

# **AUDITOR'S REPORT**

## **HARRIS COUNTY JUSTICE OF THE PEACE PRECINCT 3, PLACE 2 THREE MONTHS ENDED NOVEMBER 30, 2019**



**February 28, 2020**

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

February 28, 2020

Honorable Lucia Bates  
Justice of the Peace, Precinct 3, Place 2  
701 W. Baker Road  
Baytown, Texas 77521

RE: Procedures applicable to the monthly collection reports submitted by Justice of the Peace, Precinct 3, Place 2 for the three months ended November 30, 2019

As required by Local Government Code (LGC) §115.002 (a) and (b), the Compliance Audit Department examined the monthly collection reports submitted by Justice of the Peace, Precinct 3, Place 2 (Court) for the three months ended November 30, 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 Odyssey Case Management System (Odyssey).
- Selectively tested fines and fees were accurately assessed and recorded.

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 Court complied with the County’s policies and procedures for the following items:

- 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 Odyssey.

An opportunity for improvement from the previous audit report was identified as still outstanding during this engagement, as reflected below:

- The Court should ensure daily adjustment tills balance.

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

## **ISSUES AND RECOMMENDATIONS**

### **Balancing Daily Adjustment Till (Repeat Issue)**

#### **Background**

Court monetary adjustments to previously receipted funds must be made in a separate Odyssey adjustment till managed by Court personnel designated with supervisory roles. Adjustments are necessary when reallocating previously receipted and deposited funds among one or more fee codes. These adjustments do not affect the total daily deposit.

When an adjustment is processed, it includes negative and positive entries of equal amounts. A Court supervisor is required to review the daily Odyssey Till Balance and Transaction Report to ensure all adjustments were properly processed and net to zero. If the daily adjustment till balance does not net to zero, additional research is conducted and the necessary corrections are made prior to closing the day's business.

#### **Issue**

Court management did not consistently review the Odyssey Till Balance and Transaction Report on a daily basis. As a result, adjustments to three cases during the quarter did not have offsetting entries, causing the adjustments not to balance (all adjustments should net to zero). This issue was also noted during the second quarter of Fiscal Year 2020.

As a result, the monthly collection reports for the quarter did not equal the monthly bank deposits, which increases the risk of financial misstatements.

#### **Recommendation**

Court management should train, designate and hold accountable, specific supervisory personnel to ensure all adjustments are properly processed and net to zero. A Court supervisor should initial the daily Odyssey Till Balance and Transaction Report as evidence of their review and to indicate the daily adjustments balanced.

#### **Management Action Plan**

We agree with the auditor's results and recommendations. We have changed supervisory roles over our front clerks and continue Criminal and Civil in-house trainings. We met with the clerks to discuss these issues and stressed to follow Odyssey manual procedures. We are also reviewing the Receipt Journal by Fund Fee Code report on a daily basis with additional supervisor review. Our goal is always to stay in compliance.

#### **Responsible Party**

Stacey Bush-Chief Clerk

#### **Agreed Upon Completion Date**

February 29, 2020