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

January 31, 2014

Mr. Stan Stanart  
Harris County Clerk  
201 Caroline, Suite 460  
Houston, Texas 77002

**RE:** Procedures applicable to the monthly collection reports submitted by the County Clerk's Office for the three months ended August 31, 2013.

**SCOPE**

As required by Local Government Code Chapter 115, the Compliance Audit Department examined the monthly collection reports submitted by the County Clerk's Office (the Department) for the three months ended August 31, 2013.

The procedures performed included:

- Evaluating whether amounts reported on the monthly collection reports were properly deposited in the County's depository and/or settled via credit card.
- Accounting for the numerical sequencing of computer generated and manual receipts.
- Evaluating whether amounts were properly recorded in the County's financial system.
- Performing an analytical review of transactions by comparing selected information between periods.

**RESULTS**

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. Less significant issues and recommendations have been verbally communicated to your staff.

### **CYBERSOURCE CREDIT CARD OVERCHARGES**

The Department's receipting system is designed such that when a customer pays with a credit card, the transaction is processed both in the Department's receipting system (Cash Management) and in the Department's credit card system (Cybersource). In December 2006, the Department began experiencing problems due to the receipting system "locking up" when processing credit card transactions. This caused customers to be charged higher amounts in Cybersource than what was processed in Cash Management. This also hindered the Treasurer's Office's ability to produce Treasurer's Acknowledgements.

In March 2007, management implemented procedures for Department personnel to perform when the system "locks up" to reduce the likelihood of a customer's credit card being charged a higher amount. These procedures included performing additional steps to reconcile Cash Management's credit card transactions to the corresponding Cybersource transactions before closing the register at the end of the day.

In February 2008, the Department's Financial Accounting section began performing a monthly reconciliation of all credit card transactions to the Cybersource reports to resolve any overcharge overlooked during the section's daily comparison.

In addition to the March 2007 and February 2008 procedures, management implemented additional procedures in July 2008 requiring Department section personnel to reconcile all transactions on the Cybersource report and provide the results to the Department's Financial Accounting section on a daily basis.

On August 31, 2011, management implemented a system fix to prevent duplicate credit card transactions from occurring in Cash Management.

However, the following section closed the month with the following Cybersource overcharges.

| <u>Month</u> | <u>Section</u> | <u>Amount Overcharged</u> |
|--------------|----------------|---------------------------|
| June 2013    | Clay Road      | \$23.00                   |
| August 2013  | Clay Road      | \$23.00                   |
| Total        |                | \$46.00                   |

The overcharged amounts were properly included on the June and August 2013 refund reports.

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In the future, the Department should continue to enforce established procedures for Department personnel to perform to reduce the likelihood of a customer's credit card being charged a higher amount.

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



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  
Orlando Sanchez