

AUDITOR'S REPORT

HARRIS COUNTY CONSTABLE PRECINCT 1 THREE MONTHS ENDED NOVEMBER 30, 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 November 30, 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 November 30, 2015.

We performed the procedures as follows:

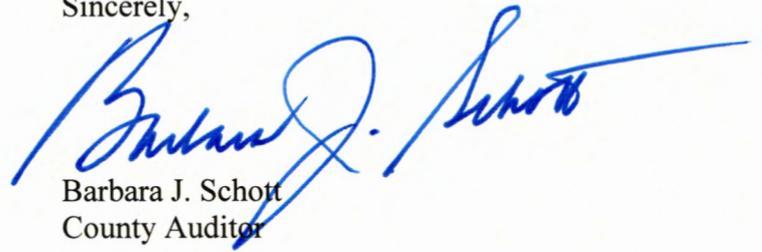
- Evaluated whether amounts reported on the monthly collection reports were properly deposited in the County's depository.
- Accounted for all receipts issued by the Office.
- Selectively tested receipts to evaluate whether they were properly allocated in the County's Integrated Financial and Administrative 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*, (Procedure A.1), manually receipted transactions should be entered in IFAS within two business days following the day the manual receipt is issued.

Issue

Two out of 44 receipts reviewed (4.55%) did not comply with this requirement. The following chart provides detailed information for these receipts.

Manual Receipt Date	Financial System Receipt Date	Number of Business Days Delinquent	Number of Receipts	Amount of Receipt	Type of Payment
9/8/15	9/15/15	3	1	\$4,842.75	Cashier's Check
9/9/15	9/15/15	2	1	\$5,000.00	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

To comply with Procedure A.1, the Office should implement controls to ensure the clerk(s) responsible for entering manual receipts in IFAS is notified when the receipts are issued so the transactions can be recorded in a timely manner.

Management Response

The Office informed us the reason for the delay is lack of personnel. 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

Attorney General Checks

Background

Each month the Office is to submit an invoice to the Office of the Attorney General (OAG), requesting reimbursement for service fees earned in the prior month on service performed on out of County cases.

Issue

The Office has not submitted invoices for service fees for the months of August 2015 through December 2015 to the OAG as of February 3, 2016. As a result, revenue collection may be understated for the month.

Recommendation

The Office should submit the missing invoices to the OAG so the Attorney General payments are received in a timely manner.

Management Response

In order to rectify the issue, we are training our staff to bill OAG-CSD (Child Support Division) on a month to month basis allowing 60 days between the date the OAG-CSD and capias papers are received and the date the service is billed (45 days for the deputy to serve the document, the remaining 15 days will allow the clerical staff time to properly submit the billing). Example: for the month of April, we will bill by the end of June. The additional time is required due to the amount of OAG-CSD and capias papers received by the Office. Precinct 1 receives OAG-CSD papers for all Constables and must then direct them to the proper Constables Office for disbursement.

ISSUES AND RECOMMENDATIONS

Balancing Report

Background

As discussed in Harris County Accounting Procedure A.1, *Cash Handling Guidelines*, the clerk should balance the cash drawer at least daily against receipts issued and report any overages or shortages to their supervisor in accordance with internal procedures.

Issue

The amount presented on the November 2015 monthly report exceeded total deposits by \$1,050.00. This discrepancy occurred because an employee recorded three incorrect entries in IFAS during November 2015. The deposits were for the correct amount. This resulted in a reconciliation issue between bank deposits and amounts recorded in IFAS.

The discrepancy was resolved in December 2015, when IFAS receipt C1099488 was issued for negative \$1,050.00 which caused the amount of the deposits associated with December 2015 to exceed the December 2015 monthly collection report by \$1,050.00.

Recommendation

The Office should ensure that clerks record the correct entries in IFAS by using available monthly reports as a balancing tool.

Management Response

Moving forward, monthly reports will be run as a tool to ensure accuracy.

ISSUES AND RECOMMENDATIONS

Incorrect Receipt Coding

Background

In accordance with Local Government Code §118.131, Commissioners Court is allowed to set the fees charged for services performed by the Constables. To properly account for all fees received, the Office should follow accounting practices by coding all collections accurately in IFAS.

Issue

On one IFAS receipt, the proper amounts were collected; however, the funds were improperly coded to an incorrect account in the accounting system. As a result, the monthly collection report total was correct, but fees were incorrectly reflected in IFAS. This was brought to the Office's attention and the Office made the correction in December 2015.

Receipt Date	Receipt Number	Date Contacted	Date Corrected
10/10/15	C1098947	11/24/15	12/22/15

Recommendation

The Office should implement controls to ensure receipts are coded correctly in IFAS. Using available IFAS reports, the Office should verify the accuracy of the receipts prior to month end and make the necessary corrections to help ensure transactions are recorded in the proper monthly accounting period. Further, a supervisor should review, sign and date the IFAS reports as evidence of this review.

Management Response

Training will be provided to the staff and supervisor on using the available IFAS reports to help correct the issue in the future.