

HARRIS COUNTY AUDITOR'S OFFICE

AUDIT SERVICES DEPARTMENT

ANNUAL REPORT

MARCH 1, 2015 - FEBRUARY 29, 2016

FISCAL YEAR 2016

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Barbara J. Schott, CPA
County Auditor

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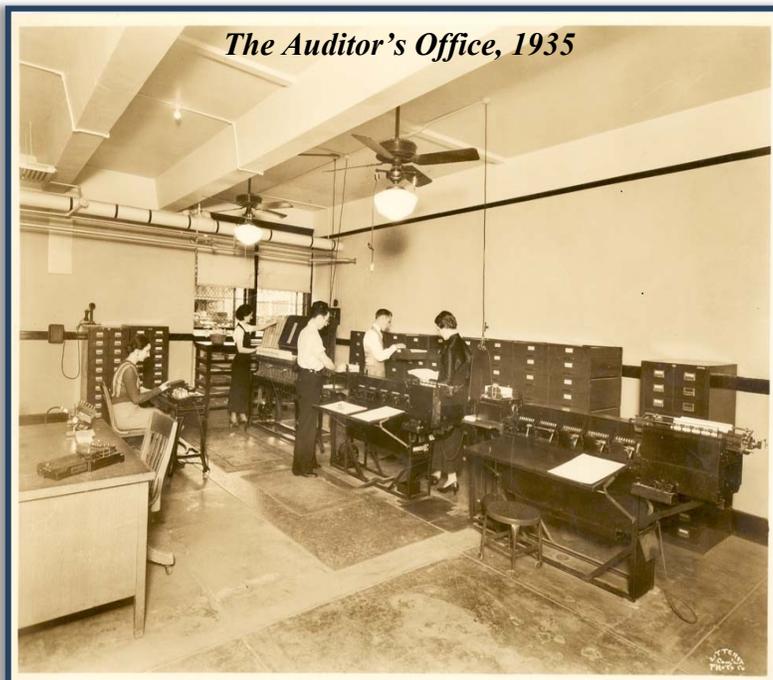
THE HARRIS COUNTY AUDITOR'S OFFICE

Barbara J. Schott, CPA County Auditor

The County Auditor's Office keeps the general accounting records; prepares financial reports; prescribes systems for the receipt and disbursement of the County; audits and processes accounting transactions for grants, payroll and invoices; verifies compliance with governing laws; performs statutory reviews of records maintained by other officials, and prepares annual estimates of budget revenues.

Ms. Schott joined Harris County in 2000, as First Assistant County Auditor and has 35 years of governmental accounting and auditing experience. In 2003, she assumed greater responsibilities with her appointment as County Auditor.

She is a member of the American Institute of Certified Public Accountants, Association of Local Government Auditors, Institute of Internal Auditors, Association of Certified Fraud Examiners, Government Finance Officers Association and the Texas Association of County Auditors.



Vision

Create and maintain an environment of sound fiscal management and efficient financial operations at all levels of county government, while providing support to Commissioners Court, County Officials, Department Heads, and the public with the highest level of integrity and financial stewardship.

Mission Statement

To be an independent and progressive organization recognized for professionalism in carrying out the County Auditor's statutory duties and responsibilities.

THE HARRIS COUNTY AUDITOR'S OFFICE

AUDIT DIVISION

Mark C. Ledman, CPA, MPA, CISA, CCA, CGMA **Chief Assistant County Auditor – Audit Division**

The Audit Division includes the following departments: Audit Services, Compliance Audit, Continuous Audit, and the Systems & Procedures Departments. The responsibilities of the Audit Division are to assist the County and other entities with the effective discharge of their responsibilities, including management's efforts to provide the public and concerned entities with financial accountability; minimizing exposure to contingent liabilities; safeguarding assets; and compliance with applicable policies, laws, regulations, and covenants, governing County finances.

Audit Services is established by the County Auditor to accomplish certain statutory and contractual auditing responsibilities. The County Auditor is appointed by the state district judges of Harris County, and is responsible for fulfilling these responsibilities. The Chief Assistant County Auditor – Audit Division (Chief Audit Executive) is appointed by and reports administratively and functionally to the County Auditor.

Mr. Ledman joined the Harris County Auditor's Office in 2006, as the Director of the Audit Services Department and has over 30 years of professional internal auditing and accounting experience. He was appointed Chief Assistant County Auditor for the Audit Division, in 2013.



He is a member the American Institute of Certified Public Accountants, Texas Society of Certified Public Accountants, Association of Healthcare Internal Auditors, Association of Local Government Auditors, Institute of Internal Auditors, and Information Systems Audit and Control Association.

Texas State Board of Accountancy (The First Board, 1915)



Left to right: Milton Morris, CPA, Austin; Edward J. Archinard, CPA, Fort Worth; Harry V. Robertson, CPA, Amarillo; E. F. Hunter, CPA, San Antonio; and W. P. Peter, CPA, Dallas. *(Details and Picture excerpted from the www.tsbpa.state.tx.us)*

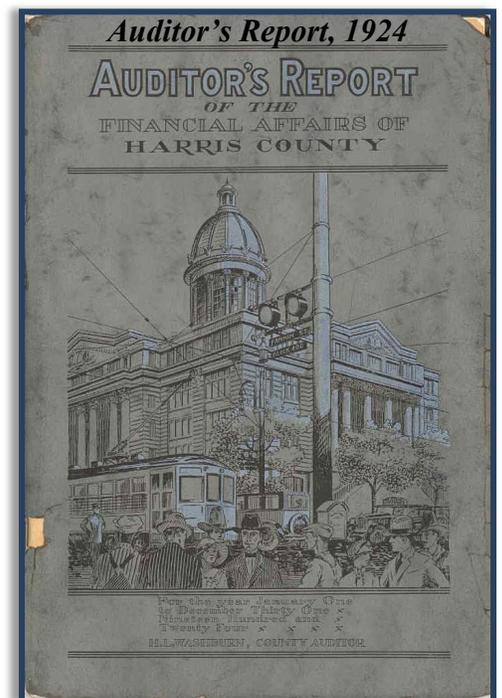
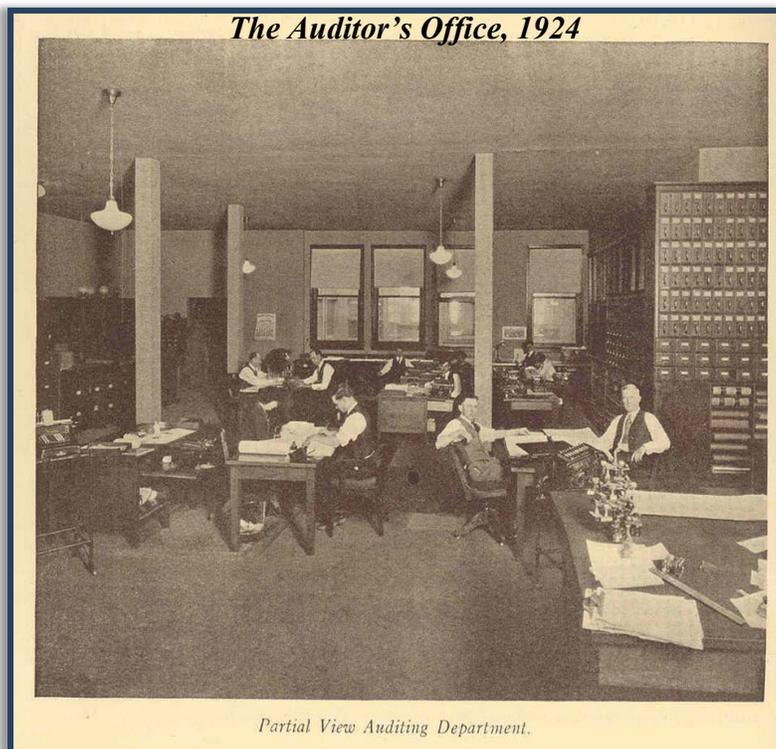
March 2015, marked the 100-year anniversary of the Public Accountancy Act (the Act), originally created in 1915 by the Texas Legislature to form the Texas Board of Accountancy (*the Board*). The Act mandates the Board to protect the public and ensure competence in the practice of public accountancy by administering examinations, issuing certificates, and licensing certified public accountants (CPAs). Additionally, the Act restricts the use of the terms “accountant” and “auditor” (and any derivation of those terms) solely to the Boards’ licensees.

THE HARRIS COUNTY AUDITOR'S OFFICE

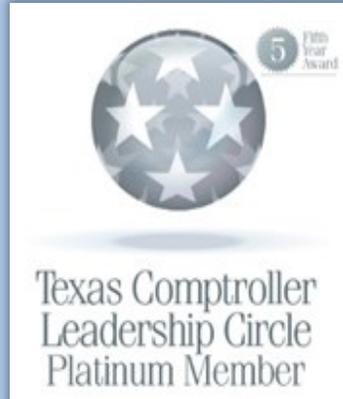
AUDIT SERVICES - AUDIT DIVISION

Bobby Cato, CIA **Director of Audit Services – Audit Division**

Mr. Cato is a Certified Internal Auditor and holds a Bachelor's of Science Degree in Accounting from Louisiana Tech University. Mr. Cato joined the Harris County Auditor's Office in 2011, as a Senior Auditor at the Harris Health System. He has over 25 years of professional experience including 17 years of professional auditing experience. He was promoted to Compliance Audit Manager in the Auditor's Office in May 2014 and then promoted to the Director of Audit Services in September 2014. He is a member of the Association of Local Government Auditors, the Association of Healthcare Internal Auditors, Health Care Compliance Association, Institute of Internal Auditors, and the Healthcare Financial Management Association.



AWARDS AND HONORS



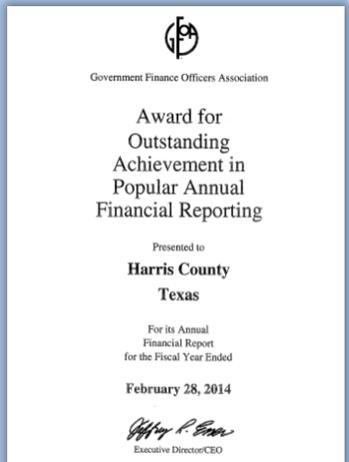
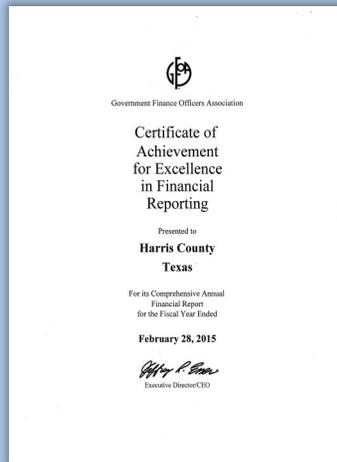
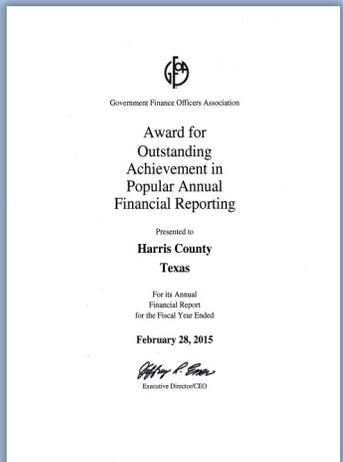
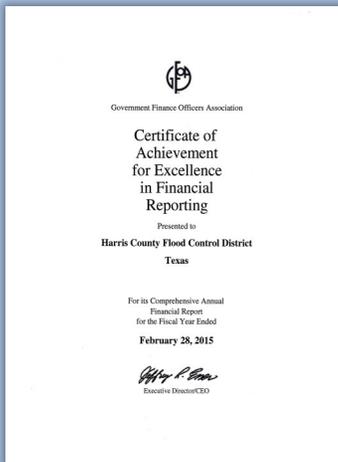
LEAD500 Award

The Harris County Auditor's Office has been recognized as having one of the top 10 Best Corporate Universities for developing Leadership Excellence. The LEAD500 Awards is an annual opportunity hosted by top organizations around the world and HR.com recognizing individuals and organizations (including government) who inspire and develop leaders.

The Texas Comptroller's Leadership Circle program recognizes local governments across Texas that are striving to meet financial transparency online. This is accomplished by providing citizens with a clear consistent picture of spending and sharing financial information in a user-friendly format.

The National Association of Counties (NACo) Achievement Award Program is a non-competitive awards program which seeks to recognize innovative county government programs. The Harris County Auditor's Office on behalf of Harris County received the NACo 2016 Achievement Award for the Compliance Audit Tax Audit Automation program.

The National Association of Counties (NACo) Achievement Award Program is a non-competitive awards program which seeks to recognize innovative county government programs. The Harris County Auditor's Office on behalf of Harris County received the NACo 2014 Achievement Award for the Auditor's Office - District Judges Portal.



The Government Finance Officers Association of the United States and Canada (GFOA) has given a Certificate of Achievement for Excellence in Financial Reporting to Harris County Flood Control District, Texas for its Comprehensive Annual Financial Report for the Fiscal Year Ended February 28, 2015.

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Harris County, Texas for its Annual Financial Report for the Fiscal Year Ended February 28, 2015. reports.

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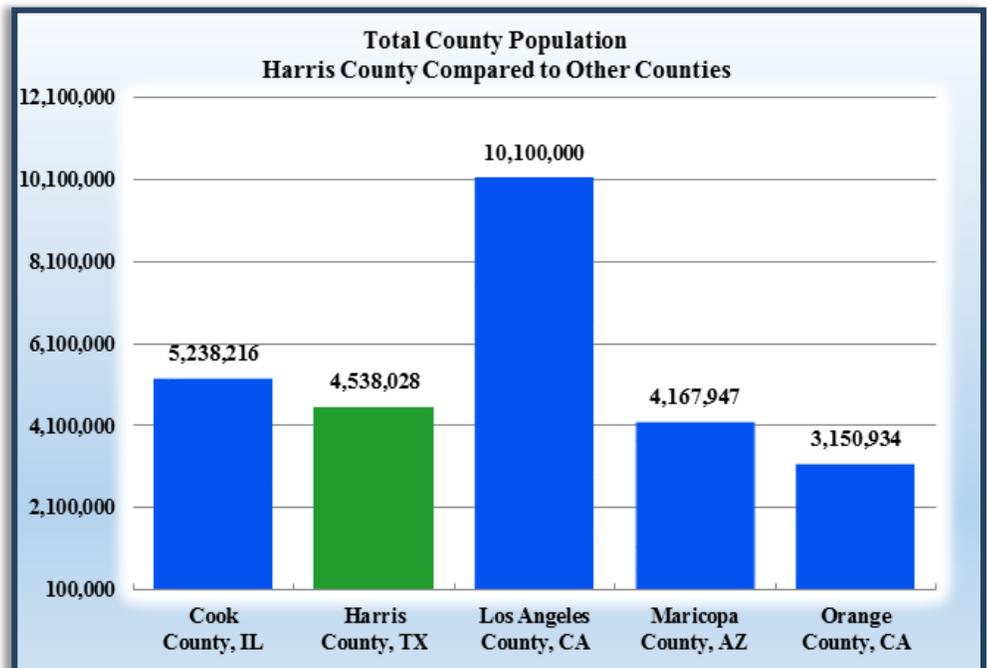
The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Harris County, Texas for its Annual Financial Report for the Fiscal Year Ended February 28, 2014.

HARRIS COUNTY AUDIT SERVICES STATISTICS

The graphs below present statistics from five large counties in the United States. Please use your discretion when interpreting the data. The respondents vary in many areas such as diversity of types of entities, size, the degree which they outsource Internal Audit, and information systems are just a few areas that cause variability between counties. Additionally, each County Auditor may interpret their statutory responsibilities differently which could impact the selection of engagements, scope of engagements and procedures performed. Also, the type of internal audit services provided can vary between counties. For example the Harris County Auditor is appointed and only performs financial audits as prescribed by statute (except for the Harris Health System), in comparison to the Maricopa County Auditor who is elected and performs performance audits (Operational Audits).

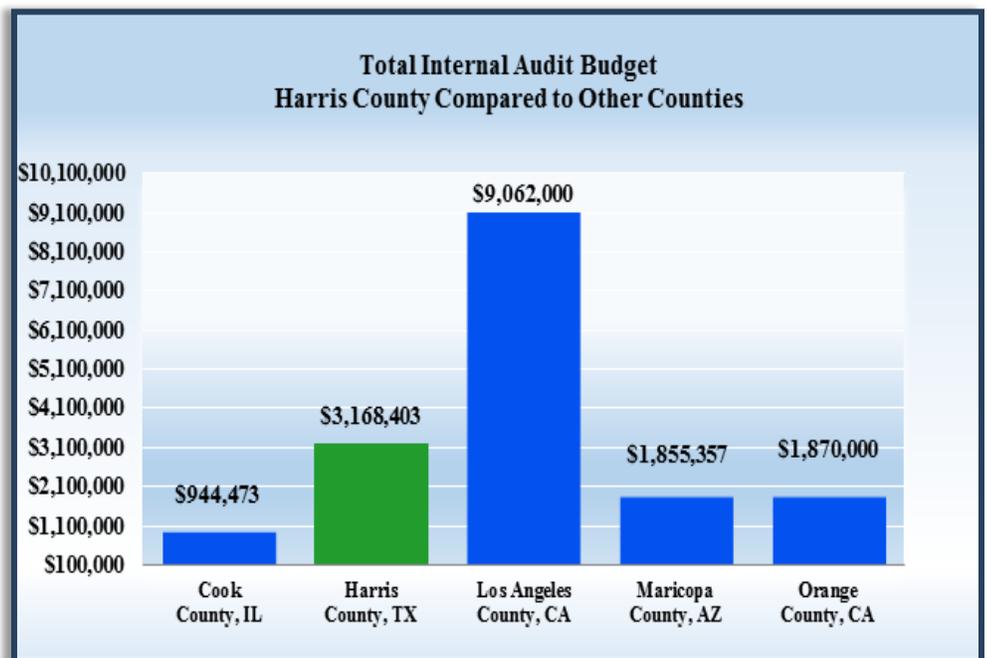
Total County Population

Harris County's population compared to other large counties in the most recent completed fiscal year.



Total Internal Audit Budget

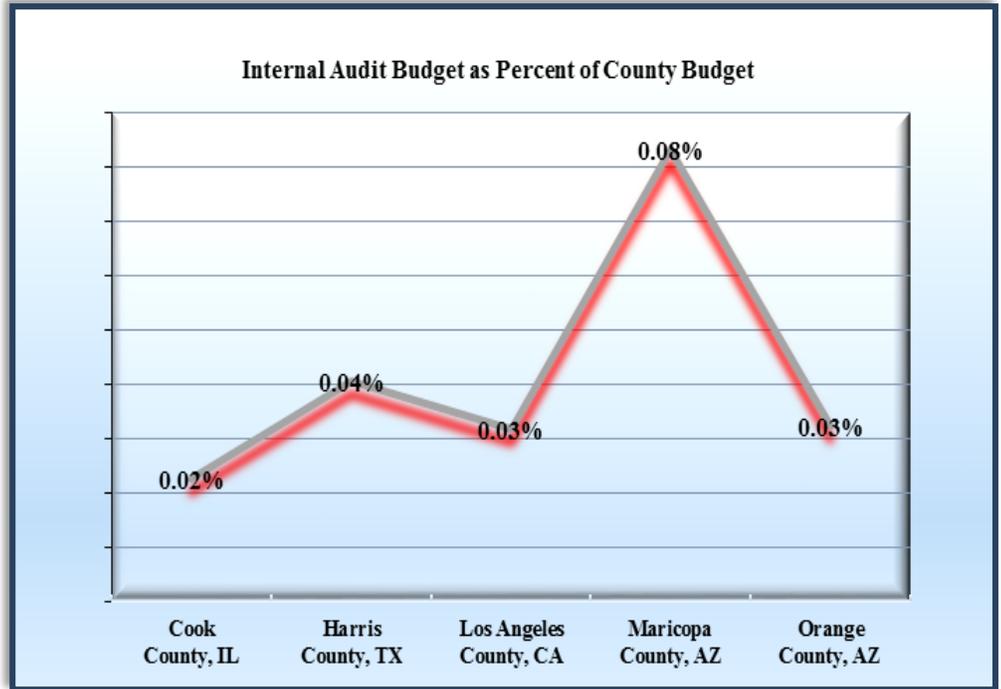
Harris County's Internal Audit budget compared to other large counties in the most recent completed fiscal year. Harris Health System budget is not included in totals, as Harris Health System's budget is reimbursed by Harris Health System and is not an actual cost to Harris County.



HARRIS COUNTY AUDIT SERVICES STATISTICS (CONTINUED)

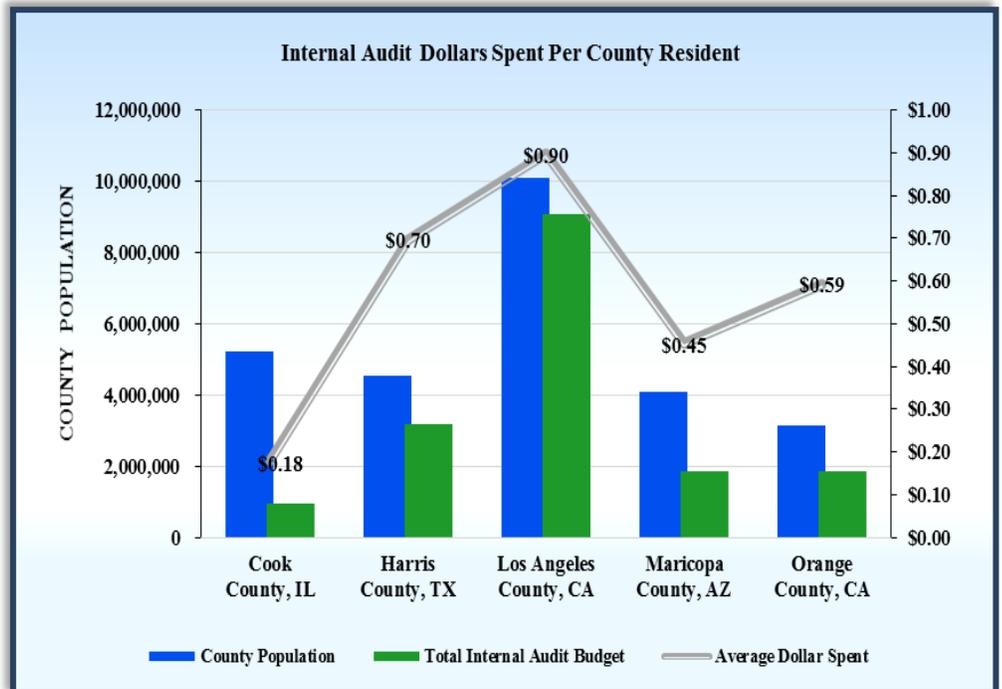
Internal Audit Budget as Percent of Total County Budget

The graph presents the Internal Audit budget as a percent of total County Budget. Harris County is 0.04% which is the average of other large counties.



Internal Audit Dollars Spent per County Resident

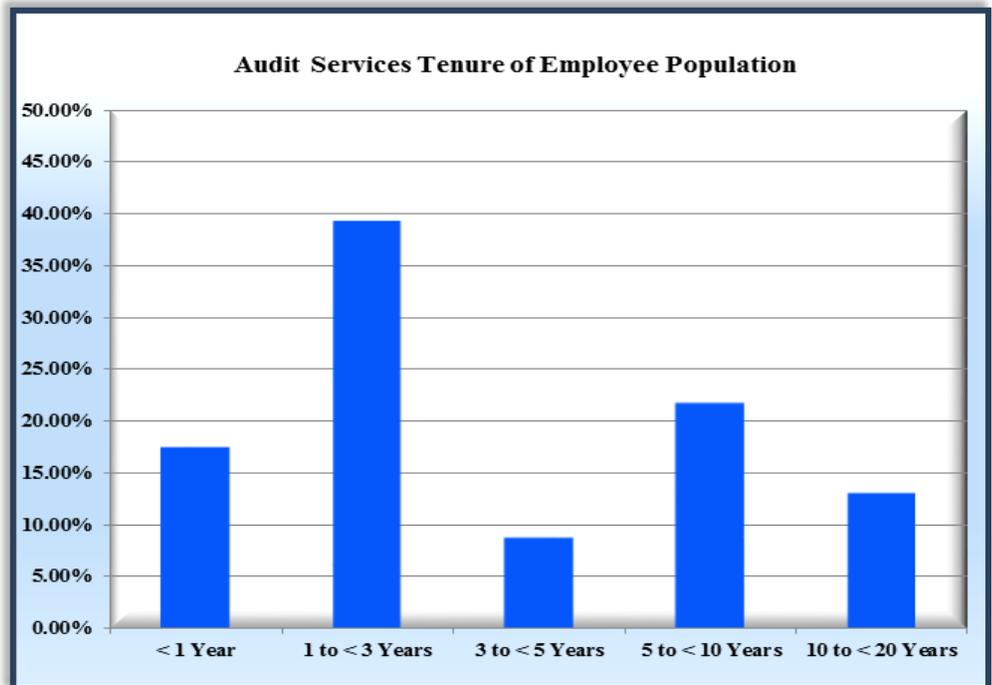
Harris County spent 70¢ per resident on Internal Audit in the most recent completed fiscal year.



HARRIS COUNTY AUDIT SERVICES STATISTICS (CONTINUED)

Audit Services Tenure of Employee Population

The chart presents the tenure of staffing in Harris County Audit Services. One may conclude that more experienced staff are capable of completing more complex engagements with greater efficiency and are more knowledgeable of the County business while conversely newer less tenured staff require much more supervision, training, and are likely to require assignment to easy or moderately complex engagements.



Employee Certifications and Advanced Degrees

A distinguishing mark of professionalism is licensure and/or certification. Approximately 57% of our staff have achieved licensure/certification. Interestingly, 39% of our staff have multiple certifications and 35% of the staff have advanced degrees. Lastly, 30% are Certified Public Accountants (CPAs).

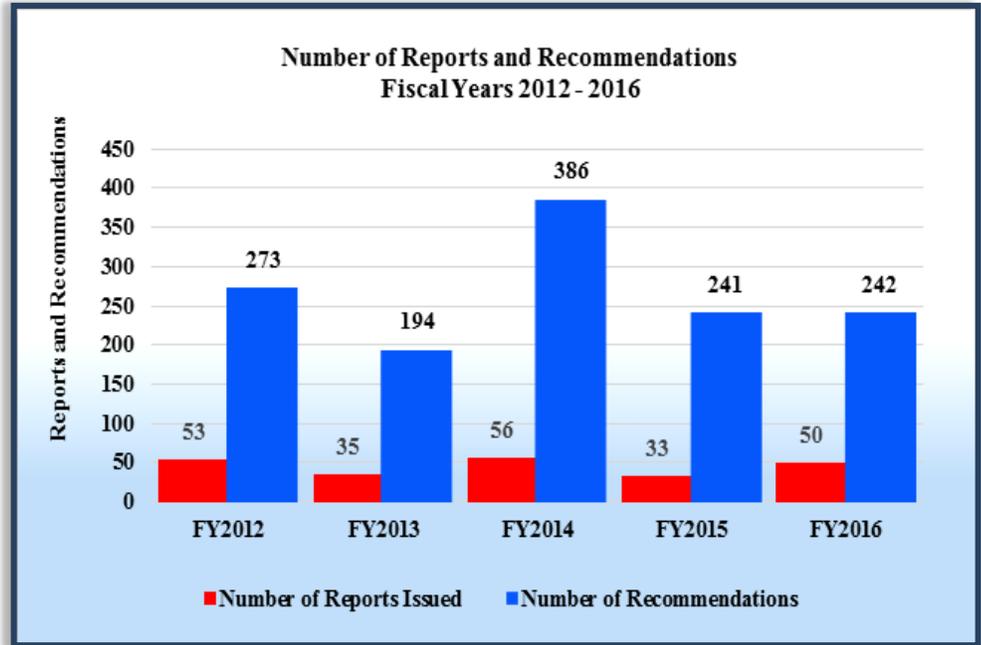
Number of Certifications/Licenses	
Certified Public Accountant (CPA)	7
Certified Internal Auditor (CIA)	5
Certified Information Systems Auditor (CISA)	4
Certified in Risk and Information Systems Control (CRISC)	3
Charter Global Management Accountant (CGMA)	2
Certified Internal Controls Auditor (CICA)	2
Certified Construction Auditor (CCA)	1
Certified Fraud Examiner (CFE)	1
Certified in Risk Management Assurance (CRMA)	1
Certified in Control Self-Assessment (CCSA)	1
Number of Advanced Degrees	
Master of Science Accounting	3
Master of Business Administration	2
Master of Public Administration	1
Master of Accountancy	1
Master of Healthcare Administration	1

HARRIS COUNTY AUDIT SERVICES STATISTICS (CONTINUED)

Number of Reports and Recommendations

We make recommendations that improve efficiency, and effectiveness of the internal control environment.

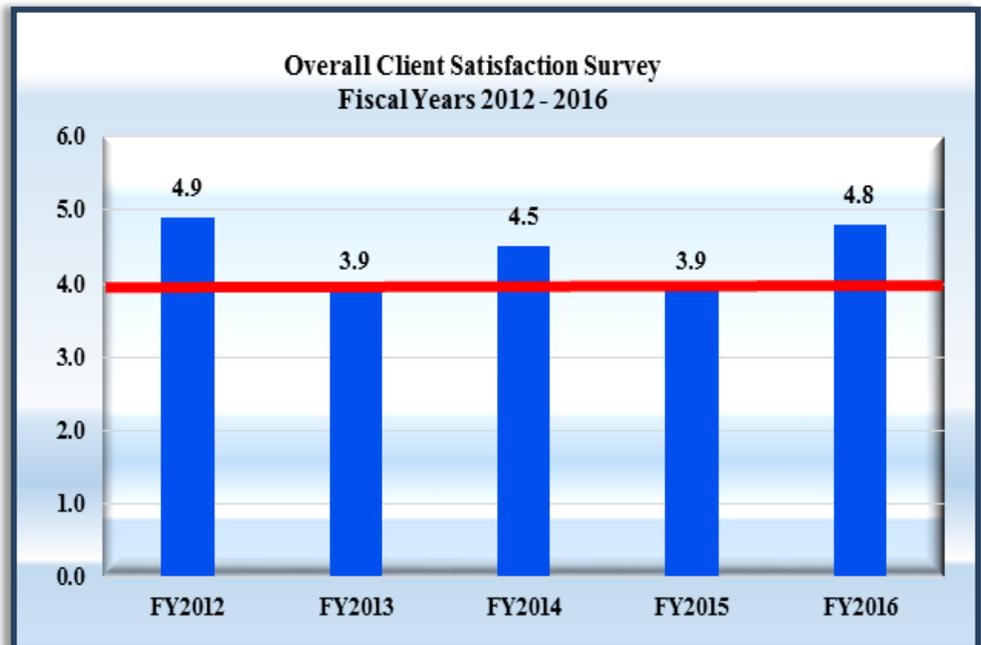
The chart presents a large number of reports and recommendations to improve the internal control environment that are identified consistently over the five year period. This large number of opportunities for improving internal controls demonstrates the audit engagements are targeting the right areas. This reduces business risks to the County.



Client Survey Satisfaction Scores

We send Client Satisfaction Surveys to all officials where the engagement is 200 hours or more. The chart presents that more than half of the time our results occasionally exceeds expectation. Our goal is to achieve a 4.0 or higher as per our rating table:

- Excellent = 6
- Frequently Exceeds Expectations = 5
- Occasionally Exceeds Expectations = 4
- Meets Expectations = 3
- Needs Improvement = 2
- Unsatisfactory = 1



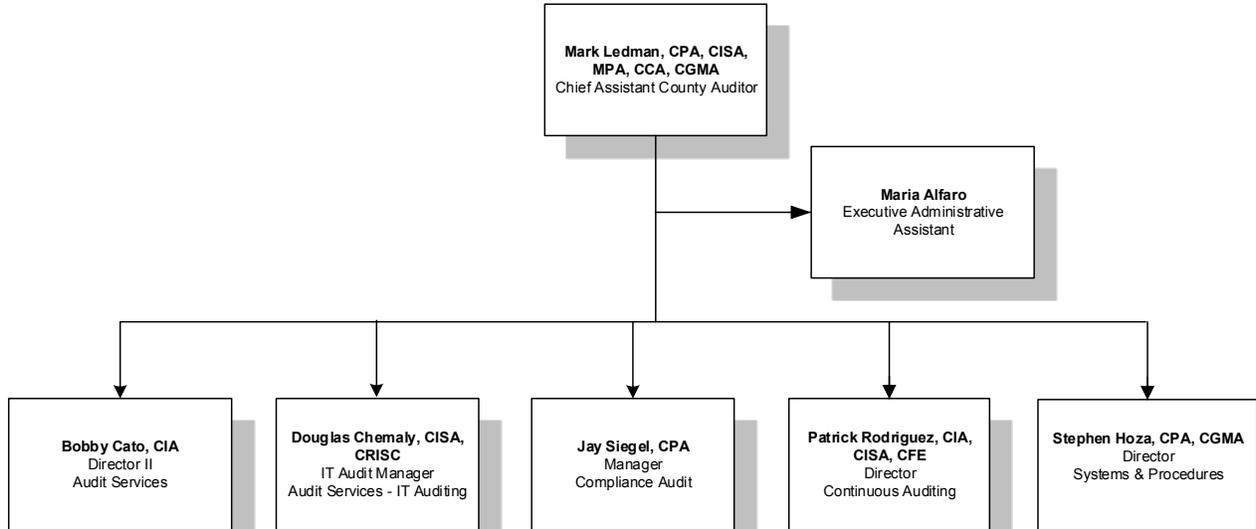
AUDIT SERVICES ORGANIZATION CHART

Harris County Auditor's Office



ORGANIZATION CHART Audit Division

6/16



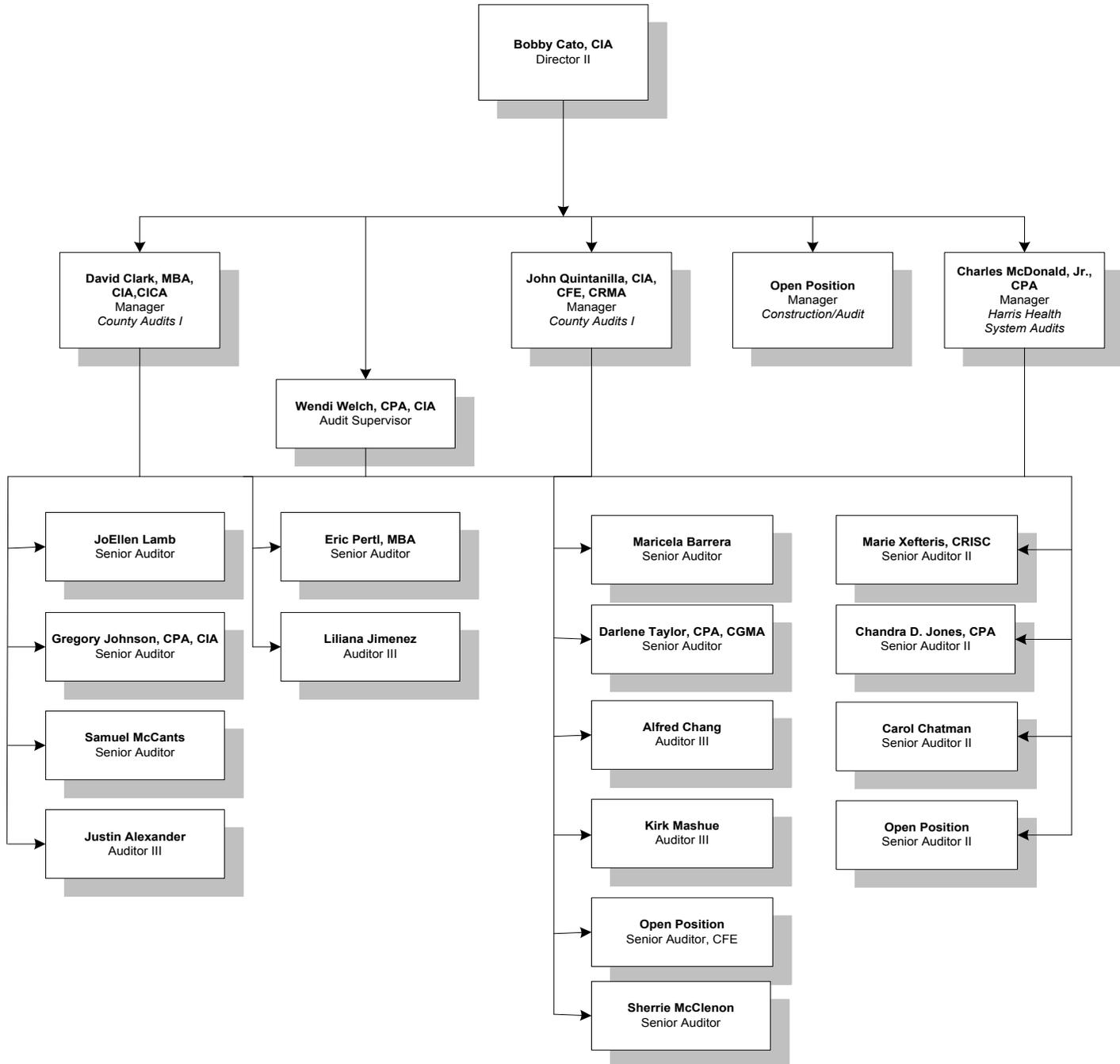
AUDIT SERVICES ORGANIZATION CHART

Harris County Auditor's Office



ORGANIZATION CHART Audit Services

6/16



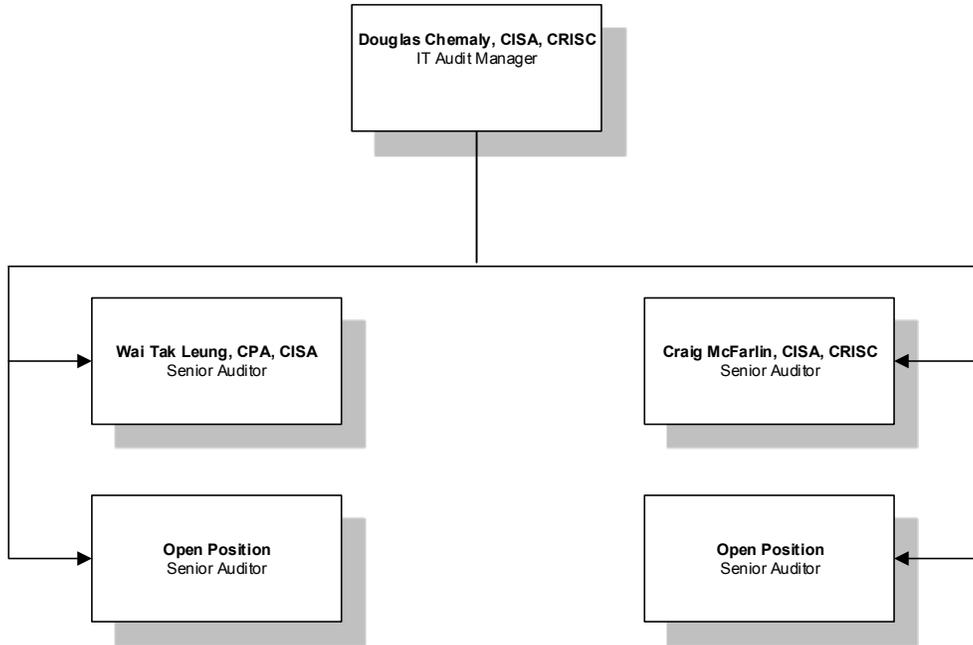
AUDIT SERVICES – IT AUDITING ORGANIZATION CHART



Harris County Auditor's Office

ORGANIZATION CHART Audit Services - IT Auditing

6/16



ABOUT THE AUDIT SERVICES DEPARTMENT

The Audit Services Department (Department) is an independent objective assurance and consulting activity designed to add value and improve the financial controls and operations, when allowed pursuant to State statutes.

The Department performs engagements relative to elected and appointed County officials, external entities, quasi-governmental organizations, financial processes, and general ledger account balances. Engagements are selected for inclusion in the annual audit plan based upon the perceived level of inherent and control risk posed to the County.

The Department is a progressive, innovative, goal-oriented department dedicated to: assisting the County and Applicable Quasi-Governmental Entities (*Harris County, Harris County Flood Control District, Harris County Hospital District {dba Harris Health System}, Harris County Toll Road Authority, Harris County Sports and Convention Corporation, Harris County Community Supervisions and Corrections, Harris County Juvenile Probation Department, Port of Houston Authority, Federal and State Grant Sub-recipients, and Other entities that may become appropriate as a result of statutory changes and/or circumstances will be incorporated*) officials, management and the various Boards, with the effective discharge of their fiscal responsibilities, utilizing innovative techniques to achieve the County Auditor's statutory and contractual audit responsibilities; providing the Department employees with the tools and resources to accomplish their responsibilities, assisting the Department employees in achieving their professional goals and providing an example to our clients and their employees.

AUDIT SERVICES' OBJECTIVES



To assist County management with the effective discharge of their financial responsibilities.



To minimize the County's exposure to loss and to safeguard public assets.



To ensure compliance with applicable policies, laws and regulations.

AUDIT FOCUS



Financial and internal controls



Critical internal controls



Identify the control gaps (weaknesses)



Test the critical controls (strengths)



Work with the client to develop adequate controls to reduce risk



Report issues, recommendations and management responses

THE AUDIT PROCESS

Planning Phase

Includes obtaining general information about the activities to be reviewed. During this phase we will be interviewing key personnel to become familiar with financial activities and controls. We will also take a tour of the department or facility to become familiar with the financial processes. We may ask to observe some key functions or activities.

Tasks:

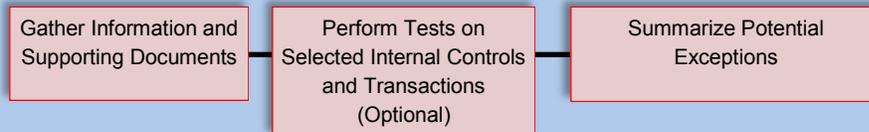


Documents:

Fieldwork Phase

Fieldwork includes gathering, testing and evaluating information. Staff and Senior auditors perform the fieldwork procedures. Audit Managers and the Director review the results prior to submitting a report draft to the Chief Assistant County Auditor for approval.

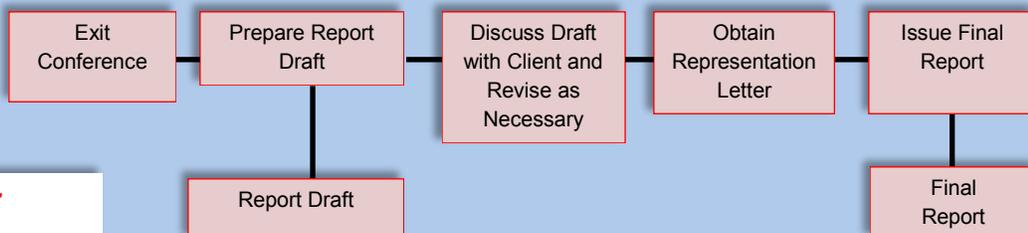
Tasks:



Reporting Phase

You will receive a draft report and will have the opportunity to make comments and suggestions before the final report is issued. A final report is distributed to you and to various County officials.

Tasks:



Documents:

AUDIT SERVICES DEPARTMENT
AUDITOR'S REPORTS ISSUED
FISCAL YEAR 2016
(March 1, 2015 to February 29, 2016)

Presented in the following pages is an executive summary of the 50 Audit Reports issued during Fiscal Year 2016. The title of the report, the date the report was issued, the objective of the engagement and a brief conclusion (results) is presented for each report. The complete reports are located in the Harris County Auditor's Office District Judges Portal.

1. Texas County and District Retirement System for the 12 month period ended December 31, 2014 – Issued 3/6/15

Objective: The objective of the engagement was to issue a letter to TCDRS on whether the monthly retirement contribution reporting to TCDRS is complete to fulfill the County's individual financial reporting responsibilities for the pension plan for the 12 month period ended December 31, 2014.

Results: Based on the procedures performed covering the TCDRS monthly certifications for the 12 month period ended December 31, 2014, it appears that all qualified employees are enrolled and the deposit reporting for the employees is materially accurate and complete. As such, a letter confirming this was sent to TCDRS on March 6, 2015, as requested. The report can be reviewed in detail in the full report located on the District Judges Portal.

2. Public Infrastructure Department Major Building and Quality Control Progress Approval and Invoice Payment for the 12 month period ending May 31, 2014 – Issued 3/6/15

Objective: The objective of the engagement was to evaluate controls for reviewing and approving contractor invoices and supporting documentation for the 12 month period ending May 31, 2014.

Results: Based on the procedures performed during the testing of construction projects for the Major Building Construction and Quality Control Sections, the controls relative to the progress review and approval processes in its current state need improvement to strengthen the control environment. Matters related to *Formal Written Policies and Procedures, Supporting Documentation, and the Project Management Tracking System* were identified and can be reviewed in the full report located on the District Judges Portal.

3. Auditor's Office Payroll 2015 Tax Table Update – Issued 3/20/15

Objective: The objective of the engagement was to determine whether the controls of this project are adequate, and that acceptance testing by the Central Technology Services and the Auditor's Office Payroll (Payroll) provides assurance that the Payroll Tax Table Update Project is properly implemented.

Results: Based on the procedures performed, it appears that the controls related to this project were adequate, and the acceptance testing performed by Central Technology Services and Payroll provides assurance that the Payroll Tax Table Update Project was properly implemented. The report can be reviewed in detail in the full report located on the District Judges Portal.

AUDITOR'S REPORTS ISSUED (CONTINUED)

4. *Financial Management Investment Procedures Third Quarter Fiscal Year 2015 – Issued 4/10/15*

Objective: In accordance with Texas Local Government Code §115.003(b) and Texas Government Code §2257.061, the Audit Services Department performed a review of investments managed by the Financial Management Section pursuant to the Investment Policy approved on February 11, 2014 (Policy), for the 3rd Quarter of Fiscal Year 2015.

Results: Based on the procedures performed covering investment transactions occurring during the 3rd Quarter of Fiscal Year 2015, it was determined that Financial Management complied with the County's Investment Policy and/or statute requirements for maturity restrictions, competitive bidding, authorized investment types, collateral, annual investment officer training, conflicts of interest disclosures, authorizations over new Financial Institutions, Finance Committee meeting requirements, and the Quarterly Investment Report. No issues were identified during testing. The report can be reviewed in detail in the full report located on the District Judges Portal.

5. *Cypresswood Golf Course Concession Agreement for the 24 Month Period Ended June 30, 2014 – Issued 4/17/15*

Objective: The purpose of the engagement was to evaluate controls for collecting and recording annual payments from the Cypresswood Golf Club, and to evaluate the compliance with the requirements of the Agreement for the 24 Month Period Ended June 30, 2014.

Results: Based on procedures performed on the Agreement during the 24 month period ended June 30, 2014, it appears that the County's Special Revenue Fund was in compliance with Local Government Code §331.006. Additionally, it appears that the fees/prices charged by the Concessionaire were not higher than the maximum fees/prices that were authorized by Commissioners Court on September 12, 2000, and the controls for recording annual payments received appeared to be effective. Matters related to the *Calculation of the 2013 Annual Payment, Percentage of Gross Receipts Due to the County, Minimum Annual Payments, Right to Audit Clause, and Review of the Concessionaire's Insurance Certificates*, were identified and can be reviewed in detail in the full report located on the District Judges Portal.

6. *Harris Health System Radiology Charge Capture – Issued 4/30/15*

Objective: The objective of the engagement was to evaluate critical controls for charging for selected procedures provided through the Radiology Department for the 3 month period ended May 31, 2014.

Results: Based on the procedures performed, critical controls for charging for radiology procedures appear adequate. Automated controls in Radiant ensure that the charges for radiology procedures are recorded to patients' accounts and are accurate. Automated controls also ensure physician orders exist for radiology procedures performed. Matters related to *Establishing Work Queue Rules, Deactivating System Access, and Recording Charges for Ultrasound Procedures* were identified and can be reviewed in the full report located on the District Judges Portal.

AUDITOR'S REPORTS ISSUED (CONTINUED)

7. *Sheriff's Office Alarm Tracking and Billing System (Cry Wolf) Implementation - January 5, 2015, Implementation – Issued 5/1/15*

Objective: The objective of the engagement was to determine whether acceptance testing by the Central Technology Services (Central Technology Services) and the Harris County Sheriff's Office (HCSO) provides assurance that the new Cry Wolf system was properly implemented to replace the legacy False Alarm Reduction System (FARS).

Results: Based on the procedures performed, Cry Wolf's interface to County's Financial Records is in compliance with Harris County Accounting Procedures O.15, New System Interfaces to County's Financial Records, and O.15-1, Internal Financial Systems. In addition, Cry Wolf has the ability to restrict access of users and customers to the correct modules and functions as required. Critical application functions were adequately tested with results supported by the documentation. Matters related to the *Existence of a Data Migration Plan within the overall Implementation Plan* and *Historical Data Conversion* were identified and can be reviewed in detail in the full report located on the District Judges Portal.

8. *Constable Precinct 6 Victor Trevino Closeout Procedures – Issued 5/8/15*

Objective: The objective of this engagement was to perform procedures as of November 3, 2014, and in accordance with the Harris County Road Law upon the death, resignation or retirement of any officer or employee, the Auditor shall require an accounting of all property of every kind of the County or its political subdivisions of which he has custody, possession, control or supervision, and shall not approve the payment of any sums to such officer or employee or his estate until such accounting is made.

Results: Based upon the procedures performed the Office appears to have materially complied with the provisions of the Harris County Road Law. In addition, EZ tags assigned to the Office are adequately controlled and properly affixed to the Office's vehicles, and lease and concession agreements were timely remitted and accurately recorded in County's Financial Records. Matters related to *Items Missing from the Property Room*, *Firearms Not Recorded in the Property Room Inventory Listing*, and *Secondary Employment*, among others were identified and can be reviewed in detail in the full report located on the District Judges Portal.

9. *County Clerk Registry Funds for the 12 month period ended 2/28/2014 – Issued 5/22/15*

Objective: The objective of the engagement was to obtain an understanding and document the critical system and financial controls relative to the recording, disbursing, and escheating of the County Clerk's Registry Funds, as well as compliance with state statutes and Harris County accounting procedures for the 12 month period ended February 28, 2014.

Results: Based on the procedures performed, it appears that adequate controls exist to ensure proper disbursing, escheating, allocation of accrued interest, withholdings remittances, independent auditor's report, and outside County Depositories. Matters related to *Reconciling the Court Registry System to the County's Financial Records*, the *Registry Fund Receipting Process*, and *Disaster Recovery*, among others need improvement and can be reviewed in detail in the full report located on the District Judges Portal.

AUDITOR'S REPORTS ISSUED (CONTINUED)

10. Single Audit Desk Review Procedures for the 6 Month Period Ended February 28, 2015 – Issued 6/12/15

Objective: To verify that the requirements of the Single Audit Act of 1984, as amended in 1996, related to monitoring grant sub-recipients and performing Uniform Desk Reviews are properly followed by grant recipients for the 6 month period ended February 28, 2015.

Results: We reviewed 12 Single Audit Reports, provided by the subrecipients, for a total of approximately \$17.1 million of federal and state financial assistance during the 6 month period ended February 28, 2015. Some subrecipients (although not required as their grant funds expended were less than the single audit threshold) also submitted their reports to us for review.

Based on the procedures performed, the grant funds that passed through the County and disclosed by the Independent CPA in the Single Audit Reports appeared to materially agree to the amounts recorded in County's Financial Records. However two of the Single Audit Reports contained material weaknesses. One of the two reports containing material weaknesses referred to segregation of duties and staff not having the technical expertise to prepare Financial Statements and related note disclosures in accordance with accounting principles promulgated by the Governmental Accounting Standards Board and to determine adjustments necessary to convert fund financial data to government wide financial data. These are common material weaknesses for small special purpose governments and while the cost of acquiring the technical expertise to comply with the financial reporting requirements may be cost prohibitive, management should carefully review the Financial Statements and adjustments prepared by the external auditor. The District staff also lack the technical expertise to prepare the SEFA, which is a reporting requirement associated with participation in federal grant programs. The other Auditor Report stated that it is common within the system of internal control for most small organizations, that the accounting function does not prepare the financial statements complete with footnotes in accordance with accounting principles generally accepted in the United States of America.

In conclusion, all of the Single Audit Desk Reviews were deemed acceptable, and a determination to cancel any of the contracts was not required. However, site visits will be conducted as deemed necessary. Reports can be reviewed in detail in the full report located on the District Judges Portal.

11. County Clerk's Cash Management System Interface with the County's Integrated Financial and Administrative Solution System – Issued 6/26/15

Objective: The objective of the engagement was to determine whether the departmental testing supports that the Cash Management System interface to County's Financial Records is in compliance with Harris County Accounting Procedures O.15, New System Interfaces to County's Financial Records, and O.15.1, Internal Financial Systems.

Results: Based upon the procedures performed relative to the acceptance testing performed by the Office and Revenue Accounting, it appears that information captured in the Office's Cash Management system is accurately passed through the interface to County's Financial Records and is in compliance with Harris County Accounting Procedures O.15, New System Interfaces to County's Financial Records, and O.15.1, Internal Financial Systems. The report can be reviewed in detail in the full report located on the District Judges Portal.

AUDITOR'S REPORTS ISSUED (CONTINUED)

12. *Harris Health System Insurance Verification and Follow-Up – Issued 7/31/15*

Objective: The objective of the engagement was to evaluate critical process controls for identifying available resources for payment of patient services for the 4 month period ended August 31, 2014.

Results: Based on procedures performed, the processes implemented by Patient Access Management and Patient Financial Services to ensure that Harris Health receives insurance payments available for services provided to patients are adequate. Matters related to *Confirming Insurance Discovered by eScan and Timely Updating the Patients' Accounts* were identified and can be reviewed in detail in the full report located on the District Judges Portal.

13. *Harris Health System Insurance Retiree Benefit Controls – Issued 7/31/15*

Objective: The objective of the engagement was to evaluate critical operational and financial controls for administration of retiree benefits for the 5 month period ended October 31, 2014.

Results: Based on procedures performed, the Benefits Department has established processes for informing retiring employees of retiree health benefits available to them and the related costs. Processes have also been established to access the Trustees' system and record health benefit costs to be deducted from retirees' monthly pension plan payments. Matters related to *Entering Data Into the Trustee's System, Verifying the Accuracy of Trustee Payments, Tracking Benefit Changes, Recording Retiree Benefit Elections, and Accurately Reporting Changes During Annual Enrollment*, among others were identified and can be reviewed in detail in the full report located on the District Judges Portal.

14. *Harris Health System Insurance Linen and Laundry Controls – Issued 7/31/15*

Objective: The objective of the engagement was to evaluate critical operational and financial controls for linen acquisition and laundry services for the 6 month period ended August 31, 2014.

Results: Based on planning procedures performed, certain critical controls should be improved to better manage risk and increase the likelihood of the achievement of linen and laundry services operational and financial goals. Matters related to *Performing Physical Inventories, Monitoring Linen and Laundry Utilization, Verifying Pounds of Clean Linen Received, and Reconciling Cleaning Pounds Delivered to Delivery Documents*, among others were identified and can be reviewed in detail in the full report located on the District Judges Portal.

15. *Review of Emergency Services Districts Annual Financial Report for the 12 month period ended July 31, 2015 – Issued 8/14/15*

Objective: The objective of the engagement was to review the District's compliance with Texas Health & Safety Code §775.082 as applicable for the 12 month period ended July 31, 2015.

Results: Based upon the procedures performed, the Emergency Service Districts (partially located in Harris County) materially complied Texas Health & Safety Code §775.082 for the 12 month period ended July 31, 2015. The report can be reviewed in detail in the full report located on the District Judges Portal.

AUDITOR'S REPORTS ISSUED (CONTINUED)

16. Constable 2 Seized and Forfeited for the 24 months ended February 28, 2015 – Issued 8/21/15

Objective: The objective of the engagement was to examine the seized and forfeited accounts and report the issues to Commissioners' Court in accordance with Local Government Code (L.G.C.) §115.0035 for the 24 month period ended February 28, 2015.

Results: Based on the procedures performed in accordance with L.G.C. §115.0035, Examination of Funds Collected by County Entity or the District Attorney, no matters came to our attention that caused us to believe that the accounts associated with the special funds for state forfeited assets are materially misstated. The report can be reviewed in detail in the full report located on the District Judges Portal.

17. Constable 3 Seized and Forfeited for the 24 months ended February 28, 2015 – Issued 8/21/15

Objective: The objective of the engagement was to examine the seized and forfeited accounts and report the issues to Commissioners' Court in accordance with Local Government Code (L.G.C.) §115.0035 for the 24 months ended February 28, 2015.

Results: Based on the procedures performed in accordance with L.G.C. §115.0035, Examination of Funds Collected by County Entity or the District Attorney, no matters came to our attention that caused us to believe that the accounts associated with the special funds for state forfeited assets are materially misstated. The report can be reviewed in detail in the full report located on the District Judges Portal.

18. Constable 4 Seized and Forfeited for the 24 months ended February 28, 2015 – Issued 8/21/15

Objective: The objective of the engagement was to examine the seized and forfeited accounts and report the issues to Commissioners' Court in accordance with Local Government Code (L.G.C.) §115.0035 for the 24 month period ended February 28, 2015.

Results: Based on the procedures performed in accordance with L.G.C. §115.0035, Examination of Funds Collected by County Entity or the District Attorney, no matters came to our attention that caused us to believe that the accounts associated with the special funds for state forfeited assets are materially misstated. The report can be reviewed in detail in the full report located on the District Judges Portal.

19. Constable 5 Seized and Forfeited for the 24 months ended February 28, 2015 – Issued 8/21/15

Objective: The objective of the engagement was to examine the seized and forfeited accounts and report the issues to Commissioners' Court in accordance with Local Government Code (L.G.C.) §115.0035 for the 24 month period ended February 28, 2015.

Results: Based on the procedures performed in accordance with L.G.C. §115.0035, Examination of Funds Collected by County Entity or the District Attorney, no matters came to our attention that caused us to believe that the accounts associated with the special funds for state forfeited assets are materially misstated. The report can be reviewed in detail in the full report located on the District Judges Portal.

AUDITOR'S REPORTS ISSUED (CONTINUED)

20. Constable 6 Seized and Forfeited for the 24 months ended February 28, 2015 – Issued 8/21/15

Objective: The objective of the engagement was to examine the seized and forfeited accounts and report the issues to Commissioners' Court in accordance with Local Government Code (L.G.C.) §115.0035 for the 24 month period ended February 28, 2015.

Results: Based on the procedures performed in accordance with L.G.C. §115.0035, Examination of Funds Collected by County Entity or the District Attorney, no matters came to our attention that caused us to believe that the accounts associated with the special funds for state forfeited assets are materially misstated. The report can be reviewed in detail in the full report located on the District Judges Portal.

21. Constable 7 Seized and Forfeited for the 24 months ended February 28, 2015 – Issued 8/21/15

Objective: The objective of the engagement was to examine the seized and forfeited accounts and report the issues to Commissioners' Court in accordance with Local Government Code (L.G.C.) §115.0035 for the 24 month period ended February 28, 2015.

Results: Based on the procedures performed in accordance with L.G.C. §115.0035, Examination of Funds Collected by County Entity or the District Attorney, no matters came to our attention that caused us to believe that the accounts associated with the special funds for state forfeited assets are materially misstated. The report can be reviewed in detail in the full report located on the District Judges Portal.

22. Constable 8 Seized and Forfeited for the 24 months ended February 28, 2015 – Issued 8/21/15

Objective: The objective of the engagement was to examine the seized and forfeited accounts and report the issues to Commissioners' Court in accordance with Local Government Code (L.G.C.) §115.0035 for the 24 month period ended February 28, 2015.

Results: Based on the procedures performed in accordance with L.G.C. §115.0035, Examination of Funds Collected by County Entity or the District Attorney, no matters came to our attention that caused us to believe that the accounts associated with the special funds for state forfeited assets are materially misstated. The report can be reviewed in detail in the full report located on the District Judges Portal.

23. Fire Marshal's Seized and Forfeited for the 24 months ended February 28, 2015 – Issued 8/21/15

Objective: The objective of the engagement was to examine the seized and forfeited accounts and report the issues to Commissioners' Court in accordance with Local Government Code (L.G.C.) §115.0035 for the 24 month period ended February 28, 2015.

Results: Based on the procedures performed in accordance with L.G.C. §115.0035, Examination of Funds Collected by County Entity or the District Attorney, no matters came to our attention that caused us to believe that the accounts associated with the special funds for state forfeited assets are materially misstated. The report can be reviewed in detail in the full report located on the District Judges Portal.

AUDITOR'S REPORTS ISSUED (CONTINUED)

24. County Attorney's Seized and Forfeited for the 24 months ended February 28, 2015 – Issued 8/21/15

Objective: The objective of the engagement was to examine the seized and forfeited accounts and report the issues to Commissioners' Court in accordance with Local Government Code (L.G.C.) §115.0035 for the 24 month period ended February 28, 2015.

Results: Based on the procedures performed in accordance with L.G.C. §115.0035, Examination of Funds Collected by County Entity or the District Attorney, no matters came to our attention that caused us to believe that the accounts associated with the special funds for state forfeited assets are materially misstated. The report can be reviewed in detail in the full report located on the District Judges Portal.

25. Financial Management Investment Procedures 4th Quarter Fiscal Year 2015 – Issued 8/21/15

Objective: In accordance with Texas Local Government Code §115.003(b) and Texas Government Code §2257.061, the Audit Services Department performed a review of investments managed by the Financial Management Section pursuant to the Investment Policy approved on February 11, 2014 (Policy), for the 4th Quarter of Fiscal Year 2015.

Results: Based on the procedures performed covering investment transactions occurring during the 4th Quarter of Fiscal Year 2015, it was determined that Financial Management complied with the County's Investment Policy and/or statute requirements for maturity restrictions, competitive bidding, authorized investment types, collateral, annual investment officer training, conflicts of interest disclosures, authorizations over new Financial Institutions, Finance Committee meeting requirements, and the Quarterly Investment Report. No issues were identified during testing. The report can be reviewed in detail in the full report located on the District Judges Portal.

26. District Attorney State and Federal Seized and Forfeited for the 12 months ended August 31, 2014 – Issued 9/4/15

Objective: The objective of the engagement was to examine the seized and forfeited accounts and report the issues to Commissioners' Court in accordance with Local Government Code (L.G.C.) §115.0035 for the 12 months ended August 31, 2014.

Results: Based on the procedures performed in accordance with L.G.C. §115.0035, "Examination of Funds Collected by County Entity or the District Attorney", no matters came to our attention that caused us to believe that the accounts associated with the special funds for state and federal forfeited assets are materially misstated. The report can be reviewed in detail in the full report located on the District Judges Portal.

27. Clear Creek Golf Course Revenue Contract Commissioner Precinct 1 for the 26 month period ended June 30, 2014 – Issued 9/4/15

Objective: The objective of the engagement was to evaluate controls for collecting and recording annual payments from CLP Clear Creek Golf, LLC, which was formerly CNL Income Clear Creek, LLC (Concessionaire) and to evaluate the compliance with the requirements of the Agreement for the 26 month period ended June 30, 2014.

Results: Based on the procedures performed during the testing of the Clear Creek Golf Course Revenue Contract engagement, controls over compliance with the Agreement need improvement. Matters related to *Authorized Minimum Fees, Financial Statements, and Complimentary Green Fee Documentation*, among others were identified and can be reviewed in detail in the full report located on the District Judges Portal.

AUDITOR'S REPORTS ISSUED (CONTINUED)

28. *Sheriff's Office Seized and Forfeited for the 24 months ended February 28, 2015 – Issued 9/11/15*

Objective: The objective of the engagement was to examine the seized and forfeited accounts and report the issues to Commissioners' Court in accordance with Local Government Code L.G.C. §115.0035 for the 24 months ended February 28, 2015.

Results: Based on the procedures performed in accordance with L.G.C. §115.0035, Examination of Funds Collected by County Entity or the District Attorney, no matters came to our attention that caused us to believe that the accounts associated with the special funds for forfeited assets are materially misstated. The report detailing the results can be found on the District Judges Portal.

29. *JP 8-1 Deposit Review for June 23, 2015 – Issued 9/11/15*

Objective: Audit Services was requested by the Office to assist in determining whether there was \$1,100.00 cash missing from the deposit prepared on June 23, 2015.

Results: Based on the procedures performed on the JP 8-1 Deposit Review for June 23, 2015, the office appeared to possess the correct amount of cash at the time of the deposit preparation. Matters related to *Bank Deposit Preparation, Bank Deposit Review and Verification, and Safeguarding Change Funds* were identified and can be reviewed in detail in the full report located on the District Judges Portal.

30. *Sheriff's Office Bank Accounts, Petty Cash and Change Funds for the 12 Month Period Ended June 30, 2014 – Issued 9/11/15*

Objective: The objective of the engagement was to evaluate compliance with the County's Accounting Procedures for the 12 month period ended June 30, 2014.

Results: Based on the procedures performed covering the Sheriff's Office's bank accounts and petty cash funds for the 12 Month period ended June 30, 2014, the Sheriff's Office is not in compliance with certain County Accounting Procedures and/or state statutes as explained in the body of the report. Matters related to *Policies and Procedures, Segregation of Duties, Travel Bank Account Petty Cash Fund*, among others were identified and can be reviewed in detail in the full report located on the District Judges Portal.

31. *Central Technology Services Annual Disaster Recovery Exercise– Issued 9/11/15*

Objective: The purpose of the engagement was to evaluate whether Central Technology Services' Disaster Recovery procedures were properly executed during the week of June 1, 2015 to ensure the ability to resume operations of the County's Financial Accounting System's operating systems, applications, and databases in the event of a disaster.

Results: Based on the procedures performed in accordance with L.G.C. §115.0035, "Examination of Funds Collected by County Entity or the District Attorney", no matters came to our attention that caused us to believe that the accounts associated with the special funds for state and federal forfeited assets are materially misstated. The report detailing the results can be found on the District Judges Portal.

AUDITOR'S REPORTS ISSUED (CONTINUED)

32. *Single Audit Desk Review Procedures For The 6 Month Period Ended August 31, 2015 – Issued 10/9/15*

Objective: To verify that the requirements of the Single Audit Act of 1984, as amended in 1996, related to monitoring grant sub-recipients and performing Uniform Desk Reviews are properly followed by grant recipients for the 6 month period ended August 31, 2015.

Results: We reviewed thirteen Single Audit Reports, provided by the subrecipients, for a total of approximately \$14.9 million of federal financial assistance during the 6 month period ended August 31, 2015. Some subrecipients (although not required as their grant funds expended were less than the single audit threshold) also submitted their reports to us for review.

Based on the procedures performed, the grant funds that passed through the County and disclosed by the Independent CPA in the Single Audit Reports appeared to materially agree to the amounts recorded in County's Financial Records. However one of the Single Audit Reports contained a material weakness related to Categorical Assistance Progress reports not being reviewed by anyone other than the preparer prior to being submitted to the grantor agency.

In conclusion, all of the Single Audit Desk Reviews were deemed acceptable, and a determination to cancel any of the contracts was not required. However, site visits will be conducted as deemed necessary. Reports can be reviewed in detail in the full report located on the District Judges Portal.

33. *District Clerk Registry Funds For the 12 Month Period Ended February 28, 2014 – Issued 10/9/15*

Objective: The objective of the engagement was to obtain an understanding and document the critical system and financial controls relative to the recording, disbursing, and escheating of the Office's Registry Funds and to review compliance with Local Government Code (LGC) Chapter 117 and Harris County accounting procedures for the 12 month period ended February 28, 2014.

Results: Based on the procedures performed, it appears that adequate controls exist to ensure sufficient protection from unauthorized access of computer resources, proper processing of voids and adjustments, and the accuracy of the investment service calculation and allocation of interest earned. Matters related to *System Reconciliation, Civil Intake Deposits, and Disaster Recovery Procedures/Business Continuity Processes*, among others were identified and can be reviewed in detail in the full report located on the District Judges Portal.

34. *Sheriff's Jail Commissary for the 12 month period ended February 28, 2014 – Issued 10/16/15*

Objective: The objective of the engagement was to examine the Commissary accounts for the 12 month period ended February 28, 2014, and pursuant to Texas Local Government Code (LGC) §351.0415(d), evaluate, on a test basis, compliance with the provisions established by LGC §351.0415(b)(3) and 351.0415(c), and report the results to the Harris County Commissioners Court and the Texas Commission on Jail Standards in accordance with Texas Government Code (TGC) §511.016(a).

Results: Based upon the procedures performed, no matters came to our attention that would cause us to believe that the Commissary accounts were not maintained in compliance with the statutes. However, matters related to *Terminated/Transferred Employee Access, Incomplete Account Request Forms, Log Review Process, and the Transparency of QuickBooks Transactions*, among others were identified and can be reviewed in detail in the full report located on the District Judges Portal.

AUDITOR'S REPORTS ISSUED (CONTINUED)

35. *Harris Health System Community Health Center Collections Follow-up – Issued 10/29/15*

Objective: The objective of the engagement was to evaluate the progress Harris Health System (Harris Health) has made implementing material recommendations reported to you in the Auditor's Report for Harris Health System Community Health Center Collections, dated June 27, 2013 (Clinic Collections Engagement).

Results: Based on the procedures performed, the status of implementing material recommendations that were reported in the Clinic Collections Engagement were all complete with the exception of two items. These two items are related to *Inappropriate Physical Access and Security Cameras* and can be reviewed in detail in the full report located on the District Judges Portal.

36. *Harris Health System Dietary Cash Collections – Issued 10/29/15*

Objective: The objective of the engagement was to obtain an understanding and document the critical system and financial controls relative to the recording, disbursing, and escheating of the Office's Registry Funds and to review compliance with Local Government Code (LGC) Chapter 117 and Harris County accounting procedures for the 12 month period ended February 28, 2014.

Results: Based on the procedures performed, it appears that adequate controls exist to ensure sufficient protection from unauthorized access of computer resources, proper processing of voids and adjustments, and the accuracy of the investment service calculation and allocation of interest earned. Matters related to *System Reconciliation, Civil Intake Deposits, and Disaster Recovery Procedures/Business Continuity Processes*, among others were identified and can be reviewed in detail in the full report located on the District Judges Portal.

37. *Harris Health System Investment Procedures – Issued 10/29/15*

Objective: In accordance with Local Government Code §115.003(b) and Government Code §2257.061, the Audit Services Department performed procedures for investments managed by the Harris Health System (Harris Health) and the Financial Management Section (Financial Management) of the Harris County Budget Management Department, pursuant to the Harris Health Investment Policies effective during the 9 month period ended November 30, 2014.

Results: Based on procedures performed for investments managed by Harris Health and Financial Management pursuant to the Public Funds Investment Act, the Public Funds Collateral Act, and Policies that were in place during the 9 months ended November 30, 2014, controls should be improved. Matters related to *Obtaining Certifications from Broker/Dealers, Board of Managers Reviewing Harris Health's Investment Policy and Strategy, Investment Officer Training, and Investment Controls* were identified and can be reviewed in detail in the full report located on the District Judges Portal.

38. *Auditor's Office Payroll Final Benefit Calculation – Issued 10/30/15*

Objective: The objective of the engagement was to evaluate whether the final benefit calculation programmed in the County's Financial Records system by Central Technology Services (Central Technology Services) for terminated and/or transferred employees was adequately tested and accurately re-calculated by Payroll Department Personnel (Payroll) prior to being placed into production.

AUDITOR'S REPORTS ISSUED (CONTINUED)

Results: Based on the procedures performed the test plan appeared reasonable as it included scenarios on employees from different departments, employment status (exempt or non-exempt), and their applicable overtime pay and overtime rates taking into consideration any applicable pay incentives (e.g. longevity, bilingual, etc.). Testing appeared complete and Payroll Management reviewed and approved testing results. In addition, Audit Services re-performed the calculation of final benefits for employees tested by Payroll without exception. The report can be reviewed in detail in the full report located on the District Judges Portal.

39. PID ePermits System Upgrade Project – Issued 10/30/15

Objective: The objective of the engagement was to determine compliance with Harris County Accounting Procedures O.15, New System Interfaces to County's Financial System and whether acceptance testing for a new system interface by the Central Technology Services (Central Technology Services) and the Permit Office of Harris County Engineering Department (Permit Office) provided assurance that the ePermits System Upgrade Project was properly implemented.

Results: Based on the procedures performed, ePermits' interface to County's Financial System is in compliance with Harris County Accounting Procedures O.15, New System Interfaces to County's Financial Records. In addition, ePermits has the ability to restrict access of users and customers to the correct modules and functions as required. Selected essential application functions appear to be adequately tested with results supported by appropriate documentation. Furthermore, the historical subdivision data was accurately converted and transferred from the legacy M204 System to ePermits. The report can be reviewed in detail in the full report located on the District Judges Portal.

40. Public Infrastructure Department Right of Way Division Imprest Checking Account - Audit Period of January 1, 2015, to June 30, 2015 – Issued 10/30/15

Objective: The objective of the engagement was to perform a complete and unannounced 100% count of the Office's Imprest Checking Account cashier's checks, and to determine if the total amount in the Office's Imprest Checking Account, plus the total amount of cashier's checks on hand, plus the supporting documentation for in use and/or recently used cashier's checks reconciled to the authorized checking account balance approved by Commissioners Court (Court) as of January 1, 2015, to June 30, 2015.

Results: Based upon the procedures performed for the unannounced count of the Office's Imprest Checking Account, including a 100% count of the Office's Imprest Checking Account cashier's checks, the account was properly approved by Court, and the account reconciled to the Court approved authorized balance of \$200,000. Matters related to *Custody of Assets* were identified and can be reviewed in detail in the full report located on the District Judges Portal.

41. Bear Creek Golf Course Revenue Contract Commissioner Precinct 3 for the 26 month period ended February 28, 2015 – Issued 11/13/15

Objective: The objective of the engagement was to evaluate controls for collecting and recording annual payments from the Bear Creek Enterprise, Inc., which was formerly Bear Creek Golf Corporation (Concessionaire), and to evaluate the compliance with the requirements of the Agreement for the 26 month period ended February 28, 2015.

AUDITOR'S REPORTS ISSUED (CONTINUED)

Results: Based on the procedures performed for the Bear Creek Golf Course Revenue Contract engagement over the 26 month period ended February 28, 2015, it appears that food and beverage transactions are being recorded in the cash registers (point of sale system), the Concessionaire is correctly transferring sales revenue data from the point of sale system to their accounting records, and expenditures utilizing the County's Bear Creek Golf Club revenues were used for improvement and operation of the Bear Creek Golf Club as required by Local Government Code §331.006(b) Concessions. Matters related to *Financial Statements, Calculation of Annual Payment, and Insurance Coverage*, among others were identified and can be reviewed in detail in the full report located on the District Judges Portal.

42. *Sam Houston Race Park Admission Fees for the 12 month period ended February 28, 2015 – Issued 12/4/15*

Objective: The objective of the engagement was to obtain an understanding and document the critical controls relative to the recording and disbursing of admission fees, as well as, evaluate compliance with Vernon's Civil Statutes §179e: Texas Racing Act Article 6 Section 6.17 (the Texas Racing Act), and Harris County accounting procedures for the 12 month period ended February 28, 2015.

Results: Based procedures performed, the Sam Houston Race Park appears to have materially complied with the Act. Matters related to *Attendance Records, Payments to the County, Reviewing Fee Remittances, and Interest Fee Calculations* were identified and can be reviewed in detail in the full report located on the District Judges Portal.

43. *Constable 1 Seized and Forfeited for the 24 months ended February 28, 2015 – Issued 12/18/15*

Objective: The objective of the engagement was to examine the seized and forfeited accounts and report the issues to Commissioners' Court in accordance with Local Government Code (L.G.C.) §115.0035 for the 24 months ended February 28, 2015.

Results: Based on the procedures performed in accordance with L.G.C. §115.0035, Examination of Funds Collected by County Entity or the District Attorney, no matters came to our attention that caused us to believe that the accounts associated with the special funds for forfeited assets are materially misstated. Matters related to *Deposit Timeliness* were identified and can be reviewed in detail in the full report located on the District Judges Portal.

44. *Harris Health System Epic Willow Pharmacy System Outpatient Prescription Controls – Issued 1/28/16*

Objective: The objective of the engagement was to evaluate critical operational and financial controls for filling outpatient prescriptions following implementation of the Epic Willow Outpatient Pharmacy System (Epic Willow) for the 3 months ended December 31, 2014.

Results: Based on procedures performed, controls for filling and dispensing outpatient pharmacy prescriptions adequately ensured appropriate documentation and verification by pharmacists. Controls for returning prescription not dispensed to stock and for preventing duplicate filling were also adequate. Matters related to *Verification of Prescriptions, Refill Statutory Requirements, and Documenting Prescribers and Authorizers*, among others were identified and can be reviewed in detail in the full report located on the District Judges Portal.

AUDITOR'S REPORTS ISSUED (CONTINUED)

45. *Flood Control District Arthur Storey, Jr. Closeout Procedures as of January 31, 2015 – Issued 1/29/16*

Objective: The objective of this engagement was to perform procedures as of January 31, 2015, and in accordance with the Harris County Road Law upon the death, resignation or retirement of any officer or employee, the Auditor shall require an accounting of all property of every kind of the County or its political subdivisions of which he has custody, possession, control or supervision, and shall not approve the payment of any sums to such officer or employee or his estate until such accounting is made.

Results: Based upon the procedures performed the Office appears to have materially complied with the provisions of the Harris County Road Law. In addition, the cash in the Office reconciled to the imprest balance, and the cash balance was accurately recorded in County's Financial Records. Matters related to *Safeguarding of Assets, Recording and Depositing of Collections Received, and Bank Account Signatories* were identified among others and can be reviewed in detail in the full report located on the District Judges Portal.

46. *Harris County District Attorney's Office Federal Forfeited Assets for the 12 Month Period Ended February 28, 2015 – Issued 1/29/16*

Objective: The objective of the engagement was to examine forfeited asset accounts and report the issues to Commissioners' Court in accordance with Local Government Code §115.0035 for the 12 month period ended February 28, 2015.

Results: Based on the procedures performed in accordance with L.G.C. §115.0035, "Examination of Funds Collected by County Entity or the District Attorney", no matters came to our attention that caused us to believe that the accounts associated with the special funds for federal forfeited assets are materially misstated. The report can be reviewed in detail in the full report located on the District Judges Portal.

47. *Harris County District Attorney's Office State Forfeited Assets for the 12 Month Period Ended August 31, 2015 – Issued 1/29/16*

Objective: The objective of the engagement was to examine forfeited asset accounts and report the issues to Commissioners' Court in accordance with Local Government Code §115.0035 for the 12 month period ended August 31, 2015.

Results: Based on the procedures performed in accordance with L.G.C. §115.0035, "Examination of Funds Collected by County Entity or the District Attorney", no matters came to our attention that caused us to believe that the accounts associated with the special funds for state forfeited assets are materially misstated. A matter related to *Signature Authorization Forms* was identified and can be reviewed in detail in the full report located on the District Judges Portal.

48. *Financial Management Investment Procedures First Quarter Fiscal Year 2016 – Issued 2/12/16*

Objective: In accordance with Texas Local Government Code §115.003(b) and Texas Government Code §2257.061, the Audit Services Department performed a review of investments managed by the Financial Management Section pursuant to the Investment Policies approved on February 11, 2014, and February 24, 2015 (Policies), for the 1st Quarter of Fiscal Year 2016.

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Results: Based on the procedures performed covering investment transactions occurring during the 1st Quarter of Fiscal Year 2015, it was determined that Financial Management complied with the County's Investment Policy and/or statute requirements for maturity restrictions, competitive bidding, authorized investment types, collateral, annual investment officer training, conflicts of interest disclosures, authorizations over new Financial Institutions, Finance Committee meeting requirements, and the Quarterly Investment Report. No issues were identified during testing. The report can be reviewed in detail in the full report located on the District Judges Portal.

49. Auditor's Office 2016 Payroll Tax Table Update – Issued 2/19/16

Objective: The objective of the engagement was to determine whether the controls were adequate and that acceptance testing by the Central Technology Services (Central Technology Services) and the Auditor's Office Payroll (Payroll) provided assurance that the Payroll Tax Table Update Project was properly implemented.

Results: Based on the procedures performed, it appears that the controls related to this project were adequate and the acceptance testing performed by Central Technology Services and Payroll provided assurance that the Payroll Tax Table Update Project was properly implemented. The report can be reviewed in detail in the full report located on the District Judges Portal.

50. Harris County Auditor's Office - Audit Services Department Annual Report FY2016 - Issued 10/13/15

HARRIS COUNTY AUDITOR'S OFFICE

AUDIT SERVICES DEPARTMENT

ANNUAL REPORT

MARCH 1, 2015 - FEBRUARY 29, 2016

FISCAL YEAR 2016

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