

AUDITOR'S REPORT

HARRIS COUNTY JUSTICE OF THE PEACE PRECINCT 3, PLACE 2 THREE MONTHS ENDED FEBRUARY 28, 2019



May 17, 2019

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HARRIS COUNTY AUDITOR

May 17, 2019

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 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 Justice of the Peace, Precinct 3, Place 2 (Court) 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 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 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 Court complied with the County’s policies and procedures for the items tested:

- 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 fines and fees were accurately assessed and recorded.

However, our procedures identified the following opportunity for improvement:

- Processing Receipts.

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

ISSUE AND RECOMMENDATION

Processing Receipts

Background

Pursuant to County Accounting Procedure A.1, *Cash Handling Guidelines*, (Accounting Procedure A.1), funds received should be immediately receipted in the appropriate receipting system at the time of collection in order to provide timely accountability and proof of payment. In addition, Accounting Procedure A.1 states, “if funds are received at time when immediate receipting is not possible (e.g., electronically, by mail at the end of the day, or after regular hours), the funds should be receipted immediately the following business day.”

Issue

The Court did not review the remote payment report on January 8, 2019. As a result, one case totaling \$84.90 was not receipted in Odyssey at the time of collection. The case was receipted on February 26, 2019, 35 business days after the funds were deposited.

The Court’s failure to immediately record receipted funds collected in Odyssey is not in compliance with Accounting Procedure A.1, and may result in inaccuracies in financial reporting.

Recommendation

The Court should strengthen their internal controls to help ensure remote payments are receipted at the time of collection or immediately the following business day, to be in compliance with Accounting Procedure A.1.

Management Response

There was a credit card payment for \$84.90 taken on January 8, 2019. This deferred disposition payment should have been for \$64.90, which was the correct fee. The payment was never posted in Odyssey.

The Court received a call from the Auditor’s Office on February 26, 2019, stating that the payment had not been posted. We then posted the \$84.90 payment and processed the \$20.00 refund to the customer. Since that incident, the Court has strengthened its internal controls by implementing a new procedure. Court clerks will compare the credit card report to the Court’s end of day Odyssey report to ensure credit card payments are receipted at the time of collection or immediately the following business day. Our goal is to remain in compliance with Accounting Procedure A.1.