accrued leave balances (sick, vacation, holiday) and comp time calculations for County employees. The review consists of sampling and in-depth Excel analysis which identifies outliers. We found 21 vacation accrual errors, 19 sick accrual errors, four holiday accrual errors and 17 comp calculation errors. Your staff has since corrected all of these. While reviewing vacation time, one particular error stood out. Two re-hired employees had their vacation time stored as "Excess" even though the cap had not been reached. One was missing seven months of accruals, or 38 hours, and the other three months, or 18 hours. We highly recommend double checking the settings for re-hired employees and to contact TimeClock regarding this situation.

Also, while reviewing vacation time, we found three employees with leave balances accruing at their "Temp" service dates. We requested input from Human Resources, who clarified that time worked as a temporary employee does not qualify for accrual "service credit" purposes. We recommend ensuring any employees that

started as a temporary employee and now are employed full-time to have their service date verified.

In addition to the accrual testing, the Auditor's office reviews every payroll prior to disbursement. For this review period, we reported 297 payroll findings to you, in order to deliver accurate paychecks to the employees. The majority of the errors stemmed from incorrect rates being applied and incorrect hours being paid. This generally happens due to a large volume of Personnel Action Form changes for the new fiscal year. We recommend recalculating and verifying that the amounts entered for each employee agree with their corresponding Personnel Action Form, as part of your regular payroll process.

Thank you for your cooperation during the review. If you have any questions or concerns, feel free to contact my office.

Very cordially,

A handwritten signature in black ink that reads "Nathan Craddock". The signature is written in a cursive style with a long horizontal flourish at the end.

Nathan Craddock
County Auditor

Cc: The Honorable Jay Weatherby
District Judge, 340th Judicial District

The Honorable Commissioners Court
Tom Green County