

AUDITOR'S REPORT

HARRIS COUNTY CONSTABLE PRECINCT 4



March 8, 2019

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MICHAEL POST, C.P.A., M.B.A.
HARRIS COUNTY AUDITOR

March 8, 2019

Constable Mark Herman
Harris County Constable Precinct 4
6831 Cypresswood Drive
Spring, Texas 77379

RE: Procedures applicable to the monthly collection reports submitted by the Office of Constable Precinct 4 for the three months ended November 30, 2018

As required by Local Government Code (LGC) §115.002 (a) and (b), the Compliance Audit Department examined the monthly collection reports submitted by the Office of Constable Precinct 4 (Office) for the three months ended November 30, 2018.

We performed procedures to determine whether:

- The monthly collection reports were submitted timely and the amounts reported were properly deposited in the County's depository.
- The numerical sequencing of computer generated and manual receipts was accounted for.
- Selectively tested receipts were properly allocated in the County's Financial Records.
- Selectively tested proceeds from Orders of Sale were properly disbursed.
- Selectively tested invoices for services rendered to other entities were remitted timely.

The enclosed Auditor's Report presents an issue identified during our procedures and a recommendation developed in conjunction with your staff.

We appreciate the time and attention provided by you and your staff during our procedures.

Sincerely,

A handwritten signature in blue ink that reads "Michael Post".

Michael Post
County Auditor

cc: District Judges

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OVERVIEW

The objective of this engagement was to perform procedures in accordance with LGC §115.002 (a) and (b) which state, “(a) The county auditor shall carefully examine and report on all reports that are about the collection of money for the county and that are required to be made to the commissioners court. (b) At least once each quarter, the county auditor shall check the books and shall examine in detail the reports of the county tax assessor-collector, the county treasurer, and all other officers. The auditor shall verify the footings and the correctness of those books and reports.”

RESULTS

Based upon the procedures performed in accordance with LGC §115.002 (a) and (b), for the following items, the Office complied with the County’s policies and procedures for the items tested:

- The amounts reported on the monthly collection reports were properly deposited in the County’s depository.
- The numerical sequencing of computer generated and manual receipts was accounted for.
- Selectively tested receipts were properly allocated in the County’s Financial Records.
- Selectively tested proceeds from Orders of Sale were properly disbursed.
- Selectively tested invoices for services rendered to other entities were remitted timely.

However, our procedures identified the following opportunity for improvement:

- In accordance with LGC §114.001, *General Requirements Applicable to Reports*, the Office should submit their monthly reports timely, within five days after the last day of each month.

This matter is discussed in more detail within the Issue and Recommendation section.

ISSUE AND RECOMMENDATION

Reporting Collections

Background

In accordance with LGC §114.001, *General Requirements Applicable to Reports*, monthly collection reports must be filed within five days after the last day of each month.

Issue

The Office does not have adequate controls in place to ensure that monthly collection reports are submitted timely, within five days after the last day of each month. The collection reports for the months of September and October 2018 were submitted 10 and 1 day(s) late, respectively.

Failure to submit monthly collection reports timely, within five days after the last day of each month, is not in compliance with LGC §114.001, *General Requirements Applicable to Reports*, and could cause delays in recording financial activity in the County's Financial Records.

Recommendation

Constable Management should strengthen their internal controls to help ensure monthly collection reports are submitted timely, within five days after the last day of each month, in accordance with LGC §114.001, *General Requirements Applicable to Reports*.

Management Response

This agency agrees that the September and October 2018 reports were submitted 10 days and 1 day late. We have taken corrective action on our employee and provided a physical copy of the Local Government Code requiring reports to be submitted by the 5th day of the following month to ensure that this does not reoccur.