



DALLAS COUNTY
COUNTY AUDITOR

To: The Honorable Roy Williams, Jr., Constable No. 4
Commissioners Court

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

Date: *Issued:* October 25, 2017
Released: November 15, 2017

Re: Constable Precinct No. 4 – State Forfeiture FY2017

Scope

We performed a review of financial records relevant to the Constable's use of State forfeiture funds in accordance with Code of Criminal Procedure, Article 59. The forfeiture activity includes \$0 seized, \$0 forfeited, and \$0 expended for Constable Precinct 4 during the state fiscal year ending September 30, 2017. Forfeited funds are held in a special account in the treasury, to be used by the Constable solely for law enforcement purposes of his office.

Procedures

The auditor tested the approved budget and availability of cash. Internal controls for financial management by the Constable office including purchasing, accounting, compliance, and reporting are tested at year-end. A random sampling of the total budget activity was selected for certain procedures, while some categories were reviewed in entirety. Review steps included, but were not limited to:

- A. Purchasing
 - Approvals: documented prior to allocations or purchase/obligation
 - Policies/Travel (hotel – meals – transportation)
- B. Accounting
 - Approvals/Support: documented on receipt of service/goods
 - Allocation/Justification: category coding
 - Bank Reconciliation: Constable Precinct 4 records vs. General Ledger vs. bank and outstanding entries
- C. Compliance – used by Constable solely for law enforcement purposes (see Attorney General's opinions on "official law enforcement purposes")
 - Budget/Categories: filed with Commissioners Court at sufficient level both for investigation and non-investigation disclosure
- D. Reporting
 - Budget and Categories: consistent with Attorney General's format
 - Audit: timely signed and remitted

Consideration of Internal Control

Tests were performed for limited purpose of compiling financial transactions in format required by the Attorney General. A deficiency in internal control exists when the design or operation of control does not allow management or employees, in the normal course of performing their assigned functions to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of control deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Compliance with Laws and Regulations

No State seizure or forfeiture activity occurred in fiscal year ending September 30, 2017.

Audit examination, observation, inspection, and inquiry produced reasonable support or explanation for Chapter 59 conclusions and findings.

Summary

We obtained a reasonable assurance that support exists for financial. We also compiled records for the financial report.

This report is intended for the information and use of County Officers. Our review was conducted on a test basis and was not designed to identify all deficiencies in internal control. We did not test compliance with all laws and regulations applicable to the Dallas County Constable Precinct No. 4 office. Testing was limited to controls and regulations that have a direct and material effect on financial reporting of state forfeiture funds.

Constable Precinct 4 administration is responsible for the establishment and maintenance of effective internal control and compliance with applicable laws, regulations, and contracts.



DALLAS COUNTY
COUNTY AUDITOR

To: The Honorable Roy Williams, Jr., Constable Precinct No. 4
Commissioners Court

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

Date: *Issued:* October 25, 2017
Released: November 15, 2017

Re: Constable Precinct No. 4 - Federal Forfeiture FY2017

Scope

A review was performed of the financial records relevant to the Constable's use of Federal forfeiture funds. The *Guide to Equitable Sharing for State and Local Law Enforcement Agencies* (Department of Justice) and the *Guide to Equitable Sharing for Foreign Countries and Federal, State, and Local Law Enforcement Agencies* (Department of Treasury) controls and limits expenditures. The forfeiture activity includes \$0 federal sharing funds received and \$10,861 expended during the fiscal year ending September 30, 2017. Forfeited funds are held in a special account in the treasury to be used by the Constable's office solely for law enforcement purposes of his office.

Procedures

The auditor tested the approved budget and availability of cash. Internal controls for financial management by the Constable's office including purchasing, accounting, compliance, and reporting are tested at year-end. A random sampling of the total budget activity was selected for certain procedures, while some categories were reviewed in entirety. Review steps included, but were not limited to:

- A. Purchasing
 - Approvals: documented prior to allocations or purchase/obligation
 - Policies/Travel (hotel – meals – transportation)
- B. Accounting
 - Approvals/Support: documented on receipt of service/goods
 - Allocation/Justification: category coding
 - Reconciliation: Constable's office records vs. General Ledger and outstanding entries
- C. Compliance – used by the Constable solely for official law enforcement purposes of his office subject to laws, regulations, and orders of the state or local jurisdiction governing the use of public funds
 - Define "permissible" and "impermissible" uses (see Guides to Equitable Sharing)
 - Budget/Categories: filed with Commissioners Court at sufficient level
 - Determine if shared funds used to supplant or supplement appropriated resources
- D. Reporting
 - Budget and Categories: consistent with *Equitable Sharing Agreement and Certification* format
 - Audit: timely signed and remitted

Consideration of Internal Control

Tests were performed for limited purpose of compiling financial transactions in format required by the Department of Justice and Department of Treasury. A deficiency in internal control exists when the design or operation of control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of control deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

The following control deficiencies were identified from testing:

- Twenty-eight (28) out of 69 expenditures were incorrectly coded as other professional fees.

Compliance with Laws and Regulations

Audit examination, observation, and inquiry produced reasonable support or explanation for expenditures. The department's use of shared funds was consistent with the Department of Justice's description of supplementing the resources of the department rather than supplant the appropriated resources. A sample inventory of items purchased with forfeiture funds within the last 3 years were also tested for existence with no exceptions noted.

Summary

We obtained a reasonable assurance that support exists for financial transactions. We also compiled records for the financial report.

This report is intended for the information and use of County Officers. Our review was conducted on a test basis and was not designed to identify all deficiencies in internal control. We did not test compliance with all laws and regulations applicable to the Constable's office. Testing was limited to controls and regulations that have a direct and material effect on financial reporting of federal forfeiture funds.

Constable's administration is responsible for the establishment and maintenance of effective internal control and compliance with applicable laws, regulations, and contracts, including a single comprehensive asset tracking system in electronic format, in accordance with UGMS 2 CFR Section 215.34 and Dallas County Code Sec. 90-373.

Development of a detailed budget with account distribution codes directly correlating with the Equitable Sharing Agreement and Certification reporting format should be considered. Management emphasis toward reduction of control deficiencies should provide for improved departmental processes.