

AUDITOR'S REPORT

HARRIS COUNTY SHERIFF'S DEPARTMENT THREE MONTHS ENDED MAY 31, 2015



January 29, 2016

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HARRIS COUNTY AUDITOR

January 29, 2016

Sheriff Ron Hickman
Harris County Sheriff's Department
1200 Baker Street
Houston, Texas 77002

RE: Procedures applicable to the monthly collection reports submitted by the Sheriff's Department for the three months ended May 31, 2015

Although you were not the office holder during the period of our procedures, we are addressing this letter to you as the current office holder.

As required by Local Government Code Chapter 115, the Compliance Audit Department examined the monthly collection reports submitted by the Sheriff's Department (the Office) for the three months ended May 31, 2015.

The procedures performed included:

- Evaluating whether amounts reported on the monthly collection reports were properly deposited in the County's depository.
- 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.

Sheriff Ron Hickman

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
 Gene Locke
 Jack Morman
 Steve Radack
Devon Anderson
Vince Ryan
William J. Jackson
Dorothy Washington
Judy Springer

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ISSUES AND RECOMMENDATIONS

Monthly Reports

Background

Pursuant to the reporting requirements established by Local Government Code §114.001 and §114.002, the Auditor's Office requires that the Office submit their monthly collection report by the fifth day of the following month.

Issue

For the following business months, the Alarm Detail Section did not comply with this requirement.

Business Month	Date Received	Number of Days Delinquent
March 2015	04/15/15	10
April 2015	05/14/15	9
May 2015	06/09/15	4

As a result, delays in submitting the monthly report can cause delays in recording financial activity in IFAS.

Recommendation

All reports should be submitted in accordance with the deadlines specified in Local Government Code §114.001 and §114.002. The Office should implement procedures so month end documentation is submitted in a timely fashion.

Management Response

The monthly collection report is compiled by the HCSO Business Office, and requires gathering of information from several areas of the HCSO, including Alarm Detail. If any one of those areas is behind on submitting their data, the Business Office will be delinquent in submitting the compiled collection report. During the dates of this audit the Alarm Detail unit was still adjusting to the newly implemented CryWolf system and as a result, experiencing delays in submission of their monthly data. As of May 1, 2015 the Alarm Detail commander has agreed to place greater emphasis on timely month-end reporting, and expects reporting in subsequent months will conform to standard.

ISSUES AND RECOMMENDATIONS

Timeliness of Deposits

Background

Local Government Code §113.022 requires deposits to be made within five business days after the day on which the funds were received.

Issue

The following are instances in which the Alarm Detail Section did not comply with these requirements:

Collections Received	Deposit Validated by Bank	Number of Business Days Delinquent
03/02/15	04/14/15	25
03/03/15	03/24/15	10
03/04/15	05/05/15	38
03/05/15	03/25/15	9
03/06/15	04/15/15	22
03/09/15	03/19/15	3
03/10/15	04/15/15	25
03/12/15	03/25/15	4
03/13/15	04/14/15	16
03/16/15	03/26/15	1
03/17/15	03/31/15	5
03/18/15	04/09/15	10
03/19/15	04/09/15	9
03/23/15	04/16/15	12
03/25/15	04/13/15	7
03/26/15	04/14/15	7
03/27/15	04/13/15	5
03/30/15	04/22/15	11
03/31/15	04/24/15	12
04/01/15	04/16/15	5
04/06/15	05/07/15	18
04/07/15	04/27/15	9
04/08/15	04/20/15	3
04/13/15	05/18/15	20
04/14/15	05/05/15	10
04/16/15	04/29/15	4
04/20/15	05/06/15	7
04/21/15	05/06/15	6
04/22/15	05/05/15	4
04/23/15	05/18/15	12
04/27/15	05/08/15	4

Collections Received	Deposit Validated by Bank	Number of Business Days Delinquent
04/29/15	05/15/15	7
04/30/15	05/11/15	3
05/01/15	05/13/15	3
05/04/15	05/13/15	2
05/05/15	05/18/15	4
05/06/15	05/18/15	3
05/08/15	05/19/15	2
05/20/15	06/01/15	2
05/21/15	06/02/15	2
05/22/15	06/03/15	2
05/29/15	06/09/15	2

As a result, deposits which are not made in a timely manner may be misplaced, lost or stolen.

Recommendation

All collections should be deposited in accordance with the deadlines specified in Local Government Code §113.022. Clerks should be trained on the significance of depositing to the bank in a timely manner.

Management Response

The Alarm Detail unit began preparing for a transition from their FARS system to the CryWolf system in Sept 2014, which placed further strain on an already understaffed group, and may have contributed to continued delinquency of deposits. As of May 1, 2015 the Alarm Detail commander has agreed to place even greater emphasis on timely cash deposits. It should be further noted that the CryWolf system is anticipated to reduce cash deposit activity by as much as 90% within the next 12 to 18 months, thereby relieving the understaffed situation.

ISSUES AND RECOMMENDATIONS

IFAS Interface

Background

In accordance with Harris County Accounting Procedure F.1-1-3, *Cash Receipts – Interfacing to IFAS*, the Alarm Detail Section is required to transmit and post daily to IFAS, via an interface, the previous day's collection information.

Issue

The quarterly period depicted in the chart below demonstrates the delinquency of 17 selected days. Based upon an analysis of the data below it appears the Alarm Detail Section did not adhere to Procedure F.1-1-3 during the months of March and April.

Business Month	Interface Batch ID	Date of Business	Date Posted in IFAS	Number of Business Days Delinquent
March 2015	ICW32315	03/23/15	04/08/15	10
	ICW32415	03/24/15	03/31/15	4
	ICW32515	03/25/15	03/31/15	3
	ICW32615	03/26/15	04/10/15	9
	ICW32715	03/27/15	04/08/15	6
	ICW32815	03/28/15	04/08/15	6
	ICW33015	03/30/15	04/08/15	5
	ICW33115	03/31/15	04/09/15	5
April 2015	ICW40115	04/01/15	04/10/15	5
	ICW40215	04/02/15	04/10/15	4
	ICW40315	04/03/15	04/17/15	9
	ICW40415	04/04/15	04/10/15	4
	ICW40515	04/05/15	04/10/15	3
	ICW40615	04/06/15	04/10/15	3
	ICW40715	04/07/15	04/10/15	2
	ICW40815	04/08/15	04/10/15	1
	ICW41015	04/10/15	04/17/15	4

A delay in transmitting this information adversely affects the Auditor's Office and the Treasurer's Office in ensuring that collections have been properly deposited, recorded and acknowledged.

Recommendation

The Office should implement procedures to ensure that each day's IFAS interface is performed in a timely manner.

Management Response

As of May 1, 2015 the Alarm Detail commander committed to placing greater emphasis on timely transmission and posting to IFAS. Those efforts appear to be having success, based a lack of delinquencies noted in May 2015, as shown above in the audit issue detail.