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*First Assistant County Auditor*



**Glenn Holloway, CPA, CIA, CFE**  
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**MICHAEL POST, CPA, CIA**  
**HARRIS COUNTY AUDITOR**

May 16, 2025

Dear Sean Teare, Harris County District Attorney:

The Harris County Auditor's Office Audit Division has completed a Closeout Audit of the District Attorney's Office for the six months ended, December 31, 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 from the end of the name.

Michael Post  
County Auditor

Attachment

Report Copies:

District Judges

County Judge Lina Hidalgo

Commissioners:

Lesley Briones

Rodney Ellis

Adrian Garcia

Tom Ramsey

Christian Menefee



Internal Audit Report  
**Harris County District Attorney's Office**  
**Kim Ogg Closeout Engagement**  
May 16, 2025

## Executive Summary

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### OVERALL CONCLUSION

Based on the procedures performed, the Harris County (County) District Attorney's Office generally complied with County procedures for the areas under review. However, controls surrounding the safeguarding of capital assets and the timely processing of outstanding checks need improvement. These observations were discussed with management, and management action plans have been developed, which will address the observations identified by September 30, 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 (PeopleSoft/STARS).

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### SUMMARY OF AUDIT OBSERVATIONS

- Controls for safeguarding capital assets need improvement.
- Controls over the timely processing of outstanding checks need improvement.

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

## AUDIT OBSERVATIONS

### **OBSERVATION #1: Controls for Safeguarding Capital Assets Need Improvement** [HIGH]

**What is the Observation:** Three (5%) of the 61 assets selected for onsite review could not be located. The total purchase price of the missing assets was \$59,035, with individual asset costs ranging from \$7,499 to \$42,000.

**Why it Happened:** Internal controls for tracking and safeguarding capital assets have not been fully established. In addition, all capital assets were not identified during the annual inventory process.

**Why it Matters:** Failure to properly track and safeguard capital assets results in the misstatement 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 departments to track and safeguard their capital assets (with a unit value of \$5,000 or more) and to perform an annual inventory verification of all assets recorded on the County's Inventory listing.

**What Actions are Suggested:** Implement preventive and detective controls to ensure compliance with County Auditor's Accounting Procedure A.1-1, as well as other relevant standards. In addition, clearly define employees responsible for tracking and managing the Office's inventory, and annual inventory procedures should be strengthened to include a complete accounting (100%) of all capital assets.

Furthermore, the missing assets should be documented on County Auditor's Form 3351, *County Property Deletion/Indemnification Request Form*, and submitted to the County's Purchasing Department to obtain Commissioners Court approval to remove the capital assets from PeopleSoft/STARS.

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

**Responsible Party:** District Attorney's Office – Finance Division

Internal controls for tracking and safeguarding assets will be established. In addition, inventory management responsibilities will be assigned, and annual inventory procedures will include a 100% verification of all capital assets.

Furthermore, the missing assets will be documented on County Auditor's Form 3351, *County Property Deletion/Indemnification Request Form*, and submitted to the County's Purchasing Services Department to obtain Commissioners Court approval to remove the capital assets from the PeopleSoft/STARS.)

**Targeted Completion Date:** September 30, 2025

### **OBSERVATION #2: Controls Over Outstanding Checks Need Improvement** [HIGH]

**What is the Observation:** Outstanding checks exceeding three years old have not been remitted to the County Treasurer (for checks equal to or less than \$100) or the State of Texas (for checks more than \$100). The table below provides additional details:



Bank Account Name	Checks \$100 or Less (Count)	Checks \$100 or Less (Total)	Checks Over \$100 (Count)	Checks Over \$100 (Total)	Total Outstanding Checks Over 3 Years Old
Admin Fund	5	\$165.75	2	\$569.00	\$734.75
Fraud and Restitution	115	\$4,087.82	79	\$41,463.93	\$45,551.75
Victim Witness Restitution	11	\$682.81	117	\$203,148.30	\$203,831.11
<b>Total</b>	<b>131</b>	<b>\$4,936.38</b>	<b>198</b>	<b>\$245,181.23</b>	<b>\$250,117.61</b>

**Why it Happened:** Monitoring controls to ensure that outstanding checks more than three years old are properly remitted were not fully established.

**Why it Matters:** Not reporting outstanding checks over three years old to the County Treasurer's Office or to the State of Texas results in noncompliance with the County Auditor's Accounting Procedure D.14, *Unclaimed Property*. Additionally, it could lead to misappropriation of funds and financial loss to the County.

**What is Expected:** County Auditor's Accounting Procedure D.14 requires County departments to remit outstanding checks that are older than three years and valued at \$100 or less to the Harris County Treasurer's Office. In addition, outstanding checks over \$100 and older than three years must be reported and remitted to the State of Texas.

**What Actions are Suggested:** Process the outstanding checks in accordance with County Auditor's Accounting Procedure D.14. In addition, establish monitoring controls to ensure all future outstanding checks are remitted in a timely manner.

## **MANAGEMENT'S ACTION PLAN**

**Responsible Party:** District Attorney's Office – Finance Division

The outstanding checks will be processed in accordance with County Auditor's Accounting Procedure D.14. In addition, monitoring procedures will be implemented to ensure all future outstanding checks are remitted in a timely manner.

**Targeted Completion Date:** September 30, 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.”

## District Attorney Department Metrics

Adjusted Budget (as of 03/24/2025)	Fiscal Year 2025 (Department 545)		
	General Fund	\$124,015,567	
	All Other Funds	\$24,327,815	
Staffing (as of 03/18/2025)	Total Positions	Positions Not Filled	Grant Funded Positions
	1044	167	130
Purchase Cards (07/01/24 - 12/31/24)	Quantity	Transactions	Expenses
	2	0	\$0
Procurement Card (P-Card) and Travel Cards (07/01/24 - 12/31/24)	6	288	\$113,258
Cash Accounts	Description	Quantity	Limit
	Bank Accounts	13	N/A
	Petty Cash	1	\$500
	Change Fund	0	N/A
Open Purchase Orders (as of 03/24/25)	Fund	Quantity	Remaining Balance
	General Fund	53	\$525,026
	All Other Fund	12	\$497,157
Paid Invoices (7/1/24 - 12/31/24)	Fund	Quantity	Total
	General Fund	1,011	\$2,652,791
	All Other Fund	548	\$4,527,175
Capital Assets	Number of Assets	Total Costs	
	340	\$7,147,580	

## 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.

