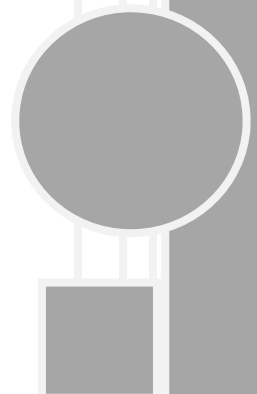




AUDIT REPORT

DALLAS COUNTY
FY2020 Constable Precinct No 3 Audit

Darryl D. Thomas
Dallas County Auditor
ISSUED: 9/7/2021
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FY2020 Constable Precinct No 3 Audit

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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 "FY2020 Constable Precinct No 3 Audit " 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. 3 for fiscal year ending 2020. There are no significant internal control weaknesses observations for the audit period.

Summary of Significant Observations:

None

Repeat observations from Previous Audits:

- Lack of segregation of duties for receipting, cancellations and adjustments of computer receipts.
Status: The Chief Clerk review the DC6 report after cancelation and adjustments were posted to CWR.
- Limited staff training on performing Special Fund reconciliation and escheating old balances.
Status: The FY 2020 Special Fund reconciliation continue to be competed by Internal Audit staff. however, Constable staff is working on to clean up to escheat old balances.
- Non-compliance with Dallas County policy on vehicle usage outside of County Official business hours.
- There are no formal written procedures for item tracking and maintaining the Property and Evidence Room, but a spreadsheet is used to track the departments inventory items.

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, 2019 through September 30, 2020.

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

Property and Evidence

A review of the Property/Evidence room revealed:

- Two items have tags that are not labeled consistently with the item description on the property inventory list. One item was not labeled with the serial number and citation number.
- There are no formal written procedures for item tracking and maintaining the Property and Evidence Room but a spreadsheet is used to track the departments inventory items.

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. Code of Criminal Procedures as stated in, but not limited to, Article 18.17 DISPOSITION OF ABANDONED OR UNCLAIMED PROPERTY (a)-(g) and h) If the abandoned or unclaimed personal property is money, the person designated by the municipality, the county purchasing agent, or the sheriff of the county, as appropriate, may, after giving notice under Subsection (b) or (c) of this article, deposit the money in the treasury of the municipality or county giving notice without conducting the sale as required by subsection (d) of article 18.18, 18.181, and 18.183.

Management has not verified item descriptions from the property inventory list agree to item tags and has not created written Property and Evidence Room procedures. As result, items were not tagged with the same identifying information on the property inventory list because procedures were not followed consistently.

Recommendation

Property and Evidence

Management should implement the following:

- Ensure items are tagged with consistent identifying information as the inventory list, including the description, location, case number, and serial number for each item.
- Develop written property and Evidence Room procedures to enable staff to record, track, store, inventory, and dispose of items consistently.
- Review old cases to determine the status of disposition.
- Require all Property/Evidence funds received to be promptly deposited in accordance with Local Government Code (LGC.), § 113.022 and Code of Criminal Procedure Art. 18.17. (h) DISPOSITION OF ABANDONED OR UNCLAIMED PROPERTY.
- Perform semi-annual or annual inventory of the storage room items with discrepancies resolved timely.
- Require supervisory review and approval of the inventory evidenced by signature and date.



Management Action Plan

- None provided

Auditors Response

- N/A

Computer Receipts and Deposits

A review of all canceled and adjusted computer receipts for the audit period revealed:

Six computer receipts were issued and canceled by the same user within CWR, totaling \$690. Three receipts were then re-issued by the same user (1451595, 1499634, and 1516598). **Status: We subsequently received the DC6 report on 7/23/2021 showing the Chief Clerk reviewed the six cancelations after they were posted.**

- One voided computer receipt was re-issued seven business days after the original receipt date. **STATUS: Chief clerk stated the writ should not be receipted until it could be processed. The payment should not have been voided pending clarification from the court.**

Risks identified during the Internal Control Walkthrough revealed the department does not log checks received through the US mail on a list or Excel spreadsheet and the deposit is picked up once a week by carrier. **STATUS: Chief Clerk stated once the department receives checks in the mail they are to timestamp the checks immediately.**

All monies received should be promptly receipted and deposited consistent with Local Government Code, § 113.022. All receipts should be accounted for and properly used in order to affix responsibility, enhance cash control, and prevent assertion that monies were paid and refund due. Receipts should not be altered, but properly voided and affixed with a reason for the void with retention of all voided copies. 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), receipting of payments, voiding payments, and deposit process.

A lack of segregation of duties and management oversight when adjusting and voiding transactions may result in the misappropriation of assets and loss of revenue. Errors and omissions not detected by



management and payments may not be timely posted in compliance with LGC § 113.022 and may affect collections.

Recommendation

Computer Receipts and Deposits

Management should implement the following procedures:

Segregate the duties for receipting and reviewing cancelations, voiding, adjustments, and the deposit process.

Obtain formal management approval before adjustments, cancelations, and voids are processed evidenced by signature and date.

- Log checks and money orders received through the mail on a Check Log before providing to the Bookkeeper to post in JPAS.
- Process and receipt payments to JPAS in accordance with LGC 113.022.

Management Action Plan

- None provided

Auditors Response

- N/A

Fee Compliance/Posting

A review of fee compliance and the IT extract of Constable Civil System (CCS) postings for the period revealed:

- Two paper types recorded on the CWR system do not agree to the CCS record.

Service fees should be assessed and collected in compliance with applicable state laws, including Local Government Code, § 118.131 and Commissioners Court orders. Best practices recommend a record of original entry should be posted to the CCS for tracking/reporting and accurately include all



updates of all required data elements in a timely manner. Additionally, paper type entries posted to receipts in CWR should match the paper type entries posted to CCS.

Management does not review clerical data entry errors which resulted in inaccurate CCS postings not detected by the department.

Recommendation

Fee Compliance/Posting

Management should implement the following procedures:

- Review data entered into the Constable Civil System is complete and accurate. All data elements, including the Fee Amount Earned, Amount Collected, Amount Paid to Court, Disposition Code, and Paper Type fields, should be accurately entered into the Constable Civil System and match the data posted to CWR receipts.
- Post receipts in CWR with the correct matching details from CCS including, but not limited to office number, paper type, and case number.

Management Action Plan

- None provided

Auditors Response

- N/A

Special Fund Review

A review of the Special Fund account for the audit period revealed the following:

- The department did not prepare a complete reconciliation of the Special Fund. **Status: The FY 2020 reconciliation was completed by Internal Audit.**
- Special Fund balances over three years old totaling \$6,442.69 have not been escheated. Of those, \$589.20 should be escheated to the Dallas County General Fund and three transactions totaling \$5,853.49 should be escheated to external parties.

The Special Fund 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 Special Fund 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 Special Fund reconciliation have resulted in Special Fund ledger delayed disbursements to entities/individuals entitled to funds, noncompliance with Property Code, § 72, § 76, and LGC 113.008.

Recommendation

Special Fund Review

Management should implement the following:

- Contact parties to claim \$6,442.69 in Special Funds held in escrow.
- Timely reconcile the Special Fund consistent with LGC 113.008.
- Research balances older than 3 years for disbursement to applicable parties, recovery of excess disbursements, or escheatment to the County Treasurer or State Comptroller.
- Ensure the Special Fund Reconciliation is reviewed by management, that money is promptly disbursed for the correct amount, to the appropriate parties, and from the correct funding source.
- Review Special Fund reports and routinely escheat Special Funds in accordance with unclaimed property statutes, Property Code, § 72 and § 76.

Management Action Plan

- None provided

Auditors Response

- N/A

GPS Review

A review of GPS Insight reports, CCS service attempts, precinct deputy Daily Activity Reports, and Kronos reports for the audit period revealed:

- Four dates in which a vehicle was driven outside the corresponding time posted in Kronos.



- One date in which no deputy time was entered in Kronos, but the county vehicle was used outside of business hours per GPS Insight.

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 supervision, GPS report 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 Review

Management should implement the following procedures:

- Ensure Kronos time entry records are accurate when compared to vehicle records and GPS reports.
- Review GPS vehicle use reports and Kronos time entry reports weekly as evidenced by the supervisor's date and signature.
- Comply with Dallas County Policy 90-129.

Management Action Plan

- None provided

Auditors Response

- N/A

Cash Count

We performed a cash count on 05/14/19 and identified:

- Two check payments totaling \$160.00 were received by the court. The date written on the checks were between 5/06/21 and 5/13/21 and we were unable to determine when the department received the checks. **Status: As of 5/20/21, the two checks were receipted to CWR.**



Local Government Code (LGC) § 113.022: A county officer or other person who receives money shall deposit the money with the county treasurer on or before the next regular business day after the date on which the money is received. If this deadline cannot be met, the officer must deposit the money, without exception, on or before the fifth business day after the day on which the money is received.

As a best practice, one person should open all the mail, record the check information received, restrictively endorse the checks, while another person posts the payment.

The court does not record checks received through the mail on a check log and management does not ensure payments are timely and completely posted. As a result, checks may not be timely posted in compliance with LGC § 113.022 and may affect collections.

Recommendation

Cash Count

Management should implement the following procedures:

- Log checks and money orders received through the mail on a Check Log before providing to the Bookkeeper to post in JPAS.
- Designate one person to open the mail, restrictively endorse checks, and record mailed payments on the Check Log while a separate person posts payments.
- Process and receipt payments to JPAS in accordance with LGC 113.022.

Management Action Plan

- None provided

Auditors Response

- N/A

cc: Darryl Martin, Commissioners Court Administrator