

# **AUDITOR'S REPORT**

**HARRIS COUNTY TREASURER**  
SEPTEMBER 25, 2014



**May 8, 2015**

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

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

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

May 8, 2015

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

RE: Cash Count and Other Procedures on September 25, 2014

Certain County departments deposit their collections with the Treasurer's Office. In addition, the Treasurer's Office receives payments from outside entities via the US Postal Service or in person. Upon receiving funds from a County department or an outside entity, the Treasurer's Office generates a Treasurer's receipt. The Treasurer's Office then prepares a deposit for armored car pick up. The armored car service picks up the collections from the Treasurer's Office and delivers the funds to the County depository for deposit to the appropriate County bank account.

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 are resolved timely.
- Reviewed the Treasurer's monthly report submitted to Commissioners Court.

The following item on page 4 came to our attention as a result of our procedures.

Mr. Orlando Sanchez  
County Treasurer

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", with a long horizontal flourish extending to the right.

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

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## RESULTS

### **Bank Reconciliations**

#### **Examination of Books and Reports and Funds**

Our procedures identified that the June 2014 bank reconciliations noted the following reconciling item assigned to the Treasurer's Office.

In May 2014, funds totaling \$1,547.37 were transferred from the General Concentration bank account (bank account GC) to the Harris County Payroll Special Disbursements bank account (bank account PL/EL). The Treasurer's Office recorded the transfer correctly; however, the posting of the transaction in the County's Integrated Financial and Administrative Solution (IFAS) system was recorded for an incorrect amount. The GC portion of the error was corrected in June 2014, but the PL/EL portion was not corrected until August 20, 2014.

#### **Recommendation**

The Treasurer should ensure that transfers are monitored daily so they can be posted for the correct amount and in a timely manner.

#### **Management Response**

Both corrections were undertaken when the Treasurer's office received notice of a bank reconciliation item from Revenue Accounting's Bank Reconciliation function within the Auditor's Office.