

# **AUDITOR'S REPORT**

## **HARRIS COUNTY DISTRICT CLERK THREE MONTHS ENDED FEBRUARY 28, 2015**



**August 21, 2015**

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

August 21, 2015

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 28, 2015

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 28, 2015.

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 Integrated Financial and Administrative Solution (IFAS) system.
- Performing 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. Less significant issues and recommendations have been verbally communicated to your staff.

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  
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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## ISSUES AND RECOMMENDATIONS

### Credit Card Refund

#### Background

On a daily basis, the Office accepts credit card payments and records the transaction in both their Case Accounting Transaction system (CATS) and in their credit card system. In accordance to their internal procedure, the Office compares amounts from both reports for agreement and investigates and voids any erroneous amounts before end of day balancing.

#### Issue

In January 2015, the Office procedure for voiding an incorrect transaction through the credit card system was not followed. A duplicate transaction was incorrectly included on the credit card report and the cashier did not identify and void the error during the daily closeout procedures. As a result, the Office's Financial Accounting section was required to perform additional reconciliation procedures in February 2015 to include the overcharge as a refund on their monthly collection report.

The following chart provides the detailed information for this issue.

Receipt Date	Register Number	Amount Recorded in Credit Card System	Amount Recorded in CATS	Correct Amount Determined by the Office and Reported in IFAS
1/20/15	50	\$68.64	\$34.32	\$34.32

#### Recommendation

Office management should reinforce to all cashiers the importance of performing reconciliation procedures between the two systems' reports and document the meeting. The supervisor should review and sign off on each day's reconciliation to ensure potential differences are recognized before month-end and resolved before they adversely impact IFAS.

#### Management Response

Management has addressed this issue with our balancing clerk. The clerk has been advised to pay closer attention to the settlement totals when balancing all types of credit cards and employ additional reconciliation notations to prevent future occurrences. The balancing clerk has also been properly trained on how to check for void adjustments that may be pending approval between systems.

# ISSUES AND RECOMMENDATIONS

## **Criminal Collections Incorrect Receipt Allocations**

### **Background**

As part of the defendant's court ordered requirement to pay fine and court costs, the Office accepts payments in person, through the Western Union Quick Collect system or through the mail. Payments are posted in the Cost Bill system and as a result, the defendant receives a system receipt as proof of payment.

### **Issue**

The following Cost Bill system malfunctions caused the Office to record misstated amounts in the Cost Bill system, in IFAS and on their monthly collection reports in January and February 2015. As a result, the Office was required to perform additional procedures in the Cost Bill system to correct transactions, determine the correct receipt amounts and determine the cause for the errors.

1. On January 14, 2015, court personnel discovered that the Cost Bill system assessed an extra court cost no longer collected on new cases for 32 misdemeanor cases and 1 felony case due to a system malfunction. On the same day, the Office implemented a modification to the Cost Bill system. It is undetermined how this extra court cost was included in the Cost Bill assessment and whether the modification resulted in the system malfunction.

During February 2015 and after the assessments were corrected on the 33 cases, the Office's clerks voided the incorrect January 14, 2015 payments and correctly posted them to other court costs. This resulted in refunds due on 10 cases because those defendants had paid in full.

2. On February 27, 2015, a court cost only assessed on felony cases, incorrectly appeared on that day's collection report for a misdemeanor case. However, the felony court cost was not included on the misdemeanor case's Cost Bill assessment and it is undetermined how it appeared on that day's daily collection report. We informed the Office on March 18 and 24, 2015; however, as of June 19, 2015, no explanation has been provided.

### **Recommendation**

The Office should:

1. Pursue with the Cost Bill programmers the cause and resolution of these errors.
2. Ensure Cost Bill corrections are performed within the month the malfunction occurred to reduce additional reconciliation procedures.

### **Management Response**

On January 14, 2015, the Misdemeanor Court Supervisor informed our System Analyst that the current JIMS system allowed a \$10 Records Preservation Fee to be assessed on 32 misdemeanor cases and 1 felony case due to a system malfunction. The Criminal Collection Management Team contacted our System Analyst on numerous occasions in January 2015 about correcting the

Cost Bill error. In order to correct these errors the System Analyst had to do her part before we could proceed with voiding and reposting of payments. We were notified on February 12, 2015 by our System Analyst to start the process of correcting these 33 cases. Going forward we will continue to notify our System Analyst about any errors that occur in the JIMS system as soon as they occur.

This issue has been reported to System Analysts, including communications directly from the Auditor's Office, in attempts to identify what may have caused the Felony Fee *Reward Repayment* amount to appear on a misdemeanor JIMS report. Until system edits have been employed to prevent future occurrences, we will do our best to identify and reconcile them upon discovery.