

AUDITOR'S REPORT

HARRIS COUNTY JUSTICE OF THE PEACE PRECINCT 5, PLACE 2 THREE MONTHS ENDED NOVEMBER 30, 2018



March 15, 2019

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

March 15, 2019

Honorable Jeff Williams
Justice of the Peace, Precinct 5, Place 2
16715 Clay Road, Suite 4
Houston, Texas 77084

RE: Procedures applicable to the monthly collection reports submitted by Justice of the Peace, Precinct 5, Place 2 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 Justice of the Peace, Precinct 5, Place 2 (Court) 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 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:

- Balancing daily adjustment till.

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

ISSUE AND RECOMMENDATION

Balancing Daily Adjustment Till

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, personnel designated with Court supervisory roles made adjustments to 3 of 30 (10%) cases tested, totaling \$225, without corresponding offsetting entries, which caused the adjustments not to balance.

As a result, the monthly collection reports for September, October, and November 2018 did not match the monthly bank deposits.

Recommendation

A Court supervisor should review the Odyssey Till Balance and Transaction Report on a daily basis to help ensure all adjustments were properly processed and net to zero. A day's business should not be closed if the adjustment till is out of balance. A Court supervisor should initial the daily Odyssey Till Balance and Transaction Report as evidence of their review.

Management Response

The Court agrees with the finding. The issue has been addressed and the clerks that have access to this till have been made aware of the errors. The Till and Transaction Report is now being monitored throughout the day and the report will be initialed by a supervisor.