

AUDITOR'S REPORT

HARRIS COUNTY CONSTABLE PRECINCT 8 THREE MONTHS ENDED AUGUST 31, 2019



November 8, 2019

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HARRIS COUNTY AUDITOR

November 8, 2019

Constable Phil Sandlin
Harris County Constable Precinct 8
7330 Spencer Highway, Ste #107
Pasadena, Texas 77505

RE: Procedures applicable to the monthly collection reports submitted by the Office of Constable Precinct 8 for the three months ended August 31, 2019

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 8 (Office) for the three months ended August 31, 2019.

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 management action plan 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 monthly collection reports were submitted timely.
- 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:

- Deposits should be made on or before the next regular business day after the date on which the money is received. If this deadline cannot be met, the officer or person must deposit the money, without exception, on or before the fifth business day after the day on which the money is received.

This matter is discussed in more detail within the Issues and Recommendations section of this report.

ISSUES AND RECOMMENDATIONS

Timeliness of Deposits

Background

Pursuant to the County's Accounting Procedure A.1, *Cash Handling Guidelines* (Accounting Procedure A.1), "A county officer or other person who receives money shall deposit the money with the county treasurer on or before the next regular business day after the date on which the money is received. If this deadline cannot be met, the officer or person must deposit the money, without exception, on or before the fifth business day after the day on which the money is received."

Issue

The Office did not consistently follow its procedures for making deposits when the primary depositor was unavailable. As a result, 14 checks, totaling \$26,640, receipted during August 2019, were not deposited timely, in accordance with Accounting Procedure A.1. However, the checks were properly secured in a safe prior to deposit. The checks were subsequently deposited on August 28, 2019, six to ten business days after the date the checks were received.

Cash collections that are not deposited with the County depository timely could increase the risk of misappropriation of collections.

Recommendation

Office management should reinforce its controls to help ensure deposits are made timely by backup personnel when the primary depositor is unavailable, in accordance with Accounting Procedure A.1.

Management Action Plan

We agree with the issue. The deposit in question was prepared in the required time frame by an employee who fills in when the primary depositor is unavailable. Unfortunately, the online process was not properly completed as the final step was missed. This error was found when the next deposit was being prepared the following week. The employee was informed of this error and completed the process at that time. The deposit process and steps were reviewed with the employee to ensure this does not happen again.