

The Harris County

Auditor's Office



Newsletter



August 2010



Auditor's Office

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The Facilitated Risk Assessment Process

One of the ways to address risk is to actually talk about risk. Here at the Auditor's Office, we have recently begun a formalized process to do just that. We call it the Facilitated Risk Assessment Process or FRAP for short.



Jeff Jackson
Director of Continuous Monitoring

The Facilitated Risk Assessment Process (FRAP) begins with a conference room, a laptop, a projector, and a dedicated team ready to dive in.

For each targeted area, the FRAP is usually comprised of three to four working sessions with each session lasting between 2 to 3 hours. The FRAP begins with the breaking down of the targeted area into logical subcomponents. For each subcomponent, we then begin to discuss general and specific types of risks that we have had to address historically and those that have the possibility of existing and/or impacting us now or in the future. For each specific risk identified, we next discuss the activities or tasks currently in place to address those risks. Based on the specific risk identified and an assessment of the activities/tasks in place to address or control the risk, the team next determines if any changes are necessary, and if change is necessary, brainstorms on proposed ways to strengthen the controls and/or enhance operational performance. Once the FRAP working sessions are complete, a

survey is sent out to the FRAP team to prioritize the proposed change tasks/activities. The survey results are then tallied and the changes are now in prioritized order. The proposed changes are then acted upon by the various responsible parties. The results of the FRAP are also shared with others in the Auditor's Office for their knowledge, awareness and participation.

I will illustrate this process with a real

INSIDE THIS ISSUE:

- The Facilitated Risk Assessment Process.
- Process Improvements in Accounts Payable.
- What's New in Financial Accounting?
- Unclaimed Property Update.
- Grant Funding Notification.
- Come and Get It (But You Better Hurry).
- Changes to County's Record Retention Guidelines.
- Audit Services Report Clearing Letter and Report Distribution.
- Money is Tight and So Should Be Internal Controls.
- Ask Curt and Sheli.



life example. The first area we looked at using the FRAP was capital assets. We then broke capital assets down into the following seven subcomponents:

- Acquiring Fixed Assets
- Depreciating Fixed Assets
- Transferring Fixed Assets
- Disposing of Fixed Assets
- Monitoring Fixed Assets
- Monitoring Construction Work In Process (CIP or CWIP)
- Monitoring Joint Ventures

We then started talking about the risks associated with acquiring fixed assets. The primary accounting assertions or objectives in this example are that transactions associated with acquiring fixed assets are not recorded in a complete, accurate and/or timely manner. The inverse of these objectives or assertions can also be stated - transactions to acquire fixed assets are not recorded in a complete, accurate or timely manner – stated this way, this is the general risk. With this one general risk, we then determined the most likely ways that this general risk can occur in our work environment given the people involved, the processes performed and the technology utilized. For this one general risk, we identified 14 specific risks that can occur related to the general risk, including:

- A County department miscodes a capital asset as a non-capital asset or expense.
- A County department codes non-capital assets as capital assets.
- A secondary classification code is entered improperly (e.g. vehicles under equipment) causing financial reporting asset misclassification issues as well as the incorrect application of depreciation expense and incorrect useful life.
- Assets that need to be combined into one integral operating unit (e.g. server room terminals and equipment) are not properly combined and therefore may not be properly recognized as a capital asset.
- Combined assets may include costs that should not be capitalized (including repairs, preventative maintenance and warranty).
- Misclassified or incomplete assets are not caught in the final review process.
- Infrastructure assets (roads, bridges, etc...) that are approved "dedicated" by Commissioners Court are prematurely recorded by Harris

County (i.e. prior to the end of the warranty period.)

- Expenditures for land and potentially other capital assets such as buildings exist on the books yet title has not been passed to Harris County.
- User departments fail to ensure inventory records reflect sufficient identifying information including each item's received date and unique identifying serial number resulting in incomplete information entered into the system.
- The failure to populate the verification date in the system causing assets to not begin depreciating; or, the verification date is entered, but when prompted to turn depreciation on, the accountants select "no."

Continuing the example, using the specific risk *The failure to populate the verification date in the system causing assets to not begin depreciating; or, verification date is entered, but when prompted to turn depreciation on, the accountants select "no"*, we noted that no direct activity or task was in place to sufficiently address this risk. We brainstormed and determined the best way to control this risk was to develop a report whereby this type of issue is identified and to review this report on a periodic basis.

No matter if you use the FRAP or other risk assessment type processes, it is important to communicate the results with other related parties that play a role in managing the organizations risk and integrate and seek their input and collaboration into the process. An enterprise-wide dictionary or portfolio of specific risks should be maintained and modified periodically. When evaluating risks, it may be beneficial to map the risks into one of four quadrants using a matrix such as that in **Figure 1**.

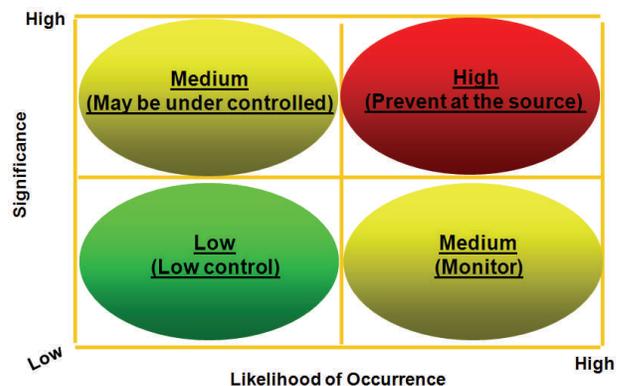


Figure 1 – Risk Evaluation Matrix with Risk Management Consideration Points

Additionally, the level of control put in place to address the risks is a business decision. Consideration should be given to the right level of control needed as depicted in **Figure 2**. Given fixed resources and if possible (i.e. not being confined by legal requirements), resources committed to over-controlled areas can be freed and devoted to risks that may be under-controlled. This is a worthwhile exercise to go through especially in challenging economic times.

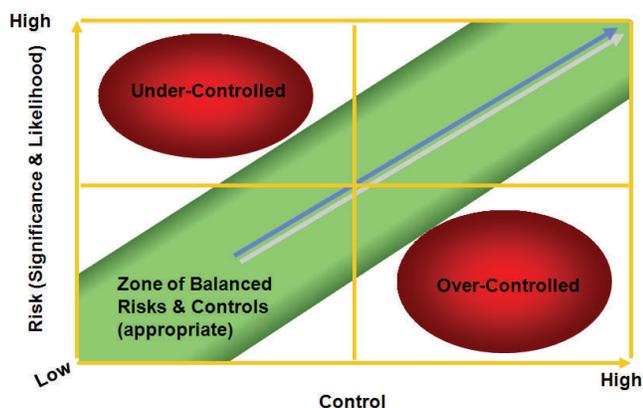


Figure 2 – Risk/Control Evaluation Matrix

In closing, risk assessment is an activity – someone needs to “do it” and it should be documented. With FRAP:

- You should have objectives or assertions before you have risks – or stated another way, general risks before you have specific risks.
- The facts about each specific risk need to be thoroughly discussed – has the risk ever occurred (that we are aware of); if it has occurred, was it isolated or systemic and what was the significance or the impact; what action did we take to address it and what are we currently doing to address it; if it has not occurred, what is the likelihood that it could occur and if it did occur, what significance/impact would it have.
- Control activities and tasks are discussed in relation to the specific risks and action is taken on apparent control gaps.
- FRAP results are communicated to other departments to incorporate into their assessment process.

Change always brings about new risks, so it is important to periodically reassess your risk portfolio and your applied risk strategies.

Process Improvements in Accounts Payable

Electronic Payment Remittances



The Accounts Payable Department recently eliminated the printing and mailing of Electronic Funds Transfer (EFT) remittance copies to all vendors receiving payments electronically. The elimination of this process will generate an estimated annual savings of \$20,425 for Harris County. This

Ronnie James
Director—Accounts Payable

savings was made possible through the implementation of the new Harris County Auditor's Office Vendor Payment Search website. The same payment information that was previously mailed to the vendors can now be accessed through the vendor payment search website. This website allows vendors doing business with Harris County to enter search criteria and obtain status and details about submitted invoices and processed payments.

Invoices by Email Program

The Harris County Auditor's Office Accounts Payable Department is committed to processing invoices efficiently, timely, and accurately for our many important vendors. During June 2010, the Accounts Payable department also presented the option to all vendors to submit their invoices using the following e-mail address:

VendorInvoice@hctx.net

Submitting invoices by email will save time, expedite the payment process and allow vendors to save on postage and other mail related expenses.

Request For Payments (RFP) by Email Program

The Accounts Payable Department has recently presented the option to all Harris County departments to submit their request for payments, mileage reimbursements, travel reimbursements and petty cash reimbursements to their Accounts Payable claims processor by email. All departments that choose to submit their invoices and claims by email should notify Accounts Payable Supervisors Debi Ferraro (713-755-4601) or Denise Weaver (713-755-1455) and your Accounts Payable claims processor.

What's New in Financial Accounting?

The Financial Accounting Department has completed the annual CAFR and PAFR.



Carol Market,
Director—Financial
Accounting

Financial Accounting is responsible for Harris County's Comprehensive Annual Financial Report (the CAFR). The CAFR includes Financial Statements for Harris County and its component units as well as the Independent Auditor's Report, discussion and analysis, a detailed narrative of significant financial information in the notes to the financial statements, a statistical section that includes financial trends, revenue capacity, debt capacity, demographic and economic information, operating information, and other information, and a compliance section (grants). The CAFR for the fiscal year ended February 28, 2010 is approximately 215 pages. The Government Finance Officers Association of the United States and Canada (GFOA) has awarded the Certificate of Achievement for Excellence in Financial Reporting to the County for its CAFR for the past thirty-six years.

Financial Accounting is also responsible for Harris County's Popular Annual Financial Report (PAFR). The PAFR is designed to present a more easily understandable financial report and to provide a snapshot of the County's financial performance and major initiatives as well as an overview of financial, economic, and demographic trends. The PAFR for the fiscal year ended February 28, 2010 is approximately 20 pages and is unaudited and not in accordance with generally accepted accounting principles due to the condensed and simplified presentation and absence of notes to the financial statements. The GFOA has awarded the Certificate of Outstanding Achievement in Popular Annual Financial Reporting to Harris County for its PAFR for the past five fiscal years.

Both the CAFR and the PAFR for the fiscal year ended February 28, 2010 will be available shortly on the Auditor's website at www.co.harris.tx.us/auditor.

Unclaimed Property Update

Chapter 76 of Title 6 of the Texas Property Code governs the State of Texas Unclaimed Property Program held and reported by counties, municipalities and independent school districts. This code requires Harris County to file two unclaimed property reports each year. Individual properties valued at \$100 or less must be sent



Michael O'Barr,
Supervisor—Bank
Reconciliations

to the County Treasurer and properties greater than \$100 must be remitted to the State Comptroller. These reports are due November 1st of each year and contain a listing of all properties unclaimed for greater than three years.

Effective this year, the Texas Unclaimed Property Program is placing an increased emphasis on returning unclaimed property to its rightful owners. The 2009 81st Regular Session of the Texas Legislature, passed Senate Bill 1589 requiring additional owner information to be included on reports submitted after Sept. 1, 2009. Holders of unclaimed property must include owner driver's license numbers and e-mail addresses, if their records contain such data. This places additional responsibilities on county employees that receive property or money to request driver's license numbers and e-mail addresses.

Also, beginning with the 2010 reporting cycle, a due diligence requirement has been added on unclaimed property valued at more than \$250. Holders of unclaimed property must mail a written notice to the owner, no later than Aug. 1 before remitting their property to the Comptroller's office the following November. Holders are encouraged to make every effort to locate owners early in the abandonment period. The only property that should be remitted is that for which the whereabouts of the owners are truly unknown.

Once due diligence letters have been mailed and responding owners have been reimbursed, remaining unclaimed property may be remitted either to the State or County Treasurer. The cut-off date for reviewing records is June 30. For the 2010 reporting cycle, property and outstanding checks still unclaimed since June 30, 2007 should be remitted to either the State Comptroller of County Treasurer.

Other requirements are that property must be reported to the State Comptroller of the owner's address. Texas

will however accept up to 10 out-of-state addresses if the aggregate amount is less than \$1,000 and forward the information to the appropriate state. However, Texas will not accept any California addresses. Additionally, property must be remitted even if no name and/or address are known. The holder must simply indicate "unknown" on its report.

You can get more information about unclaimed property reporting at <http://www.window.state.tx.us> or <http://claimittexas.org>.

Grant Funding Notification

The Auditor's Office, in conjunction with Management Services, has enhanced certain accounting and budget procedures for grants awarded to the County. The purpose of the procedural changes is to enhance budgetary controls and accountability. Since the revisions are significant and the procedures have not yet been finalized, the following essential elements of these changes were communicated in a letter dated August 5, 2010 from the County Auditor and Management Services to all County departments:



Mel Trammell
Director of Grants and
Accounts Receivable
Accounting

Discretionary Match Expenditures

1. All current and future required and discretionary cash match amounts must be approved by Commissioners Court (Court) identifying the specific dollar amount, fiscal year, and funding source prior to incurring grant match related expenditures.
2. Departments will be required to initiate a transfer out from the fund used to provide the discretionary match to the grant fund. An expenditure budget will be created after the transfer in to the grant fund has been certified as an additional resource.
3. After the grant award is approved by Court, current fiscal year required and discretionary matching funds will be transferred to the grant fund via an operating transfer out from the fund providing the matching funds.
4. The matching amounts authorized for subsequent fiscal years will be transferred to the grant as soon as that particular fiscal year's budget is available.

5. Discretionary and required match amounts approved by Commissioners Court will be included in grant budgets and may not exceed the amount approved by Commissioners Court.
6. Due to this change, discretionary match expenditures will no longer be transferred from grant funds to non-grant funds (e.g., General Fund) at the end of the grant period or another point during the year. Instead, all grant expenditures (including discretionary expenditures) will remain in the grant fund so the County can readily ascertain the total cost of a grant.

Pre-grant Award Expenditures - Renewal Grants

1. Expenditures will no longer be charged to renewal grants if a budget has not been established in the grant fund.
2. If a renewal grant award has not been received (a Notification of Grant Award has not been received or a grant agreement has not been executed) and the department wishes to post expenditures to the grant the department must obtain Commissioner Court's approval to temporarily transfer funds from an authorized budgetary source to fund the expenditures. For example, a temporary transfer (interfund transfer-out) from a department's General Fund budget is a possible source of funding for the transfer.
3. An expenditure budget for the grant fund will be processed by Management Services' Budget Section after the "Transfer In" has been certified as an additional funding source.
4. After the receipt of the grant award, Grants Accounting in coordination with Management Services' Budget Section will take the necessary steps to reverse the transfer and reestablish the expenditure budget in the non-grant fund.

Budgetary Management of IFAS Grant Org Keys using Grant Org key and PCNs

1. All grant org keys and PCNs in which the overall grant budget is fully expended will be closed unless sufficient additional discretionary matching funds are authorized by Commissioners Court.
2. It is imperative that departments proactively address grant funding/budgetary issues to avoid

problems that may arise affecting payments to vendors and employees.

3. If a grant budget will be or has been exhausted and a department wishes to continue charging salary and related benefits and other expenditures to the grant, they will be required to initiate a discretionary match transfer to the grant fund from an appropriate funding source prior to incurring such excess expenditures.
4. After the transfer has been certified as an additional resource and authorized by Commissioners Court, a corresponding expenditure budget will be established.
5. If additional funding is not secured, the org key will be closed, the Auditor's Office will inform Human Resources and Risk Management (HRRM) of the budget deficiency, and HRRM will then notify departments that the respective grant PCN(s) will be inactivated at the end of the current payroll period.
6. It will be the departments' responsibility to increase the discretionary match transfer noted earlier, if needed, to cover 100% of expenditures incurred.
7. It is important to emphasize that once a grant org key is closed, the financial accounting system (IFAS) will not allow expenditure transactions (accounts payable claims, payroll, POs, etc.) to be processed or posted to the grant org key. As such, it is crucial for departments to take the necessary steps to address and resolve funding issues involving salaries, benefits and other expenditures associated with grant positions well in advance of exhausting a grant budget. If proactive measures are not taken, payments to vendors and employees could be adversely affected. The issues which could potentially affect employees when a grant PCN is inactivated are enumerated in the following list:
 - a. Inability to post time in DTE
 - b. Delay in processing payroll/salary and other related payments
 - c. Delay in the payment of final benefits
 - d. Inability to record and use benefit time (sick, vacation, and compensatory time)
 - d. Delay in termination of benefits
 - e. COBRA and possible retirement related issues
 - f. Other issues (This list is not all inclusive.)

Grant Monitoring

1. To ensure that grant expenditures do not exceed awarded or budgeted amounts, departments

should routinely monitor the financial and budgetary status of their grants. As part of the monitoring process, departments will find it beneficial for planning purposes to prepare projections based upon their understanding of future expenditure expectations. If assistance is needed with developing a monitoring process, the Auditor's Office will be happy to provide support in this regard.

2. In addition to the monitoring activities performed by departments, the Auditor's Office will also develop projections based upon current salary activity to determine whether grant salary related budgets are sufficient to fund expenditures for the entire grant year. If it appears that projected salary related expenditures may exceed the budget, the Auditor's Office will notify departments of this matter. Likewise, the Auditor's Office and Management Services' Grants Coordination Section should immediately be contacted if a department has determined through its monitoring process that a grant will not have sufficient funding to cover salaries and other expenditures.
3. Disallowed expenditures that are unrelated to the program funded by the grant will be moved to an appropriate funding source.
4. Disallowed expenditures that are related to the program funded by the grant will remain in the grant org key(s) as a discretionary match.

There are no changes related to the accounting for required cash matches and corrective entries transferring expenditures from one fund to another.

In summary, expenditures occurring as a result of the acceptance of a grant award are only authorized to the extent they are approved by Commissioners Court as a grant award, required or discretionary cash match, or a temporary transfer. Since there is no authority to incur expenditures in excess of appropriations, the new procedures are necessary to ensure timely budgetary compliance and accountability.

Many of the official procedures related to accounting for grants will be updated as a result of these changes. In addition, many other less significant changes are being proposed. Staff responsible for grants accounting and budgeting should be encouraged to sign up for training on the new procedures as it becomes available.

Should you have any questions or need assistance, please do not hesitate to contact Mel Trammell, Auditor's Office Grants/Accounts Receivable Accounting Director at (713) 755-4832, Ian Gorman with the Management Services' Grants Coordination Section at (713) 755-6704, or David Kester, HRRM Director at (713) 755-5586.

Come and Get It (But You Better Hurry)

Most of you are probably familiar with the Unclaimed Property Search administered by the State of Texas's Comptroller of Public Accounts. Once a year, the state publishes a section in the newspaper listing all of the individuals who have unclaimed funds being held by the state who cannot be located. For those who are tech savvy and have not held a newspaper in a few years, surfing to www.claimtexas.org will bring you to a site that will allow you to search the data base for any lost property. As the state advertises on the site—*"Come and get it"*. Someone there remembers the 1970 song from Badfinger.



Wayne Comeaux,
Manager of
Compliance Audit

How do you end up on this list so you can *"come and get it?"* Funds held in your name may have been sent by a financial institution that has not heard from you in a while. This can be due to a savings account which has had no deposits or withdrawals for a while, or it could be from having mailed correspondence returned to them. Other ways include a check made payable to you that was never cashed.

If you have a unique last name (Comeaux comes to mind) it's pretty easy to find yourself. On the other hand, all you John Smith's out there may have to use a filtered search to find your lost treasures. Once you have located yourself, you can make a claim on the website and the Comptroller's office will be in touch with you. More often than not you will need to provide additional documentation, but once the state is satisfied that you are who you say you are, the funds are returned (sometimes with a small fee deducted). Performing this process is well worth your effort. Over \$145 million was returned to owners in 2009 alone. But \$2 BILLION in cash remains unclaimed.

The Auditor's Office reviews the list and web site for any unclaimed funds held by the state in the county's name. But that doesn't mean that all of the money the state has for the county is listed in that fashion. If you are an elected or appointed official that collects money on behalf of the county, you should pay close attention when making a claim. It has been brought to our attention that some of the funds in an official's name are not necessarily personal funds of that official. In fact, it could be funds that are actually property of the county.

How does this happen? One example was an individual paying an obligation owed the county obtained a cashier's check from a bank. That cashier's check was made payable to the office holder by name only and not the office. For whatever reason (lost in the mail or not even mailed in the first place) the cashier's check was never received by the office. After the statutory period of time, banks are required to submit to the state money associated with cashier's checks that were never cashed. The name the bank gives the state as the reported property owner? It's the name that the cashier's check was made out to, which in our example was the office holder. Only upon making a claim and reviewing additional details did the office holder realize that these funds were not his personal ones, but rather a payment to the county.

So if you are an office holder, how do you safeguard your personal funds as well as those of the county? Review the web site and make a claim for those funds that you know are your personal property. For the others, look for signs indicating it's a county obligation. If provided in the additional details, was the address a county building and not your home? Did the listing have your county title? Is the amount a standard fee you collect? Was the reporting institution a company that does business with your office?

The important thing is to not comingle claims. The state will send you a check for all of the claims you make at the same time, so accidentally mixing county claims with personal claims will take some time to correct.

If you see funds listed under your name but are actually property of the county, you can make the claim to the state, but be sure they know that you are doing it in your official capacity. Claims by governments do not pay a service fee. Once you receive a check from the state for the county funds you can call me at 713-755-6538 and I can provide you with some guidance as to how it should be processed. As for the check you get from the state for your personal claims, the holidays are right around the corner. As Badfinger sang, that check will be *"goin' fast."*

Changes to the County's Record Retention Guidelines

On October 13, 2009, Commissioners Court approved a new records management policy. The Harris County Records Management Policy (Policy) establishes the framework of rules and guidelines for handling all of the County's records throughout their lifecycle, including creation, access, use, storage, retention, and disposition. The Policy ensures the satisfaction of legal obligations, regulatory requirements, and operational needs for records and their retention by establishing consistent and accountable recordkeeping practices throughout the County.



Janet Norstrom,
Director—Systems
& Procedures

The Policy applies to:

All records created or received in the transaction of the County's business or in the fulfillment of legal obligations, regardless of media or format (i.e., electronic, e-mail, imaged, paper, etc.);

All appointed officials and elected officials who choose to participate in the County Records Management Program, and all employees, contractors, and agents who create, receive, manage, or use County records in the course and scope of their duties; and

All physical locations where records are maintained, including firms and individuals acting as agents of the County.

The Policy is established and maintained by the ITC Records Management Division, and it supersedes all previous records management policies, procedures, or standards intended to apply to the subject matter of the Policy.

As a result of the new Policy, we are making the necessary changes to the County Auditor's accounting procedures in order to be consistent with the revisions to the retention guidelines.

Two of the biggest changes to the County's record retention guidelines relate to grants and capital projects. Grant records are now required to be retained for five years after a grant is closed or until final audit is complete, whichever is later. Records relating to capital projects funded by debt financing, such as bonds are required to be retained for the life of the bond plus any financing. See the Harris County Records Control Schedule for more information.

The Auditor's Office - Systems & Procedures Department is currently developing new procedures to specifically address the new record retention guidelines. In addition, Systems & Procedures is ensuring that all new procedures and revisions to existing procedures indicate that documentation will be retained in accordance with the Harris County Records Control Schedule.

Please visit the Auditor's Intranet site at <http://www.aud.hcintranet.net/> for all County Auditor prescribed procedures and forms. Quarterly updates of revised, new, and/or rescinded County Auditor prescribed procedures and forms are also posted on the Auditor's Intranet site and e-mailed to Department Liaisons. These quarterly updates include bulleted lists of the significant changes to revised procedures and forms.

Audit Services Report Clearing Letter and Report Distribution

Periodically the Audit Services department will send out a letter to elected/appointed officials asking their preference regarding the process used to clear Auditor Reports with them and their personnel and also whether the official would like to establish a



Mark Ledman
Director of Audit
Services

The letter asks the elected/appointed official to choose one of the following report clearing preferences so they can be appropriately informed:

Before it is cleared with your personnel
At the same time your personnel receives it
Following the review/approval by your personnel

The letter is maintained on file should Audit Services perform an engagement in the official's area. Recently the Audit Services Report Clearing Letter was sent out to update our files. To date, six letters have not been returned. Pursuant to our procedures when a letter is not returned and a letter is not on file from previous years mailing, Audit Services will use the default preference of providing the draft report following the review/approval by the officials personnel.

The preference can be changed at any time by providing an updated form signed by the official. Additionally, should an engagement be performed, the report clearing preference is confirmed at the entrance conference. At the conclusion of the report clearing process, Audit Services will request official's to acknowledge receipt and review of the Auditor's Report. This communication by the official can be made by email or letter to Audit Services. Upon receipt of the final acknowledgement the Report will be issued to the County Auditor's normal report distribution as follows: District Judges, County Judge, Commissioners, District Attorney, County Attorney, County Budget Officer, External Auditor, and other Boards if applicable.

As stated earlier, upon final acknowledgement from the official the final report is issued. Several officials and department heads requested that we accept communication from a designee as an official's acknowledgement. If a designee is selected, Audit Services will send the final draft report to the official and the designee, and accept the acknowledgement of the official or designee to issue the report. If the official would like to establish a designee the name and title of the person is written on the letter on the designee's line.

Money is Tight and So Should Be Internal Controls

With the current economic conditions, departments are finding the need to make tough decisions and concessions on how budgeted funds and resources are used. Some of these relate to the cutting back on the goods and services used to run the department or the actual elimination of services offered. Still others relate to the actual cutting back and realignment of staff within the department.



Harland Maisel,
Director of Continuous
Monitoring

Tough economic conditions often have managers and

supervisors looking for areas in which to eliminate efforts and tasks in order to cover the elimination or reduction of departmental resources. Unfortunately, one such area that is usually considered relates to the internal controls surrounding the transactions processed by the department. Many times, the realignment or reallocation of department staff translates into the performance of certain functions ideally segregated between one or more individuals into functions performed by one individual. For instance, many departments have several levels of approval for the requisition process, the invoice payment process, or the cash receipting process (both automated and manually performed). The elimination of these reviews and / or approvals without the application of alternative procedures (known as mitigating controls) can lead to many different outcomes, including fraud.

Some easily implemented mitigating controls may include a different level or timing of reviews, i.e., a supervisory review subsequent to the occurrence of transactions, or the application of different thresholds to the transactions requiring approval prior to execution. While a review subsequent to the execution of a transaction is considered a detective control, its performance may be just as effective and cost beneficial as a preventive control (occurring prior to the transaction's execution) if known to exist by staff and is performed consistently and timely by someone not directly related to the execution of the transaction. The execution of such a review acts somewhat as a deterrent in that staff knows a review of the transaction is still performed. The use of thresholds on the transactions reviewed and approved prior to execution allows management to use a risk assessment to determine which transactions pose the biggest threats. These threats may relate to the dollar value of the transactions (few high dollar transactions or the nature of the transaction (many cash transactions)).

It is important to remember that even though times are tough, managements' responsibility for the implementation and monitoring of internal controls related to the financial activities conducted in their offices does not change. For questions relating to the internal controls within your department, please contact the Auditor's office.

Ask Curt and Sheli

What is Employee Online and how does it work?



Curt Weller
Director of Payroll
Audit

Employee Online is a website that was developed specifically for employees to review your earnings, hour balances and accounts payable reimbursements, as well as change certain personal information and elections affecting your net pay. Best of all it is available 24/7 from any computer with Internet access. We encourage every employee to join the 15,950 active employees who already manage their information using Employee Online.

Employee Online can be accessed from the County's home page or by going directly to the Employee Online site ([www.hctx.net/employee info](http://www.hctx.net/employee_info)) and enrolling is easy. Enter your County ID as the User ID and follow the directions to set up your individual password. Remember this is your confidential information, so **DO NOT** share your User ID and password with anyone. Upon separation of employment remember former employees can still access Employee Online using their User ID and password.

Once they have successfully logged in the following information is available:

Statement of Earnings

Payroll encourages employees to check their statement of earnings each pay period rather than only relying on your financial institution for direct deposit information.

Current and year-to-date earnings and deductions, beginning and ending hour balances, net pay and direct deposit information are available.

For privacy employees can elect to *go green* or paperless which will automatically opt out of printing each pay period.

Hours Summary

Payroll encourages employees to check their hours summary each pay period to ensure hours posted are correct. Notify your payroll clerk if there are problems with the hours posted.

All changes and/or corrections are limited to the two preceding pay periods, except as required by law or court order.

W-2's

Available online before paper copies are printed and mailed.

Currently 7,000 employees have elected to *go green* saving Harris County taxpayers the cost of forms, printing and postage and allowing you to file your Federal Tax Return faster.

AP Reimbursement

Monies reimbursed for expenses paid up front by employee. Example: mileage reimbursements for use of personal vehicle for county business.

Employee Insurance Coverage

Employee Insurance coverage also provides dependents, if any, and beneficiaries.

Statement of Harris County Paid Benefits

Salary plus benefits paid per employee to reflect total pay by Harris County taxpayers.

Each of the above reports is available for multiple pay periods and years depending on frequency. Printing the statement of earnings and W2 information can facilitate completing loan applications.

By selecting the update my account information option, employees can choose to change:

W4 Federal Tax Withholding Information

Edits ensure you change is within the confines of federal law.

Address/Phone Information

Updates only the County's IFAS system, but TCDRS and other organizations must be contacted separately.

Emergency Contact Information

Direct Deposit Information

Provides employees privacy, since their personal information is not passed via email, fax or interoffice mail to the payroll clerk or other personnel or other personnel and contact with the sales representative is not required.

The most popular update screen with almost 400 changes processed each pay period or every two weeks.

Voluntary Deduction Information

Provides employees privacy, since their personal information is not passed via email, fax or interoffice mail to the payroll clerk or other personnel or other personnel and contact with the sales representative is not required.

The Employee Online site can be updated until midnight on maintenance cutoff date rather than noon for a paper form. Employees must remember to review all changes, note the paycheck date the change will be effective on and enter their User ID and password a second time to ensure the changes are accepted.

County Auditor's Office Employees Service Anniversaries

Congratulations to the following employees who have reached their anniversary milestone with Harris County this year. Each employee's length of County Service and the month that the milestone was reached is shown below.

January	<u>Length of Service</u>	March	<u>Length of Service</u>	June	<u>Length of Service</u>
Carolyn Helm	34	Debi Ferraro	27	Mary Jo Zalesky	31
Curt Weller	28	Patricia Mata	10	Wayne Comeaux	26
Wendee McCain	19	Cynthia Smith	6	Harland Maisel	24
Janet Norstrom	16	Stacey Wilson	6	Donna Godair	20
Maggie Cauley	13	Calvin Clark	5	Cassandra Smith	6
Martha Rowell	13	Mel Trammell	3	Walter Hammann	5
Sheli Ruis	11	Ronquie Patterson	3	Eloy Gutierrez	1
Timothy Leonard	10	Isimenmen Aburime	2		
Vicki Cash	10	Charles McDonald	2	July	
JoEllen Lamb	9	Lee Branch	1	Leslie Pope	26
Candice Kendall	7			Tammie Sonnier	20
Carol Market	7	April		Michael O'Barr	10
Jose Mendoza	7	Mary Nguyen	8	Maria Awayan	9
Tijuana Smith	5	Mark Ledman	4	Tom Ngo	9
Jessica Vallieres	2	Darlene Taylor	4	Ollie Willis	7
Marie Cary	2	Aleta Chambers	4	Cynthia Acosta	4
Wendi Welsh	1	Leticia Quiroz	4	Wai Leung	3
Lori Hannes	1	Pat Moreno	3	Erik Gonzalez	3
		Lisa Godfrey	2	Eric Pertl	3
February		Greg Lueb	2	Craig Landis	2
Yolanda Anderson	24	Rodney Pollard	2	Lin Zhong	2
Liz Calhoun	22	Velia Frias	1		
Pamela Mayon	20	Lana Tran	1	August	
Anna Spalding	10			Debra Smith	27
Cynthia Dowers	9	May		Trina Cheney	26
Filomeno Vilorio	9	Tommy Jenkins	30	Stephen Hoza	21
Judi Carter	8	William Erb	22	Ronnie James	15
Veronica Sanchez	8	Cassandra Davis	13	Christopher Casas	14
Clarice Brown	6	Gwendolyn Foy	11	Michael Post	14
Courtney Leigh	6	Leovigilda Genova	10	Sophia Montgomery	11
Ronald Foster	5	Rosa Trevino	10	Barbara Schott	10
Sylvia Mercy	3	Nicholas McGee	7	Mohammad Haroon	10
Robin Barker	2	Sophana Ven	5	Demetrice Collier	8
Mellanie Tostado	1	Tanya Williams	2	Betty Lew	4
Brook Syers	1	Peter Cripps	2	David Tish	4
Joseph Griffith	1	Tracy Ulloa	1	Maria Alfaro	1
Robert Jones	1	Ronda Qualls	1	Tiffany Franklin	1

Congratulations to each of YOU!!!



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