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**MICHAEL POST, CPA, CIA  
HARRIS COUNTY AUDITOR**

March 7, 2025

Dear Leah Barton, Interim Executive Director, Harris County Public Health:

The Harris County Auditor's Office Audit Division has completed a Closeout Audit of the Public Health Department for the six months ended, August 30, 2024. The results of our audit are included in the attached report.

We appreciate the time and attention provided by your team. Please expect an email request to complete our Post Engagement Survey. We look forward to your feedback. If you have any questions, please contact me or Glenn Holloway, Chief Assistant County Auditor, 713-274-5673.

Sincerely,

A handwritten signature in blue ink that reads "Michael Post". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Michael Post  
County Auditor

Attachment

Report Copies:

District Judges

County Judge Lina Hidalgo

Commissioners:

Lesley Briones

Rodney Ellis

Adrian Garcia

Tom Ramsey

Christian Menefee

Diana Ramirez



Internal Audit Report  
**Harris County Public Health**  
**Barbie Robinson Closeout Engagement**  
March 7, 2025

## Executive Summary

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### OVERALL CONCLUSION

Based on the procedures performed, the Harris County Public Health (HCPH) Department generally complied with Harris County (County) procedures for the areas under review. However, controls surrounding the recording of capital assets need improvement. The observation was discussed with management, and a management action plan has been developed, which will address the observation identified by May 31, 2025.

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### SCOPE AND OBJECTIVE

Pursuant to the Harris County Road Law, Section 10, the objectives of the engagement were to determine whether:

- A sample of the department's capital assets existed;
- A sample of the department's purchase card expenditures complied with County policy;
- A sample of the department's bank account reconciliations were completed timely and accurately;
- Bank account signatory rights for the former executive director were appropriately removed;
- Physical and systems access for the former executive director were appropriately disabled, and assigned non-capital assets were properly returned;
- Petty cash and change funds reconciled to the imprest balances authorized by Commissioners Court, and the balances were accurately recorded in the County's financial system.

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### SUMMARY OF AUDIT OBSERVATION

- Controls for recording capital assets need improvement.

The audit observation, management's action plan to address the observation, and background information regarding this audit are discussed in more detail on the following pages. The audit observation is ranked based on the likelihood and impact of risk to the County.

## AUDIT OBSERVATION

### **OBSERVATION #1: Controls for Recording Capital Assets Need Improvement**

**[MODERATE]**

**What is the Observation:** A capital asset purchased for \$21,015 in 2020 during the construction of the Veterinary Animal Shelter did not have an asset tag and was not recorded in the County's financial system (PeopleSoft/STARS).

**Why it Happened:** According to discussions with Management, during the COVID-19 pandemic, HCPH did not have internal controls in place to ensure the proper recording and tagging of all capital assets related to the construction of the Veterinary Animal Shelter.

In addition, HCPH did not ensure that all capital assets were properly recorded during the County's annual inventory verification.

**Why it Matters:** Failure to record capital assets results in the understatement of assets, and it may lead to their misappropriation and financial loss to the County.

**What is Expected:** County Auditor's Accounting Procedure A.1-1, *Property Handling Guidelines*, requires that assets with a unit value of \$5,000 or more be recorded in PeopleSoft/STARS and the County's Inventory Listing. Capital assets must also be tagged by the County Purchasing Department. In addition, County departments should perform an annual inventory verification to ensure that the County's Inventory Listing is complete and accurate in accordance with the Purchasing Manual. Discrepancies should be documented, investigated, and reconciled.

**What Action(s) are Suggested:** Coordinate with the Auditor's Office Financial Accounting Department to add the unrecorded capital asset to PeopleSoft/STARS and with the Purchasing Department to ensure the capital asset is properly tagged.

In addition, ensure all capital assets are properly recorded on the County's Inventory Listing during the County's annual inventory verification. Investigate and resolve any discrepancies.

### **MANAGEMENT'S ACTION PLAN**

**Responsible Party:** Alexey Gruber, HCPH Director of Operations and Technology

The IDEXX Analyzer was identified as a non-tagged capital asset at the HCPH Animal Shelter at 612 Canino Rd. After a thorough investigation by the HCPH inventory management team, it was determined that the item was procured in May 2020 during construction. The general contractor also purchased the capital asset under the CIP construction package; therefore, it was never recorded on the HCPH master capital asset list in PeopleSoft. It also appears that due to Covid-19 restrictions, the item was not tagged before deployment. The Office of Operations and Technology Services will work with HCED to identify the appropriate purchasing documentation required to transfer this asset to HCPH by May 31st. HCPH will collaborate with HCED, Purchasing, and the Auditor's Office to streamline the overall tagging and deployment process for department-specific assets purchased under CIP.

**Due Date:** May 31, 2025



## BACKGROUND

The objective of closeout audits is to provide the newly elected or appointed official reasonable assurance that assets are accounted for as part of the transition, pursuant to the Harris County Road Law.

The Harris County Road Law was originally passed in 1913 as a Special Law by the 33rd Legislature pursuant to Texas Constitution Article VIII. Section 10, Chapter 17 states that “Upon the death, resignation or retirement of any officer or employee, the Auditor shall require an accounting of all property of every kind of the County or its political subdivisions of which he has custody, possession, control or supervision...”

Pursuant to a County Attorney Opinion dated July 12, 2016, “the Harris County Auditor has the duty and the power to conduct a separation audit for every officer or employee of Harris County who terminates employment by death, resignation or retirement to account for all Harris County property within the employee’s custody, possession, control or supervision. It is within the discretion of the Auditor as to the scope of the detail and documentation necessary in each case.”

## Public Health Department Metrics

Adjusted Budget (as of 12/05/24)	Fiscal Year 2025 (Department 275)		
	General Fund	\$61,517,161	
	All Other Funds	\$261,098,495	
Staffing (as of 12/20/24)	Total Positions	1131	Grant Funded Positions 521
	Positions Not Filled	186	
Purchase Cards (03/01/24 - 08/30/24)	Quantity	38	Expenses \$443,562
	Transactions	756	
Cash Accounts	Description	Quantity	Limit
	Bank Accounts	1	N/A
	Petty Cash	2	\$250
	Change Fund	9	\$1,820
Open Purchase Orders (as of 12/05/24)	Fund	Quantity	Remaining Balance
	General Fund	147	\$2,203,900
	All Other Fund	392	\$49,452,446
Paid Invoices (3/1/24 - 08/30/24)	Fund	Quantity	Total
	General Fund	2,272	\$7,826,278
	All Other Fund	4,002	\$44,534,265
Capital Assets	Number of Assets	371	Total Costs \$10,126,115



## ACCOUNTABILITY

We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing (Standards). The Standards require that we comply with the Code of Ethics and obtain reasonable assurance that significant risks to the activity are minimized to an acceptable level.

As the engagement's scope did not include a detailed examination of all transactions, there is a risk that fraud, errors, or omissions were not detected during this engagement. The official, therefore, retains the responsibility for the accuracy and completeness of their financial records and for ensuring sufficient controls are in place to detect and prevent fraud, errors, or omissions.

