



AUDIT REPORT

DALLAS COUNTY

CONSTABLE PCT 1 - FY2016 AND FY2017

Darryl D. Thomas
Dallas County Auditor

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CONSTABLE PCT 1 - FY2016 AND FY2017

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This report is intended for the information and use of the agency/department. While we have reviewed internal controls and financial reports, this review will not necessarily disclose all matters of a material weakness. It is the responsibility of the department to establish and maintain effective internal control over compliance with the requirements of laws, regulations, and contracts applicable to the department



DALLAS COUNTY
COUNTY AUDITOR

MANAGEMENT LETTER

Honorable Tracey Gulley
Constable Precinct No. 1
Dallas, Texas

Attached is the County Auditor's final report entitled "**Constable Pct 1 - FY2016 and FY2017**" Report. In order to reduce paper usage, a hard copy will not be sent through in-house mail except to the auditee.

If you prefer that released reports be emailed to a different (or additional) recipient, please inform me of the name and the change will be made.

Respectfully,

A handwritten signature in cursive script, reading "Darryl D. Thomas".

Darryl D. Thomas
County Auditor

EXECUTIVE SUMMARY

A review was performed on the records and reports of Constable Precinct No. 1 for October 01, 2015 through September 30, 2017. Priority areas of risk which need to be addressed include: clearing old special fund balances; evidence and property room inventory controls; and, adequate training of duties over the receipting, balancing, depositing, and disbursing roles.

Summary of Significant Observations:

- No significant irregularities or intentional misleading statement were identified during our review.

Repeat observations from Previous Audits:

- Inconsistency in recognizing accurate , complete and proper classification of monetary credits for paper served/attempt by the deputy
- Incomplete data entry into Constable Civil System.
- Inconsistency in applying proper procedure on computer and manual receipt's void/cancellation.
- Limited staff training on performing special fund reconciliation and reviewing of special fund balance activities.
- Inconsistency in applying correct interest rate and date for commission calculation.
- Lack of established inventory control procedures of the evidence/ property items.
- Lack of Management review of the Deputy's daily activity report and the Vehicle Fleet Management system.

INTRODUCTION

Dallas County Auditor's Office mission is to provide responsible, progressive leadership by accomplishing the following:

- Comply with applicable laws and regulations
- Safeguard and monitor the assets of the County utilizing sound fiscal policies
- Assess risk and establish and administer adequate internal controls
- Accurately record and report financial transactions of the County
- Ensure accurate and timely processing of amounts due to County employees and vendors
- Set an example of honesty, fairness and professionalism for Dallas County government
- Provide services with integrity
- Work in partnership with all departments to resolve all issues of the County
- Strive to utilize the latest efficient and effective technology in the performance of tasks
- Provide technical support and training in the development, implementation, and maintenance of information systems
- Hold ourselves accountable to the citizens of the County at all times
- Be responsive to the elected officials and department heads of Dallas County

The objectives of this audit are to:

- Ensure compliance with statutory requirements
- Evaluate internal controls
- Verification of accuracy and completeness of reporting
- Review controls over safeguarding of assets

This audit covered the period of October 1, 2015 through September 30, 2017.

Standard review procedures were followed to test the internal controls for cash, revenue, and other county assets. A random sampling of the total activity was selected for certain review steps based on risk; the dollar value of transactions, the volume of transactions, and noted internal control weaknesses. Testing also involved a review of the Constable civil system.

DETAILS

Paper Service

All cases entered into the Constables Civil System for FY16 and FY17 were reviewed to determine whether monetary credits were given to the Constable Precinct#1 for papers served or attempted to serve. We noted that a total of 177 monetary credits were not given to the office. The Justice of the Peace Court, the District Clerk office and County Clerk office post payments for service of civil paper to their case filing system and occasionally payments were not posted to the correct law enforcement agency. Fee credited to the wrong law enforcement agency cause the paper service not to be recognized as income by the appropriate office and will not offset constable expenditure. Timely corrections are not performed due the lack of staff oversight and the delay in requesting inquiry access to District Clerk and County Clerk systems.

Recommendation

Paper Service

The precinct should monitor current procedures affirming proper deposit/credit:

- Request inquiry access to the Odyssey Civil Courts system for the appropriate staff
- Notify appropriate department to make any necessary corrections upon review.
- Examine computerized court records associated with papers served or attempted to verify that fees are properly credited to Precinct No. 1.
- Enter information into the Constable Civil System, accurately and timely.

Management Action Plan

The Chief Clerk and Bookkeeper will monitor the JP Court Screen for proper payment. We have tried to gain access to the Odyssey System in order to check for accurate service fee payment in the future, but neither the County Clerk or the District Clerk will sign off on the Odyssey User Request form. The Chief Clerk has provided each Chief Clerk at the County Court, District Court and all Justice of the Peace Courts a list of cases in their office we did not get credit for service where they needed to transfer our service to Constable Precinct #1. The District Court, County Court, and all Justice of the Peace courts have started transferring the service fees to our account that is due to us from the list provided to them. All Clerks were informed to be more attentive when entering information in to the Constable Civil System as well as being accurate and timely.

Auditors Response

None

Fee Compliance

A review of the IT Extract data for civil papers served by Precinct staff revealed: approximately five percent of the fee amount earned, amount collected, or amount paid to court fields were not filled-out in the Constable Civil System (CCS).

Good internal control requires that management design and implement internal controls and assesses their effectiveness as emphasized in Committee of Sponsoring Organization of the Treadway Commission (COSO). Lack of oversight and inadequate guidelines over internal controls of the Precinct activities resulted in inaccurate data such as overstating/ or understating of the total number of papers served. This information is used to derive staffing requirements and to perform a Constable civil fee analysis.

Recommendation

Fee Compliance

The Constable should establish and implement Control Activities, Information and Communication, and Monitoring activities to ensure that data entered to the Constable Civil System is complete and accurate. All data elements including the Fee Amount Earned, Paper Type, Fee Amount Collected, etc. should be accurately entered in the Constable Civil System.

Management Action Plan

The floor Supervisor will receive and review the numeric list of new papers report every morning for accuracy, and the Return Clerk will review the Return Report for accuracy every morning. All errors will be taken to the Chief Clerk.

Auditors Response

None

Computer Receipts

A review of computer receipts from County Wide Receipting (CWR) including 162 canceled/voided receipts revealed: two canceled transactions did not contain a sufficient explanation and two of them had a delay over three days in re-receipting. Receipted funds should be deposited properly and timely in accordance with Local Government Code (L.G.C.), § 113.022. Receipts should not be altered, but properly voided (canceled within CWR) and affixed with a reason for the void with retention of all voided copies. Due to system limitations, users were not prompted to enter a comment to explain why a transaction was canceled. In addition, lack of written procedures and internal control over receipts and deposits can lead to loss or misappropriation of assets.

Recommendation

Computer Receipts

All copies of a void receipt should be retained, clearly marked "void/canceled" and affixed with sufficient/clear reason for voiding in order to affix responsibility, enhance cash control and prevent potential loss fund or misappropriation of assets.

Management Action Plan

The Chief Clerk will receive all voids and sign off on voided receipts. The voids will have sufficient/clear reasons for voiding.

Auditors Response

None

Special Fund Balance

A review of the Special Fund activity revealed balances totaling \$97,298.77 that have not been researched for disbursing to applicable parties, recovery of excess disbursements, or escheating to the County Treasurer or State Comptroller. Precinct staff should periodically review the Special Fund reports and disburse funds to appropriate parties in a timely manner. According to the Chief Clerk and Bookkeeper, they were unaware of what reports to review and how to reconcile the Special Fund account. As a result, there is a delay in disbursements to appropriate parties and the Special Fund account has not been reconciled by Precinct staff.

Status: On 2/15/18 we identified reports the department has access to and explained how Oracle, CWR, and Treasurer's Stale Dated Check List could be utilized to reconcile the Special Fund and other Constable Precinct 1 accounts. (Refer to this link for guidance <https://www.dallascounty.org/departments/auditor/training.php>)

Recommendation

Special Fund Balance

Management should:

- Maintain a Special Fund control ledger accounting for all Special Fund receipts, disbursements and case balances. The control sheet (or an associated subsidiary ledger) should clearly identify all individuals to whom money is due and include the related receipt and case numbers. The final disbursement confirmation file from the Treasurer's office should be compared to the related Special Fund deposits then used to update the Special Fund control ledger.
- Review and perform periodic reconciliation of the Special Fund control ledger to the Oracle general ledger by supervisory personnel to ensure that all Special Fund deposits and disbursements are properly posted.

Management Action Plan

We only had one delay in disbursing money; the delay was because we were waiting on the defendant to bring in the remaining balance of the money she owed. Special Fund check requests are worked every two weeks. The Bookkeeper will run the Special Fund balance report monthly. The Chief Clerk will review the Special Fund Report at the end of the month to verify special funds are being worked.

Auditors Response

None

System Credentials

Review of the responses to the computer systems section of the internal control questionnaire and observations at the Constable's Office revealed: unpaid interns did not have access to the system, however, clerk staff were logging into the

system for the interns using their own username and password. All staff should have their own system credentials to access programs related to their duties. The Information Technology was not contacted to provide system access for the interns. As a result, the interns were improperly being logged into by other employees at the office.

Recommendation

System Credentials

Request the Information Technology Department provide log-in credentials for the interns for the programs used related to their duties.

Management Action Plan

We previously requested system access codes for the interns and were informed that we could not get access since they were not Dallas County employees. However, we later spoke with someone who told us to submit the paper work for the interns to have access. As of now, we have access for the one intern that we have.

Auditors Response

None

Manual Receipts

A review of 64 Form 44-A manual receipts including five voided receipts written by the writ deputies in the field revealed: one 44-A manual receipt did not contain an explanation for voiding the receipt and two instances where the number of days between the 44-A manual receipt and CWR computer receipt exceeded five business days with one delay caused by a variance between the manual receipt amount and the receipted check amount. All voided receipts should be properly voided and affixed with a reason for the void. When deputies collect funds the funds should be receipted and deposited promptly according to Local Government Code 113.022. Lack of management designing and implementing internal control procedures over receipts and deposit activities can potentially lead to accounting error and omission, and misappropriation of assets.

Recommendation

Manual Receipts

Management should design and implement internal control procedures over receipts and deposit activities.

Management Action Plan

The Chief Clerk will review receipt books weekly for accuracy and will ensure that any and all voided receipts will have full explanation.

Auditors Response

None

Evidence Room

A review of the evidence/property room revealed five items within the property room could not be located on the inventory list and tags on the property are not consistently labeled with what is on the property inventory

list. **(Status: The Chief Deputy stated he will have those responsible for the property room organize and label the property.)** Code of Criminal Procedure state that unclaimed or abandoned property that is not held as evidence and remains unclaimed for 30 days shall be delivered for disposition to a person designated by the purchasing agent. Any evidence/property should be tagged and chain of custody forms completed for all evidence/property stored and/or removed from the evidence/property room. Lack of written procedures and inadequate control and accountability of evidence/ property item can cause difficulty in distinguishing "found" property versus "seized" property, and evidence may be misappropriated, tampered or misused.

Recommendation

Evidence Room

Management should adhere to the Code of Criminal Procedures as stated in Article 18.17, 18.18, 18.181 and 18.83 but not limited to:

- Unclaimed or abandoned property that is not held as evidence and remains unclaimed for 30 days shall be delivered for disposition to a person designated by the purchasing agent. In addition, the law enforcement agency that originally seized the property may request from the purchasing agent to have the property, which is scheduled for disposition, converted to agency use.
- If there is no prosecution or conviction following seizure, the magistrate on the motion of the law enforcement agency that seizes a prohibited weapon, shall order the weapon destroyed or forfeited within a timely manner of being informed that no prosecution will arise from the seizure.

Management Action Plan

An inventory property sheet and property release sheet has been implemented in order to account for property found or abandoned. Our department will adhere to the Code of Criminal procedures as stated in various Articles of the code when it relates to unclaimed or abandoned property.

Auditors Response

None

Vehicle GPS

A review of 40 papers and corresponding daily activity reports and GPS Insight reports revealed that two daily activity reports for two former Constable Precinct 1 deputies could not be located, one civil paper was not listed on the daily activity report that was marked as served in the Constable Civil System, and vehicle assignments were not consistently updated with the vehicle fleet manager. In addition, a review of GPS Insight reports and the KRONOS time system revealed two vehicles driven outside of business hours did not correspond to time worked per KRONOS. Daily activity reports for two former deputies were not placed within the boxes that contain the daily activity reports. **(Status: Daily activity reports were provided to the auditor on 3/23/18)** The Deputy did not include all papers served/attempted for on the daily activity report. All Constable Precinct 1 records should be properly maintained and stored including any lists that detail what records the office has stored within archives. Deputies should accurately record their daily activity on the

Daily Activity Reports. Starting and ending times listed on the daily activity should match employees time on KRONOS. As a result, official time and attendance does not accurately reflect time worked. In addition, county records are not accurately recorded and some records are missing.

Recommendation

Vehicle GPS

Management should ensure all Precinct records are properly maintained.

Management should periodically review Daily Activity Reports, GPS Insight Reports, and the IT List of Disposed Papers report to verify paper service is accurately recorded.

Management Action Plan

The Lieutenant will review the Daily Activity Report on a daily basis for accuracy. The Assistant Chief will keep the original daily activity and the Chief Clerk will have a scanned copy saved under each Deputy's name for each month. The Assistant Chief Deputy will review the GPS periodically for accuracy.

Auditors Response

None

Commission Calculations

A sample review of 20 commission calculations for each fiscal year under review revealed: documentation for two commission calculations could not be located at the Constable's Office, 12 commission calculations errors resulting in the total over-collection of \$1,999.49, 15 commission calculations errors resulting in the total under-collection of \$4,114.10, and one payment from proceeds of sale utilized judgment amount provided by plaintiff rather than the court record. Dallas County court orders 2010-1626, 2011-1662, 2012-1587 and 2013-1572, state that commission calculations should include judgment, interest, and attorney fees collected while excluding any court costs. Inconsistent application of Dallas County Court orders and inadequate staff training resulted in substantial commission calculation errors.

Recommendation

Commission Calculations

Management should establish and implement written procedures to minimize commission calculation errors including:

- Automated commission calculation worksheet with separate files for collections made with or without a sale. Worksheet should contain all variables including the judgment date, judgment amount, judgment credit, attorney fees, interest rate, pre-judgment and post judgment interest, court costs, service fees (if not combined with court costs), applicable commission percentages, and deputy hours spent.
- Calculations should be verified / reviewed by another person (chief deputy or chief clerk).

- Review of all execution worksheet prior to beginning of year to verify correct formula in use.

One notice fee per posted sale (per writ) should be assessed in accordance with Commissioner's court orders unless parties to the sale request additional locations not required by statute or the Rules of Civil Procedure.

Management Action Plan

The Chief Clerk and Bookkeeper will verify calculations are correct on the worksheet. We are following the guidelines advised by auditors on the worksheet. However, the deputy hours are only listed on property sale and non-property sale sheets.

Auditors Response

None

cc: Darryl Martin, Commissioners Court Administrator