

# **AUDITOR'S REPORT**

**HARRIS COUNTY TREASURER**  
**FOURTH QUARTER 2015**  
**DECEMBER 3, 2015**



**June 17, 2016**

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

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

June 17, 2016

Mr. Orlando Sanchez  
County Treasurer  
1001 Preston, Room 652  
Houston, Texas 77002

RE: Fourth Quarter 2015 Cash Count and Other Procedures Performed on December 3, 2015

In accordance with Local Government Code §115.002 and §115.003, the Compliance Audit Department performed the following procedures:

- Counted all cash and cash items in the Treasurer's Deposit Section.
- Traced all cash and cash items counted to Treasurer's receipts, appropriate financial reports generated by the Treasurer's Office, and validated bank deposit slips.
- Counted the Treasurer's change fund.
- Reviewed applicable bank reconciliations to evaluate whether the Treasurer reconciling items were resolved timely.
- Reviewed the Treasurer's monthly report submitted to Commissioners Court.

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.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Barbara J. Schott", written over a blue horizontal line.

Barbara J. Schott  
County Auditor

cc: District Judges

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## ISSUES AND RECOMMENDATIONS

### Monthly Report to Commissioners Court

#### Background

In accordance with Local Government Code §114.026, the Commissioners Court report prepared by the Treasurer's Office reflects money received and disbursed for the month.

#### Issue

For four bank accounts, the reconciled balance on the bank reconciliation did not agree to the balance reported on the Commissioners Court report. Also, the balance on the Commissioners Court report did not agree with the ending balance reflected on the September 2015 County depository bank statement. The following chart provides detailed information for these bank accounts.

Bank Account Number	Commissioners Court Report Amount	County Depository Amount	Difference	Explanation
xxxx443	\$10.77	\$10.73	\$.04	Note A
xxxx444	\$4,701.10	\$4,701.13	(\$0.03)	Note A
xxxx015	\$3,996,327.25	\$3,986,327.25	\$10,000.00	Note A
xxxx369	\$1,034,490.77	\$1.77	\$1,034,489.00	Note B

Note A – This error occurred due to human error. The wrong amount was entered on the Commissioners Court report.

Note B – The Treasurer's Office was unaware they had stopped receiving this bank statement and therefore entered an amount from the last statement on hand.

The Treasurer's Office sent a revised September 2015 monthly report reflecting the correct bank balances to Commissioners Court on April 26, 2016.

#### Recommendation

The Treasurer's Office should continue to emphasize the importance of ensuring accurate reconciling balances are recorded on the Commissioners Court report.

#### Management Response

The Treasurer's Office now has two people involved in the report preparation process to ensure accuracy and completeness.