

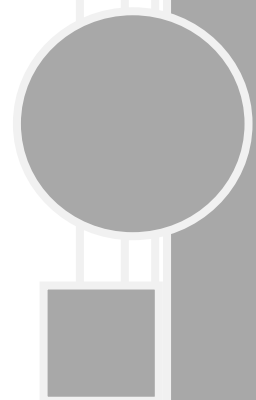


AUDIT REPORT

DALLAS COUNTY

CONSTABLE PRECINCT 4 - FY2018 AUDIT

Darryl D. Thomas
Dallas County Auditor
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CONSTABLE PRECINCT 4 - FY2018 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 Edward Wright
Constable Precinct No.4
Dallas, Texas

Attached is the County Auditor's final report entitled "**Constable Precinct 4 - FY2018 Audit**" Report. In order to reduce paper usage, a hard copy will not be sent through in-house mail except to the auditee.

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,

A handwritten signature in blue ink that reads "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. 4 for October 01, 2017 through September 30, 2018 during the term of the Honorable Roy Williams, JR. Internal Control weaknesses which need consideration by management are:

Summary of Significant Observations

Manual Receipts:

- 53 manual receipts contained clerical errors during issuing and posting to CWR.
- One manual receipt book could not be located, one manual receipt book used out of sequence and unused/used receipt books are not stored in a secure area.

Computer Receipts:

- A single Login credential for CWR is used by multiple employees.
- Four instance where receipts were entered into CWR with incorrect payee.
- Supervisory approval of receipts adjustment is not performed. As a result, two receipts for fee adjustment in CWR did not contain a reason.
- Two instance where receipts were cancelled and reissued by the same user.

Repeat observations from Previous Audits:

- Inconsistency in applying proper procedure on computer and manual receipt's void/cancellation.
- Incomplete data entry into County Wide Receipting System (CWR).
- Special Fund reconciliation not completed and old balances not researched nor escheated.
- Commissions and interest calculation errors.
- Fee compliance posting errors and incorrect amounts.
- Property/Evidence Room item locations errors and list updates.
- Vehicle GPS report verification location errors and odd hour uses versus Kronos time.

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, 2017 through September 30, 2018.

Standard review procedures were followed to test the internal controls for cash, revenue, and other county assets. A random sampling of the total activity was selected for certain review steps based on risk, the dollar value of transactions and the volume of transactions. Testing also involved a review of the Constable civil system.

DETAILS

Manual Receipts

A review of the manual receipt books for Constable Precinct 4 containing 298 manual receipts used in fiscal year 2018 revealed: one manual receipt book used out of sequence; one manual receipt book could not be located; unused receipt books (form 44 and 44-A) and in-use form 44 receipt books are not stored in a secure area; 41 manual receipt numbers were not listed on the computer receipt; one manual receipt did not have the date listed; three manual receipt case numbers were different than the computer receipts; four computer receipts were not attached to the manual receipt copy in the receipt book; one computer receipt was issued 45 business days after the manual receipt date; one manual receipt number was entered incorrectly into the County-Wide Receipting (CWR) system; and one manual receipt amount was altered. All receipts should be accounted for and properly used in order to affix responsibility, enhance cash control, and prevent the assertion that monies were paid and refunds due. All monies received should be promptly receipted and deposited consistent with state law, Local Government Code, § 113.022 and Code of Criminal Procedure, § 103.004 and procedures recommended by the County Auditor. Receipts should not be altered, but properly voided and affixed with a reason for the void with retention of all voided copies.

Lack of supervisory review, clerical errors, untimely computer receipt entry, and insufficient internal controls over manual receipting have resulted in improper record keeping, delayed revenue recognition, loss of audit trail between manual receipts to computer receipting, and the potential for misplacement or loss of Dallas County official manual receipts.

Recommendation

Manual Receipts

Management should implement procedures for manual receipts to ensure:

- Receipt books are strictly controlled and properly maintained
- Receipt numbers are entered into the computer system promptly
- Receipt books are used in numerical order and receipts are issued sequentially in chronological order
- Computer receipt information is verified with the manual receipt information
- Supervisory review of receipts is performed periodically to verify procedure adherence

Management Action Plan

The new Administration will work towards better recordkeeping.

Auditors Response

None

Computer Receipts

A sample review of the computer receipts for fiscal year 2018 revealed: four related to Special Fund were entered into the County-Wide Receipting system (CWR) with the incorrect payee; two computer receipts cancelled and reissued by the same CWR user; and login credentials for one CWR user is used by multiple employees. All monies received should be promptly receipted and deposited properly and timely in accordance with Local Government Code (L.G.C.), § 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. Lack of supervisory review and clerical errors in computer receipting have resulted in excess time to correct errors and improper record keeping for receipts.

Recommendation

Computer Receipts

Management should implement the following deposit and receipting procedures:

- Provide details on the computer receipt that lists the proper case information, plaintiff, defendant, and office number.
- Timely corrections made to computer receipt errors.
- Supervisory review of receipted transactions.

Management Action Plan

Management will implement changes to keep better records of computer receipts.

Auditors Response

None

Special Fund

A review and reconciliation of the Special Fund, postings to the Constable Civil System (CCS), and Oracle General Ledger activity fiscal year 2018 revealed: 25 Special Fund transactions over three years old totaling \$6,975.76 have not been researched for either disbursing to applicable parties, recovering excess disbursements, or escheating to the County Treasurer or State Comptroller. Property Code § 72 and 76 requires escheating either to the County Treasurer (if \$100 or under) or the State of Texas (if over \$100). Best practices require separation of duties, documented procedures, and immediate reconciliation and updates for transactions involving cash, including automated deposit reconciliation with the bank. The Special Fund should be 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.

Lack of management oversight, no periodic completion of the Special Fund reconciliation, limited staff training, and improper internal control procedures have resulted in Special Fund ledger variances, delayed disbursements to entities/individuals entitled to funds, dormant unclaimed funds are not escheated, and possible penalties from the State for not following escheatment statutes.

Recommendation

Special Fund

Management should ensure that:

- A review and periodic reconciliation of the Special Fund control ledger to the Oracle General Ledger by supervisory personnel is performed to enhance assurance that all Special Fund deposits and disbursements are properly posted in a timely manner.
- Old balances are researched for disbursement to applicable parties, recovery of excess disbursements, or escheating to the County Treasurer or State Comptroller.

Management Action Plan

The new Administration had no idea as this happened in years past.

Auditors Response

None

Fee Compliance

A review of fiscal year 2018 Constable Precinct 4's fee compliance and the IT extract of Constable Civil System (CCS) postings compared to the CWR computer receipts for the period revealed: 22 papers where the amount received in CWR was not recorded in the Amount Collected field of the CCS, 35 papers with a discrepancy between the paper types recorded on the CWR receipt and the CCS paper, eight papers with the \$80 fee for serving a Protective Order charged to the Plaintiff and one paper with a delay of 69 business days between CWR receipt date and CCS paper entry date. 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, receipts in CWR should accurately reference the data posted to CCS and capture the entirety of the office numbers.

Lack of supervisory review, clerical data entry errors, and insufficient staff training regarding proper guidelines on recording and tracking papers served have resulted in overstating and understating the total number of papers served and inaccurate Constable fees being collected.

Recommendation

Fee Compliance

Management should develop and implement written procedures that include:

- Refunds issued promptly for payments received for protective orders.
- Service fees are properly assessed and collected according to state laws,

Commissioner Court orders, Local Government Code § 118.131, etc.

- 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.
- Receipts are entered into CWR with the correct details from CCS including, but not limited to office number, paper type, and case number.

Management Action Plan

N/A

Auditors Response

N/A

Commission Calculations

A sample review of ten commission collections made in fiscal year 2018 revealed: five writs were missing the Bill of Costs; three writs commissions had over/under collections for a net total of \$19.40; and one writ had with a portion of the court costs collected twice. Dallas County Commissioners Court Orders 2016-1099 and 2017-1151 state that "commission calculations should include judgment, interest and attorney fees collected while excluding any court costs". 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.

Recommendation

Commission Calculations

Management should ensure that written procedures are established and implemented for commission and fee collections that include:

- Maintaining a detailed record keeping process for case payments and judgment documents.
- Calculations for interest according to the language specified in the judgment using the judgment date to one day prior to collection/sale, unless the judgment states otherwise.
- Retaining a copy of the bill of costs for each writ of execution/tax warrant/order of sale.

- Timely issue refunds for excess collections.
- Require supervisory review and verification of commission and interest calculations.
- Train staff to eliminate commission calculation errors.

Management Action Plan

We will make necessary corrections to ensure procedures are properly documented and calculated correctly.

Auditors Response

None

Vehicle GPS Verification

A review of fiscal year 2018 GPS reports revealed: two instances where the service attempt time recorded on the service return does not correspond to vehicle activity; three vehicles driven outside of business hours that do not correspond to time worked per Kronos; and 14 miscellaneous stops made in route to vehicle storage locations. 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 an 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." Lack of supervision, training, monitoring, and accountability have increased internal control risk regarding Dallas County vehicle use and resulted in excess vehicles claims for expenditures such as, but not limited to, fuel and maintenance, inaccurate vehicle use records, and non-compliance with County policies.

Recommendation

Vehicle GPS Verification

Management should develop and implement procedures for the use of Dallas County vehicles that ensures:

- County vehicles are not driven on weekends or holidays unless the vehicle is being used to conduct business for Dallas County or the activity has been approved by Commissioners Court.
- Accurate written vehicle records are maintained and compared to Kronos weekly
- Supervisory review of GPS reports is performed weekly and documented.
- Training is provided to all staff regarding the Dallas County vehicle use policy and evidenced by employee signatures which should be filed and retained by management.

- Consequences are provided to those persons who violate Dallas County vehicle policy.

Management Action Plan

All Dallas County policies and procedures will be followed as indicated. Vehicles are not used on the weekends unless prior approval from Commissioner's Court, such as providing an escort for an officer's funeral.

Auditors Response

None

Property/Evidence Room

A sample review of the fiscal year 2018 evidence/property room revealed: one item was not tagged with citation or item details and six cases/citations did not have documentation located in the property/evidence room. The precinct should review inventory items to determine disposition in accordance with the Code of Criminal Procedures as stated in, but not limited to, Article 18.17, 18.18, 18.181, and 18.183. Lack of management oversight, infrequent inventory reviews, and inadequate internal control procedures have resulted in incomplete record maintenance and the potential for misappropriation or misuse of property and evidence items.

Recommendation

Property/Evidence Room

Management should develop and implement property/evidence room procedures to include:

- Assign a property custodian to enhance accountability for the handling of property/evidence items.
- Maintain an electronic inventory log for property/evidence items including the description, serial number, location, disposition data, and any other pertinent details for each item.
- Ensure that all items in the storage room are accurately recorded on the inventory log and discrepancies are promptly identified and reconciled.
- Require disposition of applicable items to be performed timely and in accordance with the Code of Criminal Procedure.
- Ensure that a complete inventory of items is performed at least once a year.

Management Action Plan

Many items in the Property Room were in place before the new Administration took

over. The new Administration will have items processed and guns, for example, will be returned to owners if their case permits, or destroyed using Form P280.

Auditors Response

None

cc: Darryl Martin, Commissioners Court Administrator