AUDITOR'S REPORT

HARRIS COUNTY PROTECTIVE SERVICES BANK AND IMPREST ACCOUNTS

FOR THE 9 MONTH PERIOD ENDED NOVEMBER 30, 2015

September 16, 2016

Barbara J. Schott, C.P.A.
Harris County Auditor

Mike Post, C.P.A.
Chief Assistant County Auditor
Accounting Division

Mark Ledman, C.P.A., M.P.A.
Chief Assistant County Auditor
Audit Division

1001 Preston, Suite 800
Houston, Texas 77002-1817
(713) 755-6505

FAX (713) 755-8932
Help Line (713) 755-HELP

BARBARA J. SCHOTT, C.P.A.
HARRIS COUNTY AUDITOR

September 16, 2016

Mr. Joel Levine
Executive Director, Harris County Protective Services
2525 Murworth Drive
Houston, Texas 77054

RE: Harris County Protective Services (HCPS) Bank and Imprest Accounts for the 9 month period ended November 30, 2015

Although you were not the office holder during the period of our procedures, we are addressing this letter to you as the current office holder.

The Audit Services Department performed procedures relative to the HCPS Bank and Imprest Accounts. Our procedures included the following:

- Selectively testing whether the HCPS bank and imprest accounts were in compliance with the County's Accounting Procedures.
- Selectively testing whether the HCPS bank and imprest accounts reconciled to their respective balances and were accurately recorded in the County's Financial Records (IFAS).
- Selectively testing whether disbursements from the HCPS bank and imprest accounts were:
    - Adequately safeguarded.
    - Properly authorized.
    - Appropriately supported.
    - Accurately recorded in IFAS.
    - In compliance with the purpose of the funds.
    - Reconciled and replenished on a frequent basis as required by the County's Accounting Procedures.

The work performed required our staff to exercise professional judgment in completing the scope objectives. As the procedures were not a detailed inspection of all transactions, there is a risk that error or fraud was not detected during this engagement. The Department Head, therefore, retains the responsibility for the accuracy and completeness of their financial records and ensuring sufficient controls are in place to detect and prevent fraud.

The engagement process included providing you with a combined engagement and scope letter and conducting an entrance and exit conference with your personnel. The purpose of the letter

and conferences was to explain the process, identify areas of concern, describe the procedures to be performed, discuss issues identified during the engagement, and solicit suggestions for resolving the issues. A draft report was provided to you and your personnel for review.

The enclosed Auditor's Report presents the significant issues identified during our procedures, recommendations developed in conjunction with your staff, and any actions you have taken to implement the recommendations.

We appreciate the time and attention provided by you and your staff during this engagement.

Sincerely,

Barbara J. Schott
County Auditor

cc: District Judges
County Judge Ed Emmett
Commissioners:
R. Jack Cagle
Jack Morman
Steve Radack
Gene Locke
Devon Anderson
Vince Ryan
William J. Jackson

TABLE OF CONTENTS

OVERVIEW **5**

RESULTS **7**

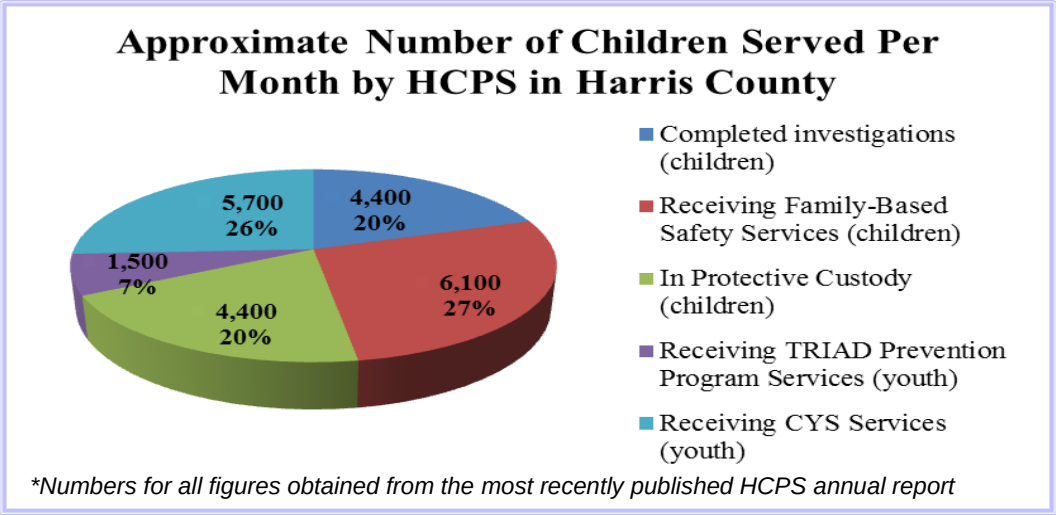
ISSUES AND RECOMMENDATIONS **8**

- **Bank Account Signature Card** **8**
- **Additional Distributions** **9**
- **Bank Account Reconciliations** **10**
- **Internal Procedures** **12**
- **Custodial Bank Accounts** **15**

RISK ASSESSMENT AND SUMMARY OF RECOMMENDATIONS **16**

OVERVIEW

Child Protective Services in Texas is a state-managed program through the Texas Department of Family and Protective Services (DFPS). There has been a tradition of county-level involvement in the child welfare system since 1966 in Harris County. Protective services for children and adults in Harris County are provided by the state of Texas, acting through DFPS, and Harris County acting through HCPS. HCPS also provides direct services to children not served by DFPS. Specifically, HCPS provides youth programming aimed at prevention and early intervention services to at-risk youth and young adults. HCPS provides clothing reimbursements to caregivers for the benefit of Harris County's children in DFPS conservatorship to help purchase new clothing.

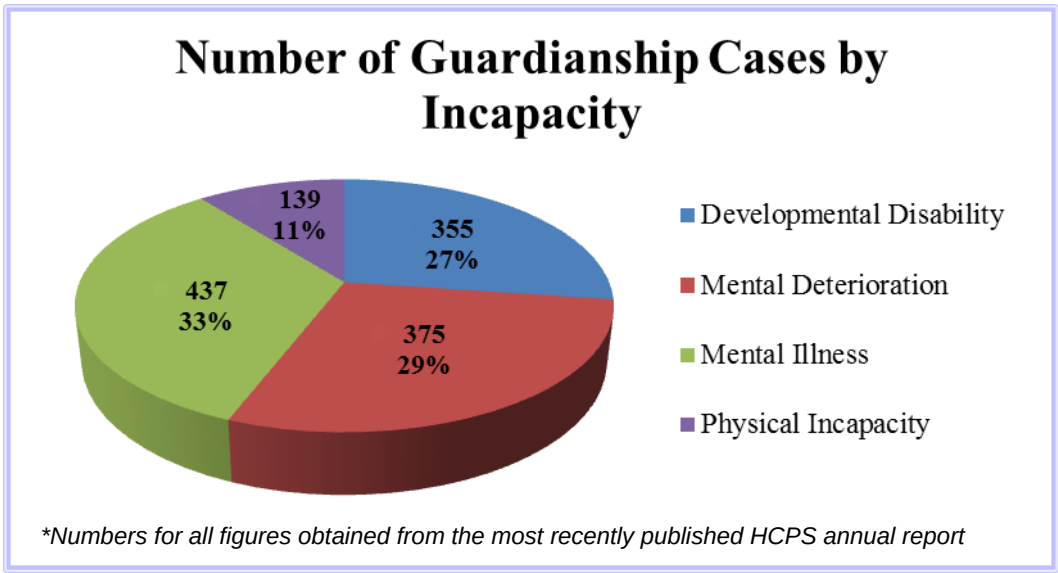


**Numbers for all figures obtained from the most recently published HCPS annual report*

In addition, HCPS assists eligible Harris County adults who are physically or mentally incapacitated with housing, food, clothing, medical, and social needs while also providing financial management of their individual resources. The Adult Services Division provides these services through the Representative Payee Program and Guardianship Program. Guardianship is a formal, legal process where a court appoints and monitors someone (Guardian) to make decisions for a person (ward) who does not have the capacity to make decisions. When a person is unable to provide food, clothing or shelter, or to care for his or her own physical health, and to manage his or her own financial affairs due to a mental or physical condition, he or she may be found to be without capacity or "incapacitated."

The purpose of guardianship is to protect persons from abuse, neglect, including self-neglect, and exploitation, and to provide for their care and the appropriate management of their property. Specially trained case managers are responsible for arranging and consenting to all medical, psychiatric and surgical treatment. Case managers are also responsible for the day-to-day management of a ward's needs including housing, food, clothing and social. A specialized team that is a part of the Financial and Business Services Division of HCPS has the responsibility for the management and protection of the ward's assets which may include income from Social Security, the U.S Department of Veterans Affairs, retirement pension, Railroad Retirement, real and personal property. Guardianship services continue until the ward improves to a point where

the Court finds the ward is fully capable of handling his/her own affairs; until the Court appoints a successor guardian, such as family or friend; or until the ward passes on.



In September 2007, HCPS began administering the Representative Payee Program. The Representative Payee Program is a money management program designed to assist eligible low-income Harris County adults who are elderly, physically, or mentally disabled with financial management of their individual resources so they can remain living independently in the community. Among other criteria, voluntary Representative Payee Program clients must be a Harris County resident, a U.S. citizen or legal permanent U.S. resident, an adult who is physically and/or mentally disabled, low to moderate income, and have a statement from a doctor or funding agency indicating the individual has an inability to manage their own finances. Referred clients have some type of limited income that may come from sources such as Social Security retirement income, Social Security Disability Income, Supplemental Security Income, veteran's pension, Railroad Retirement, etc.

In order to provide services and help with the financial needs of clients served in these programs, HCPS operates four bank or "imprest" accounts. The Guardianship Program, the Representative Payee Program, and the Clothing Reimbursement Program each have their own account. In addition, there is an Emergency Imprest account which is used for emergency transit, emergency shelter, living allowances, etc., for individuals who are initially presented to HCPS and have immediate financial needs. The funds are also used to aid youths transitioning out of foster care into adulthood and who are receiving services through the Preparation for Adult Living Program.

RESULTS

Based on procedures performed, HCPS' bank and imprest accounts reconcile to their respective balances and were accurately recorded in IFAS. In addition, disbursements from the HCPS' bank and imprest accounts were:

- Adequately safeguarded.
- Accurately recorded in IFAS.
- In compliance with the purpose of the funds.
- Reconciled and replenished on a frequent basis as required by the County's Accounting Procedures.

However, internal controls could be further developed, documented in greater detail and/or updated to ensure compliance with HCPS procedures and the County's Accounting Procedures for the following areas:

- Updating bank account signatory cards.
- Using Allowance Agreements which reflect current business practices.
- Reconciling bank accounts.
- Formally documenting and implementing internal controls and procedures associated with ensuring disbursements are properly authorized and appropriately supported.

These issues are discussed further in the Issues and Recommendations section.

ISSUES AND RECOMMENDATIONS

Bank Account Signature Card

Background

Pursuant to the County's Accounting Procedure C.5, *Opening New Bank Accounts*, authorized signatories for bank accounts must be County employees or Officials. When a signatory leaves the County, that signatory must be removed as an authorized signer on all bank accounts. The department, in which the signatory works, must contact the Financial Management Department to update signatories' authorization rights.

In addition, pursuant to the County's Accounting Procedure C.5-2, *Bank Relations*, County departments are to direct all bank service requests and inquiries, with the exception of bank deposit related inquires, to the Financial Management Department.

Issue

The Emergency Imprest Account did not have an updated signature card on file to reflect signatory rights of current County employees. As a result, there was one person appearing on the signatory card who had not been removed upon separation from the County in January of 2013. Not ensuring bank signatory rights are updated on a timely basis could result in misappropriations and financial losses.

Management informed us that although HCPS had previously requested that the signatory card be updated to reflect the departure, the update was never executed at the bank. Subsequent to procedures performed, HCPS issued a new request to update the signatory card, and the individuals were removed by the bank.

Recommendation

When an authorized signatory leaves HCPS, HCPS Management should immediately notify the Financial Management Department for termination of bank account access and maintain appropriate documentation for the request. In addition, follow-up should be performed to verify that employee was timely removed.

Management Response

HCPS issued a new request to update the signatories for the Imprest Bank Account, received the updated card and submitted such update to the bank and to the Financial Management Department. Additional processes will be added to the separation process to ensure changes to signatories are made in a timely manner.

ISSUES AND RECOMMENDATIONS

Additional Distributions

Background

A person (client) with physical and/or mental disability who is not able to manage their funds sufficiently joins the Representative Payee program on a voluntary basis and is assigned to a case manager. The case manager uses the client's own funds, including Social Security, bank accounts, pension funds, etc., to pay for the necessary expenses on their behalf. An "Allowance Agreement" is set up between clients and HCPS to stipulate an amount to be given to the client on a periodic basis (i.e., bi-weekly, bi-monthly, or monthly). Per the "Allowance Agreement," clients may request additional funds based on the following: (1) an emergency situation arising requiring additional funds, (2) providing proof of extra expenses such as receipts, vendor statements, bills, etc., or (3) requesting a case review to be conducted by the Representative Payee Program to adjust payment amounts and/or frequency.

Issue

Allowance Agreements utilized in the Representative Payee Program do not reflect current procedures in place at HCPS for approving additional funds in excess of established allowances. As a result, 8 of 40 (20%) disbursements examined included additional funds, totaling $1,595, in excess of established allowances without proper supporting documents such as receipts, vendor statements, bills, etc., as required by the Allowance Agreement. Utilizing agreements or contracts not reflective of current procedures and practices could result in inconsistency when processing payments and potential mismanagement of client funds.

Recommendation

HCPS Management should enforce the requirements of the Allowance Agreement or consider amending it in order to be consistent with current procedures and practices.

Management Response

Management concurs with this finding and the Guardianship Program is working on a policy that will provide for better controls of changes in the allowance amounts that do not agreement with the Allowance Agreement in place at the time of a request. Additionally, HCPS accounting will expand policy that any allowance requests that are in excess of the Allowance Agreement amount will not be processed without defined documentation and sign-off by the program administrator. Review of policy changes will be completed with the Guardianship Program and an implementation date established by November 1, 2016.

ISSUES AND RECOMMENDATIONS

Bank Account Reconciliations

Background

HCPS maintains custodial bank accounts for all programs. Per Section A.11.b) of the County's Accounting Procedure C.8, *Custodial Bank Accounts*, HCPS should submit a copy of County Auditor's Form 324A, *Custodial Bank Account Monthly Reconciliation Report*, with supporting documentation to Revenue Accounting of the Auditor's Office by the 20th calendar day of the month following the previous month-end close.

The County's Accounting Procedure C.6, *Undeliverable Checks*, states that checks that are outstanding 366 days or more (i.e., stale dated) may generally be cancelled and reissued at a later date if the recipient can be located.

The Guardianship Program and the operation of the bank account associated with the program were transferred to HCPS in March of 2003 from the Harris County Social Services Department. Pursuant to the County's Accounting Procedure C.8-2, *Guardianship Program*, (page 20); the Bank Reconciliation staff of Harris County Protective Services for Children and Adults should document, track, and clear timely, all reconciling items. In addition, checks outstanding for greater than 90 days should be voided.

Issue

HCPS did not have adequate controls in place to ensure compliance with policies governing the reconciliation of custodial bank accounts and outstanding checks. As a result, the following exceptions were noted:

- An adjustment in the amount of $17,198.46 has been an outstanding reconciling item since HCPS took control of the Guardianship Program in March of 2003. The amount includes funds which cannot be allocated to a specific ward and, thus, cannot be returned or escheated. Management informed us that they have previously consulted with the County Attorney to resolve this issue.
- 40 Checks totaling approximately $26,400 as of 11/30/2015 for the Guardianship Program have been outstanding for more than 90 days. In addition, 29 checks totaling approximately $14,800, and 41 checks totaling approximately $4,000 for the Guardianship and Representative Payee Programs, respectively, have been outstanding for more than a year.
- 64 checks totaling approximately $16,300, with the oldest dating back to 2007, for the Guardianship and Representative Payee Programs are potentially eligible for escheatment.
- Bank reconciliations for the Emergency Imprest Account for the months of June and November 2015 were not performed timely due to a shortage in personnel.

Not maintaining adequate controls and procedures for performing reconciliations timely and addressing outstanding or stale dated checks could result in financial loss due to inappropriate expenditures, fines and penalties for failing to comply with statutes, and/or misappropriation of funds.

Recommendation

HCPS Management should perform the following:

- Work with the County Attorney and the Harris County Auditor's Office – Revenue Accounting to resolve the adjustment of $17,198.46.
- Void applicable checks that have been outstanding and reissue, if necessary, in accordance with the County's Accounting Procedures. In addition, monitoring for appropriate treatment of outstanding checks should be performed by both HCPS and the Harris County Auditor's Office – Revenue Accounting during the monthly reconciliation process.
- Continue to work to comply with Texas Property Code with regards to escheatment requirements for abandoned checks.
- Consider cross-training additional employees in the HCPS Accounting Department so that bank reconciliations can be performed timely.

Management Response

HCPS has worked with both the County Attorney and the Auditor's Office regarding the resolution of the unreconciled amount of $17,198.46 that was part of a larger unreconciled amount transferred to HCPS when the Guardianship Program was transferred in 2003. Even though the funds are included in the Guardianship Bank Balance, the inability to clearly identify each individual amount to a particular ward prevents the program from escheatment of the funds to the State of Texas. During the same time of the program transfer, there were wards with negative balances. The $17,198.46 will be offset against these negative balances that were transferred over, provided the cases for those wards are either closed or pending closure.

The current Guardianship Financial System tracks all funds received and disbursed on behalf of the individual ward and there have been no other unreconciled items since the transfer of the program to HCPS.

HCPS is working with the GS program to resolve outstanding checks. Many of these checks have been voided and reissued while other will take additional processing time. HCPS plans to have all outstanding checks cleared prior to December 31, 2016. HCPS will work with the County Attorney's Office regarding the escheatment of funds due to abandoned checks that may still be owed to vendors.

HCPS is currently using temporary staff to perform job functions for positions that have not yet been filled. Interviews have been completed, however, salary challenges has kept the department from being fully staffed. Existing staff are covering as many additional duties as possible. Cross-training currently takes place, however, staffing levels need to be increased so that timeframes for bank reconciliations can be met as required.

ISSUES AND RECOMMENDATIONS

Internal Procedures

Background

The Harris County Accounting Procedures Manuals outline procedures to be followed by departments in order to establish internal controls as well as maintain compliance with certain statutory requirements. Examples of Accounting Procedures applicable to HCPS bank and imprest accounts are as follows:

- A.1, *Cash Handling Guidelines*
- C.5, *Opening New Bank Accounts*
- C.6, *Undeliverable County Checks*
- C.8, *Custodial Bank Accounts*
- C.8-2, *Guardianship Program*
- D.3, *Petty Cash Accounts*

County Departments should have formalized internal policies and procedures that ensure compliance with Harris County Accounting Procedures Manuals and applicable statutory requirements.

Issue

HCPS does not have adequate formally documented internal controls and procedures that reflect current business practices and ensure compliance with the County's Accounting Procedures Manuals. As a result, for all accounts examined:

- 9 of 130 (6.9%) disbursements (from the Clothing and Emergency Imprest accounts), for approximately $9,300 of $731,000 (1.3%), did not retain adequate or appropriate documentation (copies of receipts, Commissioners Court approvals, listing of program participants, etc.) or documentation could not be located in order to be able to determine whether the disbursement was properly authorized and appropriately supported. However, all items which did not have adequate documentation were reviewed and judgmentally approved by Management.
- 2 of 130 (1.5%) disbursements included approximately $1,800 which was unused and not re-deposited into the bank account timely, approximately 5 months subsequent to the expenditures.
- 1 of 130 (0.7%) disbursements included approximately $700 of expenditures which were not in accordance with the approved purpose stated on the "Request For Funds" form. However, the $700 of expenditures were approved for use out of a separate approved budget.

- 11 of 49 (22%) user accounts sampled from all systems examined did not have access timely removed upon separation from the County. However, review and approval of disbursement supporting documentation is performed manually outside of these systems. In addition, it takes two individuals logged in, a user and a supervisor, in order to process checks from the check writing system.

Not implementing formally documented controls and procedures which reflect current business practices for approving and disbursing funds, obtaining and retaining appropriate supporting documentation, and granting and removing access to applicable systems could result in financial loss due to inappropriate expenditures and/or misappropriation of funds.

Recommendation:

HCPS Management should develop, document and implement a set of formal internal controls and procedures which ensure compliance with the County's Accounting Procedures and statutory requirements. Specifically, controls and procedures should clearly outline:

- The necessary documentation clerks should obtain and retain in order to properly authorize disbursements (copies of receipts, listing of participants, Commissioners Court approval, etc.) as well as what situations and dollar limits in which judgmental approval by Management is authorized and appropriate when documentation provided does not adhere to requirements set forth.
- Requirements for monitoring amounts spent from approved "Request for Funds" forms and timely re-depositing unused portions.
- Requirements for monitoring expenditures to ensure they are in compliance with the approved purpose stated on the "Request for Funds" form.

In addition, HCPS Management should research user listings for all systems to ensure users who are no longer associated with the County or no longer need access are inactive. HCPS Management should also implement a monitoring process to ensure the removal of access to applicable systems for users who are no longer associated with the County.

Management Response

HCPS was granted permission to open a Clothing Reimbursement Imprest account in 2015 to replace the Clothing Voucher system that had previously been used for children in foster care. The processes and procedures for utilization of this account are clearly defined and are in compliance with the HC Accounting Procedures. There were some circumstances where the ink on the original receipts was partially faded, however, the information was adequate enough to reimburse foster parents for funds they have spent for children in their care. In other instances, the store receipt did not state clearly what an item was. This is an issue we have had for many years and the vendors are not in a position to change their systems to specifically identify each item. Based on the experience of the staff and the dollar amount of each voucher, seeking out this detailed information would not be cost effective. Example – A clothing reimbursement for a 10 year old girl cannot exceed $113.00. There may be items on the receipt that are identified by number or by a brief description that does not tell exactly what was purchased. If the items appear to be in compliance, the reimbursement is made to the foster parent. While each situation cannot be outlined in policy, HCPS will work to develop more detailed guidelines for identifying

which purchases should be approved for payment. Obvious non-compliance currently results in reimbursements not being made.

HCPS issues over 12,000 reimbursement letters annually. The verification of minimal amounts many times outweighs the cost of researching the item. The HCPS Clothing Reimbursement Policy will include an expansion of the current guidelines related to these types of items.

When items were purchased or funds expended for participant events, the programs are required under the Concrete and Transitional Living Allowance agreements to keep logs of those children and youth participants. Logs with the original signatures are maintained by the programs. HCPS will require the original logs be maintained in accounting along with the Forms 2054 that are required by the funder as proof of services provided.

Funds requested but not used are required to be re-deposited into the Emergency Imprest bank account where originally written. HCPS will provide greater oversight to ensure all remaining funds are returned and deposited as required. This process upgrade will be put into place no later than November 2016.

The 1 disbursement from an unauthorized fund has been correctly reflected in the correct fund. A process review will help strengthen the oversight for this type of transaction.

User accounts for HCPS and Harris County systems have all been updated to ensure separated employees are no longer in our systems. To ensure users are properly removed from systems upon separation, the Human Resources area will send an e-mail notification to accounting, information technology, the program supervisor, and the program administrator directing that the separated employee be removed from all HCPS internal and Harris County systems including e-mail, EVOLV, Guardianship Financial System (GFS), Representative Payee System (RFS), IFAS, CPAS etc. Each notification of separation will require a notification that security and permissions have been updated in response to the notice. IT will be responsible for ensuring such changes have been completed. A quarterly review of all systems will be conducted to ensure compliance. This policy and procedure will be implemented November 2016.

ISSUES AND RECOMMENDATIONS

Custodial Bank Accounts

Background

Pursuant to the revision of the County's Accounting Procedure C.8, *Custodial Bank Accounts*, in effect during the audit period, for any reconciling item that has not been cleared within two months, Revenue Accounting forwards a County Auditor signed letter to the County Department stating the procedure requirements. Please note, recommendations are set forth to be in accordance with the current revision of the procedure.

Issue

Revenue Accounting was not forwarding a County Auditor signed letter to HCPS in accordance with the County's Accounting Procedure C.8, *Custodial Bank Account*, stating the procedure requirements for reconciling items not cleared within two months related to the Guardianship Program.

Not reporting outstanding reconciling items could result in inaccurate financial statements and excess delays in outstanding items being resolved.

Recommendation

Revenue Accounting should begin forwarding a County Auditor signed letter in accordance with the County's Accounting Procedure C.8, *Custodial Bank Account*, stating the procedure requirements to HCPS for reconciling items (excluding outstanding checks) related to the Guardianship Program which are not cleared within 60 days.

Management Response

Revenue Accounting will review the subsidiary ledgers of each custodial bank account and follow up with each department regarding outstanding items in accordance with the County's accounting procedures – including forwarding a County Auditor signed letter.

Revenue Accounting will work with HCPS to address and resolve the department's existing outstanding items (excluding outstanding checks).

RISK ASSESSMENT AND SUMMARY OF RECOMMENDATIONS

The risk matrix below presents the assessed level of risk or exposure identified during our procedures. Inherent risk relates to factors that because of their nature cannot be controlled or mitigated by management. Inherent risk includes factors such as legislative changes, number and dollar amount of transactions processed and/or complex nature of transactions. Control risks relate to factors that can be influenced or controlled by management. Controls such as policies and procedures, electronic or manual approvals, system security access, and separation of job responsibilities may be instituted by management in order to mitigate control risk. Control risk is assessed during the planning phase in order to establish the nature, timing, and extent of testing and at the conclusion of the engagement in order to incorporate actions taken to implement our recommendations. The overall risk considers a combination of inherent and control risks.

Inherent Risk:	**Control Risk:**		**Overall Risk:**
☒ High ☐ Moderate ☐ Low	**Prior to Procedures**	**After Procedures**	☒ High ☐ Moderate ☐ Low
	Needs Improvement	**Needs Improvement**	
Type of Procedures: Audit			
Implemented Audit Recommendations: Signature Authorization Card was updated subsequent to procedures performed.			

Priority Rating:	**Audit Recommendations:** HCPS, Revenue Accounting
1	When an authorized signatory leaves HCPS, HCPS Management should immediately notify the Financial Management Department for termination of bank account access and maintain appropriate documentation for the request. In addition, follow-up should be performed to verify that employee was timely removed.
1	HCPS Management should enforce the requirements of the Allowance Agreement or consider amending it in order to be consistent with current procedures and practices.
1	HCPS Management should perform the following: • Work with the County Attorney and the Harris County Auditor's Office – Revenue Accounting to resolve the adjustment of $17,198.46. • Void applicable checks that have been outstanding and reissue, if necessary, in accordance with the County's Accounting Procedures. In addition, monitoring for appropriate treatment of outstanding checks should be performed by both HCPS and the Harris County Auditor's Office – Revenue Accounting during the monthly reconciliation process.

	• Continue to work to comply with Texas Property Code with regards to escheatment requirements for abandoned checks. • Consider cross-training additional employees in the HCPS Accounting Department so that bank reconciliations can be performed timely.
2	HCPS Management should develop, document and implement a set of formal internal controls and procedures which ensure compliance with the County's Accounting Procedures and statutory requirements. Specifically, controls and procedures should clearly outline: • The necessary documentation clerks should obtain and retain in order to properly authorize disbursements (copies of receipts, listing of participants, Commissioners Court approval, etc.) as well as what situations and dollar limits in which judgmental approval by Management is authorized and appropriate when documentation provided does not adhere to requirements set forth. • Requirements for monitoring amounts spent from approved "Request for Funds" forms and timely re-depositing unused portions. • Requirements for monitoring expenditures to ensure they are in compliance with the approved purpose stated on the "Request for Funds" form. In addition, HCPS Management should research user listings for all systems to ensure users who are no longer associated with the County or no longer need access are inactive. HCPS Management should also implement a monitoring process to ensure the removal of access to applicable systems for users who are no longer associated with the County.
1	Revenue Accounting should begin forwarding a County Auditor signed letter in accordance with the County's Accounting Procedure C.8, *Custodial Bank Account*, stating the procedure requirements to HCPS for reconciling items (excluding outstanding checks) related to the Guardianship Program not cleared within 60 days.

Priority Rating	1. **Implement immediately (30 – 90 days) –** Serious internal control deficiencies; or recommendations to reduce costs, maximize revenues, or improve internal controls that can be easily implemented. 2. **Work towards implementing (6 – 18 months) –** Less serious internal control deficiencies, or recommendations that cannot be implemented immediately because of constraints imposed on the department (i.e., budgetary, technological constraints, etc.). 3. **Implement in the future (2 – 3 years) –** Recommendations that should be implemented, but that cannot be implemented until significant and/or uncontrolled events occur (i.e., legislative changes, buy and install major systems, requires third party cooperation, etc.).