

AUDITOR'S REPORT

HARRIS COUNTY CONSTABLE PRECINCT 1



September 5, 2014

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

September 5, 2014

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 February 28, 2014

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 February 28, 2014.

The procedures performed included:

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

The following results present 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

We appreciate the time and attention provided by you and your staff during our procedures.

Sincerely,



Barbara J. Schott
County Auditor

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

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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 into the IFAS within two business days following the day the manual receipt is issued.

Issue

One out of 201 (.005%) receipts reviewed did not comply with this requirement. The following chart provides detailed information for this issue.

Manual Receipt Date	Financial System Receipt Date	Number of Business Days Delinquent	Number of Receipts	Amount of Receipt	Type of Payment
2/3/14	2/6/14	3	1	\$500.00	Cash

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

Recommendation

The Office Management should implement controls to ensure that the clerk responsible for entering manual receipts in IFAS is notified when the receipts are issued so the transactions can be recorded in a timely manner. The Office should also train an alternate clerk(s) to enter manual receipts in IFAS when the primary clerk is unavailable.

Management Response

Procedures have been implemented to ensure that all money received shall be posted within the specified two business day requirement. Additional staff was cross trained on the IFAS system to ensure that this may be accomplished.

ISSUES AND RECOMMENDATIONS

Batch Posting

Background

Departments issuing receipts directly from IFAS create cash receipts in batches (a group of receipts issued by one clerk) and then distribute (post) those batches. This immediately records the receipts in the General Ledger. The department then produces an IFAS monthly report of those receipts. Pursuant to the reporting requirements established by Local Government Code §114.001 and §114.002, the Auditor's Office requires that the Office prepare their monthly reports by the fifth day of the following month.

Issue

The Office was not able to produce a complete January 2014 monthly report until March 31, 2014 because cash receipt batch L31SIBE, containing one receipt for \$75.00, was not posted until March 19, 2014.

An extensive delay in posting cash receipt batches negatively affects the Auditor's Office general ledger and the Treasurer's Office bank reconciliations that ensure collections have been properly deposited, recorded and acknowledged.

Recommendation

The Office Management should review existing IFAS reports (Batch File Status Report and Receipts Issued Not Posted Report) to ensure that all cash receipt batches are posted in a timely manner.

Management Response

Procedures have been implemented to ensure that all receipts in the Batch File Status Report and the Receipts Issued Not Posted Report are posted within the specified time period. Additional staff was cross trained on the IFAS system to ensure that this may be accomplished.