



DALLAS COUNTY
COUNTY AUDITOR

Memorandum

To: Honorable Beth Villarreal
Constable Precinct No. 5

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

Subject: Review of Statutory Reporting and Compliance for October 01, 2013 through September 30, 2015.

Date: *Issued:* August 25, 2017
Released: September 22, 2017

Scope:

A review was performed on the records and reports of Constable Precinct No. 5 for October 01, 2013 through September 30, 2015 during the term of the Honorable Beth Villarreal.

Review Procedures:

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, the volume of transactions, and noted internal control weaknesses. Testing also involved a review of the Constable civil system.

A partial list of the review tests include:

- Examined Constable Precinct 5's cash handling internal controls
- Accounted for numerical sequence of manual receipts
- Traced amounts recorded in County Wide Receipt (CWR) system to the bank deposits
- Performed unannounced cash counts
- Examined Special Fund disbursements to determine if sufficient funds were collected, proper payees paid and if posting to the Constable civil system had occurred
- Reviewed assessed fees, commissions, executions and orders of sale for compliance with applicable state laws and Commissioners Court orders
- Reviewed time and attendance records for proper posting and compliance with County policies and procedures
- Reviewed Constable civil return lists for correct postings to the Constable Civil System to determine if appropriate credit was given to the Constable by the District Clerk, County Clerk and Justices of the Peace
- Reviewed Texas Attorney General IV-D billings
- Examined the Evidence/Property Room procedures and log sheets
- Documented warrant processes
- Confirmed requisite bond on file
- Compared paper service/attempt data to Global Positioning System (GPS) vehicle reports
- Reviewed responses to internal control questionnaires (ICQ) completed by staff

Statistical

Fiscal Year 2014

- 8,354 civil papers served per Constable Civil System
- 1,920 writs and orders of sale served per Constable Civil System
- 3,946 criminal papers served per Constable Civil System
- \$1,051,657.62 constable fee revenue collected all sources
- \$2,538.33 constable commission collected

Fiscal Year 2015

- 9,881 civil papers served per Constable Civil System
- 1,999 writs and orders of sale served per Constable Civil System
- 5,227 criminal papers served per Constable Civil System
- \$1,125,770.17 constable fee revenue collected all sources
- \$6,086.88 constable commission collected

FINDINGS:

Cash Management

Office Receipts – Responses to the Internal Control Questionnaire and field observations revealed checks received via mail are not receipted when the bookkeeper is out of the office.

Field Receipts – A review of 54 form 44-A field receipts including one void receipt (1.9%) written by the writ deputies in the field revealed an instance in which a 44-A manual receipt was not appropriately marked “void”, affixed with an explanation for the void, and without all the triplicate copies retained. Responses to the Internal Control Questionnaire revealed: no examination is performed by the custodian of completed Form 44-A manual receipt books to verify adherence to Dallas County procedures before issuing a subsequent receipt book, and upon a deputy's termination or a change in his duties, the receipt book is not immediately returned to the custodian.

Assessment/Collection – A review of 81 office receipts to determine if the amount collected was in compliance with state laws and Commissioners Court orders, and properly recorded to the Constable Civil System (CCS) revealed instances of posting errors to the CCS including: three (4%) instances in which the incorrect paper type was posted in the CCS and one (2%) instance in which the incorrect amount was collected per Commissioner's Court order.

Disbursements/Special Fund Reconciliation – A review of Special Fund activity revealed the bookkeeper is authorized to prepare and approve checks for printing without segregation of duties; as of September 30, 2015 old balances totaling \$31,453.14 had not been researched for disbursing to the applicable party and/or escheating to the County Treasurer or State Comptroller; and an instance where a duplicate payment was made (*Status: Duplicate check funds were recovered on 9/2/2015*) ; and a Special Fund control sheet was not maintained during the period under review.

Processing:

Civil Paper Service – Monetary credit for civil paper services is consistently collected / reflected on the Justice of the Peace Accounting System; however, the Odyssey Civil Courts System reflects instances where the Sheriff or other Constable Precincts received monetary credit for papers served by the Constable. Additionally, instances of posting errors in CCS and instance where payment had not been collected on served papers were identified.

Responses to the Writ Section Internal Control Questionnaire revealed: the County or Constable is not named as an additional insured by warehouseman, haulers/movers, towing companies, etc.

Criminal Paper Service - Warrants are not being entered timely into Constable Civil System and remain boxed in the office. As of March 19, 2017, there are 20,787 active warrants assigned to Constable Precinct 5

Evidence Control:

Evidence/Property Room – Review of evidence/property room revealed: an annual inventory of the evidence/property room is not conducted; a periodic review is not performed to determine if items are eligible for turnover to Purchasing for disposal, destruction or agency use; and Inventory Log and Property Room Log Sheets are not adequately completed and filed.

Recommendations:

Cash Management

Receipting - All monies received, including payments received via mail, should be promptly receipted for the amount of funds tendered. Consider creating a procedure manual for receipting/depositing.

Management Response: *All matters have been resolved or rectified prior to this Report.*

Assessment/Collection – Continue to assess service fees in accordance with state laws and Commissioners Court orders. All data elements including the Paper Type should be accurately entered in the CCS. Fees should be deposited timely based on state laws and Commissioners Court orders.

Management Response: *All matters have been resolved or rectified prior to this Report.*

Disbursements/Special Fund Reconciliation – Maintain a Special Fund control ledger accounting for all special fund receipts, disbursements, and case balances. The Special Fund ledger should be periodically reviewed by supervisory personnel. Unclaimed property statutes in accordance with Property Code Chapters 72 and 76 should be followed.

Management Response: *All matters have been resolved or rectified prior to this Report.*

Processing:

Civil Paper Service – Examine computerized court records associated with papers served or attempted to verify that the fees are properly credited to Precinct No. 5. All data elements including payments made to the court should be accurately entered in the CCS. Insurance certificates listing the County or precinct as an additional insured should be requested and retained from all warehouseman, towing companies, movers, etc. used by the precinct.

Management Response: *All matters have been resolved or rectified prior to this Report.*

Criminal Paper Service – Consider developing standard procedures for staff to follow on timelines and number of unsuccessful service attempts. Warrants should remain active until served or recalled by the court.

Management Response: *All matters have been resolved or rectified prior to this Report.*

Evidence Control:

Evidence/Property Room – Comply with the established Evidence/Property Room procedures. Eligible items should be scheduled for destruction as authorized by statute when departmental use is prohibited or not feasible. Conduct a complete physical inventory of all items annually.

Management Response: *All matters have been resolved or rectified prior to this Report.*

Summary:

This report is intended for the information and use of the 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.

Highest areas of risk which need to be addressed include: clearing old Special Fund balances; evidence and property room inventory controls; and complete and accurate entry of civil paper service to the Constable Civil System.

Development of written internal procedures should be initiated to ensure compliance with recommended procedures, county policies, and state statutes. Consideration of all issues and weaknesses should be incorporated by the precinct as a self-assessment tool.

cc. Darryl Martin, Commissioners Court Administrator
Ryan Brown, Office of Budget and Evaluation