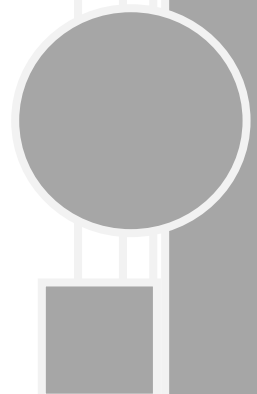




# AUDIT REPORT

DALLAS COUNTY  
FY2021 Constable Precinct No 3 Audit

Darryl D. Thomas  
Dallas County Auditor  
ISSUED: 8/4/2022  
RELEASED: SEPTEMBER 14, 2022



# FY2021 Constable Precinct No 3 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 Benjamin Joe Adamcik  
Constable Precinct No. 3  
Dallas, Texas

Attached is the County Auditor's final report entitled "FY2021 Constable Precinct No 3 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. 3 for fiscal year ending 2021. There are no significant internal control weaknesses observations for the audit period.

### **Summary of Significant Observations:**

None

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

- Management have not researched Special Fund balance for either disbursing to applicable parties, recovery of excess disbursements, or escheated to the County Treasurer or State Comptroller. In addition, the department did not reconcile the Special Fund account by the start of the audit.  
**Status: The FY21 reconciliation was completed by Internal Audit.**
- Non-compliance with Dallas County policy on vehicle usage outside of County Official business hours.

**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, 2020 through September 30, 2021.

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 all manual receipts issued during audit period revealed one manual receipt number was not listed on the computer receipt.

All receipts should be accounted for and properly used to affix responsibility, enhance cash control, and prevent the assertion that monies were paid and refunds due. Manual receipts should be reviewed by management for accuracy and completeness to ensure receipts are properly posted in County-Wide Receipting (CWR). Lack of supervisory review and clerical oversight have resulted in improper record keeping and loss of audit trail between manual receipts to computer receipting.

**Recommendation**

Manual Receipts

Management should:

- Ensure the manual receipt number is listed on the computer receipt
- Periodically review manual receipts with the corresponding computer receipt to verify procedure adherence.

**Management Action Plan**

- No response received

**Auditors Response**

- N/A

**Computer Receipts and Control Review**

A review of 23 computer receipts and adjustments for the audit period revealed one computer receipt was issued outside of normal business hours. Risks identified during the Internal Control Walkthrough revealed the office does not log checks received through the U.S. mail on a list or Excel spreadsheet and the deposit is picked up once a week by carrier.

All monies received should be promptly receipted and deposited consistent with Local Government Code, § 113.022. All receipts should be accounted for and properly used to affix responsibility, enhance cash control, and prevent assertion that monies were paid and refund due. As a best practice for proper internal controls: ensure receipts are issued during normal business hours and 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 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. Lack of consistent supervisory review over computer receipt issuance and infrequent deposits may result in decreased internal controls over receipting, deposits, and mailed payments. Additionally, there is potential for misappropriation or loss of funds.

**Recommendation**

Computer Receipts and Control Review

Management should implement the following procedures:

- Comply with Local Government Code, § 113.022.
- Require all receipting activities occur during normal business hours.
- Ensure check and money order payments received via email are documented on a check log spreadsheet by a designated Constable Staff person who is not involved in the receipting process before providing to the Bookkeeper or back-up clerk to post in CWR.
- Perform monthly reconciliations of the check log to payments posted in CWR to ensure accuracy and completeness.

**Management Action Plan**

- No response received

**Auditors Response**

- N/A

**GPS Odd Hours Review**

A review of GPS Insight and Kronos reports for the audit period revealed five instances in which vehicles were driven outside the corresponding time posted in Kronos and one deputy's overtime was posted to the wrong date in Kronos.

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." A lack of supervision, GPS report monitoring, and Kronos time entry review may increase the risk that



vehicles are used inconsistent with Dallas County Policy 90-129 and that time records may not reflect actual hours worked in Kronos.

### **Recommendation**

GPS Odd Hours Review

Management should:

- Ensure accurate written vehicle records are maintained and compared to Kronos weekly based on actual work times.
- Review Kronos time entered to ensure time errors are corrected before submission
- Comply with Dallas County Policy 90-129.

### **Management Action Plan**

- No response received

### **Auditors Response**

- N/A

## **Special Fund Review**

A review of the Special Fund (SF) reconciliation and related general ledger activity for the audit period revealed 33 transactions have account balances over three years old totaling \$1,369.67 have not been researched for either disbursing to applicable parties, recovery of excess disbursements, or escheated to the County Treasurer or State Comptroller. **Status: The department did not reconcile the SF account by the start of the audit.**

The SF is a temporary escrow account for funds that belong to individuals, companies, and government entities. In accordance with Local Government Code (LGC) Section 113.008, an official with Special Funds shall reconcile all balances and transactions in the statement of activity against the balances of the official's records each month. Management should escheat funds per Property Code, § 72 and § 76 and cash bonds should be forfeited per Code of Criminal Procedure § 22. All funds received, including SF payments should be posted to the Constable's Civil System (CCS) with the correct office number and for the correct amount. A lack of management oversight and completion of the SF reconciliation have resulted in SF ledger variances, delayed disbursements to entities/individuals entitled to funds, and noncompliance with Property Code, § 72, § 76, and LGC 113.008.

### **Recommendation**

Special Fund Review

Management should:





- Contact parties to claim \$1,369.67 in Special Funds held in escrow.
- Timely reconcile the Special Fund consistent with LGC 113.008.
- Research balances older than 3 years for disbursement to applicable parties, recovery of excess disbursements, or escheatment to the County Treasurer or State Comptroller.
- Ensure the Special Fund Reconciliation is reviewed by management, that money is promptly disbursed for the correct amount, to the appropriate parties, and from the correct funding source.
- Review Special Fund reports and routinely escheat Special Funds in accordance with unclaimed property statutes, Property Code, § 72 and § 76.

### **Management Action Plan**

- No response received

### **Auditors Response**

- N/A

## **Commissions**

A review of commission collections for five sales and ten non-sales made during the audit period revealed one commission calculation was under-collected totaling \$66.69.

Dallas County Commissioners Court Orders 2020-0974 and 2019-0965 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 consistent supervisory review and commission calculation errors resulted in a loss of revenue to Dallas County and noncompliance with County policies and court orders.

### **Recommendation**

Commissions

Management should:

- Maintain a detailed record keeping process for case payments and judgment documents.
- Ensure calculations are reviewed and verified by another staff member at the precinct, preferably the Chief Deputy or Chief Clerk.

### **Management Action Plan**

# DALLAS COUNTY



# COUNTY AUDITOR

- No response received

**Auditors Response**

- N/A

cc: Darryl Martin, Commissioners Court Administrator