



AUDIT REPORT

DALLAS COUNTY

2019 STATE FORFEITURE-CONSTABLE 2

Darryl D. Thomas
Dallas County Auditor
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2019 STATE FORFEITURE-CONSTABLE 2

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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 Billy Gipson
Constable Precinct No. 2
Dallas, Texas

Attached is the County Auditor's final report entitled "**2019 State Forfeiture-Constable 2**" 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 blue ink that reads "Darryl D. Thomas".

Darryl D. Thomas
County Auditor

EXECUTIVE SUMMARY

An audit was performed of Constable Precinct #2's use of State Forfeiture Funds for FY19 according to state requirements as contained in V.T.C.A., Code of Criminal Procedure, Article 59.06 (g). The Chapter 59 audits included a review of the proceeds, expenditures and property from criminal seizures for the various offices and the corresponding cases filed by the Dallas County District Attorney's Office. Internal Control weaknesses which need consideration by management are:

Summary of Significant Observations:

A lack of written inventory procedures resulted in:

- Two new items not located during inventory
- 27 items that were not located in previous audits remain missing

Repeat observations from Previous Audits:

- Inventory items were not located and missing.
- There is no written inventory procedure.
- A partial inventory list of equipment purchased with forfeiture funds is maintained.

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:

1. Ensure compliance with statutory requirements
2. Evaluate internal controls
3. Verification of accuracy and completeness of reporting
4. Review controls over safeguarding of assets

This audit covered the period of October 1, 2018 through September 30, 2019.

The audit procedures will include interviews with key process owners, observation of transactions processing, data analysis and sample testing of transactions. The main system used will also be reviewed and incorporated as part of the testing of transactions.

DETAILS

Seizure of Funds

A review of the Chapter 59 State Forfeiture account revealed that seized funds in the amount of \$2,394 from two dismissed cases, carried over from the prior Constable's administration, remain in the forfeiture account and were not returned to the defendants or processed as unclaimed money. **STATUS: A request to transfer the funds to the Special Fund account was submitted on 10/17/2019.** Article 59.08(a) of the Code of Criminal Procedure states, "if money that is contraband is seized, the attorney representing the state may deposit the money in an interest-bearing bank account in the jurisdiction of the attorney representing the state until a final judgment is rendered concerning the contraband." As stated in the Attorney General of Texas Opinion No. GA-0588, while "article 59.08(a) plainly grants an attorney representing the state discretionary authority to deposit seized money in an interest-bearing account...a law enforcement agency does not have independent authority to deposit and maintain money seized as contraband in an interest-bearing account, and may do so only pursuant to court order." An oversight by the prior Constable's administration resulted in non-compliance with the Texas Code of Criminal Procedure, overstating the amount of forfeiture funds available to the Precinct, and delay in the disbursement of funds to applicable parties or escheating to the Texas State Comptroller.

Recommendation

Seizure of Funds

Management should follow proper procedures for escheating to the Texas State Comptroller as required by Property Code §72 and §76. In addition, funds should be moved to a non-interest bearing account.

Inventory

A review of 43 items purchased with State Forfeiture funds revealed: two items not located during inventory, 27 items that were not located in previous audits remain missing, and a partial inventory list of forfeiture purchases and equipment is maintained. Capital and non-capital property should be tracked according to UGMS 2 CFR Section 200.313 and property should be maintained according to Dallas County Code Chapter 90 Article III. A lack of written inventory procedures resulted in an incomplete record of forfeiture equipment.

Recommendation

Inventory

Management should prepare an inventory list that includes an accurate description of all forfeiture property received, the Dallas County property tag number and IT asset tag number (if either are applicable), serial numbers, date and manner of disposal, current location of property, and any other information that could be useful in identifying and tracking the property. Additionally, steps should be taken to recover missing items.

cc: Darryl Martin, Commissioners Court Administrator