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

June 26, 2020

Honorable Angela Rodriguez
Justice of the Peace, Precinct 6, Place 2
1001 SSGT Macario Garcia
Houston, Texas 77011

Dear Judge Rodriguez:

The Harris County Auditor's Office - Compliance Audit Department has completed an audit of the monthly collection reports submitted by Justice of the Peace, Precinct 6, Place 2 for the three months ended February 29, 2020. The results of our audit are included in the attached report.

We appreciate the time and attention provided by you and your staff during this engagement. If you have any questions, please contact me or Errika Perkins, Chief Assistant, at 713-274-5673.

Sincerely,

A handwritten signature in blue ink that reads "Michael Post".

Michael Post
County Auditor

Attachment

cc: District Judges
County Judge Lina Hidalgo
Commissioners:
R. Jack Cagle
Rodney Ellis
Adrian Garcia
Steve Radack
Vince Ryan

AUDIT REPORT
QUARTERLY REVIEW OF MONTHLY COLLECTION REPORTS
JUSTICE OF THE PEACE, PRECINCT 6, PLACE 2
JUNE 26, 2020

Executive Summary

OVERALL CONCLUSION

Based on the procedures performed, the monthly collections for the Justice of the Peace, Precinct 6, Place 2 (Court) were submitted timely, receipts were accounted for, and fines and fees were accurate. However, the monitoring controls for the monthly collections were not operating as Management intended. This issue was discussed with the Court's Chief Clerk, and a management action plan has been developed, which will address the issue identified by July 10, 2020.

SCOPE AND OBJECTIVE

As required by Local Government Code §115.002 (a) and (b), the Compliance Audit Department of the Harris County Auditor's Office audited examined the monthly collection reports and related records submitted by the Court for the three months ended February 29, 2020. The objectives of this engagement were to determine whether:

- The monthly collection reports were submitted timely and the amounts reported were properly deposited into Harris County's (County) depository.
- The numerical sequencing of receipts was accounted for.
- Receipts were properly allocated in the Odyssey Case Management System (Odyssey).
- Fines and fees were accurately assessed and recorded.

SUMMARY OF AUDIT ISSUES

- Collections were not receipted into Odyssey.

The audit issue, management's action plan to address the issue, and background information regarding this audit are discussed in more detail on the following pages.

AUDIT ISSUE

ISSUE #1: COLLECTIONS RECEIPTING WAS INCOMPLETE

What is the Issue: Receipts were not created for all funds received by the Court. As a result, the February 2020 Monthly Collections Report did not agree with the deposits reflected in the County's depository. The monthly collections report submitted was understated by \$328.

What is Expected: In accordance with County Auditor's Accounting Procedure A.1, *Cash Handling Guidelines*, 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. If funds are received at a 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.

Why it Matters: Inaccurate monthly collection reports could result in financial misstatements.

Why it Happened: A thorough review process was not in place to ensure receipts were created for all funds received and subsequently reflected on the monthly collection reports.

What Action(s) are Suggested: The Court should enhance its review procedures to ensure all funds are immediately receipted and accurately reflected on the monthly collection reports.

MANAGEMENT'S ACTION PLAN

Responsible Party: Johanna Molina, Chief Clerk

We agree with the auditor's results and recommendations. We have made several changes to our office structure and now have supervisory roles in place to include a backup to our Chief Clerk and will continue training for both individuals. The Chief Clerk and her assistant have met and discussed these issues, and both have understood the importance of funds received being immediately receipted in the appropriate receipting system at the time of collection in order to provide timely accountability and proof of payment. The Chief Clerk and her assistant have also met and discussed that if funds are received at a 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. Our goal is to always stay in compliance and to make sure that monthly collection reports are accurate.

Due Date: July 10, 2020

BACKGROUND

The Justice of the Peace presides over civil and criminal cases in the justice court. These cases include civil matters less than \$10,000, evictions, disorderly conduct, and traffic violations. The Justice of the Peace collects fees and fines as a result of these cases. All collections must be detailed on the monthly collections report, which is due on or before the fifth day of the subsequent month.

ACCOUNTABILITY

The work performed required our staff to exercise professional judgment in completing the engagement's objectives. As the engagement's scope did not include a detailed inspection of all expenses or collections, there is a risk that fraud, errors, or omissions were not detected during this engagement. The official therefore, retains the responsibility for the accuracy and completeness of their financial records and for ensuring sufficient controls are in place to detect and prevent fraud, errors, or omissions.