

# **AUDITOR'S REPORT**

## **HARRIS COUNTY JUSTICE OF THE PEACE PRECINCT 6, PLACE 2 THREE MONTHS ENDED NOVEMBER 30, 2018**



**April 12, 2019**

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

April 12, 2019

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

RE: Procedures applicable to the monthly collection reports submitted by Justice of the Peace, Precinct 6, 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 6, 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.
- The numerical sequencing of computer generated and manual receipts was accounted for.
- Selectively tested fines and fees were accurately assessed and recorded.
- Selectively tested receipts were properly allocated in Odyssey.

However, our procedures identified the following opportunity for improvement:

- Processing remote deposits.

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

## ISSUE AND RECOMMENDATION

### Processing Remote Deposits

#### Background

Pursuant to the County's Accounting Procedure F.1-2-2, *Deposits via Armored Carrier or Field Location* (Accounting Procedure F.1-2-2), all County departments that utilize remote deposit scanners must verify that all checks and corresponding deposit slips were scanned correctly and received by Cadence Bank. In addition, Accounting Procedure F.1-2-2 requires that the amount of each remote deposit be compared to the amount reflected on Cadence Bank's online portal.

#### Issue

The Court did not compare the amount reflected on the October 30, 2018, scanned deposit slip to the Cadence Bank online portal. As a result, four checks, totaling \$502, which were not read by the scanner, were not received by Cadence Bank until December 31, 2018, 44 business days after the date the checks and corresponding deposit slip were initially scanned.

The Court's failure to verify that all checks scanned were received by Cadence Bank was not in compliance with Accounting Procedure F.1-2-2. In addition, the resulting time delay in depositing the four checks was not in compliance with the County's Accounting Procedure A.1, *Cash Handling Guidelines* (Accounting Procedure A.1), which requires that collections must be deposited, without exception, on or before the fifth business day after the day on which the money was received.

#### Recommendation

The Court should compare the amount on the deposit slips scanned to Cadence Bank to the bank's online portal on the next business day, to help ensure compliance with Accounting Procedure F.1-2-2 and Accounting Procedure A.1.

#### Management Response

We agree there was an issue processing remote deposits. The Court will implement the auditor's recommendation to compare the amount on the deposit slips scanned to Cadence Bank to the bank's online portal on the next business day to verify that all checks and corresponding deposit slips were scanned correctly and received by Cadence Bank.