

AUDITOR'S REPORT

HARRIS COUNTY CONSTABLE PRECINCT 1 THREE MONTHS ENDED AUGUST 31, 2015



June 24, 2016

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

June 24, 2016

Constable Alan Rosen
Harris County Precinct 1
1302 Preston, 3rd Floor
Houston, Texas 77002

RE: Procedures applicable to the monthly collection reports submitted by the Office of Constable Precinct 1 for the three months ended August 31, 2015

As required by Local Government Code Chapter 115, the Compliance Audit Department examined the monthly collection reports submitted by the Office of Constable Precinct 1 (the Office) for the three months ended August 31, 2015.

We performed the procedures as follows:

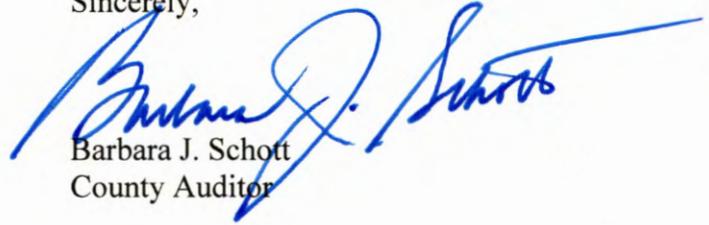
- Evaluated whether amounts reported on the monthly collection reports were properly deposited in the County's depository.
- Accounted for all receipts issued by the Office.
- Selectively tested receipts to evaluate whether they were properly allocated in the County's Integrated Financial and Administrative Solution (IFAS) system.
- Selectively tested executions and orders of sale for proper disbursement of proceeds.
- Selectively tested judgments payable collections to ensure that all proceeds are disbursed.

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.

Constable Alan Rosen
Constable Precinct 1

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Barbara J. Schott", with a long horizontal flourish extending to the right.

Barbara J. Schott
County Auditor

cc: District Judges

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ISSUES AND RECOMMENDATIONS

Manual Receipt Transactions

Background

As discussed in Harris County Accounting Procedure A.1, *Cash Handling Guidelines*, manually receipted transactions should be entered in IFAS within two business days following the day the manual receipt is issued.

Issue

One out of 166 receipts reviewed (0.60%) did not comply with this requirement. The following chart provides detailed information for this receipt.

Manual Receipt Date	Financial System Receipt Date	Number of Business Days Delinquent	Number of Receipts	Amount of Receipt	Type of Payment
8/7/15	8/17/15	4	1	\$6,000.00	Cashier's Check

Delays in entering receipts can cause delays in recognizing revenue in IFAS or may be indicators for inappropriate use of funds.

Recommendation

Office management should implement controls to ensure that manual receipts are entered in IFAS within two business days of receipt.

Management Response

To address this issue, we have added additional personnel and updated training to help ensure all transactions are recorded in a timely manner.

ISSUES AND RECOMMENDATIONS

Supporting Documentation

Background

Upon collecting funds for cases pursuant to a court ordered judgment, the Office is required to submit supporting documentation to the County Auditor's Office Accounts Payable Department (Accounts Payable). The supporting documentation identifies the amounts to be disbursed to various individuals and outside entities. Accounts Payable reviews the documentation to determine if it was submitted within 30 days.

Issue

The Office issued an IFAS receipt in July 2015 for the following case and recorded it to Judgments Payable. For the case listed below, Accounts Payable was unable to confirm the disbursement request was submitted timely.

Case Number	Receipt Number	Amount Collected	Receipt Date	Date Paid	Difference in Number of Days	Cause for Delay
2013-45759	C1097835	\$26,000.00	7/8/15	10/29/15	111	Undetermined

The Office informed us that the disbursement requests were sent to Accounts Payable on July 28, 2015 for processing. However, it was identified in October that the document was not received. Therefore, the Office resubmitted the disbursement requests on October 28, 2015. As a result when documentation is delayed Accounts Payable is unable to disburse funds to the taxing entities and individuals in a timely manner.

Recommendation

The Office should implement controls to verify that the required documentation is timely submitted to Accounts Payable by requesting a confirmation for the delivery of the documentation.

Management Response

To help in correcting this issue, all files will be scanned and sent over via email to Accounts Payable. A read receipt and copy of the sent email will also be saved until the audit is completed. In the off chance there is a circumstance that prevents timely delivery we will document the issue and contact the auditor's office for direction on processing.