Timothy J. Hicks, CPA
Dallas County Auditor

500 Elm Street
Suite 4200
Dallas, TX 75202

Tel: (214) 653-6472
Fax: (214) 653-6440

Honorable Henry Curry
Constable Precinct No. 3
Dallas, Texas

RE: FINAL AUDIT REPORT **Constable Precinct No. 3 Audit - FY2025 (April 2025 to September 2025)**

The Dallas County Auditor's Office Internal Audit Division performed procedures for the period April 1, 2025, through September 30, 2025.

The objectives of the engagement were to:

1. Ensure all funds were accounted for at the time of the unannounced cash count.
2. Ensure all funds collected were receipted and deposited accurately, timely, and in compliance with statutory requirements.
3. Ensure court costs, fines, and fees were accurately assessed and recorded in compliance with statutory requirements.
4. Evaluate internal controls over financial transactions.

<u>Overall Results</u>
The review identified non-adherence to statutory guidelines related to the reconciliation of the special fund and duties related to computer receipt voids and adjustments were not adequately segregated. Additionally, there were instances in which incorrect interest amounts were used to calculate commissions and fees.

We appreciate the cooperation of the department and the staff during our review. 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,

Timothy J. Hicks, CPA

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ISSUED: 6/2/2026
RELEASED: JUNE 26, 2026

REPORTABLE FINDINGS

ISS.26-Constable3 -19-1 Computer Receipts:

Risk Rating: Medium

A review of all computer receipt voids, adjustments, and deposits identified seven receipts (77.78%) totaling $930 were issued and voided by the same user; six adjustments (100%) were performed by the same user who originally receipted the transaction; and one $80 receipt was voided three days after the original transaction.

Suggested Actions

- Enhance internal controls over receipting to ensure proper segregation of duties related to the assessment, reduction of fees (automatic and manual), and the receipting of payments.
- Ensure that voids and receipt corrections are processed promptly by an authorized user other than the original user.
- Implement a formal approval process for voiding and adjusting computer receipts.
- Periodically review user roles to ensure access and functionality are appropriate.

Management Action Plan and Target Date

Target Date: 7/1/2026

The 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. The chief clerk will void the payment and include an 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. Constable Precinct 3's standard operating procedures (SOP) for bookkeeping will show that the same user voids are approved if the chief clerk is not in the office. The SOP for bookkeeping will also show that adjustments are approved by the same user for tax payments and credit time served on subpoenas.

ISS.26-Constable3-19-02 Special Fund:

Risk Rating: Medium

A review of special fund activity identified that special fund balances older than three years, totaling $44,124 had not been researched to determine whether amounts should be disbursed to the appropriate parties, recovered as excess disbursements, or escheated to the County Treasurer or the Texas State Comptroller. Additionally, two disbursements totaling $230 were issued without sufficient funds being available in the special fund account.

Suggested Actions

- Research old balances for disbursement to applicable parties, recovery of excess disbursements, or escheatment to the County Treasurer or Texas State Comptroller in accordance with Property Code § 72 and § 76.

REPORTABLE FINDINGS

- Verify fund availability prior to issuing disbursements to prevent duplicate check issuance.

Management Action Plan and Target Date
Target Date: 7/1/2026

The chief clerk and bookkeeper will continue to do research and disburse funds to the applicable parties. The special funds balance that cannot be disbursed, the chief clerk and bookkeeper will start the escheatment process with the County Treasurer or State Comptroller. The chief clerk will reconcile the special funds account monthly, to ensure that correct funds are being disbursed to the appropriate parties. Before any checks are disbursed, the chief clerk will verify the right account is being used for refunds and collection payments.

ISS.26-Constable3-19-03 Commissions:

Risk Rating: Medium

A review of commission calculations for all eight non-sale collections identified that the three collections on judgments without a sale were over-collected by $910.

Suggested Actions
- Refund overpayments to the appropriate party.
- Calculate interest in accordance with the language specified in the judgment, using the judgment amount, attorney fees collected, and the judgment date through the date the balance is satisfied, unless the judgment states otherwise.
- Ensure all calculations are reviewed and verified by supervisory personnel to confirm accuracy and compliance.

Management Action Plan and Target Date
Target Date: 7/1/2026

Calculations of interest will be reviewed by Administration before the amount is given to the defendant for payment. The bookkeeper or chief clerk will not receipt the execution payment until the interest is signed off by Administration.

cc: Darryl Martin, County Administrator

The 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 material weakness. It is the responsibility of the department to establish and maintain effective internal control over compliance with the requirements of law, regulations, and contracts applicable to the department.