



AUDIT REPORT

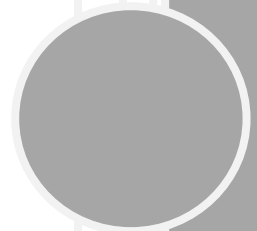
DALLAS COUNTY

CONSTABLE PRECINCT NO 3 AUDIT - FY 2022

Darryl D. Thomas
Dallas County Auditor

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Constable Precinct No 3 Audit - FY 2022

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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 Benjamin Joe Adamcik
Constable Precinct No. 3
Dallas, Texas

Attached is the County Auditor's final report entitled "**Constable Precinct No 3 Audit - FY 2022**" Report. In order to reduce paper usage, a hard copy will not be sent through in house mail except to the auditee.

In 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,

Darryl D. Thomas

Darryl D. Thomas
County Auditor

EXECUTIVE SUMMARY

A review was performed in accordance with statutory guidelines on the records and reports of Constable Precinct No. 2 for the period October 1, 2021 through September 30, 2022 during the term of the Honorable Benjamin Joe Adamcik. Internal control weaknesses which need consideration by management are:

Summary of Significant Observations:

1. **Computer Receipts:** Six out of nine (66.67%) computer receipts totaling \$7,527.04 were issued and voided by the same user.

Repeat observations from Previous Audits:

1. **Computer Receipts:** Voids and cancellations performed by the same employee that entered the transactions.
2. **Special Fund Review:** Management has not researched old Special Fund balances for either disbursing to applicable parties, recovery of excess disbursements, or escheatment to the County Treasurer or State Comptroller. In addition, the department did not reconcile the Special Fund account by the start of the audit.
3. **GPS Odd Hours Review:** Non-compliance with Dallas County policy on vehicle usage outside of County official business hours.
4. **Manual Receipts vs Computer Receipts:** Inconsistency in applying proper procedures to the processing of manual receipts and the associated computer receipts.

Only those weaknesses which have come to our attention as a result of the audit have been reported. It is the responsibility of the department management to establish and maintain effective internal control over compliance with the requirement of laws, regulations, and contracts applicable to the department.

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, 2021 through September 30, 2022.

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

Computer Receipts

A review of all nine computer receipts voided during the audit period revealed six computer receipts totaling \$7,527.04 were issued and voided by the same user.

All monies received should be promptly receipted and deposited consistent with Local Government Code, § 113.022 and Code of Criminal Procedure, § 103.004. All receipts should be accounted for and properly used to affix responsibility, enhance cash control, and prevent assertion that monies were paid and refund due. Formal approval should be required before adjustments are processed. Financial transactions should reflect proper segregation of duties related to the assessment and reduction of fees (automatic and manual) and receipting of payments. Inconsistent supervisory approval for voids and improper segregation of duties may result in an increase in internal controls over receipts and voids and potential misappropriation of Dallas County funds.

Recommendation

Computer Receipts

Management should:

- Comply with Local Government Code, § 113.022 and Code of Criminal Procedure, § 103.004.
- Implement a formal approval process for voiding and adjusting computer receipts.
- Enhance internal controls over receipting to ensure proper segregation of duties related to the assessment and reduction of fees (automatic and manual) and receipting of payments.
- Periodically review user roles to ensure access and functionality are appropriate.

Management Action Plan

- Bookkeeper will review and ensure that the proper information is receipted. If a receipt needs to be voided the bookkeeper will notify the Chief Clerk or Lead Clerk. The Chief Clerk or Lead Clerk will void the payment and include the explanation of why the receipt needs to be voided. Once the receipt is voided, the Chief Clerk will sign and date the document for audit purposes.

Auditors Response

- None

**Special Fund Review**

A review of the Special Fund (SF) reconciliation and related general ledger activity for the audit period revealed 32 transactions with account balances over three years old totaling \$961.20 have not been researched for either disbursing to applicable parties, recovery of excess disbursements, or escheated to the County Treasurer or State Comptroller and the department did not reconcile the FY2022 SF account by the start of the audit.

The SF is a temporary escrow account for funds that belong to individuals, companies, and government entities. In accordance with Local Government Code (LGC) Section 113.008, an official with Special Funds shall reconcile all balances and transactions in the statement of activity against the balances of the official's records each month. Management should escheat funds per Property Code, § 72 and § 76 and cash bonds should be forfeited per Code of Criminal Procedure § 22. All funds received, including SF payments should be posted to the Constable's Civil System (CCS) with the correct office number and for the correct amount. A lack of management oversight and completion of the SF reconciliation have resulted in SF ledger variances, delayed disbursements to entities/individuals entitled to funds, and noncompliance with Property Code, § 72, § 76, and LGC 113.008.

Recommendation

Special Fund Review

Management should:

- Contact parties to claim \$1,369.67 in Special Funds held in escrow.
- Periodically review and reconcile the Special Fund control ledger to the Oracle General Ledger to enhance assurance that all Special Fund deposits and disbursements are properly posted in a timely manner.
- Research balances older than 3 years for disbursement to applicable parties, recovery of excess disbursements, or escheatment to the County Treasurer or State Comptroller.

Management Action Plan

- The Chief Clerk and Bookkeeper will continue to do research and disburse funds to the applicable parties. The funds that cannot be disburse, the bookkeeper will start the escheatment process to the County Treasurer or State Comptroller. Chief Clerk will periodically review and reconcile the special funds account.

Auditors Response

None



GPS Odd Hours Review

A review of GPS Insight and Kronos reports for the audit period revealed one vehicle was driven outside the corresponding time posted in Kronos without a reasonable explanation.

Pursuant to section 90-129 of the Dallas County Code, "Except for reasonable travel to and from lunch, county-owned vehicles shall not be used for any personal use including, but not limited to, use for personal errands or dry cleaners, taking and/or picking up children at school or day care or any other non-county use, for travel to and from, after hours, non-county job, etc. or for transporting other employees or individuals for non-county activities such as, but not limited to, travel to and from work." A lack of supervisory review, GPS report and Deputy daily activity monitoring, and Kronos time entry review may increase the risk that vehicles are used inconsistent with Dallas County Policy 90-129 and that time records may not reflect actual hours worked in Kronos.

Recommendation

GPS Odd Hours Review

Management should:

- Ensure accurate written vehicle records are maintained and compared to Kronos weekly based on actual work times.
- Review Kronos time entered to ensure time errors are corrected before submission.
- Comply with Dallas County Policy 90-129.

Management Action Plan

- Any deputy operating a county vehicle outside of normal working hours will be required to seek approval from an administrative staff member prior to doing so.
- A documented reason for operating the vehicle must be submitted to an administrative staff member and retained for audit purposes.

Auditors Response

- None

Property and Evidence Inventory

A review of the Property and Evidence (PE) room revealed the department does not maintain a cumulative Inventory List for items stored in the PE room.



Dallas County Code 90-373 states that all department heads and elected officials are responsible for maintaining property to their department, proper inventory records, and making appropriate reports as required. The evidence officer should ensure that all relevant details of property and evidence items are accurately recorded on both the manual and electronic inventory logs kept by the department. Inconsistent supervisory review and improper record keeping have resulted in incomplete record maintenance and the potential loss of property and evidence items.

Recommendation

Property and Evidence Inventory
Management should:

- Maintain accurate records of the department's cumulative Inventory List to ensure all items have been added timely, including details such as the quantity, location, and serial number for each item.
- Require supervisory review and approval of the inventory evidenced by signature and date.
- Periodically perform a complete and accurate physical inventory of the Property and Evidence room items.
- Maintain an updated disposal inventory list with the date and manner of which they have been disposed.

Management Action Plan

- The Constable Precinct 3 administration has put quality controls in place for forfeiture equipment.
- Administration keeps a log of all forfeiture equipment
- Equipment is handled by Chief Deputy and Lieutenant
- Quarterly checks to make sure equipment is accounted for.

Auditors Response

None

cc: Darryl Martin, Commissioners Court Administrator