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

June 6, 2014

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, 2014.

SCOPE

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 Department) for the three months ended February 28, 2014.

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 financial system.
- Performing an analytical review of transactions by comparing selected information between periods.

RESULTS

The following results present the significant issues identified during our procedures, recommendations developed in conjunction with your staff, and any actions you have taken to implement the recommendations.

CRIMINAL COLLECTIONS RECEIPT ISSUES

The following receipt errors resulted in incorrect amounts being posted in the Cost Bill system during the three months ended February 28, 2014.

Case Number	Receipt Error	Clerk ID
1389672 1389674	In January 2014, the court ordered amounts for the County and State Water Fine (SWF) amounts did not match the Cost Bill assessments for two Water Pollution cases due to the court's data entry error and the Department not verifying the entry in the Cost Bill system. The error was not discovered until the Auditor was performing the monthly audit and affected the January and February 2014 SWF amounts reported on the Department's monthly collection report and reported to the State. To resolve this error, the Department corrected the assessments to reflect the proper SWF amounts in the Cost Bill system and voided and reposted the January and February 2014 payments to reflect the proper SWF amounts on their monthly collection report. As a result, the proper court ordered amounts will be remitted to the State.	JUUST JUFHQ
1915951	In February 2014, the cashier received an error message "Shortage Amount Not Allocated = \$25.00" when posting a payment. To resolve this error, the Department requested the court clerk to correct the Cost Bill assessment by excluding the \$25 Time Payment fee because the defendant paid in full, and the fee was not owed. However, the cashier did not void the credit card receipt that included the \$25 Time Payment fee and posted the higher amount in the Cost Bill system causing a refund. As a result, the Department performed additional reconciliation procedures to include the refund on their monthly report.	JUL4K

Although the Department discovered and partially corrected one of the two errors prior to our monthly procedures, they were required to perform additional procedures to correct the errors.

In the future, the Department should ensure that:

- Clerks and cashiers follow the departmental sectional procedure, "Judgment (Pollution or Corporation)" and determine if additional training is necessary to prevent the SWF error from future occurrence.
- The amount received from the customer agrees with the amount listed in the Cost Bill system.

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- The cause and resolution to the Shortage Amount error message is pursued with the Cost Bill programmers.

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