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March 14, 2014

Sheriff Adrian Garcia  
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 November 30, 2013.

**SCOPE**

As required by Local Government Code Chapter 115, the Compliance Audit Department examined the monthly collection reports submitted by the Sheriff's Department (the Department) for the three months ended November 30, 2013.

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 all 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. Less significant issues and recommendations have been verbally communicated to your staff.

**TIMELINESS OF DEPOSITS**

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

The following are instances in which the Department did not comply with this requirement:

<u>Section</u>	<u>Collections Received</u>	<u>Deposit Validated by Bank</u>
Alarm Detail	9/1/13	9/11/13
	9/3/13	10/15/13
	9/4/13	9/13/13
	9/11/13	9/20/13
	9/20/13	10/1/13
	9/26/13	10/15/13
	10/1/13	10/15/13
	10/2/13	10/11/13
	10/4/13	10/23/13
	10/6/13	10/16/13
	10/7/13	11/5/13
	10/8/13	11/4/13
	10/11/13	10/24/13
	10/15/13	11/4/13
	10/16/13	11/12/13
	10/17/13	11/7/13
	10/18/13	10/28/13
	10/21/13	10/30/13
	10/22/13	11/1/13
	10/24/13	11/5/13
	10/27/13	11/12/13
	10/30/13	11/21/13
	11/1/13	11/22/13
	11/4/13	12/13/13
11/5/13	12/13/13	
11/7/13	11/29/13	
11/8/13	12/19/13	
11/11/13	11/26/13	

<u>Section</u>	<u>Collections Received</u>	<u>Deposit Validated by Bank</u>
Alarm Detail	11/15/13	11/29/13
	11/18/13	12/11/13
	11/21/13	12/16/13
	11/23/13	12/30/13
Bail Bond License	9/5/13	9/17/13
District 1	11/1 – 11/7/13	11/12/13
	11/8 – 11/14/13	11/19/13
	11/15 – 11/20/13	11/26/13
District 2	11/11 – 11/15/13	11/20/13
District 3	11/1 – 11/11/13	11/12/13
	11/11 – 11/15/13	11/19/13
	11/18 – 11/22/13	11/26/13
District 4	11/4 – 11/11/13	11/13/13
	11/5 – 11/11/13	11/13/13
	11/12 – 11/18/13	11/20/13
District 5	9/2 – 9/13/13	9/17/13
	10/1 – 10/10/13	10/15/13
	10/11 – 10/22/13	10/24/13
	10/22 – 10/25/13	11/4/13
	10/23 – 10/31/13	11/4/13
	11/1 – 11/7/13	11/12/13
	11/12 – 11/15/13	11/23/13
	11/18 – 11/26/13	12/2/13
Report Section	9/3 – 9/6/13	9/23/13
	9/17 – 9/20/13	9/30/13
	9/25 – 9/27/13	10/15/13
	10/1 – 10/4/13	10/15/13
	10/9 – 10/14/13	10/28/13
	10/14 – 10/18/13	10/28/13
	10/21 – 10/25/13	11/12/13
	10/28 – 10/31/13	11/12/13

All collections should be deposited in accordance with the deadlines specified in Local Government Code §113.022.

### MONTHLY REPORTS

Pursuant to the reporting requirements established by Local Government Code §114.001 and §114.002, the Auditor’s Office requires that the Department submit their monthly collection report by the fifth business day of the following month. For the following business months, the Department did not comply with this requirement.

<u>Business Month</u>	<u>Date Received</u>
September 2013	10/24/2013
October 2013	11/18/2013
November 2013	12/27/2013

Delays in submitting the monthly report can cause delays in recording financial activity in the County’s financial system. Therefore, all reports should be submitted in accordance with the deadlines specified in Local Government Code §114.001 and §114.002.

### MANUAL RECEIPT TIMELY PROCESSING

As discussed in Harris County Accounting Procedure A.1, *Cash Handling Guidelines*, manually receipted transactions should be entered into the County’s financial system within two business days following the day the manual receipt is issued. The following are instances in which the Department did not comply with this requirement.

<u>Section</u>	<u>Manual receipt date</u>	<u>Financial system receipt date</u>	<u>Number of receipts</u>
District 1	10/21/2013	10/25/2013	1
	10/22/2013	10/25/2013	7
District 2	10/7/2013	10/10/2013	1
District 3	9/9/2013	9/13/2013	6
District 5	9/3/2013	9/10/2013	1
	9/5/2013	9/10/2013	3
	10/1/2013	10/4/2013	1

Management informed us that Department employees have been instructed to enter manual receipts in the County’s financial system timely.

Sheriff Adrian Garcia  
March 14, 2014  
Page 5

Delays in entering receipts in the County's financial system can cause delays in recognizing revenue on the County's financial statements. Therefore, all manual receipts should be entered in the County's financial system in accordance with Procedure A.1. We will continue to monitor for compliance with those requirements.

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



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