

Collin County Texas 07,14
 COUNTY FUNDS INDEMNIFICATION REQUEST FORM

Official's Name Judge Mike Missildine	Current Date 10.18.19	Amount of Loss \$155.00
Department/ Division Name JP 3-2	Date of Loss 2009	Police Report Attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Commissioners Court
 Collin County, Texas

Local Government Code §157.903 authorizes the commissioners court of a county by order to provide for the indemnification of an elected or appointed county officer against personal liability for the loss of county funds, or loss of or damage to personal property, incurred by the officer in the performance of official duties if the loss was not the result of the officer's negligence or criminal action. Therefore, I respectfully request Commissioners Court to approve this indemnification request and authorize the Collin County Auditor to charge off the above amount of County funds or property, which have been determined to be missing or stolen

Cause of Loss (Attach additional sheet if necessary)

See attached

Position of Official Regarding Loss (Attach additional sheet if necessary)

See attached

Current Internal Controls to Prevent Loss (Attach additional sheet if necessary)

see attached

Additional Controls Implemented to Prevent Future Losses (if applicable) (Attach additional sheet if necessary)

see attached

Action Taken to Recover Funds (Attach additional sheet if necessary)

see attached

Signed By Judge Mike Missildine	Title Justice of the Peace 3-2
Official's Signature 	Date 10/21/19

TO BE COMPLETED BY COUNTY AUDITOR

Based upon the Auditor's Office review, the above listed loss amount being requested for indemnification: <input type="checkbox"/> DOES appear to be accurate. <input type="checkbox"/> DOES NOT appear to be accurate. Based upon our review, the loss amount is	After review of the circumstances, the Auditor's office recommends: <input type="checkbox"/> Indemnification <input type="checkbox"/> Not Indemnifying
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County Auditor Signature	Date
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ACCOUNT CODING TO BE USED

	FUND / DIVISION	OBJECT	AMOUNT	CHECK OR JOURNAL ENTRY
DR				
CR				

TO BE COMPLETED BY COMMISSIONERS COURT

Indemnification • APPROVED • NOT APPROVED by Commissioners Court

Signed By	Date
County Judge Signature	Date

Cause of Loss

During a review of outstanding bank reconciliation issues, auditor S. Grigg found 2 cases in which prior staff members under previous administration had posted payments to cases without actual cards being charged. On 12/21/09, \$15 was posted to case 32-JC-09-00500 but the credit card report for that day could not be found during the review, but this case was the only case that day that had payment of \$15 posted. On case 32-TR-09-02416, there was a payment of \$140 posted to the case. According to notes in the system, the payment was processed through lynks on 9/9/09 but the deposit for this charge never posted to the bank account. Total amount posted without posting to bank, \$155.

Position of Official Regarding Loss

These issues occurred long before I was elected and took office and prior to any of my staff being employed by this office.

Current Internal Controls to Prevent Loss

Current procedures include the balancing of all payments against funds on hand and charges on CC report each day. Additional control is the monthly reconciliation of the bank accounts where any issue identified in deposit variances are required to be researched and reconciled within 30 days.

Additional Controls Implemented to Prevent Future Losses

The current internal controls should prevent this from happening in the future.

Action Taken to Recover Funds

There are no notes available to indicate any action was taken at the time to recoup the loss from the customers. The fact that it was almost 10 years ago and no one on the current staff worked in this office at the time, I have no way of asking if anything was done or not. Trying to track down the parties from 10 years ago does not seem to be a viable option.

INDEMNIFICATION OF ELECTED AND APPOINTED OFFICERS

Section 1. Authority

1.01 Section 157.903 of the Texas Local Government Code provides that the Commissioners Court may, by order, provide for the indemnification of an elected or appointed county officer against personal liability for the loss of County funds, or loss of or damage to personal property, incurred by the officer in the performance of their official duties if the loss was not the result of the officer's negligence or criminal action.

Section 2. Purpose of Policy

2.01 The purpose of this policy is to prescribe a procedure wherein an elected or appointed county officer may request and either be granted or denied indemnification for such loss or damage. This policy shall not be construed to be a waiver of the County's authority to recover its lost funds or its damages from any party other than the elected or appointed county officer making the request for the indemnification.

Section 3. Procedures

3.01 The elected or appointed county officer will:

- (a) notify the Criminal District Attorney of the situation in the event the officer has reason to believe there has been a criminal action involved in the loss of funds or damage to personal property;
- (b) submit to the County Auditor a properly and fully completed and executed County Funds Indemnification Request Form, a copy of which is attached to this Policy;
- (c) attach copies of all documentation describing and detailing the loss or damage; the policies, controls and procedures in place at the time of the loss; and the basis for the officer's determination that the loss was not the result of the officer's negligence or criminal action;
- (d) attach copies of any documentation showing attempts to recover the funds such as returned item notices, investigative reports, credit card charge back notices, and all correspondence from credit card providers or other parties;
- (e) provide a description of all efforts undertaken to minimize the damage to personal property belonging to the County;
- (f) attach a copy of any investigative reports conducted by any law enforcement agency or other investigator or party;

- (g) furnish the County Auditor with copies of any insurance policies or bonds which may be applicable and describe and document any claims made on such policies or bonds and related correspondence there to; and
- (h) upon receipt of notice of denial of their request for indemnification, reimburse the County by tendering sufficient monies to account for the lost funds or damage to personal property to the County Clerk along with the appropriate deposit warrant.

3.02 The County Auditor will:

- (a) receive and review the Funds Indemnification Request Form and other documentation and related materials, investigate the circumstances of the loss including prior internal control audits, control procedures and actions taken of and by the requesting officer. In making its review of the request, the County Auditor will, among other things, determine whether;
 - (A) the documentation and submissions are true and accurate;
 - (B) the officer has complied with the accounting policies established from time to time by the County Auditor for the office of the officer;
 - (C) the officer has maintained written documentation of all receipts of County funds received by the office of the officer;
 - (D) the officer has fully cooperated and made available for inspection and/or duplication of all documentation applicable to the loss by the County Clerk, County Auditor or other official(s) appointed by the County to review same; and
 - (E) whether there has been any finding by the Texas Rangers and/or other law enforcement agency with jurisdiction over such matters determining whether the loss was the result of the officer's criminal action;
- (b) upon completion of the investigation forward the Funds Indemnification Request Form along with a recommendation for or against approval of the request to the Commissioners Court for its consideration and determination.
- (c) upon receipt of the Commissioners Court's approval of a request to indemnify an office, prepare and process the necessary entries to record the indemnification transaction and credit the applicable account of the officer for the amount indemnified. Such event shall not terminate efforts to recover the lost funds or property.
- (d) upon receipt of the Commissioners Court denial of a request, notify the County Clerk of such determination, and forward all related documentation to the both the County Clerk and to County legal authorities to enable them to continue to pursue efforts to recover the lost funds or monetary damages for the lost or destroyed personal property.

3.03 The Commissioners Court will:

- (a) receive the recommendation of the County Auditor and after review of the recommendation and documentation either approve or deny the request for indemnification by the officer;
- (b) advise both the County Auditor and the requesting officer of its determination;
 - (i) the Commissioners Court's Order approving the officer's indemnification should contain:
 - (A) an explicit, unambiguous, statement stating the specified officer is indemnified against his/her personal liability for the loss of County funds, or loss of or damage to personal property, incurred by the officer in the performance of his or her official duties;
 - (B) a finding that the loss was not the result of the officer's negligence; and
 - (C) a finding that the loss was not the result of the officer's criminal action.

3.04 The County Clerk will in the event of notification of denial of the request for indemnification:

- (a) receive funds from the officer;
- (b) make certain the correct fund account is credited for the reimbursement;
- (c) provide the County Auditor's accounts receivables division with all necessary deposit information to clear the receivable; and
- (d) coordinate collection efforts with the County's legal counsel to recover the lost funds or damages.

3.05 At the direction of Commissioners Court, the County's legal counsel, together with the County Clerk, will:

- (a) pursue collection of the lost funds or other monetary damages from the officer or his/her bond and/or insurance policy using such methods as are determined necessary; and
- (b) periodically advise the Commissioners Court on the success of its efforts to recover the lost funds or damages.