

# **AUDITOR'S REPORT**

## **HARRIS COUNTY CONSTABLE PRECINCT 3 THREE MONTHS ENDED NOVEMBER 30, 2015**



**June 10, 2016**

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

June 10, 2016

Constable Ken Jones  
Harris County Precinct 3  
701 W. Baker Rd.  
Baytown, Texas 77521

RE: Procedures applicable to the monthly collection reports submitted by the Office of Constable Precinct 3 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 3 (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 Ken Jones  
Constable Precinct 3

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

Sincerely,



Barbara J. Schott  
County Auditor

cc: District Judges

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## ISSUES AND RECOMMENDATIONS

### **Improper Deposit Procedures**

#### **Background**

Harris County Accounting Procedure F.1-2-2, *Deposits via Armored Carrier or Field Location*, states if funds received by the bank do not agree with the amount noted on the enclosed deposit slip, the bank issues a debit/credit advice for the difference between the deposit slip amount and the actual total funds received.

#### **Issue**

During November 2015, the Office collected the correct amount of collections, and completed the deposit slip correctly. However, when preparing the collections for the bank bag, \$5.00 was accidentally misplaced. As a result, the bank issued a debit memo on December 3, 2015 to reflect the proper amount of the deposit. Subsequently, the \$5.00 was located and deposited on December 21, 2015.

#### **Recommendation**

Management should re-emphasize the importance of ensuring the amount recorded on the deposit slip is the correct amount and agrees with the amount being deposited. In addition, management should also review the collections and bank deposit slip for accuracy and evidence the review with their signature. This will ensure potential differences are recognized before the collections are transferred to the bank.

#### **Management Response**

We have since trained the Assistant Chief Clerk in cash handling, to recount cash collected to ensure accuracy.

## 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 30 receipts reviewed (6.67%) 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
11/20/15	11/30/15	2	1	\$3,414.32	Cashier's Check
11/23/15	11/30/15	1	1	\$4,100.55	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 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 to enter manual receipts in IFAS when the primary clerk is unavailable.

#### Management Response

We have since trained the Assistant Chief Clerk in cash receipting and she will be responsible for these duties when the Chief Clerk is unavailable.