

AUDITOR'S REPORT

HARRIS COUNTY JUSTICE OF THE PEACE PRECINCT 6, PLACE 1 THREE MONTHS ENDED NOVEMBER 30, 2018



March 22, 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



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

March 22, 2019

Honorable Richard Vara
Justice of the Peace, Precinct 6, Place 1
333 Lockwood
Houston, Texas 77011

RE: Procedures applicable to the monthly collection reports submitted by Justice of the Peace, Precinct 6, Place 1 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 6, Place 1 (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 receipts were properly allocated in Odyssey.
- Selectively tested fines and fees were accurately assessed and recorded.

However, our procedures identified the following opportunity for improvement:

- Processing adjustments.

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

ISSUE AND RECOMMENDATION

Processing Adjustments

Background

In accordance with the Odyssey User Guide, monetary adjustments must be processed in an Odyssey adjustment till. Only Court supervisors or designees are authorized to process adjustments to previously received monetary transactions. Adjustments are necessary when reallocating previously received funds.

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 assure 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

A Court clerk designated with a supervisory role processed a \$250 adjustment in their Odyssey financial till rather than in the proper adjustment till. In addition, the Court supervisor did not detect the error during the daily review of the Odyssey Till Balance and Transaction Report.

Processing adjustments to previously received transactions outside of the proper adjustment till could result in inaccuracies in financial reporting, misappropriations of received funds, and/or financial loss to the County.

Recommendation

Court management should make all adjustments to previously received monetary transactions in the adjustment till. A designated Court supervisor should also monitor the daily Odyssey Till Balance and Transaction Report to help ensure unauthorized monetary adjustments in financial tills are detected and corrected. The Court supervisor should initial the daily Odyssey Till Balance and Transaction Report as evidence of their review.

Management Response

We agree there was an issue processing an adjustment in the wrong till. Our office will implement the recommendation on initialing the daily Odyssey Till Balance and Transaction report; and make it part of our policy at the end of day.