

AUDITOR'S REPORT

HARRIS COUNTY DISTRICT CLERK THREE MONTHS ENDED FEBRUARY 29, 2016



August 19, 2016

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

August 19, 2016

Mr. Chris Daniel
Harris County District Clerk
201 Caroline, Suite 420
Houston, Texas 77002

RE: Procedures applicable to the monthly collection reports submitted by the District Clerk's Office for the three months ended February 29, 2016

As required by Local Government Code Chapter 115, the Compliance Audit Department examined the monthly collection reports submitted by the District Clerk's Office (the Office) for the three months ended February 29, 2016.

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 to previous audit 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. Chris Daniel
Harris County District Clerk

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

Sincerely,



Barbara J. Schott
County Auditor

cc: District Judges

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Void Documentation

Background

Harris County Accounting Procedure F.1-1-3, *Cash Receipts - Interfacing to IFAS*, (Procedure F.1-1-3), states the cashier should mark all void receipt copies as “VOID,” and document the reason for the void on the receipt. The procedure also requires the cashier to obtain a supervisor’s approval signature on the void receipts.

Issue

On February 10, 2016, the register six cashier voided receipt #41904 for \$7.00. The cashier failed to document the reason for the void on the receipt and did not obtain the supervisor’s approval signature for the void. As a result, receipts may be inappropriately voided which can cause discrepancies in daily balancing and increases the risk of misappropriation due to undocumented reasons for voiding the transaction.

Recommendation

Office management should continue to emphasize to the cashiers through training the importance of marking all void receipts as “VOID,” documenting the reason for the void, and obtaining a supervisor’s approval signature. To ensure compliance with Procedure F.1-1-3, ensure all void receipts have been properly voided, and provide an “audit trail” should an inquiry occur, Office management should review the daily void report and sign and date this report as evidence of this review.

Management Response

Management confirms the oversight and has reaffirmed standard operating procedures with the applicable cash receipting sections within the District Clerk’s office.