



AUDIT REPORT

DALLAS COUNTY

CONSTABLE PRECINCT No 3 AUDIT - FY 2023

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First Assistant County Auditor

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Constable Precinct No 3 Audit - FY 2023

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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 Henry Curry
Constable Precinct No. 3
Dallas, Texas

Attached is the County Auditor's final report entitled "**Constable Precinct No 3 Audit - FY 2023**" Report. In order to reduce paper usage, a hard copy will not be sent through in-house mail.

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,

wessen Stefanos

Wendwessen Stefanos, CPA
First Assistant County Auditor

EXECUTIVE SUMMARY

A review was performed in accordance with statutory guidelines on the records and reports of Constable Precinct No. 3 for the period October 1, 2022 through September 30, 2023. The first three months of activities occurred **during the term of the Honorable Benjamin Joe Adamcik**.

Summary of Significant Observations:

- **Computer Receipts:** All 16 (100%) computer receipt adjustments were performed by the same user that receipted the transaction. This increased the potential for the misappropriation of Dallas County funds.

Repeat observations from Previous Audits:

- **Computer Receipts:** Voids and adjustments performed by the same user that entered the transactions.
- **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 Texas State Comptroller.
- **GPS Odd Hours Review:** Department not in compliance with Dallas County policies on vehicle usage outside of official business hours.

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, 2022 through September 30, 2023.

The audit procedures may have included interviews with key process owners, observation of transactions processing, data analysis and sample testing of transactions. The main system used may have been reviewed and incorporated as part of the testing of transactions.

**DETAILS****Computer Receipts****Criteria**

Per standard internal control procedures, all receipts should be accounted for and properly used to affix responsibility, enhance cash controls, and prevent the assertion that monies were paid and to identify refunds due. Formal approval is 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.

Review

A review of all 16 computer receipt adjustments and nine voids for continuity during fiscal year 2023 revealed:

- All 16 computer receipt adjustments were performed by the same user who originally receipted the transaction.
 - Receipted amounts totaling \$4,100 were adjusted to \$840.23 less than the original receipt amounts.
- Four computer receipts totaling \$410 were issued and voided by the same user.
- One transaction for \$80 was voided six days after the original receipt was issued.

Cause/Effect

Inconsistent supervisory review and a lack of segregation of duties related to computer receipt voids and adjustments decreased internal controls over receipts.

This increased the potential for the misappropriation of Dallas County funds.

Recommendation**Computer Receipts**

Management should:

- 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



- 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 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.

Auditor's Response

- None

Special Fund

Criteria

Property Code § 72 and 76 requires escheating either to the County Treasurer (if \$100 or less) or the Texas State Comptroller (if more than \$100).

Per Local Government Code §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 of each month.

Standard internal control procedures require the separation of duties, documented procedures, and immediate reconciliation and updates for transactions involving cash, including automated deposit reconciliation with the bank. The special fund is reconciled timely and reviewed by management periodically to ensure that money is promptly disbursed for the correct amount, to the appropriate parties, and from the correct funding source.

Review

A review of all special fund activity during fiscal year 2023 revealed:

- Special fund balances over three years old (as of March 1, 2023) totaling \$1,395 have not been researched for either disbursing to applicable parties, recovering excess disbursements, or escheating to the County Treasurer or Texas State Comptroller.

Cause/Effect

A lack of management oversight and untimely follow-up on special fund open items may result in possible disbursement delays to entities and individuals, undetected posting errors, and possible penalties from the Texas State Comptroller for not following escheatment statutes.

Recommendation

Special Fund



Management should:

- Review and periodically reconcile the special fund control ledger to the Oracle general ledger.
- Research old balances for disbursement to applicable parties, recovery of excess disbursements, or escheatment to the county treasurer or Texas State Comptroller.

Management Action Plan

- The chief clerk and bookkeeper will continue to do research and disburse funds to the applicable parties. If the funds cannot be disbursed, the bookkeeper will start the escheatment process to the County Treasurer or State Comptroller.
- chief clerk will periodically review and reconcile the special fund account.

Auditor's Response

- None

Commission Interest

Criteria

Texas Finance Code, Sec. 304.005 (a) states, "post-judgment interest on a money judgment of a court in this state accrues during the period beginning on the date the judgment is rendered and ending on the date the judgment is satisfied." If partial payments are made, the interest is calculated on the reduced amount of the judgment and commission is based on what was paid rather than the judgment amount.

Dallas County Commissioners Court Orders 2022-0989 and 2021-0934 state that "commission calculations should include judgment, interest and attorney fees collected while excluding any court costs."

Review

A review of commissions and interest for all non-sale and sale collections made during fiscal year 2023 revealed:

- One interest amount totaling \$272.06 was over-calculated.
- One interest amount totaling (\$46.34) was under-calculated.

Cause/Effect

Lack of management oversight, insufficient staff training, and use of incorrect judgment amounts for interest calculations may result in possible inaccurate revenue collections, non-compliance with County policies and court orders, and potential liability to Dallas County for inaccurate collections.



Recommendation

Commission Interest

Management should:

- Maintain a detailed record for case payments and judgment documents.
- Calculate interest according to the language specified in the judgment, using the judgment date to the date satisfied, unless the judgment states otherwise.
- Ensure calculations are reviewed and verified by another staff member at the precinct, preferably the chief deputy or chief clerk.

Management Action Plan

- The writ deputy will keep a copy of the execution and execution worksheets in a file for auditing. A copy of the deputy receipts and the CWR receipt will be kept by the bookkeeper and the writ deputy.
- Calculations of the interest will be reviewed by the chief deputy before the amount is given to the defendant for payment. The bookkeeper or chief clerk will not receipt any payments until the interest is signed off by the chief deputy.

Auditor's Response

- None

GPS Odd Hours Review

Criteria

Per Dallas County Code Sec. 90-129, "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."

Per Dallas County Code Sec. 82-175, supervisors are responsible for ensuring employee time records are accurate and that no abuses occur. Supervisors are responsible for checking daily start times, meal periods, end times, vacation time, sick time, compensatory time and overtime to ensure employees are in compliance with their shift work schedule and the county's overtime policies.

The Fair Labor Standards Act (FLSA) requires that all covered nonexempt employees be paid overtime pay at no less than time and one-half their regular rates of pay for all hours worked in excess of 40 in a workweek. Under certain prescribed conditions, a state or local government



agency may give compensatory time, at a rate of not less than one and one-half hours for each overtime hour worked, in lieu of cash overtime compensation.

Review

A review of GPS reports, CCS service attempts, and Kronos reports during fiscal year 2023 revealed:

- Two instances in which a County vehicle assigned to a non-exempt employee was driven outside the employee's time worked as recorded in Kronos.
 - Employees' explanations for use of the County vehicle during these times indicates that they were conducting county business.

Cause/Effect

A lack of supervisory review of GPS reports, deputy daily activity monitoring, and Kronos time entries may increase the risk of undetected use of county vehicles inconsistent with Dallas County Code Sec. 90-129. Additionally, Dallas County may be liable to non-exempt employees for time worked that was not recorded 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 prior to approving time records.

Management Action Plan

- Any deputy operating a Dallas 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.

Auditor's Response

- None

cc: Darryl Martin, Commissioners Court Administrator