

AUDITOR'S REPORT

HARRIS COUNTY CONSTABLE PRECINCT 5



March 8, 2019

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HARRIS COUNTY AUDITOR

March 8, 2019

Constable Ted Heap
Harris County Constable Precinct 5
17423 Katy Freeway
Houston, Texas 77094

RE: Procedures applicable to the monthly collection reports submitted by the Office of Constable Precinct 5 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 5 (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), the Office complied with the County’s policies and procedures for the following items:

- 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 of this report.

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 help ensure that monthly collection reports are submitted timely, within five days after the last day of each month. The collection report for the month of September 2018 was submitted three days late.

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

Constable Precinct 5 acknowledges and agrees with the issue. During November 2018, internal controls were strengthened by identifying two designees who may sign the monthly fee officer's report when the Constable is not available. Form 127C identifying the two designees was submitted to the Compliance Audit Department.