

# **AUDITOR'S REPORT**

## **HARRIS COUNTY DISTRICT CLERK'S OFFICE THREE MONTHS ENDED FEBRUARY 28, 2019**



**May 17, 2019**

**Michael Post, C.P.A., M.B.A.  
Harris County Auditor**

**Leslie Wilks Garcia, C.P.A., C.F.E.**  
*First Assistant County Auditor*

**Errika Perkins, C.P.A., C.I.A.**  
*Chief Assistant County Auditor*  
*Audit Division*



1001 Preston, Suite 800  
Houston, Texas 77002-1817  
(832) 927-4600

Fax (713) 755-8932  
Help Line (832) 927-4558

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

May 17, 2019

Marilyn Burgess  
Harris County District Clerk  
201 Caroline, Suite 420  
Houston, Texas 77002

RE: Procedures applicable to the monthly collection reports submitted by the Harris County District Clerk's Office for the three months ended February 28, 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 Harris County District Clerk's Office (Office) for the three months ended February 28, 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 recorded in the County's Financial Records.

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

**TABLE OF CONTENTS**

**OVERVIEW .....3**

**RESULTS .....3**

**ISSUE AND RECOMMENDATION.....4**

**Reporting Collections.....4**

## 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 numerical sequencing of computer generated and manual receipts was accounted for.
- Selectively tested receipts were properly recorded in the County’s Financial Records.

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 collection 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 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 December 2018, January 2019 and February 2019 were submitted one to eighteen days after the last day of the prior month.

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 IFAS.

#### Recommendation

The Office 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 was brought to our attention when we reviewed the Audit Report for the 3 months ending November 30, 2018 dated March 15, 2019 with the Compliance Audit Director. Since I was not in office during the time period under audit, we responded to that report by stating we had not previously known of the requirement. Internal procedures were immediately put in place to assure timely reporting, as evidenced by the issuance of the March 2019 monthly collections report prior to April 5, 2019. The new controls are operating as intended.