

*The Harris County*

# Auditor's Office



*Newsletter*



*January 2014*



### Auditor's Office

**Barbara J. Schott, CPA**  
County Auditor

### Accounting Division

**Mike Post, CPA**  
Chief Assistant

**Mel Trammell**  
Asst. Chief of Disbursements

**Curt Weller**  
Director  
Payroll

**Rita Anderson**  
Manager  
Accounts Payable

**Carol Market**  
Director  
Financial Accounting

**Vacant**  
Director  
Continuous Monitoring

**Linda Harvey**  
Director  
Revenue Accounting

**Michelle Ramsey**  
Director  
AR and Grant Accounting

### Audit Division

**Mark Ledman**  
Chief Assistant

**Vacant**  
Director  
Audit Services

**Harland Maisel**  
Director  
Continuous Auditing

**Janet Norstrom**  
Director  
Systems & Procedures

**Wayne Comeaux**  
Manager  
Compliance Audit

## *Auditing with Data Analysis*

The County is continuously exposed to new risks, which include increased or new compliance requirements, errors, and other risks that can result in a financial loss.

As a result, the Construction and Contracts Audit Team has adopted innovative ways to address these risks in the team's audits through the increased use of ACL, a tool used to analyze data to detect transactions that fall outside of normal business practices, internal control standards or regulatory requirements.

The analysis of data is not a new concept and has been traditionally performed by reviewing and analyzing data either manually or utilizing spreadsheet or data analysis programs such as Excel. Auditing Standard AU sec 350 titled "Audit Sampling" explains that sampling is the application of an audit procedure to less than 100 percent of the items within an account balance, or class of transactions, for the purpose of evaluating some characteristic of the balance or class. Typically, the Construction and Contracts Audit Team has relied on the sampling method to obtain sufficient evidence to support their conclusion regarding the results of the testing performed.



Jeremy Hertel,  
Audit Manager

Now consider the traditional approach to analyzing data, which typically consists of acquiring information from multiple sources in various formats. This data is converted into an Excel file where it is evaluated through the use of pivot tables, sorts, searches, and various other functions and formulas. Although Excel is a very powerful and important tool for most Audit Services Engagements, not all computer systems possess the ability to create data files in an Excel format.

### **INSIDE THIS ISSUE:**

- Auditing with Data Analysis.
- What Duties Does Continuous Audit Perform?
- Auditor's Intranet...Information Galore.
- Time to Settle, Strategize and Start Again—The Accounts Payable Department.
- More Than Just A Key.
- Did You Know????
- Bank Reconciliation.
- Bank Deposits.
- Oh No! Where Did The Year Go?



Because of this, Auditors have devoted many hours towards converting the data received into a consistent format within Excel. However, not all data surrenders so easily. At times, the imported data maintains special formatting or additional characters that are not easily identified or corrected, causing inaccurate results or false negatives on the testing performed.

Two advantages to using ACL are its ability to easily recognize and convert data provided in a number of formats and it will allow the Construction and Contracts Audit Team to review larger amounts of data from multiple sources more efficiently, by testing every transaction within an area. Formats accepted by ACL include PDF files, Delimited files, Print Image (report) files, Excel/Access files, XML, and other formats.

Looking towards the future, ACL will help to reduce the inefficiencies that can be encountered when using Excel. ACL will allow the Construction and Contracts Audit Team to focus on more productive activities such as comparing data to designated parameters, rules and policies, resulting in a more complete and meaningful opinion provided to management.

Reference:

Auditing Standard AU sec 350 titled "Audit Sampling"  
[www.aicpa.org/Research/Standards/AuditAttest/DownloadableDocuments/AU-00350.pdf](http://www.aicpa.org/Research/Standards/AuditAttest/DownloadableDocuments/AU-00350.pdf)

## *What Duties Does Continuous Audit Perform?*

Many people wonder what Continuous Audit is all about. Continuous Audit is part of the Audit Division, but Continuous Audit differs from the Audit Services department in that it strives to design and implement tests that can be performed on an ongoing basis to provide independent assurance that management controls are in place and effective. Depending on the nature of the tests, they can be done daily, weekly, monthly, annually or at any other time desired. The nature of the tests can range from small specific tests looking at a single issue or at the "big picture." Continuous Audit's job is not to



Porter Broyles  
Continuous Audit  
Analyst

serve as a control, but rather to validate that management's controls and policies are in place and working.

For example, Continuous Audit performs a daily analysis wherein it reviews over 50 different data sources looking for abnormalities or changes. By taking a proactive step, Continuous Audit can identify when changes are performed to various key sources that have bypassed management controls. If somebody wanted to bypass certain security protocols on the IFAS system, they might attempt to change or alter a security or configuration table. What they may not realize is that these tables are monitored by an automated process that ensures that critical or unexpected changes are highlighted and brought to management's attention. One aspect of Continuous Audit's job is not to ensure that the changes are correct, that is management's responsibility. Continuous Audit's job is to determine whether that the changes were made with the appropriate managerial oversight.

In addition to auditing adherence to Policies and Procedures, the Continuous Audit function can look at transactions. One analytic that is run provides 100% assurance over health insurance claim eligibility and can be performed in a fraction of the time that it would take if it were performed by the business units.

Harris County contracts with Aetna to serve as our Health Insurance Administrator. Aetna, while an insurance company, does not insure Harris County employees, Harris County is self-insured. In other words, claims processed by Aetna are paid by Harris County.

Every day Aetna processes a number of claims, typically around 20,000 claims for over three million dollars per week on behalf of Harris County employees, former employees, retirees, and their dependents. Aetna pays the claims and then submits an invoice to the County for payment. Like any invoice, Aetna cannot simply say, "pay us X dollars." Aetna has to provide supporting documentation to substantiate the bill. This is done by providing Harris County with a high level summary of claims processed (the date of service, the amount, and the policy under which the claim had been processed.)

Before the claims are paid, there is a fiduciary duty to validate that the claims are Harris County's responsibility. Is the policy that of an actual Harris county employee, retiree, or former employee on COBRA? Was the claim incurred during a covered period? If the insured is not Harris County's responsibility, then accounts payable should not

process the payment and a refund should be requested.

With the number of claims processed a week; this could be a monumental task. In all likelihood, the business unit would perform some sort of cursory review of the submitted claims. They might use a sampling strategy and validate various control totals, but a detailed review and reconciliation might be limited. Any such reconciliation might include a lot of manual comparisons between piles of paper print outs.

To streamline the process, the Continuous Audit department has been tasked with auditing the claims file submitted by Aetna. Continuous Audit thus ensures the effectiveness of the vendor's controls at the same time as assisting the Human Resources and the Accounts Payable departments.

This is accomplished by loading all of the daily files into a data analytic tool known as ACL. ACL allows the County to combine the daily files into a larger file. This file is then matched to an employee master file that has the names and information of all current and past employees. From there, Continuous Audit can identify the employee on the County's Health Insurance list or COBRA list. If the individual cannot be identified on either of these lists, then Continuous Audit flags the individual for additional research by HRRM and a possible refund from Aetna.

After confirming that the policy is valid, the date of the claim has to be compared with the individual's coverage period. Was the claim incurred prior to the start of coverage? Was it incurred after the coverage terminated? Was the claim during a gap in coverage? If any of these conditions are identified, then Continuous Audit flags the individual for additional research from HRRM and a possible refund from Aetna.

This process is complicated based upon the nature of the health insurance records. Every year a new record is generated for every employee indicating their coverage. If certain life changing events (addition to family, death, spouse losing coverage, etc.) prompt a policy change, then a new record is generated. Furthermore, certain changes in jobs (retiring or transferring to the flood district) may generate a new employee ID and a new record on the health insurance file. Thus a person employed for five years will have at least five different entries on the health insurance file. Part of the task of validating coverage is to check the date of service with each of these entries to ensure coverage.

Since Continuous Audit uses a data analytic tool to perform this analysis, we are able to review 100% of the claims in just a few hours identifying anybody who has never had coverage with Harris County and anybody who received services during a period where they were not covered.

These exceptions are then reviewable by Human Resources to determine if there is a problem with the records or if a refund is due to the County. In most weeks, Continuous Audit identifies approximately \$3,000-4,000 in claims that needs to be investigated. On occasion, Continuous Audit may identify tens of thousands of dollars in claims that must be reviewed for accuracy. By using analytical tools, such as ACL, Continuous Auditing is able to review 100% of the population and identify any exceptions/outliers.

The question now becomes what types of routine testing exists within your individual units/departments? What can you do on a regular basis when you think, "There has to be a better way?" What type of testing is not performed in your area but you think might yield a benefit? If you have any ideas on testing that might be considered for automation, feel free to contact Porter Broyles or Harland Maisel.

## *Auditor's Intranet...Information Galore*

It was back in October 2006 when we launched the Auditor's Office Intranet. Since that time, we've added more of the information that you need. We have more procedures, more forms, more payable and payroll information, etc. You will find organization charts for the different departments within the Auditor's Office, as well as fiscal year-end information. The **Fiscal Year-End Information** page includes posted memos, notices, documents, and forms that departments need for fiscal year-end requirements.



Steve Hoza,  
Senior Analyst III

The Auditor's Accounting Procedures and forms are located from the left navigation menu by selecting **Manuals>Accounting Manual** or **Forms>County Auditor's Forms**. Our procedures are divided into two lists or sections, A-D and F-Z. To link to other

procedures and forms that are referenced within a procedure, click on the *References* drop-down list below each procedure. Then select the referenced procedure or form you are trying to quickly access. In addition to our Auditor prescribed forms, other useful forms are available from our Intranet (**Forms>Other Useful Forms**), such as the I-9, W-4, W-9, *Election of Disclosure or Non-Disclosure Form* (9A), In-Texas and Out-of-Texas travel request forms, and Workers' Compensation forms.

As an extension of our Intranet, we send out Quarterly Update emails on a fiscal quarterly basis (i.e., around the first of March, June, September, and December). These emails list revised, new, and/or rescinded Auditor prescribed Accounting Procedures and forms. The content of these emails is posted on our Intranet on the **What's New>On Our Site** page. Be sure to review this information if you are not receiving the emails as part of our distribution list. If you would like to be added to our distribution list for these updates, please send an email to Steve Hoza in Systems & Procedures.

Please visit and browse through the Auditor's Intranet to become familiar with all of the information available that may be of assistance to you and your department. To access our Intranet directly, go to <http://www.aud.hcintranet.net/>. To access it from the Auditor's Office Internet (<http://www.co.harris.tx.us/auditor/>), select **Auditor's Intranet Site** from the left navigation menu.

## *Time to Settle, Strategize and Start Again—The Accounts Payable Department*

The 2014 fiscal year is coming to a close and the eve of fiscal year 2015 is here. Please direct your attention to the "*Fiscal Year End Information*" letter from the County Auditor's Office delivered to Department Heads and Liaisons via email the first of December.

### **Accounts Payable-Settling**

In an effort to minimize prior fiscal year activity flowing into the new fiscal year, please focus on the



Rita Anderson, MBA,  
CFE  
Manager—Accounts  
Payable

following:

1. Encumbered Purchase Orders – A review of encumbered purchase orders is required to determine the status as of fiscal year end.
  - a. The Purchase Order can be cancelled, if all services and goods required have been received and all invoices have been processed and paid.
  - b. CDD Report to identify Encumbered Purchase Orders by Department
    - En – Open Encumbrance Summary by PO
  - c. Please provide a list of Purchase Orders to be cancelled to the Purchasing Department as soon as possible.

If you need assistance or have any questions regarding the Encumbered Purchase Order process, please contact Rita Anderson, AP Manager at 713-755-1455, Gwendolyn Foy, AP Supervisor at 713-755-6566, Jacqueline Roney, AP Supervisor at 713-755-4458 or Pat Martin, Purchasing at 713-755-6039.
2. Invoices Pending Approval – A review of invoices awaiting approval for payment to minimize the number of invoices that will carry over to the 2015 fiscal year.
  - a. CDD Report to identify invoices in department approval
    - AP\_Invoices in Approval Process
3. Contracts and Agreements – Review of open contracts and agreements to ensure services are provided within the stated guidelines and the terms do not have fiscal year end implications.
4. Accounts Payable Processing and Settlement (Payment) Schedules
  - a. Invoice Processing Schedule was provided to the department heads and liaisons in December 2012. In addition, the schedule is available on the Harris County Auditor's Office intranet website located at [www.co.harris.tx.us/auditor/](http://www.co.harris.tx.us/auditor/).
  - b. Electronic Funds Transfer (EFT) Settlement Schedule is available on the Harris County Auditor's Office intranet website located at [www.co.harris.tx.us/auditor/](http://www.co.harris.tx.us/auditor/). The schedule provides the settlement dates for payments made via EFT to vendors and employees.
  - c. The final Commissioner's Court for fiscal year

2014 will be Tuesday, February, 25, 2014. Please adhere to deadlines posted for the final commissioner's court of the year to ensure timely payments and minimize the carry forward of prior fiscal year activity into the new fiscal year.

If you need assistance or have any questions regarding items 2, 3 and 4 listed above, please contact Rita Anderson, AP Manager at 713-755-1455, Gwendolyn Foy, AP Supervisor at 713-755-6566 or Jacqueline Roney, AP Supervisor at 713-755-4458

**Accounts Payable – Strategizing**

Please take a moment and review the prior fiscal year and identify areas that can be improved. From that review, determine what can be done differently to minimize delays and errors in payment? The key to strategizing for the new fiscal year is to be proactive instead of reactive.

**TIPS:**

1. Review terms of purchase orders, contracts and agreements and determine when will be the best time to renew, restructure and/or establish an addendum.
2. Review vendor relationships and determine the best approach for communicating and resolving disputes.
3. Review departmental needs and goals and align them with commissioner's court dates and accounts payable payment schedules.
4. Communicate department changes that impact the financial and accounting process to the Auditor's Office as soon as possible.

**Accounts Payable – Starting Again**

The end of the year gives way to the notion of what can be done differently next year, creating opportunities to improve.

- Who will come up with new ideas and be willing to make positive change?
- What is necessary to improve and be more efficient?
- When is the best time to change and try

something new?

- Where do you start?
- How do you go about making change and improvements?

For continuous improvement, the aforementioned questions can be considered when starting a new fiscal year.

If you have any questions regarding Accounts Payable, please contact Rita Anderson, AP Manager at 713-755-1455, Gwendolyn Foy, AP Supervisor at 713-755-6566 or Jacqueline Roney, AP Supervisor at 713-755-4458.

*More Than  
Just A Key*

Have you ever wondered – “Why is there so much paperwork required for a key set-up?” Well the answer is easy; whether it be a general ledger (GL) or a job ledger (JL) key, there is more to the number than just a code for expenditures. A GL key tells who is being charged and a JL key says why a transaction is occurring.



Cassie Smith,  
Assistant Director  
Of Financial  
Accounting

The GL key is an eight digit key and is specific to departments, because that is how the budget is adopted. A GL key is requested on form 289. The first three digits are the fund, the fourth through sixth digits are the department, and the last two digits are available to the department to distinguish between various groups within the department. These last two digits can be numerical, alphabetical, or a combination of both. These are just to create the key number, but there are other useful parts that don't show up in the key number. These other parts are referred to as background parts.

Background parts assist in various tasks for reporting internally and externally. For example, some departments take advantage of the 4 user level background parts. The user levels allow for a department to distinguish within the divisions various subgroups. For instance, in the Auditor's Office there is

a division called "Accounting Division" and within the various keys there are "User 1" parts identified for the various subgroups within the Accounting Division, such as Revenue Accounting, Financial Accounting, Grants & AR, etc. This allows for the Directors of those departments to run reports for just their area. Background parts are used in external reporting, such as the Comprehensive Annual Financial Report (CAFR). The parts used for this type of reporting are the fund type group, fund subgroup, and function. The function is an important part that allows for the expenditures to be reported as required for the CAFR.

The JL key is a ten digit key and can be used an activity or a major project. An activity key usually starts with an "A" and is not directly linked to a specific GL key, so it can be used with any fund or department that is performing that activity. A department can track expenditures or revenues for a specific activity, simply by running a report for the activity key and department. An activity JL key is requested on form 289B. For a JL key related to a major project: the first five digits are the master project or activity; the sixth and seventh digits are the phase; the eighth digit is the funding source; and the ninth and tenth digits are the task. These keys are directly linked to a specific GL key that is recording the revenues and expenditures. The Capital Asset group uses the master project number to identify the projects that will need to be capitalized once complete. A project JL key is requested on form 292. There are five questions on this form that provide vital information to the Auditor's Office. The answers to these questions let us know whether the project being worked on is an existing or a new asset, if the useful life of an existing asset is extended, if the useful capacity of the asset is increased, whether the County will own the asset at the end of the project, and whether this is a project for another entity. These are important questions to assist the Capital Asset group in properly recording the assets of the County.

So, why is there so much paperwork required for a key set-up? It provides vital information to document and support to whom and why the monies are being received or expended.

## Did You Know?????

### SOCIAL SECURITY & MEDICARE TAX INFO:

The Social Security (SS) wage base for 2014 will be \$117,000 up from \$113,700. The maximum Social Security tax employees and the County will each pay in 2014 is \$7,254.00. The 2014 SS tax rate is 6.2% for employees and 6.2% for employers.



Linda Dougherty,  
Assistant Director of  
Payroll

As in prior years, there is no limit to the wages subject to the Medicare tax; therefore, all covered wages are still subject to the 1.45% Medicare tax. The combined SS and medicare minimum tax rate will be 7.65%(6.2% + 1.45%). The combined SS and medicare tax rate will 7.65% for 2014. As in 2013, wages paid in excess of \$250,000 for a couple or \$200,000 for singles in 2014 will be subject to an additional .9% medicare surcharge for the employee ( the County is not subject to the surcharge).

### SOCIAL SECURITY BENEFITS STATEMENT:

The SSA is no longer sending out a statement showing the history of your wages from every employer. This statement was to help you calculate your estimated retirement benefit. The SSA has a website ([www.ssa.gov](http://www.ssa.gov)) to facilitate this calculation.

### W-2'S ONLINE:

W-2's will be available to download and print by mid-January 2014 from the Employee Online Website. If you have not chosen the option to go paperless, your W-2 will be mailed on or before January 31, 2014. Our continued mission to "GO GREEN" utilizes the employee website to download and print the W-2. About one half of our employees have gone green and print their W-2 from the website.

The final deadline for employee's to correct their address online is **12/20/2013**.

**DEFERRED COMPENSATION:**

The limitation under elective deferrals for a 457 Plans is unchanged at \$17,500. The catch-up provision for individuals age 50 or over is unchanged at \$5,500.

Roth deferred compensation after tax deductions have resumed. The Texas Legislature has redefined the language in the Code.

**REVIEW W-4:**

Remember to submit a new W-4 for 2014 if your filing status changes at any time during the year. If you claimed "exempt" from federal withholding during 2013, you must complete a new Form W-4 by February 17, 2014 to keep your "exempt" status. If a new completed Form W-4 is not submitted by February 17<sup>th</sup>, Federal Regulations require that the payroll department begin withholding federal income tax on the March 1, 2014 paycheck as if you are single, with zero withholding allowances. Employees can use the Employee Information website to make changes to the W-4.

**EARNED INCOME TAX CREDIT:**

EITC, the Earned Income Tax Credit, sometimes called EIC is a tax credit to help you keep more of what you earned. It is a refundable federal income tax credit for low to moderate income working individuals and families. Congress originally approved the tax credit legislation in 1975 in part to offset the burden of social security taxes and to provide an incentive to work. When EITC exceeds the amount of taxes owed, it results in a tax refund to those who claim and qualify for the credit.

To qualify, you must meet certain requirements and file a tax return, even if you do not owe any tax or are not required to file. IRS Publication 4935 is a guide explaining who qualifies, income limits, maximum credit amounts, people with disabilities, etc.

*Bank Reconciliation*

Can you imagine reconciling approximately 280 bank accounts every month? That's exactly what the Auditor's Office - Revenue Accounting Bank Reconciliation Section has the responsibility of doing. An additional approximately 60 investment reconciliations are also prepared.



Michael O'Barr,  
Supervisor -  
Bank Reconciliation

The bank accounts include county, trustee, and custodial accounts held by Harris County. County bank accounts contain county funds held in the County depository and are monitored by the County Treasurer. The Auditor's Office – Revenue Accounting Bank Reconciliation Section is responsible for reconciling each of these accounts to the General Ledger on a monthly basis.

Trustee bank accounts contain funds that are administered by a trustee bank offering various investment options. These accounts are reconciled both to the Investment Report and the General Ledger.

Custodial accounts are typically used for non-County funds held in a "custodial" capacity, separate from County bank accounts and are not monitored by the County Treasurer. Each County department is responsible for the funds, for recording all deposits, disbursements, adjustments, and for reconciling the bank account monthly to the appropriate subsidiary ledger. The Auditor's Office Bank Reconciliation section further reconciles these accounts and their subsidiary ledgers to the County General Ledger.

With few specific exceptions, all bank accounts must be maintained at the County's depository, Amegy Bank of Texas.

Each custodial bank account must be controlled and maintained in accordance with the County Auditor's Accounting Procedure C.8, "Custodial Bank Accounts". Specific custodial bank account procedures apply to some accounts (e.g., C.8-1, *Custodial Bank Accounts – District Attorney*; C.8-2, *Guardianship Program*; C.8-3, *Representative Payee Program*; and C.8-4, *Custodial Bank Accounts Social Services Department*).

For each custodial bank account, a monthly summary report must be prepared by the responsible County

Department on County Auditor's Form #324C, "*Custodial Bank Account Monthly Summary Report*" and submitted to the County Auditor - Revenue Accounting and County Auditor - Financial Accounting Departments by the 5<sup>th</sup> of the month following the month for which the report is prepared. Additionally, a monthly reconciliation report must be prepared on County Auditor's Form #324A, "*Custodial Bank Account Monthly Reconciliation Report*". This report, copies of the monthly bank statements, supporting lists of deposits in transit, outstanding checks, deposits, issued checks, adjustments, and subsidiary ledger balances all must be submitted to the County Auditor - Revenue Accounting Department by the 20<sup>th</sup> of the month following the month for which the report is prepared.

Each bank account must be opened by submitting a letter of request to the County Auditor - Revenue Accounting Bank Reconciliation Section in accordance with the County Auditor's Procedure C.5 and its Attachment I, "*Opening New Bank Accounts*". The Auditor's Office will then prepare the appropriate paperwork and submit the request to Commissioner's Court for approval. Only those bank accounts duly approved by Commissioner's Court are allowed. (Guardianship accounts are the exception.)

If later it is determined that an existing County bank account's title/name needs to be changed for clarification purposes only, County Auditor's Form #910A, "*Bank Account Title Change Request*" should be prepared by the department and submitted to the County Auditor - Revenue Accounting Department.

During the lifetime of the bank account, certain bank adjustments and inquiries may need to be made. These bank service requests and inquiries, with the exception of bank deposit items, should be made through Harris County's Office of Budget Management -Financial Management Section. For bank deposit inquiries, the Harris County Treasurer's Office is the initial bank contact on deposits that are processed through their office.

Once a bank account is deemed no longer needed, the department responsible for the account should notify the County Auditor - Financial Accounting Department of their desire to have the account closed. The County Auditor - Financial Accounting Department will then prepare the necessary paperwork and obtain the necessary approvals in accordance with the County Auditor's Accounting Procedure C.5-3, "*Closing Bank Accounts*", to authorize the County Treasurer to close the account with the bank.

## Bank Deposits

During this busy holiday season, we're trying to juggle so many activities. One of the things you should be sure not to let slip is your County collections' bank deposits. Therefore, we want to take this opportunity to remind you of some bank deposit issues that were discussed in a prior newsletter article.



Joan Lora,  
Supervisor  
Report Audit

First, be sure you have a supply of bank deposit slips on hand. You should obtain the deposit slips from the Treasurer's Office. When you start running low on deposit slips, please contact the Treasurer's Office a few weeks in advance so they can order more deposit slips for you.

Your deposit slips are pre-encoded with the bank's routing number and the County's bank account number. The deposit slips are also pre-numbered with a sequential 10-digit deposit slip number that generally begins with your 3-digit department number. If your department makes deposits to more than one bank account, you will have a separate supply of deposit slips for each bank account. Each deposit slip contains an original and either two or three copies behind the original.

According to Local Government Code §113.022, all deposits must be made on or before the fifth business day after the funds were collected.

After you have closed out the cashiers and balanced their collections, you should prepare your deposit slip. Employees who accept payments should not be the same employees who balance receipts or deposit collections. This means that if you worked as a cashier that day, you should not also balance that day's collections or prepare that day's deposit. Generally, only one day's collections should be deposited per deposit slip, but in no case should collections from different calendar months be combined on the same deposit slip.

Some departments deposit to multiple bank accounts each day. If your department does this, make sure you separate your collections properly and use the correct bank account's deposit slip.

Count the cash and record that amount on your deposit

slip. You may list your checks on your deposit slip. Or, if you have many checks, you should run two adding machine tapes. If they agree, record the check total on the deposit slip and attach one adding machine tape to the deposit slip that you send to the bank. Be sure that the back of each check has been stamped "For Deposit Only" with an endorsement stamp. Finally, record the grand total of the deposit (cash and checks) on the deposit slip, then sign and date the deposit slip. The deposit slip should reflect the amount of cash and checks that you are sending to the bank. If that amount differs from the receipts you issued, you may have an overage or a shortage. Make sure that the actual amount being deposited is the amount you record on the deposit slip, not the amount you should be depositing.

Verify the amounts you recorded on your deposit slip. Make sure you didn't transpose any numbers when recording the grand total. Ask a supervisor to review the deposit slip, including re-counting the cash and running an adding machine tape of all amounts, to make sure that no errors were made. If you locate a mistake on the deposit slip, do not scratch out amounts or try to convert one number into another. Just use a new deposit slip. Some departments enter their deposit slip numbers into IFAS as part of closing out their IFAS cash receipting batch. If you entered an incorrect deposit slip number in IFAS, you should e-mail Compliance Audit, Revenue Accounting and the Treasurer informing them of the incorrect deposit slip number entered in IFAS and the actual deposit slip that will be sent to the bank.

Once your deposit slip is complete, keep one copy for your office files and send the original and one copy to the bank along with the cash and checks. Some departments have a bank bag that the armored car service picks up and delivers to the bank. Other departments place their money in a bank bag and bring it to the Treasurer for pickup by the armored car. And other departments deliver their funds to a nearby branch of the County depository.

Whichever method your department uses, lock the bank bag if you have one and secure it in the safe or a locking file cabinet while the funds are in your office. Do not open the bank bag to make change for customers or to give the cashiers a starting change fund the next morning. If your department uses the armored car service to transfer the money to the bank, you should complete the armored car service's bill of lading form.

After the bank receives your deposit, they will deposit the funds to the County's bank account, validate one copy of the deposit slip and return that validated deposit slip to you a few days later in the bank bag. If you do not receive the validated deposit slip, contact the Treasurer's Office to obtain proof that the deposit made it to the

County's bank account. Keep that validated deposit slip for your monthly audit.

This is a brief overview on making deposits. To learn more, please see Harris County Accounting Procedures A.1, F.1-2-1 and F.1-2-2.

[http://www.info.aud.hcintranet.net/robo/projects/procedures/A1\\_CashHandling\\_Guidelines.pdf](http://www.info.aud.hcintranet.net/robo/projects/procedures/A1_CashHandling_Guidelines.pdf)

[http://www.info.aud.hcintranet.net/robo/projects/procedures/F1-2-1\\_Deposits\\_via\\_Treasurer.pdf](http://www.info.aud.hcintranet.net/robo/projects/procedures/F1-2-1_Deposits_via_Treasurer.pdf)

[http://www.info.aud.hcintranet.net/robo/projects/procedures/F1-2-2\\_Deposits\\_via\\_ArmoredCarrier\\_or\\_FieldLocation.pdf](http://www.info.aud.hcintranet.net/robo/projects/procedures/F1-2-2_Deposits_via_ArmoredCarrier_or_FieldLocation.pdf)

## *Oh No! Where Did The Year Go?*

It has been a very busy and productive year and once again we are coming upon the end of Harris County's Fiscal Year. Below is the complete year end guide for items reportable to the Accounts Receivable and Grants Accounting Department.



Michelle Ramsey,  
Director,  
Accounts  
Receivable &  
Grants  
Accounting

You should have received the "Fiscal Year End Information" letter from County Auditor, Barbara Schott, delivered to your Department Head's email by Rita Anderson, Accounts Payable Manager. This year end packet serves as the "big picture" for information that pertains to your department for the close of one year and the opening of the new year as it relates to the Auditor's Office as a whole. But, for now, we are focusing only on what is required for Accounts Receivable and Grants Accounting.

**Your prompt attention to the requested information below is imperative and greatly appreciated!**

**ACCOUNTS RECEIVABLE****1. Accounts Receivable Not Maintained by the Auditor's Office**

The County Auditor's Office will be performing a review of all departments' receivables (amounts due from individuals or other entities) which are not currently billed by the AR and Grants Accounting Department. In conjunction with this review, the Auditor's Office is requesting certain information from County Departments. AR is in the process of contacting certain Departments for test data, if applicable. Final data files will be due at the fiscal year end close and, 60 days subsequent to close, additional data may be required.

Departments that generate a billing (invoice, statement, letter, etc.) to an entity outside of Harris County and/or departments that have a receivable that is not currently maintained by the Auditor's Office are requested to contact Ron Foster, Accounts Receivable Manager, at (713) 755-3539 or [RonFoster@aud.hctx.net](mailto:RonFoster@aud.hctx.net) immediately.

**2. Accounts Receivable Not Yet Recorded**

Departments that subsequently identify additional receivables should also notify Ron Foster at (713) 755-3539 or [RonFoster@aud.hctx.net](mailto:RonFoster@aud.hctx.net) as soon as they have been identified.

Please feel free to contact Ron Foster or Michelle Ramsey, Director, Accounts Receivable and Grants Accounting, at (713) 755-4134 or [MichelleRamsey@aud.hctx.net](mailto:MichelleRamsey@aud.hctx.net) should you have and questions or concerns.

Hopefully, this gives you a plan of action for year end. And if you still have questions, please call any of us in Accounts Receivable or Grants Accounting. Our hope is that you can relax and enjoy the holidays and the New Year knowing exactly what is needed from Grants and Accounts Receivable for the County's Fiscal Year End and you will have no worries!

## 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.

<b>September</b>	<b><u>Length of Service</u></b>	<b>October</b>	<b><u>Length of Service</u></b>	<b>November</b>	<b><u>Length of Service</u></b>
Lula Bookman	28	Richard Rhoads	23	Julie Weller	29
Nadine Schaefer	24	Ronald Hamilton	20	Wanda Dewald-Green	24
Synithia Jacquet	21	Erma Warner	14	Connie Kirkpatrick	17
Kimberly Lewis	17	Minal Kanvinde	13	Paul Wilden	13
Toya Edwards	13	Jimmie Young	11	June Davis	12
Martha Abdullahad	10	Angelica Vasquez	11	Jennifer Pham	9
Gary Salamone	9	Connie Sanders	10	David Clark	5
Valerie Robbins	7	Winfred Iles	8	Latisha Shivers	5
Maria Mares	5	Paul Broyles	5	Tera Thompson	5
Anita Williams	4	Zanobia Wilkerson	5	Jacqueline Roney	2
Edna LaGrone	2	Robin Alewine	5	Todd Ruelas	2
		Scott Kozara	4	Jeremy Hertel	1
		Edgar Serrano	4		
		Bobby Cato	2		
		Felipe Alvarado	1		
		Claudia Bethany	1		
		Simone Mergerson	1		
				<b>December</b>	
				Joan Lora	23
				Susan Wheeler	12
				Lisa Harper	8
				Sonja Lewis	3

*Congratulations to each of YOU!!!*



**Barbara J. Schott, C.P.A.**  
**Harris County Auditor**  
1001 Preston, Suite 800  
Houston, Texas 77002