



AUDIT REPORT

DALLAS COUNTY

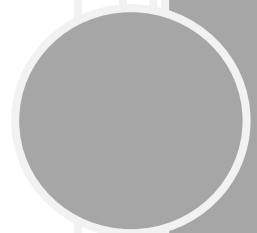
FY2020 Constable Precinct No 2 Audit

Darryl D. Thomas

Dallas County Auditor

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FY2020 Constable Precinct No 2 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 Billy Gipson
Constable Precinct No. 2
Dallas, Texas

Attached is the County Auditor's final report entitled "FY2020 Constable Precinct No 2 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 2, Place 1 from October 1, 2019 through September 30, 2020. Internal Control weaknesses which need consideration by management are:

Summary of Significant Observations:

None

Repeat observations from Previous Audits:

- **Deposit Check Adjustments**
- **Manual Receipts vs Computer Receipts:** Inconsistency in applying proper procedure on computer and manual receipts.
- **Computer Voids and Adjustments:**
 - Inconsistency in applying correct interest rate and date for commission calculation.
 - Lack of established inventory control procedures of the evidence/ property items.

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 requirements2. Evaluate internal controls3. Verification of accuracy and completeness of reporting4. 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

Deposit Check Adjustments

A review of the cash count performed on 7/29/2021 and deposit adjustments made during the audit period revealed two check deposits had adjusted by the Treasurer's Office on 7/15/2020 and 8/5/2020 and verified by Internal Audit staff because the legal written amounts differed from the numerical amounts on the checks receipted.

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 deposits has resulted in delayed deposits resulting in adjustments required for improper receipting.

Recommendation

Deposit Check Adjustments Recommendation

Management should implement check receipting and deposit procedures that include:

- Comparing check legal written amounts to the numerical amounts prior to receipting
- Receipt tapes for check totals should be calculated using the written legal amount and verified against the receipt control total.
- Receipt and deposit totals should be verified by supervisory personnel.

Management Action Plan

- The bookkeeper will compare the legal written amount to the numerical amounts before receipting the check. The Chief Clerk will review all checks to make sure the legal written amount, numerical amount, and signatures are correct before being sent to the Treasurer's Department.

Auditors Response

None

Fee Code Type Variance CWR vs CCS

A lack of supervisory review and clerical data entry errors have resulted in inaccurate Constable civil fee types posted to CWR.



Recommendation

Fee Code Type Recommendation

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

- Receipt data including paper type entered into the Constable Civil System and CWR are complete, agree, and is accurate.

Management Action Plan

- The Bookkeeper will review that the paper types are the same in CWR and FORVUS daily. The Chief Clerk will review each transaction to make sure what is receipted in CWR matches with the paper type, case number and office number that is entered in FORVUS. A copy of the document and FORVUS print screen is attached to the receipt to ensure that the proper paper type was receipted.

Auditors Response

None

Manual Receipts vs Computer Receipts

A review of all manual receipts issued during audit period revealed: one manual receipt number was not listed on the computer receipt and one computer receipt was issued two business days after the manual receipt date.

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. Office manual receipts should be written only during system downtime reflecting the appropriate case number and amount paid. Once the system is restored, the payments are posted to the system and the manual receipt number is entered into the comment field. One copy of the manual receipt is attached to the computer receipt.



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

Recommendation

Recommendation Manual Receipts vs Computer Receipts

Management should implement procedures for manual receipts to ensure:

- Manual receipt number is listed on 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

- All manual receipts are approved by the Chief Clerk before being issued out, supervisory sign off on computer receipt is mandatory once completed. Manual receipts will not be held and will be receipted once the CWR system is operational. All manual receipt numbers in the note section for reference and a copy of the CWR receipt will be placed in the manual receipt book for auditing.

Auditors Response

None

Computer Voids and Adjustments

A review of all computer cancellations and adjustment for the audit period revealed four computer receipts were cancelled and reissued by the same CWR user and two adjusted receipts were performed by the same person who receipted them without documented supervisory 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 voids and 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.



A lack of formal approval process and proper segregation of duties related to computer receipt voids and adjustments have resulted in decreased internal controls over receipts and provide the potential for misappropriation of Dallas County funds.

Recommendation

Recommendation Computer Voids and Adjustments

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

- Enhancement to internal controls over receipting.
- Implementing a formal approval process for voiding and cancelling computer receipts

Management Action Plan

- The bookkeeper will review and ensure that the proper information is receipted. If a receipt needs to be voided, the Chief Clerk will enter credentials and explanation of why the receipt is being voided. Once the receipt is voided, the Chief Clerk will sign and date the document acknowledgement of the void. Bookkeeper must get supervisory approval to make adjustments to receipt amounts. Each adjustment will be signed off by the Chief Clerk and explanation of the adjustment.

Auditors Response

None

GPS Odd Hours Review

A review of GPS Insight reports, CCS service attempts, and Kronos reports for the audit period revealed: vehicle B1063 was driven on 4/20/2020 per the GPS report with no time entered in Kronos and vehicle B1065 was driven on 1/17/2020 per the GPS with time in Kronos showing vacation.

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, 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."



Inconsistent supervisory review of Kronos time entries based on actual time worked, review, and signoff by supervisor has resulted in 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, non-compliance with County policies, and incorrect times entered in Kronos based on daily schedule rather than actual time worked.

Recommendation

Recommendation GPS Odd Hours Review

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

- Accurate written vehicle records are maintained and compared to Kronos weekly based on actual work times.
- Kronos time entered are reviewed by the supervisory and time errors corrected before submission.

Management Action Plan

- Chief Deputies review GPS Insight Reports, Dispatch Log Reports and Kronos entries to ensure accurate written vehicle reports are maintained and compared to Kronos. Kronos time entered will be reviewed by Supervisor weekly.

Auditors Response

- None

Special Fund Review

A review of the Special Fund (SF) reconciliation and related General Ledger activity for the audit period revealed four transactions have account balances over three years old totaling \$1,474.85 that have not been researched for either disbursing to applicable parties, recovery of excess disbursements, or escheated to the State. These instances occurred prior to 10/1/2019 during the tenure of the previous Constable. **Status: Precinct 2 did provide a SF reconciliation for the audit period and has begun to research and transfer funds of old items less than \$100 to the Treasurer's Office.** The current old items balance is \$1,474.85 down by nearly half from the prior audit amount of \$2,916.66.

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.

An oversight of past Special Fund reconciliations of receipts and disbursements has resulted in Special Fund ledger variances, delayed disbursements to entities/individuals entitled to funds, undetected posting errors, and possible penalties from the State for not following escheatment statutes.

Recommendation

Recommendation Special Funds

Management should ensure that:

- Old balances are continued to be researched for disbursement to applicable parties, recovery of excess disbursements, or escheating to the County Treasurer or State Comptroller to removed them from the open items in the Special Fund account.

Management Action Plan

- The bookkeeper will continue to do research and disburse the funds to applicable parties. During research if the applicable person cannot be found to disburse funds, the bookkeeper will start the escheatment process to the State. Any funds that are disbursed are processed by the bookkeeper and then approved by the Chief Clerk before being sent to Accounts Payable.

Auditors Response

None

cc: Darryl Martin, Commissioners Court Administrator