

# **AUDITOR'S REPORT**

## **HARRIS COUNTY CONSTABLE PRECINCT 1** **THREE MONTHS ENDED NOVEMBER 30, 2014**



**November 13, 2015**

**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**

November 13, 2015

Constable Alan Rosen  
Harris County Precinct 1  
1302 Preston, 3<sup>rd</sup> 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, 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 November 30, 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 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. Less significant issues and recommendations have been verbally communicated to your staff.

Constable Alan Rosen  
Constable Precinct 1

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

**TABLE OF CONTENTS**

**ISSUES AND RECOMMENDATIONS ..... 4**

**Skipped Manual Receipts .....4**

**Supporting Documentation .....5**

**Incorrect Receipt Coding.....6**

## ISSUES AND RECOMMENDATIONS

### **Skipped Manual Receipts**

#### **Background**

To properly account for all manual receipts and to ensure that all corresponding collections are deposited as required by Local Government Code §113.022, the Office should follow accounting practices by issuing manual receipts in sequential order. In addition, skipped receipts should be marked voided so they cannot be used at a later date.

#### **Issue**

During September 2014, receipt numbers 841388 and 841390 were issued from a manual receipt book. Apparently due to a clerical error, receipt 841389 was skipped and used in October 2014.

#### **Recommendation**

The Office should have discussions with staff and increase awareness to ensure manual receipts are written in sequential order and any skipped receipts are marked void.

#### **Management Response**

In the future, to increase awareness personnel have been notified that any receipt that is skipped will be voided. The Office will follow the accounting practices by issuing manual receipts in sequential order. In addition, skipped receipts will be marked voided so they cannot be used at a later date.

## 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 IFAS receipts in October 2014 for the following cases and recorded them to Judgments Payable. For the cases listed below, Accounts Payable was unable to confirm that the disbursement requests were submitted timely.

Case Number	Receipt Number	Amount Collected	Receipt Date	Status of Payment (As of 3/3/2015)	Difference in Number of Days	Cause for Delay
2012-36806	C1094816	\$11,000.00	10/8/14	2/10/15	125	Undetermined
2012-23772	C1094819	\$27,000.00	10/8/14	2/10/15	125	Undetermined

The Office informed us that the disbursement requests were sent to Accounts Payable on October 23, 2014 for processing. However, it was identified in January 2015 that the documentation was not received. Therefore, the Office resubmitted the disbursement requests on January 29, 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

Moving forward this office will put a procedure in place to verify that the required documentation is timely submitted to Accounts Payable by requesting a confirmation for the delivery of the documentation. We are adding additional procedures to assist with quality control.

## ISSUES AND RECOMMENDATIONS

### Incorrect Receipt Coding

#### Background

In accordance with Local Government Code §118.131, Commissioners Court is allowed to set fees to be 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. 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 February 2015.

Receipt Date	Receipt Number	Date Contacted	Date Corrected
9/24/14	C1094659	2/11/15	2/24/15

#### Recommendation

The Office should implement controls to ensure that receipts are coded correctly. Using available IFAS reports, the Office should verify the accuracy of the receipts prior to month end and make the necessary corrections.

#### Management Response

This office will be adding additional procedures utilizing available IFAS reports, the Office will verify the accuracy of the receipts prior to month end and make the necessary corrections.