

# **AUDITOR'S REPORT**

## **HARRIS COUNTY TAX ASSESSOR AND COLLECTOR'S OFFICE CLAY ROAD LOCATION AS OF SEPTEMBER 30, 2014**



**November 21, 2014**

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

November 21, 2014

Mr. Mike Sullivan  
Harris County Tax Assessor & Collector  
1001 Preston, 1<sup>st</sup> Floor  
Houston, Texas 77002

RE: Cash count for the Clay Road location of the Tax Assessor and Collector's Office (Tax Office) as of September 30, 2014

As required by Local Government Code Chapter 115, a surprise cash count was performed at the Clay Road location (the substation) on September 30, 2014. The purpose of this cash count was to ensure all funds that had been previously allocated to the Tax Office could be properly reconciled to the County's Integrated Financial and Administrative Solution (IFAS) system.

The procedures performed included:

- Counting the cash and checks at the substation, reconciling the funds on hand to the collection reports and the change funds.
- Affirming that the Substation's change fund agreed to the amount assigned on the Tax Office Change Fund Allocation Sheet.

The following issues and recommendations as stated on page 4 present 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. Mike Sullivan  
Harris County Tax Assessor & Collector

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

### Access Controls

#### Background

The Tax Office operates a main downtown office and numerous branch offices throughout Harris County, which receive Property Tax payments. The Tax Office uses a Cashier Database System (cashiering system) to process all Property Tax payments received. At the end of every day, each branch manager prints an End of Day (EOD) Report that summarizes all activity for that branch location. The EOD report is used to reconcile transactions entered into the cashiering system to the amounts collected.

#### Issue

In the cashiering system, cashiers have the ability to edit data in the field used to identify the name of the cashier. Edits in the cashier field could conceal the identity of the cashier who actually performed the transactions. The inability to properly identify each cashier's activity increases the risk for misappropriation of funds.

#### Recommendation

Tax Office Management should consider linking the cashier field to the employee's system login ID or removing the cashier selection field. This issue was discussed with Tax Office Management and they informed us they were in the process of implementing a new cashiering system and this issue would be addressed.

#### Management Response

We agree with the auditors' comments, and the following actions will be taken to improve the cashier process. We began beta testing a new cashier program in September, with planned implementation by December, which will remove the cashier selection field. This will prevent the cashiering staff from having the ability to make edits to the cashier field.