

AUDITOR'S REPORT

HARRIS COUNTY TREASURER'S OFFICE NINE MONTHS ENDED DECEMBER 31, 2018



March 15, 2019

**Michael Post, C.P.A., M.B.A.
Harris County Auditor**

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

March 15, 2019

Mr. Dylan Osborne
Harris County Treasurer
1001 Preston, Room 652
Houston, Texas 77002

RE: Selectively tested cash and accounting procedures applicable to the Treasurer's Office for the nine months ended December 31, 2018

Although you were not the office holder during the entire period of our procedures, we are addressing the Auditor's Report to you as the current office holder.

As required by Local Government Code (LGC) §115.002 (a) and (b) and §115.003, the Compliance Audit Department selectively examined the financial activity of the Treasurer's Office for the nine months ended December 31, 2018.

We performed procedures to determine whether:

- Cash collections were properly recorded in the County's Financial Records (IFAS).
- The Treasurer's Office Change and Petty Cash Funds reconciled to the balances authorized by Commissioners Court.
- Selectively tested monthly collection reports were submitted timely to Commissioners Court and subsequently approved.
- Selectively tested Electronic Funds Transfers (EFTs) were in compliance with applicable County procedures, including proper authorization, approval, recording, and processing.
- Selectively tested EFTs agreed to the County's depository.

The Results section of this report presents the issues identified during our procedures. 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

OVERVIEW

The objective of this engagement was to perform procedures in accordance with LGC §115.002 (a) and (b) which state, “(a) At least once each quarter or more often if the county auditor desires, the auditor shall without advance notice, 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.”

In addition, this engagement included procedures to determine compliance with LGC §115.003, which states, “At least once a quarter or more often if the county auditor desires, the auditor shall without advance notice, fully examine the condition of, or shall inspect and count the cash held by the county treasurer or held in a bank in which the treasurer has placed the cash for safekeeping.”

RESULTS

Based upon the procedures performed in accordance with LGC §115.002 (a) and (b) and LGC §115.003, for the following items, the Treasurer’s Office complied with the County’s policies and procedures for the items tested:

- Cash collections were properly recorded in IFAS.
- The Treasurer’s Office Change and Petty Cash Funds reconciled to the balances authorized by Commissioners Court.
- Selectively tested monthly collection reports were submitted timely to Commissioners Court and subsequently approved.
- Selectively tested EFT transactions agreed to the County’s depository.

We identified the following opportunities for improvement in relation to EFTs that are *not* included in this report:

- Ensure approved County Auditor’s forms are used to process EFT transactions.
- Ensure EFTs are properly authorized, approved, and processed.

These same issues were reported in the *Treasurer’s Office Electronic Funds Transfer* report issued by the County Auditor’s Audit Services Department on October 12, 2018. Details regarding these issues can be provided upon request. No misappropriation of funds relating to EFT transactions were noted.