



# AUDIT REPORT

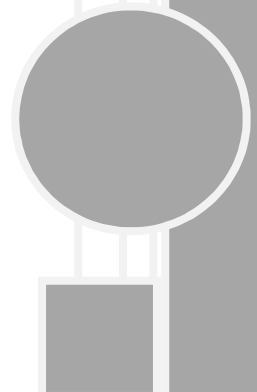
DALLAS COUNTY

FY2020 Constable Precinct No 4 Audit

Darryl D. Thomas  
Dallas County Auditor

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# FY2020 Constable Precinct No 4 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 "FY2020 Constable Precinct No 4 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. 4 for October 01, 2019 through September 30, 2020. Internal Control weaknesses which need consideration by management are:

### **Summary of Significant Observations**

None

### **Repeat observations from Previous Audits:**

- **Fee Compliance:** Inconsistencies in recording of Paper Type served into the County Wide Receipting system (CWR) and to the Constable Civil system.
- **Deposit and Adjustment:** Deposit were delayed more than five business days.
- **Property & Evidence Inventory:** The precinct did not maintain nor provide a complete inventory listing for the storage items: **Status: Precinct 4 has a master list which is maintained by the Chief and Deputy. As a best practice, Deputy has applied an inter-departmental check system twice a year by reviewing items in storage and then cross reference the items onto the master list.**
- **GPS Review:** Vehicle GPS report verification location errors.
- **Special Fund Review:** Special Fund reconciliation not completed and old balances not researched nor escheated. **Status: Precinct 4 has started forwarding items less than \$100 to the Treasurer's Office and reaching other items**
- **Computer& Manual Receipts:** Inconsistency in applying proper procedure on computer and manual receipt's void/cancellation.
- **Commissions & Interest:** Use of incorrect rate, judgment amount, and/or end date for interest and commission calculations.

**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

### Computer Receipts and Deposits

A review of the computer receipt analysis for deposit delays, all computer voids, and adjustments and responses to the Internal Control Questionnaire and observations the audit period revealed: one check deposit batch from 5/28/2020 was deposited seven business days later on 6/5/2020 **Response: Due to Covid, the precinct office was closed for which the scheduled pick up with Loomis was not made;** all six voided receipts totaling \$507.62 were voided by same user without documented supervisor approval, five voided receipts were then re-issued by the same user; all ten adjusted receipts were performed by the same person who receipted them; three adjusted computer receipts did not list a reason for the adjustments; and responses to the Internal Control Questionnaire and on-site precinct observations indicate that the bookkeeper is responsible for receipting, deposit preparation, and SF disbursements preparations and approval.

All monies received should be promptly receipted and deposited consistent with Local Government Code, § 113.022 and Code of Criminal Procedure, § 103.004. 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) and receipting of payments. Roles and functionality should be reviewed periodically (e.g. quarterly) for all users to ensure that access and functionality is appropriate. The review should be evidenced on a form. Mailed in check payments should be documented by entry on a check log spreadsheet by a designated Constable Staff person who is not involved in the receipting process and provided to the Bookkeeper or her back up clerk to post in CWR. The Chief Clerk should perform monthly reconciliations of the check log to payments posted in CWR to ensure accuracy and completeness. The office should deposit money with the County Treasurer on or before the next regular business day after the date on which money is received. If this deadline cannot be met then the office must deposit the money on or before the fifth business day after the day in which the money is received.

A lack of supervisory review, no formal approval process for computer voids and adjustments to account for overlap of duties relating to receipting, deposits, and disbursements, and decreased internal controls over receipting and deposits have resulted in delayed deposits and have the potential for misappropriation of Dallas County funds.



## **Recommendation**

### Recommendation Computer Receipts and Deposits

Management should implement the following deposit and receipting procedures that include:

- Consistent supervisory review of receipting, deposits, voids, adjustments, and disbursements
- Implementing a formal signoff approval process for voiding and cancelling computer receipts
- Enhancement internal controls over receipting and deposits
- Timely reissue of voided receipts

## **Management Action Plan**

- An Excel spreadsheet has been created to address any alternative actions taken to include a reason for each action.

## **Auditors Response**

- None

## **Fee Compliance**

A sample review of fee compliance and postings from the Constable Civil System (CCS) IT extract compared to the County-Wide Receipting System (CWR) for the audit period revealed: five paper types totaling \$470 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, receipts in CWR should accurately reference the data posted to CCS and capture the entirety of the office numbers.

Inconsistent supervisory review and clerical data entry errors have resulted in inaccurate Constable fee types being posted to CCS.



## **Recommendation**

### Recommendation Fee Compliance

Management should develop and implement written procedures to ensure fee compliance that includes:

- 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 CCS with the correct fee type code and details from CWR including, but not limited to office number, paper type, and case number.

## **Management Action Plan**

- This requires the user to be more cognitive of all entries into CWR.

## **Auditors Response**

- None

## **Deposit and Adjustments**

A cash count performed for un-receipted funds during the audit fieldwork on 7/19/2021 and cash deposit issues documented for the audit period revealed: three check payments dated between 6/29/21 and 7/1/21 totaling \$240 were receipted more than five business days after being received. **Status: The three payments were receipted 7/22/21 on reset #89515.; and one check not made out to Dallas County or Constable totaling \$150 was receipted and had to be adjusted by the Treasurer's Office and verified by Internal Audit staff on 7/15/2020.**

Local Government Code, Sec. 113.022. TIME FOR MAKING DEPOSITS. (a) 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 or person must deposit the money, without exception, on or before the fifth business day after the day on which the money is received. All monies received belonging to the Dallas County should be promptly receipted and deposited consistent with Local Government Code, § 113.022. Receipts should be verified for accuracy of amounts, payment type, case number, and payer before issuing to a customer. Checks should be receipted for the legal amount and made payable to Dallas County or the Constable.





Lack of supervisor review, clerical errors, and diminished controls regarding check detail verifications and receipting have resulted in delayed deposits and adjustments required for improper receipting.

## **Recommendation**

### Recommendation Deposits and Adjustments

Management should implement check receipting and deposit procedures that include:

- Prompt receipting and deposits consistent with Local Government Code, § 113.022
- Verification that funds are payable to Dallas County or Constable prior to receipting
- Comparing check legal written amounts to the numerical amounts prior to receipting
- Supervisory review of check payments for receipting

## **Management Action Plan**

- All entries are to be reviewed for accuracy.

## **Auditors Response**

- None

## **Manual Receipts**

A review of all manual receipts issued and voided during the audit period revealed: three manual receipt payer names did not agree to the computer receipt payer names; four manual receipts payments were recorded to the computer receipts two business days later; and two manual receipts case numbers were not recorded on the computer receipts.

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. All receipts should be accounted for and properly used in order to affix responsibility, enhance cash controls, and prevent the assertion that monies were paid and identify refunds due.



Inconsistent supervisory review and clerical oversight have resulted in loss of audit trail between manual receipts to computer receipting and delayed recognition.

### **Recommendation**

#### Recommendation Manual Receipts

Management should implement procedures for manual receipts to ensure:

- Manual receipt number is listed on the computer receipt
- Payor's name on the manual receipt match the computer receipt
- Receipts are entered into the computer system promptly
- Supervisory review of receipts is performed periodically to verify procedure adherence

### **Management Action Plan**

- Supervision will ensure that the above stated recommendations are completed.

### **Auditors Response**

- None

### **Special Funds Review**

A review of the Special Fund reconciliation and related General Ledger accounts and disbursements for the audit period revealed: nine transactions have account balances over three years old totaling \$2,989.14 that have not been researched for either disbursing to applicable parties, recovering excess disbursements, or escheated. These instances occurred prior to 10/1/2019, during the tenure of the previous Constable. **Status:** Precinct 4 has started forwarding items less than \$100 to the Treasurer's Office and researching other items. Seven SF disbursement payments totaling \$5,121.93 were processed more than 60 days after the last receipted amount; one SF disbursement for \$219.95 one was receipted in CWR incorrectly to the incorrect payee, case number, plaintiff and defendant; and all collections amounts collected by writ deputies are recorded to Special Funds without allocating amounts to their designated GL accounts between constable commissions and constable fees. Responses to the Internal Control Questionnaire indicate the precinct did not prepare a complete reconciliation for the Special Fund. **Status:** The FY2020 SF Reconciliation was completed by Internal Audit Staff. **Response:** The Bookkeeper has obtained access to the Oracle software system in order to run GL accounts needed for completing departments reconciliation of the Special Funds.

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. All monies received should be promptly receipted and deposited consistent with Local Government Code, § 113.022 and Code of Criminal Procedure, § 103.004. 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.

A lack of supervisory review, no reconciliation of the Special Funds compared to Oracle GL accounts, limitation of staff training on account procedures, improper accounting and posting of all CWR receipts to Special Funds, and untimely disbursements have resulted in Special Fund balance variances, incorrect receipting for commissions and constable fees, delayed disbursements to entities/individuals entitled to funds, undetected posting errors, and possible penalties from the State for not following escheat statutes.

**Recommendation**

Recommendation Special Funds Review

Management should ensure that:

- A review and periodic reconciliation of the Special Fund control ledger to the 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.
- Train staff to eliminate special fund posting errors.

**Management Action Plan**

- All funds with the exception of state funds have been dispersed. We will be seeking assistance in getting the states funds dispersed.

**Auditors Response**

The main issue with Special Funds is the State Escheatment which should have detailed steps to eliminate the balances and forward the outstanding funds to State.



## **GPS Review**

A review of GPS Insight reports, CCS service attempts, and Kronos reports for the audit period revealed one deputies Daily Activity Report and GPS Activity Report dated on 9/24/2020 for unserved paper for a bad address does not correspond with the disposed detail date of 11/24/2020 recorded in CCS.

Dallas County Code section 90-129 of the, "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. The information provided by this system will be adequate for use in civil litigation and criminal proceedings. Employees that are authorized remote or home storage shall maintain a daily mileage log where the employee/driver will log in at the start and end of each day the starting and ending mileage and location. At the end of each month the mileage log will be turned in to the employees supervisor who shall review the log for any inconsistencies and if none are found sign and date the log.

Inconsistent supervision, need for increased training, monitoring, and accountability have resulted in inaccurate records maintained for papers service.

### **Recommendation**

#### **Recommendation GPS Review**

Management should develop and implement Dallas County vehicle use procedures that ensures:

- Accurate written vehicle records are maintained and compared to DARS, Office Returns, GPS activity and CCS.
- Supervision is evidenced by weekly reviews and sign off performed for vehicle use.

### **Management Action Plan**

- Deputies have been reminded of the Dallas County Policy related to county vehicle use.

### **Auditors Response**

- None



## Property & Evidence Inventory

A sample review of Property/Evidence Inventory items for the audit period revealed: three items selected for review from the room were not recorded on the inventory list. **Status: As of 7/23/2021, the three items were added to the property list.**

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.

A lack of supervisory oversight, no physical inventory performed, and inadequate inventory updates have resulted in location and property variances, incomplete inventory record maintenance, and the potential for loss of inventory items.

### **Recommendation**

Recommendation Property & Evidence Inventory

Management should develop and implement Property/Evidence procedures to include:

- Perform a complete and accurate physical inventory semi-annually or annually
- Maintain accurate records of all storage room items on the inventory list, including details such as the quantity, location, and serial number for each item.
- Update and maintain a complete and accurate inventory including items listed for disposal. Require supervisory review and approval of the inventory evidenced by signature and date.

### **Management Action Plan**

- All property is accurately recorded and property labeled for destruction will be destroyed upon receipt of funds approved by Commissioner Court.

### **Auditors Response**

- None



## **Commissions and Interest**

A sample review of non-sales commissions and interest collections made during the audit period revealed: three commission amounts were under calculated by a total of (\$191.50) and three interest amounts were under calculated by (\$81.86).

Dallas County Commissioners Court Orders 2019-0965 and 2018-1015 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.

A lack of supervisory review; insufficient staff training; and use of incorrect rate, judgment amount, and/or end date for interest calculations have resulted in miscalculated commission, interest amounts, and understated revenues.

### **Recommendation**

#### **Recommendation Commissions and Interest**

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

- 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.
- Require supervisory review and verification of commission and interest calculations.
- Train staff on commission and interest calculations.

### **Management Action Plan**

- The deputies are required to use the County issued fee compliance form. The receiving clerk should strive for accuracy followed by the bookkeeper reviewing CWR entry.

### **Auditors Response**

**DALLAS COUNTY**



**COUNTY AUDITOR**

- None

cc: Darryl Martin, Commissioners Court Administrator