



Harris County Auditor's Office Newsletter



Michael Post, CPA
County Auditor

February
2018



Auditor's Office

Michael Post
County Auditor

Accounting Division

Gary Gray
1st Chief Assistant

Jenny Ly
Director
Payroll

Reginald Yancey
Director
Accounts Payable

Brandy Shaw
Director
Financial Accounting

Jolanda Smith
Director
Revenue Accounting

Michelle Ramsey
Director
Grants & Accounts
Receivable

Steve Hoza
Director
Systems & Procedures

Executive Division

Dan Baumel
Director
Budget & Special Projects

Audit Division

Leslie Wilks
Chief Assistant

Bobby Cato
Director
Audit Services

C. Patrick Rodriguez
Director
Continuous Auditing

John Quintanilla
Director
Compliance Audit

*Have you heard?
Harris County STARS
is born!*

STARS is the fully integrated new Enterprise Resource Planning (ERP) system being implemented by Harris County to replace the current IFAS system. The Shared Technology & Reporting System (STARS) is built on Oracle's PeopleSoft platform and includes accounting, finance, payroll, purchasing, human resources and a self-service portal for employees and managers. The name STARS is the County's brand name for the system and reflects that it is a shared technology system with a strong reporting component. The County is working with CherryRoad Technologies, an implementation partner, to assist in the configuration design, build, and the full implementation process to get the most benefit out of the new system.



Diana Goodin
ERP OCM
Project Team

Benefits of STARS

- Minimize risks associated with outdated technology (IFAS is near end of life)
- Eliminate many manual processes, dual data entry and system reconciliation processes
- Include better reporting for use in decision making

- Provide for more accurate and timely information
- Increase financial controls
- Support future business requirements due to changing laws, regulations and industry standards

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What This Means to You

Employees who currently work with IFAS or perform key functions in one of the areas being implemented, will use the STARS system along with improved processes for day-to-day responsibilities. The biggest change that will be seen by all County employees is the use of the STARS system for time reporting.

Functionality will be implemented in two rollouts, beginning with human resources and payroll processes in the summer of 2018, and finance, accounting and purchasing functions following approximately 6-8 months later. All employees, even those who do not currently use IFAS, will benefit from STARS because of streamlined processes, such as time reporting. A website has been created to help all Harris County employees learn more about STARS.

Getting Ready for STARS

In an effort to help departments adapt to STARS/PeopleSoft and related process changes, the organizational change management (OCM) team has been assisting department team leads on basic information to prepare for the implementation of STARS. Briefings started after Thanksgiving and have continued through January. The readiness briefings featured overviews on the project status, the projected timeline, as well as an overview on communications and preparations for training. Follow up sessions are being scheduled in coming months.

More Information and Questions?

If you have any questions regarding the STARS implementation, you are welcome to submit them to the organizational change management (OCM) team which consists of: Diana Goodin (CTS), Merle Ray (Auditor's Office), and Jeff Bailey (CherryRoad Technologies). An email box has been set up for the purpose of facilitating project communications throughout the County and can be accessed through this email address: ERPCommunications@hctx.net

Check out the STARS Website here: <https://stars.webhc.hctx.net/SitePages/Home.aspx>

The screenshot shows the STARS website interface. At the top, there is a navigation menu with links for ABOUT STARS, HUMAN RESOURCES, PAYROLL, FINANCE, PURCHASING, STARS TRAINING, FAQs, and EDIT LINKS. Below the menu is a search bar and the STARS logo. A central banner features a timeline from August 2017 to August 2018, with key milestones like 'HR System Testing' and 'HR User Testing and Training'. Below the timeline, there are sections for 'ANNOUNCEMENTS' and 'MEET THE STARS LEADERSHIP TEAM'. The 'ANNOUNCEMENTS' section includes a post titled 'The Sun is Setting on IFAS and the STARS are Coming Out!'. The 'MEET THE STARS LEADERSHIP TEAM' section lists members of the Executive Steering Committee (ESC), including Bill Jackson, Bruce High, DeWight Dopplauf, Mike Post, and Orlando Sanchez. Callout boxes are overlaid on the screenshot: one pointing to the navigation menu with the text 'Click on the links to learn more about specific areas of STARS and Frequently Asked Questions'; another pointing to the timeline with 'STARS announcements will be updated throughout the project'; a third pointing to the 'GOT QUESTIONS OR FEEDBACK?' section with 'We welcome your questions and feedback'; and a fourth pointing to the leadership team list with 'Meet the leadership team'.

The new site is located under **Enterprise Services** on the **Harris County Employee Home page**.

ONE COUNTY. SHARED TECHNOLOGY. GREATER EFFICIENCY.

Harris County Changes its Policy on Travel and Business Meetings

During 2017, Harris County overhauled its travel and training policy and implemented changes designed to remove the ambiguities of the old policy and make travel and business meeting policies more straight forward and easy to administer. Gone are the days of having to keep track of meal receipts in conjunction with stays requiring overnight lodging. In addition, the revised policy provides specific examples of when Commissioners Court approval is and is not needed with regard to travel, training, and business meetings for Harris County personnel.



Reginald Yancey,
CPA
Accounts Payable
Director

The new policy provides for the reasonable needs of business travelers and sets criteria for food and beverage consumption during travel on behalf of the county and at county business meetings. The changes incorporated should reduce both the time and paperwork associated with reimbursements. Let's talk about some of the changes to the travel policy and review some commonly encountered travel scenarios.

Previously, meal reimbursements were required to be supported with receipts. In cases where receipts had been lost or were not available, the meal reimbursement was limited to \$10 per meal or a maximum of \$30 per day. Effective September 1, 2017, Harris County implemented a per diem rate of \$55 per day for meals and incidentals (tips/gratuity), for travel incurred inside and outside of Texas with overnight lodging. The per diem rate has replaced the previous policy, so receipts are no longer required. For example, a County employee travels to Austin, Texas (with Court approval) on Sunday to attend a two day training conference that ends the following Tuesday. Under the new rules, the maximum amount the employee is allowed to claim for meals and incidentals is \$165 (3 days at \$55 per day). Per diems are allowed on dates of travel and dates with overnight lodging. Regardless of the actual amount spent and any receipts that are

presented, the maximum amount that can be claimed for one day is \$55.

For travel outside Harris County without an overnight stay, in some cases meals are reimbursable up to \$25 per day with a receipt. Here are a couple of examples. County Employee #1 travels to Austin to appear before the State Senate and returns to Harris County at the end of the same day. Meals associated with this non-routine out of county trip are reimbursable to the employee up to \$25 with a receipt. County Employee #2 travels outside of Harris County performing their normal job duties. They purchase lunch in an adjacent county and return to Harris County at the end of their work day. Because the employee was carrying out their normal job duties, the meal consumed in the adjacent county is not eligible for reimbursement.

Expenditures for overnight lodging are reimbursed based on actual charges incurred with an itemized receipt. Meals and other incidentals are to be deducted from the bill prior to being recorded on the travel expense form that is submitted to Accounts Payable.

Parking expenses are reimbursable (with receipt) when incurred while conducting County business. In cases where supporting parking receipts are lost, employees may submit an Affidavit for Missing Parking Receipt (County Auditor's Form 1268E) for up to \$10. Previously the maximum amount reimbursable for a lost or missing receipt was \$6.

It is no longer necessary to seek Court approval for the reimbursement of expenses associated with training or business meetings not hosted by Harris County provided the cost for each is \$100 or less (excluding mileage). Meetings of this type include rotary club and chamber of commerce meetings to name a few.

One other noticeable change to the policy involves rental cars. Although employees traveling alone are still restricted to compact or mid-sized vehicles, "Loss Damage Waivers" offered by rental car companies are now reimbursable by the County if the employee opts to purchase.

Since being issued in 1993, Commissioners Court has revised and amended the guidelines for travel and training numerous times. As laws change and the needs of government evolve, travel and training guidelines will also evolve.

Some aspects of the policies that are in place now may cease to be relevant five years from now, therefore polices are reviewed on a regular basis to ensure they are straight forward, comply with statutes, and make sound business sense.

Here are a few key points to remember:

- Using the per diem allowance is allowed for all travel with overnight lodging; therefore, the inclusion of meal receipts is not needed.
- Travel reimbursement requests are to be submitted to the County Auditor within 60 days of the end of travel.
- Blanket travel and training requests covering a fiscal year, a grant fiscal year, or extended periods require Court approval.
- Lost parking receipts are now reimbursable up to \$10 when submitted with an Affidavit for Missing Parking Receipt.
- Loss Damage Waivers offered by rental car companies are now reimbursable.
- Seek Court approval for travel scenarios falling outside of normal guidelines. Prior approval prevents delays in processing reimbursement requests and ensures funds are spent in accordance with statutes.
- Alcoholic beverages are never reimbursable.

For more detailed information regarding travel, training, and business meetings, refer to the Harris County Auditor's County-wide Procedure T.1. You may also contact Accounts Payable or Systems and Procedures with questions as well (832-927-4600). Safe travels!

New PeopleSoft ERP Department Numbers

The PeopleSoft ERP implementation, branded as Shared Technology & Reporting System (STARS) for the County, is progressing. Several milestones have been completed, and others are in progress.



Carol Market, CPA
Director
Financial Projects

The Auditor's Office is working closely with CTS, the PeopleSoft consultants, and others for a successful implementation. Several tasks have been completed by the Auditor's Office including the first submission of the PeopleSoft Chart of Accounts, Funds, and Departments. These items are currently in the review process.

The proposed PeopleSoft funds are similar to IFAS funds in that they are four digits and will start with the same first digit as IFAS funds. The General Fund and the Mobility Fund will start with a "1"; Special Revenue Funds will start with a "2", Governmental Capital Project Funds with a "3" and so on. Unlike IFAS, the fund number will be a "stand alone" field in PeopleSoft. PeopleSoft funds have been renumbered to enhance capabilities including reporting and inquiry.

PeopleSoft account numbers, known as object codes in IFAS, will continue to be six digits. PeopleSoft Revenue accounts will start with a "4" and expenditures will start with a first digit of "5" through "9" depending on the type of expenditure. A mapping of IFAS Object code to PeopleSoft account number has been completed.

CTS and the Auditor's Office recently met with the departments to assist in establishing the eight digit PeopleSoft department numbers. The new department number will include the current three-digit department, a two character division (divisions are currently a background part in IFAS), and a three character subdivision which is a further categorization of the division.

An updated chart of accounts, funds, and departments is one of many tasks that needs to be completed to meet the goal of a successful PeopleSoft implementation.

What Does the Audit Division Do?

The Harris County Audit Division strives to add value by providing audit and advisory services for County departments. The following introduces the Audit Division teams and the types of services each of them perform.



Leslie Wilks, CPA
Chief Assistant
County Auditor
Audit Division

The Audit Services team, led by Bobby Cato, performs risk-based audits focusing on areas of higher risk as identified in the annual audit plan. In determining risk, Audit Services assesses the County's business processes and considers the impact and likelihood of the associated risks. For example, in Harris County's fiscal year 2017 CAFR, the general fund reported \$2 billion in revenue. Of this amount, nearly \$1.7 billion, or 82 percent, was generated from tax revenue. The Harris County Toll Road Authority generated \$793 million in revenue in fiscal year 2017. Therefore the impact of risk related to the business processes of the Tax Office and Toll Road is extremely high, which is reflected in the audit plan accordingly. Achieving adequate audit coverage of these two departments provides a high degree of coverage of the County's total revenues. The remaining departments and business processes are also assessed for risk, and the audit plan is developed based on the results. Smaller departments will be cycled into the audit plan on a three to five year rotation. All County departments will have a payroll audit performed on at least a three year rotation, as payroll and benefits make up over 70% of the County's general fund expenditures. Audit Services issued 20 reports in fiscal year 2018, which included audits of the Treasurer's Office, Sheriff's Office Jail Commissary, Facilities Planning and Maintenance HVAC, Texas AgriLife, employee incentives and IT engagements. Audits of the Harris County Toll Road Authority are currently in progress.

The Compliance Audit team, led by John Quintanilla, performs statutorily required audits of collections for the various County Officials. By statute, these audits must be performed at least once per quarter.

While the primary objective of these audits is compliance with the County's policies and procedures, the Compliance Audit team also looks for control gaps and reports any significant issues noted to management. In addition to performing several administrative functions, the Compliance Audit team performs quarterly full-scope audits on 31 departments, limited scope audits on monthly collection activity for an additional 23 departments, and issued 121 reports during fiscal year 2018.

The Continuous Audit team, led by Patrick Rodriguez, performs data analytics in order to identify outliers that may be indicative of errors, fraud, control related issues such as segregation of duties, or noncompliance with County policy. By monitoring data from IFAS, the Continuous Audit team can contact management to determine if a potential issue exists, or can notify Audit Services of potential issues that may need to be considered during risk assessment.

The Harris Health System audit team, also led by Patrick Rodriguez, performs the internal audit function for the Harris Health System. This is a result of a mandate made by Commissioners Court in 1985. The team issued 13 reports during fiscal year 2018. The Harris Health System team recently developed a three year rolling audit plan for fiscal years 2019 through 2021 to be presented to the Harris Health System Audit Committee at the February 2019 meeting.

In addition to performing audits, the Audit Division also performs consulting engagements at the request of management. Consulting engagements often include an assessment of a department's control structure, identification of control gaps, and recommendations for improvements. These types of engagements align with the goal of the Audit Division, which is to add value to our clients. By using this approach and working together with County Departments, the Audit Division can work toward attaining its goal of adding value to the County, the Harris Health System, and ultimately to the taxpayers.

Three Helpful Auditor's Office Websites

The mission statement of the Auditor's Office is to be an independent and progressive organization recognized for professionalism in carrying out the County Auditor's statutory duties and responsibilities. In a diligent effort to fulfill this mission, promote transparency and provide helpful resources to the public, County departments, and Auditor's Office employees, the Auditor's Office maintains an internet website, intranet website, and internal sub-site of the intranet website that serve different purposes and audiences. All three of these websites are built upon the Microsoft SharePoint platform.



Nick McGee
Senior Analyst
Systems & Procedures

The Auditor's INTERNET website reaches the largest audience as it is available to the general public. This website provides a wide array of information, including financial reports, audit reports, Auditor's Office job postings, an online public records request form, accounts payable resources, and general information concerning the Auditor's Office. The content on this website is maintained by the Auditor's Office - Systems & Procedures Department. The site is furnished as a public service to provide insight into the functions of the Auditor's Office as well as fulfill the important duty of transparency to the citizens of Harris County and to the global community.

The financial reports contained on the Auditor's Internet include the Comprehensive Annual Financial Reports (CAFR) for Harris County, Flood Control, and Toll Road Authority; Popular Annual Financial Report (PAFR); and monthly financial statements. The Audit Reports page lists the audit reports that the Auditor's Office has issued during the past four-plus years, and future audit reports will be added on a continuous basis. The Accounts Payable page of the Auditor's Internet provides necessary information to assure accurate and timely payments while providing responsive and quality service to vendors and County departments in accordance with established laws, policies, and procedures. A few examples

of the valuable resources on the Accounts Payable page are a vendor payment search, the County's annual utility usage and expenses, and the invoice processing and Electronic Funds Transfer settlement schedules.

- To access the Auditor's Internet directly, go to <http://auditor.harriscountytexas.gov>.
- To access the Auditor's Internet from the County's home page (<http://www.harriscountytexas.gov>), hover your cursor over *Government* and click on *Auditor's Office*, which is under Fiscal Services.

The Auditor's INTRANET website is a restricted site that is only accessible by County employees (i.e., individuals authorized to be on the County's network); however, some content on the site is only available to Auditor's Office employees. The Auditor's Intranet offers a plethora of helpful information and resources to County employees, such as County Auditor-prescribed procedures and forms, the latest monthly update to procedures and forms, payroll updates, fiscal year-end information, Auditor's Office organization charts, and internal controls documentation. The content on this website is also maintained by Systems & Procedures.

The County-Wide Procedures page lists 283 procedures that cover a vast variety of topics ranging from cash handling guidelines to budget appropriation transfers; bank accounts; petty cash accounts; cash receipting; deposits; grants; inventory; FMLA; time record preparation; vehicle purchases; travel, training, and business meetings; and utilities. The County-Wide Forms page lists 235 linkable forms that are also used for many different purposes. These include a public records request form, attorney fees expense claims, accident and incident reports, signature authorization forms, revenues collected monthly reports, deposit reports, financial system (IFAS) request forms, FMLA forms, funds transfer request forms, payroll forms, investment forms, time sheets, automobile expense claims, request for payment forms, and position forms.

- To access the Auditor's Intranet directly, go to <https://aud.webhct.net>.
- To access the Intranet from the Auditor's Internet (<http://auditor.harriscountytexas.gov>), select *Intranet* from the gray navigation bar near the top of the Auditor's Internet home page.

- To access the Intranet from the County's home page (<http://www.harriscountytexas.gov>), hover your cursor over *Government*, click on *Auditor's Office*, which is under *Fiscal Services*, and select *Intranet* from the gray navigation bar near the top of the Auditor's Internet home page.

The internal SUB-SITE of the Auditor's Intranet is the Auditor's Office SharePoint Site. This is a restricted site that is generally accessible by Auditor's Office employees only; therefore, this site reaches the smallest audience of the three websites.

This site is intended for Auditor's Office employees to create, update, manage, and share various documents, links, calendars, and other information internally. Therefore, no Auditor's Office department solely maintains the content on this site. It is a collaborative effort

and shared responsibility by many departments in the Auditor's Office.

- In order for Auditor's Office employees to access the internal Auditor's Office SharePoint Site from the Auditor's Intranet (<https://aud.webhctx.net>), enter the Auditor's Intranet by selecting any of the Quick Links on the Auditor's Intranet home page, hover your cursor over the blue *Auditor-Only Information* navigation button at the top of the page, and select *Auditor's Office SharePoint Site* from the drop-down menu.

One of the goals of the Auditor's Office is to continue to develop new and improved methods for communicating information and providing resources, and by offering three websites with different purposes, information, and audiences, we believe we have accomplished this goal!

HarrisCountyTX.gov
 Harris County A to Z
 Court Agenda
 County Directory
 Employment
 County Holiday

Auditor's Office

Harris County, Texas

[Home](#) [About](#) [Accounts Payable](#) [Awards](#) [Employment](#) [Intranet](#) [Records Requests](#) [Refunds](#) [Reports](#)

Welcome to the Harris County Auditor's Office.

The County Auditor's Office keeps the general accounting records; prepares financial reports; prescribes systems for the receipts and disbursements of the County; audits and processes accounting transactions for grants, payroll, and invoices; verifies compliance with governing laws; performs statutory reviews of records maintained by other officials; and prepares annual estimates of budgeted revenues.

The County Auditor's Office is pleased to provide a wide array of information, including County financial reports, an online public records request form, and information concerning the office. This website is furnished as a public service to provide insight into the functions of this office. If you have any questions, feel free to send an email to: AuditorsInternetEmail@hctx.net.

Michael Post began his employment with Harris County in 1996 as a Manager of IT Audits. Later, he served as Director of Audit Services, and most recently as First Assistant/Chief Assistant County Auditor. Prior experience includes serving as a business manager for a private school and as Director of Internal Audit for a public utility company. He also has experience working for a CPA firm. He is a CPA and has both an MBA and an MS degree in computer science.

Mission Statement

Why Some Employees Don't Report Fraud

Fraud is defined by the Association of Certified Fraud Examiners (ACFE) as "any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving a gain." Not all employees will know this exact definition, but chances are they have a good idea of the meaning of fraud. They may even know or suspect that fraud is occurring within their own organization. So, why don't they report it?



Leslie Wilks, CPA
Chief Assistant
County Auditor
Audit Division

The ACFE's 2016 *Report to the Nations on Occupational Fraud and Abuse* reports that the most common method by which occupational fraud is discovered is by tips. However, only about half of those tips are by employees. Customers, vendors, shareholders, competitors, and anonymous sources report the rest.

Now, to try to answer the question. One primary reason employees may not report fraud is for fear of retaliation. This is why it is encouraged that an organization's policies include a method of reporting fraud anonymously, (e.g. via phone or the web). Another reason employees may not report fraud is because they don't know to whom within the organization they should report. Effective policies include the proper channels of communication within the organization for reporting fraud. It is also important that in addition to developing an effective policy addressing these aspects of fraud and others, management should make employees AWARE of the policy through proper training and ongoing communication.

Additional reasons for not reporting fraud include:

- Employee is afraid other members of management are involved
- Employee doesn't want to get involved
- Employee is afraid nobody will believe them (this one is very common)

- Employee doesn't know what fraud looks like in their organization or in their immediate area (this is why training is critical)
- Because nobody asked

Harris County's Personnel Policies and Procedures Section 2, *Ethics, Fraud and Confidentiality*, addresses fraud and how a County employee should report it. The policy Section 2.04 states "Fraud, waste, abuse, or non-compliance must be reported to an appropriate supervisor, manager, or to the Harris County Human Resources & Risk Management designee..." Section 2.06 states, "An employee who believes he or she has witnessed any suspected ethical violation or fraud must immediately report the allegation to Employee Relations Manager, Human Resources & Risk Management, 713-274-5421, HRRMEthics@bmd.hctx.net. Employees who report suspected ethical violations or fraud can do so without fear of retaliation. Retaliating against any employee for reporting suspected ethical violations or fraud is strictly prohibited."

A well written policy addressing fraud defines the organization's expectations. It also sends the message to employees that management is committed to preventing, deterring, and detecting fraud. Remember, the greater the perception of being caught, the less likely an employee is to perpetrate fraud.

The Ins and Outs of the PAFR

The County Auditor is required to prepare a yearly Comprehensive Annual Financial Report ("CAFR"). This report is filled with data, schedules, and other information regarding the County's finances, and can be quite overwhelming and cumbersome to read.



Brandy Shaw, CPA
Financial Accounting Director

Did you know that yearly the County Auditor also prepares a much smaller financial report called the Popular Annual Financial Report ("PAFR")? This report is more condensed and summarized than the CAFR, making it easier to read and understand and it is very informational. The PAFR is not a required report, but the County Auditor produces it to allow its citizens to easily understand the highlights of the CAFR and budget.

The PAFR includes the following items:

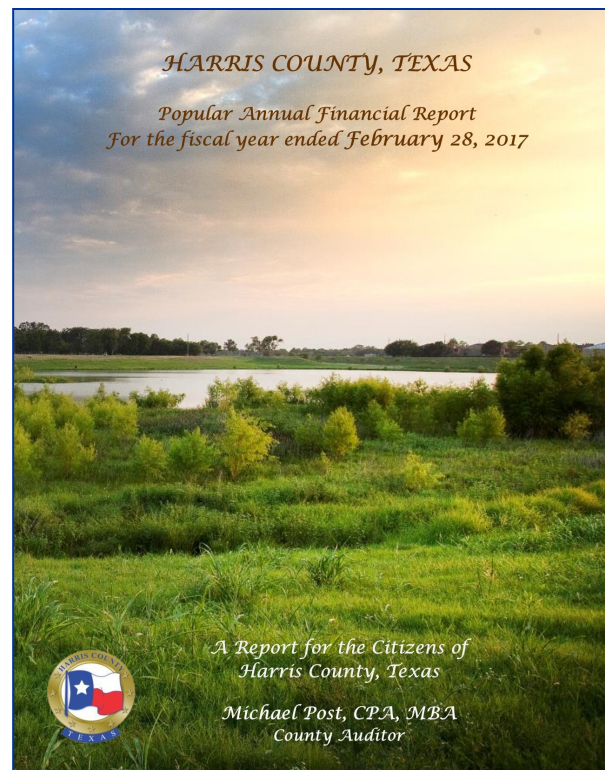
- The profile of Harris County includes a brief history of the County, geographic location, services and the economic outlook of the County.
- The Financial Position Statement summarizes the financial statements at a higher level and discusses the capital assets and debt of the County.
- The Financial Activity Statement summarizes the revenues and expenditures of the County. Additionally, there is a section that provides detail of the different services provided by the County.
- The Property Taxes section discusses tax collections, largest taxpayers, tax rates, assessed taxable value by type and exemptions.
- The Other Financial Initiatives area discusses the County's current major initiatives and other financial information regarding these initiatives. The County's bond ratings are also included.

- A final section includes awards and achievements, the County Organization Chart, and other County info.

The PAFR is normally completed by the County Auditor by the end of September each year. Harris County continued to receive an award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for the most recent submission in 2016.

You can request a copy from the County Auditor's office, or you can find it on the County Auditor's Office website at:

<https://auditor.harriscountytexas.gov>



Welcome New Faces

**Gary Gray, CPA
1st Assistant County Auditor**



Gary has over 17 years of local government experience and 15 years working in the private sector. During his tenure with the City of Houston, he served under four Mayors and was an Assistant Finance Director overseeing Accounting, Fixed Assets, taxes/fee collections and the Property Disposal Warehouse. Gary also played a key role in the selection and implementation of the SAP ERP system at the City of Houston. In the aftermath of Hurricane's Katrina and Rita, Gary was put in charge of the operation to account for and bill over \$300 million to FEMA in Hurricane related costs and his division also played a key role in the annual budgetary process and CAFR.

Gary is a proud Longhorn, having graduated from the University of Texas at Austin in 1984. He and his wife Paula have a sixteen year old son who is a high school sophomore. Gary is excited to be a part of the Auditor's Office team and believes that open communication and collaboration are integral elements of a positive and forward looking organization.

**Leslie Wilks, CPA
Chief Assistant County Auditor Audit Division**



Prior to joining the Auditor's Office in June 2017, Leslie worked 12 years in public accounting as an external auditor for Whitley Penn auditing governmental entities, and also spent 5 years in the banking industry. During her time with Whitley Penn, she was the Senior Manager on Harris County's Chapter 59 Asset Forfeiture audit for four years.

Leslie earned a Bachelor of Science in Accounting from the University of Houston Clear Lake. Her professional certifications include Certified Public Accountant, Certified Fraud Examiner and Certified Construction Auditor. She enjoys teaching audit and fraud topics at local and state-wide conferences and is on the planning committee for the Texas State Board of Certified Public Accountants Single Audits and Governmental Accounting Conference. Leslie has a 23 year old daughter, a 19 year old son, and two step-daughters, ages 19 and 13. Her husband is a locomotive engineer for BNSF.

**Brandy Shaw, CPA
Director of Financial Accounting**



Brandy joined the Auditor's Office in November 2017. She attended Texas A&M University where she received both her Bachelors and Master's degrees in Accounting.

Brandy started her career at Deloitte and Touche in the Audit practice in 2005 and passed the CPA exam while at Deloitte. Her main industries worked included governmental,

not for profit, and real estate. She was on the Harris County audit all 7 years she spent at Deloitte.

After leaving Deloitte as a manager in November 2012, Brandy went into consulting as a senior manager at SolomonEdwards. A year later she became the Controller at the University of St. Thomas where she spent 4 years until the Director of Financial Accounting position opened at the Auditor's Office. Brandy has been married for 11 years to her husband who is an engineer and has a son in kindergarten.

**Dan Baumel, CPA
Director Budget and Special Projects**



Dan joined the Auditor's Office in July 2017 after spending ten years with KPMG delivering external audit services followed by thirteen years providing project management and delivery of internal audit and financial operations solutions in various consulting roles.

At KPMG, he managed the City of Houston audit for multiple years and has experience with a variety of industries including municipalities, quasi-governmental organizations, non-profits, school districts, manufacturing and distribution, and oil and gas.

Dan is a graduate of the University of Texas at Austin, achieving both a Bachelors and Master's degree as part of the Professional Program in Accounting. Dan and his wife have been married 20 years and have a son who is a high school freshman and a seventh grade daughter. His wife is a teacher in Klein ISD.

Did you know?

Monthly to Biweekly Conversion:

Harris County is implementing a new Enterprise Resource Planning (ERP) system. Presented with an opportunity to increase efficiency, the Auditor's Office converted all monthly paid employees to a biweekly pay period. The change went into effect January 1, 2018. In an ongoing effort in collaborating with each key personnel and Central Technology Services, the transition was seamless and successful. Our goal is to continue to achieve business efficiencies and cost savings.



Jenny Ly
Director
Payroll

Federal Income Tax:

On January 11, The Internal Revenue Service released the 2018 income tax withholding tables to reflect changes made by the new tax law enacted in December 2017. The new withholding tables reflect the changes in tax rates and tax brackets, increased standard deduction, and repeal of personal exemptions. The new withholding tables are designed to work with the existing Form W-4 that employees have already filed with their employers to claim withholding allowances.

Social Security & Medicare Tax:

The Social Security (SS) maximum wage base for 2018 will be \$128,400. The maximum social security tax employees and employers will each pay in 2018 is \$7,960.80.

As in prior years, there is no limit to the wages subject to the Medicare tax. All covered wages are subject to the 1.45% tax. Wages paid in excess of \$200,000 in 2018 will be subject to an additional 0.9% Medicare tax withholding.

W-2s Online:

W-2s are available to download and print from the Employee Online Website. If you have not chosen the option to go paperless, your W-2 was mailed on or before January 31, 2018. Our continued mission to "GO GREEN" utilizes the employee website to download and print the W-2.

Deferred Compensation:

The limitation under elective deferrals for a 457 Plan for 2018 is \$18,500. The catch-up provision for individuals age 50 or over at the end of the calendar year is \$6,000, unchanged from 2017.

Review Form W-4:

Reminder to submit a new Form W-4 for 2018 if your filing status changed during this year. If you claimed "exempt" from federal withholding in 2017, you must complete a new Form W-4 by February 15, 2018. The Payroll Department will begin withholding federal income tax on the February 23, 2018 paycheck as single with zero withholding allowances if Form W-4 2018 is not received timely.

Employees can access the IRS Withholding Calculator on the IRS website at:

<https://www.irs.gov/Individuals/IRS-Withholding-Calculator> for help in determining how many withholding allowances to claim on their Form W-4.

Percentage Method of Income Tax Withholding (For Wages Paid in 2018)

TABLE 7—ANNUAL Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$3,700		\$0		Not over \$11,550		\$0	
Over—	But not over—	of excess over—		Over—	But not over—	of excess over—	
\$3,700	—\$13,225 . .	\$0.00 plus 10%	—\$3,700	\$11,550	—\$30,600 . .	\$0.00 plus 10%	—\$11,550
\$13,225	—\$42,400 . .	\$952.50 plus 12%	—\$13,225	\$30,600	—\$88,950 . .	\$1,905.00 plus 12%	—\$30,600
\$42,400	—\$86,200 . .	\$4,453.50 plus 22%	—\$42,400	\$88,950	—\$176,550 . .	\$8,907.00 plus 22%	—\$88,950
\$86,200	—\$161,200 . .	\$14,089.50 plus 24%	—\$86,200	\$176,550	—\$326,550 . .	\$28,179.00 plus 24%	—\$176,550
\$161,200	—\$203,700 . .	\$32,089.50 plus 32%	—\$161,200	\$326,550	—\$411,550 . .	\$64,179.00 plus 32%	—\$326,550
\$203,700	—\$503,700 . .	\$45,689.50 plus 35%	—\$203,700	\$411,550	—\$611,550 . .	\$91,379.00 plus 35%	—\$411,550
\$503,700	\$150,689.50 plus 37%	—\$503,700	\$611,550	\$161,379.00 plus 37%	—\$611,550

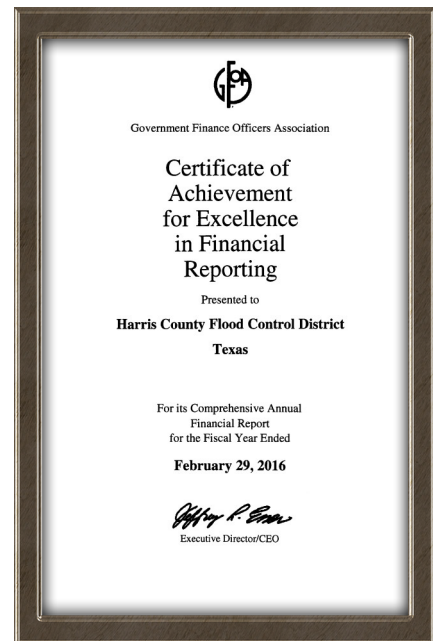
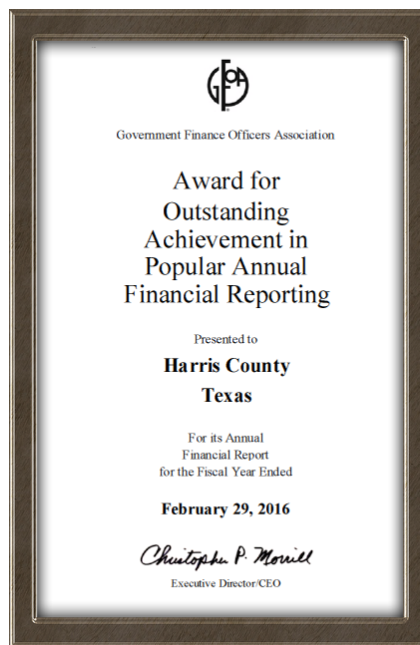
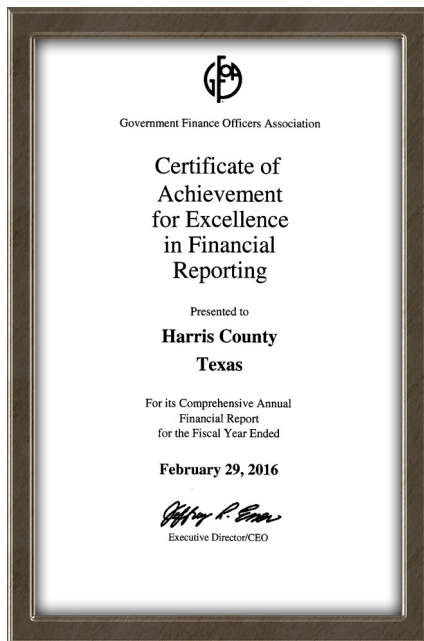
Source: IRS Publication 15, Employer's Tax Guide aka Circular E

Awards and Honors

Congratulations to the Accounting Department and all of those individuals who participated in the efforts to receive the awards below! The County was the recipient of three prestigious national awards from the Government Finance Officers Association.

Two of the three awards were Certificates of Achievement for Excellence in Financial Reporting. The GFOA established this award program to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal. The goal of the program is not to assess the financial health of participating governments, but rather to ensure that users of their financial statements have the information they need to do so themselves.

The third award was for Outstanding Achievement in Popular Annual Financial Reporting. The GFOA established this award program to encourage and assist state and local governments to extract information from their comprehensive annual financial report to produce high quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance and then to recognize individual governments that are successful in achieving that goal.



Antique Diebold Double Door Safe

ANTIQUe DIEBOLD DOUBLE DOOR SAFE CIRCA 1876 - 1920'S

An original safe used to store records of Harris County dating back to 1920 or earlier currently resides in the lobby of the 8th floor of the Auditor's Office at 1001 Preston.

It is a double door safe, so the original intent of the safe was to protect the contents from fire. Diebold hired artists in the factory to paint any scene on the safe that the customer wanted - there was no standard design, all custom. During the era, safes were three basic colors: Black, Gun Metal Gray or Olive Green (lacquer). The casters were a deterrent to burglars since the safe would only roll in one direction.

The safe was manufactured by Diebold Bahmann, which was founded in 1859 in Cincinnati. The Company moved to Canton, Ohio in 1871 and changed their name to *Diebold Safe & Lock* in 1872. According Product Sales & Support Operations at Diebold Incorporated, the safe was probably manufactured before the 1920's because of the wood on the interior, this safe is from somewhere between 1876 & the 1920's.



Image of Antique Diebold Double Door Safe in HCAO lobby

County of Harris

H. L. WASHBURN, COUNTY AUDITOR
HOUSTON, TEXAS

The following is a true and correct list of the property of Harris County on hand in my Department January 2nd 19 20, and subsequently received, with an approximate value thereof, showing the condition and disposition thereof to the date of this report.

H. L. WASHBURN

Title County Auditor

Date Rec'd	No.	Description of Property	Value	Condition	Disposition	Remarks
	1	Diebold Safe	300	Good		
	3	Office Stools	6	Fair		
	2	Roller Top Desks	120	Good		
	5	Office Tables		"		

1-4000 roller to desk transfered to Pierce Williams 2-20-23

Excerpt from Harris County Inventory register January 2, 1920, including Diebold Safe

Employee Service Anniversaries

Congratulations to the following employees who have reached anniversary milestones with Harris County during February 2018.

Over 30 years

Leslie Pope	33
Trina Cheney	33
Lula Bookman	32
Yolanda Anderson	32

Over 20 years

Steve Hoza	28
Tammie Sonnier	27
Wendee McCain	27
Synithia Jacquet	25
Michael Post	21
Chris Casas	21
Kimberly Lewis	21
Connie Kirkpatrick	21

Over 15 years

Gwendolyn Foy	18
Erma Warner	18
Timothy Leonard	18
Vicki Cash	18
Patricia Mata	17
Toya Edwards	17
Paul Wilden	17
JoEllen Lamb	17
Filomeno Vilorio	17
Tom Ngo	16
Jacqueline Ards	16
June Davis	16
Nicholas McGee	15
Jose Mendoza	15
Carol Market	15

Over 10 years

Brenda Tucker	14
Martha Abdullah	14
Connie Sanders	14
Clarese Brown	14
Cynthia Smith	14
Jennifer Pham	13
Tijuana Smith	13
Ronald Foster	13
Eric Pertl	12
Winfred Iles	12
Betty Lew	11
David Tish	11
Sylvia Mercy	11
Patricia Moreno	10
Tanya Williams	10
Wai Leung	10
Marie Cary	10

Over 5 years

Yesenia Cantu	9
Charles McDonald	9
Lisa Godfrey	9
Peter Cripps	9
Lin Zhong	9
Porter Broyles	9
David Clark	9
Mellanie Tostado	9
Robert Jones	9
Velia Frias	8
Edgar Serrano	8
JoAnn Lloyd	8
Tera Thompson	8
Ada Rodriguez	8
Shannen Williams	7

Over 5 years

Linda Dougherty	7
Sonja Lewis	7
Yang Liu	6
Marie LaGrone	6
Bobby Cato	6
Jacqueline Roney	6
Kimberlyn Olison	5
Angela Billard	5
Ingrid St Cyr	5
La'Sha Kelly	5
Sharonda Cato	5
Simone Mergerson	5
Felipe Alvarado	5

Less than 5 years

Derryle Simpson	4
Justin Alexander	4
Michelle Ramsey	4
Jolanda Smith	4
Damodar Tripathiee	4
Athena Reece	4
Davina Hewitt	4
Janice Butera	4
Maricela Barrera	4
Yolanda Gentry	4
Sonia Johnson	4
Raquel Vasquez	4
Veronica Kanode	4
Richard Pena	4
Angie Moore	4
Cheri Morgan	4
Penney Kazee-Davis	3

Congratulations to each of YOU!!!

Less than 5 years

Kirk Mashue	3
Valerie Pena	3
Danielle Leon	3
Carol Chatman	3
Marie Xefteris	3
Joan Wu	3
Dedra Jones	3
Tanzania Leassear	3
Destinee Lester	3
Dora Sanchez	3
Felicia Okatta	3
Reginald Yancey	3
Arlen Alanis	3
Merle Ray	3
Reena Pun	3
Argentina Vazquez	3
Francis Garcia	3
Cassandra Gonzales	3
Chandra Jones	3
Greg Johnson	3
Sam McCants	3
Ganel Sykes	3
Mario Galvan	3
Paul Witt	3
Maria Alfaro	3
Sherrie McClenon	3
Carmella Sanford	3
Nadine Wright	3
John Rowan	3
Sondra Dawson	3
Ernesto Garcia	3
Jeffrey Boso	3
Michelle Simpson	2
Carolyn Phillips	2
Jenny Ly	2
John Quintanilla	2
Robert Hayner	2
Heather Wrightington	2
Aisha Adams	2
Cristal Vazquez	2

Less than 5 years

Amy Yarbrough	2
Patrick Rodriguez	2
Jay Siegel	2
Shannon Norman	2
Tony Padon	2
Tenisha Brown	2
Terence Drew	2
Craig McFarlin	2
Tien Nguyen	2
Luis Turcios	2
Loretta Santillan	2
Steven Mathews	2
Wanda Horace	2
Ana Flores	2
Shaleeta Mitchell	2
Wanda Rodriguez	1
Douglas Chemaly	1
Elizabeth Garcia	1
Melissa Villalobos	1
Rebecca Dupree	1
Axel Nieves	1
Khanh Ta	1
Carmen Garcia	1
Tachia Smith	1
Sharlene Cate	1
Silvia Diaz	1
Anthony Li	1
Alfred Rodriguez	1
Samir Soura	1
Joshua Sadler	1
Ola Ogundipe	1
John Steen	1
Amanda Rich	1
Angela Fu	1
Gary Gray	1
Shawn Varghese	1
Patrick LeBlanc	<1
Reagan Sharkey	<1
Mary Drugovich	<1
Anna Spalding	<1

Less than 5 years

Leslie Wilks	<1
Madeline Flores	<1
Owanda Runnels	<1
Tiffany Shelton	<1
Dan Baumel	<1
Lauren Martinez	<1
JoAnn Guerrero	<1
Apryl Erwin	<1
Kristie Causey	<1
Grant Griffin	<1
Patricia Sanchez	<1
Michael Heim	<1
Brandy Shaw	<1
Rebecca Luis	<1
Yanhua Qiu	<1
Krissi Boggess	<1

Congratulations to each of YOU!!!



Michael Post, C.P.A., M.B.A.
Harris County Auditor
1001 Preston, Suite 800
Houston, Texas 77002