

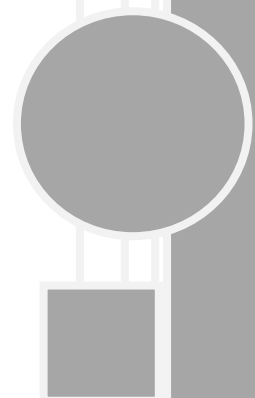


AUDIT REPORT

DALLAS COUNTY

CONSTABLE PRECINCT 4 - FY2016 AND FY2017

Darryl D. Thomas
Dallas County Auditor
ISSUED: December 19, 2018
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CONSTABLE PRECINCT 4 - FY2016 AND FY2017

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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 Roy Williams Jr.
Constable Precinct No. 4
Dallas, Texas

Attached is the County Auditor's final report entitled "**Constable Precinct 4 - FY2016 and FY2017**" 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, 2015 through September 30, 2017. Internal Control weaknesses which need consideration by management are:

Summary of Significant Observations

- Limited staff training on performing special fund reconciliation and clearing old Special Fund balance.
- Inconsistency in applying correct interest rate date for commission calculation.

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).

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, 2015 through September 30, 2017.

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

Manual Receipts

A review of 230 office manual receipts used during FY16 and 311 manual receipts used during FY17 revealed: Two computer receipts did not have all manual receipts attached. Two manual receipts were written for \$80.08 less than what was posted on the computer receipt. **Status: Fee was collected and receipted for the correct amount on the computer receipt.** Twenty-four computer receipts did not have the manual receipts noted in the comments field. Best practices regarding manual receipts should include all the appropriate fields of a manual receipt be filled out and should include, but not limited to, case number, type of tender, amount paid, payee name, plaintiff name, and defendant name. In addition, all copies of voided receipts should be retained, clearly marked void, and the explanation for the void should be documented. Also, computer receipt copies of manual receipts should be attached to the corresponding pink copy of the manual receipt, which should remain in the receipt book, or they may be included in the corresponding writ file according to precinct procedures. The incorrect amounts on manual receipts, carbon copies not attached, computer receipts lacking manual receipt number were due to oversight by staff, lack of training and written procedures, and lack of management designing and implementing internal control procedures regarding receipts and deposit activities. As a result, there are incomplete records of manual receipts in CWR system and files, insufficient record of voided manual receipts, and decreased internal control over funds collected can lead to accounting errors and omissions.

Recommendation

Manual Receipts

Management should:

- Review manual receipts prior to issuance to ensure that all appropriate fields of the manual receipt have been completed correctly.
- Attach all carbon copies when manual receipts are voided.
- Limit the use of manual receipts to only when the computer system is down.
- Develop a set of written procedures for issuing and filing manual receipts and their corresponding computer receipts.

Management Action Plan

None Received

Auditors Response

N/A

Special Fund

A reconciliation and review of the Special Fund activity and postings to the Constable Civil System (CCS) for FY16 and FY17, as well as general ledger and internal control procedures for separation of duties, authorization, funds available for disbursement and proper payee revealed: as of 8/10/2018, Special Fund balance totaled \$13,315.76 and of that amount, \$6,975.76 over three years old has not been researched for either disbursing to applicable parties, recovering excess disbursements, or escheating to the County Treasurer or State Comptroller. According to Property Code, §72 and §76, it requires escheating either to the County Treasurer (if \$100 or under) or the State of Texas (if over \$100). Also the Special Fund activity should be reviewed and reconciled by management and disbursements should be made for the appropriate amount, to the appropriate parties, and in a timely manner. Ultimately the lack of management oversight and periodic completion of Special Fund reconciliation may lead to undetected posting errors resulting in the potential for overpayment and unrecoverable losses.

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.
- 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

None Received

Auditors Response

N/A

Commission Calculations

A review of 10 commission calculations in FY16 and 11 commission calculations for FY17 for compliance with Commissioners Court approved rates revealed: four cases had the commission and/or interest calculation errors that resulted in the total over collection of \$59.64. Dallas County court orders 2014-1308, 2015-1304, and 2016-1099 state that "commission calculations should include judgment, interest, and attorney fees collected while excluding any court costs" and that there is a \$20 posting fee per notice which the law enforcement agency is entitled to. Also, funds received by the precinct should be deposited properly and timely in accordance with Local Government Code (L.G.C), § 113.022 and proceeds received from the sale of property should be distributed in accordance with Civil Practice and Remedies Code § 34.047. Deputy calculation errors and lack of training may result in potential liability to the county if the defendant is required to pay more than what is required by the law and may even result in a loss of County revenue.

Recommendation

Commission Calculations

Management should establish and implement written procedures to minimize and resolve commission calculation errors including:

- Issuing refunds for excess collections.
- Calculating 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

Management Action Plan

None Received

Auditors Response

N/A

cc: Darryl Martin, Commissioners Court Administrator