



DALLAS COUNTY
COUNTY AUDITOR

Memorandum

To: Honorable Ben Adamcik
Constable Precinct No. 3

From: Darryl D. Thomas *Darryl D. Thomas*
County Auditor

Subject: Review of Statutory Reporting and Compliance for October 1, 2012 through September 30, 2014

Date: Issued: March 15, 2017
Released: May 26, 2017

Scope

A review was performed on the records and reports of Constable Precinct No. 3 for October 1, 2012 through September 30, 2014.

Review Procedures

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.

A partial list of the review tests include:

- Accounted for numerical sequence of manual receipts
- Traced amounts recorded on County Wide Receipt (CWR) system to the bank deposits
- Performed unannounced cash counts
- Examined special fund disbursements to determine if sufficient funds were collected, proper payees paid and if posting to the Constable civil system had occurred
- Reviewed assessed fees, commissions, executions and orders of sale for compliance with applicable state laws and Commissioners Court orders
- Reviewed time and attendance records for proper posting and compliance with County policies and procedures
- Reviewed Constable civil return lists for correct postings to the Constable Civil System to determine if appropriate credit was given to the Constable by the District Clerk, County Clerk and Justices of the Peace
- Reviewed Texas Attorney General (AG) IV-D billings
- Examined the Evidence/Property Room procedures and log sheets
- Documented warrant processes
- Reviewed Global Positioning Satellite (GPS) reports

Statistical

Fiscal Year 2013

- 12,136 civil papers served per Constable Civil System
- 1,765 writs and orders of sale served per Constable Civil System
- 8,940 criminal papers served per Constable Civil System
- \$1,347,491.88 constable fee revenue collected all sources
- \$11,612.04 constable commission collected

Fiscal Year 2014

- 11,714 civil papers served per Constable Civil System
- 1,572 writs and orders of sale served per Constable Civil System
- 7,707 criminal papers served per Constable Civil System
- \$1,252,705.64 constable fee revenue collected all sources
- \$7,976.23 constable commission collected

FINDINGS

Cash Management

Office Receipts – A review of 2,762 County Wide Receipting (CWR) computer generated receipts including 145 (5.2%) voided computer receipts revealed material compliance.

Field Receipts – A review of 112 form 44-A field receipts including eight (7.1%) voided receipts written by the writ deputies in the field revealed: six (75%) voided 44-A manual receipts missing the original and/or triplicate carbon copy from the manual receipt book with three of the voided receipts replaced for \$98.52 less cash.

Assessments / Collections – A sample review of 80 office receipts to determine if the amount collected was in compliance with state laws and Commissioners Court orders, and properly recorded to the Constable Civil System (CCS) revealed material compliance except five instances in which the paper type posted to CWR differed from the paper type posted to CCS; however, all fees were properly assessed, collected, and deposited.

Disbursements/Special Fund Reconciliation – A review of the special fund activity revealed material compliance except for old balances totaling \$3,531.69 over three years old have not been disbursed to the applicable party and/or escheated to the County Treasurer or State Comptroller.

Commission Calculations – A sample review of 25 writ collections for compliance with Commissioners Court approved rates revealed: three (12%) commission calculation errors resulting in over collections totaling \$394.12; fourteen (66%) interest calculations with a date other than the judgment collection date used; and, two (8%) cases where a \$20.50 deed preparation fee was collected despite no authorizing Commissioners Court order or statute.

Receivables / IV-D Billings – A review of two complete AG IV-D paper monthly billings and inquiry of the existence of receivables revealed: material compliance, except for two instances where the amount collected was not entered in the Constable Civil System (CCS). However, all funds were receipted to the CWR system and deposited.

Processing

Warrant/ Civil Paper Service – A sample comparison of civil paper returns against the associated County Clerk and District Clerk Odyssey records and Justice of the Peace mainframe records for accuracy, completeness, and proper classification revealed: thirteen (12.9%) civil papers served by Constable Precinct 3 with monetary credit incorrectly recorded to another agency by the court clerks; one writ of execution without collection of the \$140 service fee; and, four (5.7%) civil papers with the amount paid to the court not entered by the Constable to the Constable Civil System (CCS).

Management analysis is limited by system summary reports lacking true aging and manual tracking of unsuccessful service attempts. Constable Civil System is not consistently updated for unsuccessful service attempts. Monthly reports reviewed by management include: Previous on Hand, Received, Re-Opened, Served, Unexecuted, Deleted, Recall-Dismissed, Transferred, Transferred No-Work, and On Hand end of month.

As of June 19, 2015, there were 20,425 active warrants/capias assigned to Precinct No. 3.

Other

Internal Control Questionnaire - Responses to the Internal Control Questionnaire revealed employees are not required to report conflicts of interest with parties involved in court cases that the Precinct serves process.

Time and Attendance – Review of employee time and attendance records revealed: one employee reportedly out sick during two inclement weather days with two hours holiday time and six hours sick leave recorded to Kronos. *Status: Historical edit was submitted by the Precinct to correct one of the two posting errors.*

Status or Prior Audit Finding

Evidence / Property Room – Items eligible for destruction from the prior audit have not been destroyed or transferred to the Sheriff for destruction.

Response: As of July 16, 2015, the lieutenant has not received a reply from the Sheriff.

RECOMMENDATIONS

Cash Management

Receipting / Depositing – All copies of a void receipt should be retained, clearly marked “void” and affixed with a reason for void. The supervisor should, periodically, scan receipts for proper usage, account for all receipts used in order to affix responsibility, enhance cash control, and prevent assertion that monies were paid and a refund is due. All monies received should be promptly and accurately receipted, properly secured, and deposited consistent with state law, Local Government Code, § 113.022 and procedures recommended by the County Auditor. Update recordkeeping procedures to include a tracking log of receipt books issued.

Assessments / Collections – Continue to assess service fees in accordance with State laws and Commissioners Court orders. All data elements including the Amount Collected, Amount Earned, and Paper Type should be accurately and timely entered in the CCS.

Disbursements / Special Fund Reconciliation – Continue to maintain a special fund control ledger accounting for all special fund receipts, disbursements, and case balances. The special fund ledger should be periodically reviewed and reconciled to Oracle by supervisory personnel. Unclaimed property should be followed in accordance with Property Code Chapters 72 and 76.

Commission Calculations – The commission calculation should include the judgment, interest, and attorney fees and the approved commission percentages and hourly rates as authorized by Commissioners Court. Refund excess commission amounts collected. Calculations should be verified / reviewed by another person such as supervising chief deputy or clerk. One notice fee per posted sale/writ should be assessed unless parties to the sale request additional posting locations.

Receivables / IV-D Billings – Continue to maintain a ledger to track outstanding service fees with periodic follow-up and delinquent billing notifications to the County Treasurer of debts due the County. All eligible IV-D service fees should be accurately and timely billed to the AG at the maximum rate allowed by Family Code, § 231.202, Local Government Code, § 118.131, and Commissioners Court orders. Review and ensure that all data elements (Amount Collected, Amount Earned, and Paper Type) are accurately and timely entered in the CCS.

Processing

Warrant / Civil Paper Service – Examine computerized court records associated with papers served or attempted to verify that the fees are properly credited to Precinct No. 3. To extent feasible with current staffing levels, update the Constable Civil System to record unsuccessful service attempts. Conduct periodic inventories of papers on hand to report control totals. Develop standard procedures for staff to follow on timelines and number of unsuccessful service attempts.

Other

Internal Control Questionnaire – Employees should be required to report conflicts of interest when related to parties involved in lawsuits or criminal cases, or when the employee has an indirect or direct financial interest in a business involved in a lawsuit.

Time and Attendance - Historical edits should be submitted to the Payroll Hotline to correct Kronos posting errors. Employees on vacation, sick leave, or holiday leave should have time recorded to Kronos on inclement weather days in accordance with Dallas County Code Section 82-61(d).

Evidence / Property Room – Eligible items should be scheduled for destruction as authorized by statute when departmental use is prohibited or not feasible.

Current Findings/Observations/Recommendations

Detailed finding templates numbered 14.C3.01.01 through 14.C3.01.08 are on file.

Summary

The report is intended for the information and use of the 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.

Priority areas of risk which need to be addressed are: old balances in the special fund not timely escheated and /or remitted; receipt voiding and control procedures; and commission calculations.

Development of written internal procedures should be initiated to ensure compliance with recommended procedures, county policies, and state statutes. Consideration of all issues and weaknesses should be incorporated by the precinct as a self-assessment tool in testing processing functionality of a new constable civil / warrant tracking system.

cc. Darryl Martin, Commissioners Court Administrator
Ryan Brown, Office of Budget and Evaluation