

# **AUDITOR'S REPORT**

## **HARRIS COUNTY CLERK THREE MONTHS ENDED NOVEMBER 30, 2015**



**June 10, 2016**

**Barbara J. Schott, C.P.A.  
Harris County Auditor**

**Mike Post, C.P.A.**  
*Chief Assistant County Auditor*  
*Accounting Division*



1001 Preston, Suite 800  
Houston, Texas 77002-1817  
(713) 755-6505

**Mark Ledman, C.P.A., M.P.A.**  
*Chief Assistant County Auditor*  
*Audit Division*

FAX (713) 755-8932  
Help Line (713) 755-HELP

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

June 10, 2016

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 November 30, 2015

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 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 and/or settled via credit card.
- Accounted for the numerical sequencing of computer generated and manual receipts.
- Evaluated whether amounts were properly recorded in the County's Integrated Financial and Administrative Solution (IFAS) system.
- Performed an analytical review of transactions by comparing selected information between periods.

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.

Mr. Stan Stanart  
Harris County Clerk

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Barbara J. Schott". The signature is fluid and cursive, with a large initial "B" and a long, sweeping tail.

Barbara J. Schott  
County Auditor

cc: District Judges

# TABLE OF CONTENTS

ISSUES AND RECOMMENDATIONS .....	4
Deposit Slip Preparation.....	4

## ISSUES AND RECOMMENDATIONS

### Deposit Slip Preparation

#### 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

The Office deposited the correct amount of collections, but made errors when completing the daily deposit slips. When totaling cash and checks, the amounts reflected on the deposit slips were misstated. As a result, the bank issued a deposit correction to reflect the proper amounts of the deposits.

The following chart provides detailed information for this issue:

Business Month	Deposit Slip Number	Amount Recorded on Deposit Slip	Actual Amount of Funds Deposited	Difference	Type of Error	Date Bank Correction Issued
Sept. 2015	5151105146	\$2,145.00	\$2,222.00	\$77.00	Addition Error	9/10/2015
Sept. 2015	5150108190	\$160.00	\$106.00	\$54.00	Transposition Error	10/2/2015
Nov. 2015	5155508268	\$1,001.00	\$1,011.00	\$10.00	Clerical Error	12/1/2015

#### Recommendation

The Office should continue to emphasize the importance of ensuring the amounts recorded on the deposit slips are the correct amounts and agree to the amounts being deposited. The Office supervisor should also review the daily closeout documents and bank deposit slips for accuracy and evidence the review with their signature.

#### Management Response

Office management continues to stress to the department the importance of ensuring that the amount recorded on the deposit is the correct amount being deposited. Office management did stress to the reviewer the importance of reviewing the daily closeout documents for accuracy.