

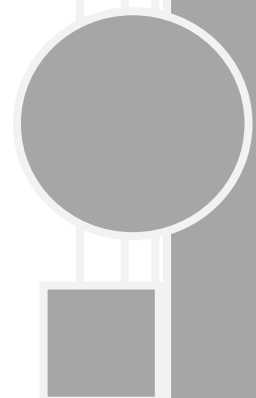


AUDIT REPORT

DALLAS COUNTY

CONSTABLE PCT 4 - FEDERAL FORFEITURE FY2018

Darryl D. Thomas
Dallas County Auditor
ISSUED: January 18, 2019
RELEASED: January 18, 2019



CONSTABLE PCT 4 - FEDERAL FORFEITURE FY2018

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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 Pct 4 - Federal Forfeiture FY2018**" 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". The signature is fluid and cursive.

Darryl D. Thomas
County Auditor

EXECUTIVE SUMMARY

FY2018 Constable's use of Federal Forfeiture funds were performed according to requirements contained in the Guide to Equitable Sharing for State and Local Law Enforcement Agencies (Department of Justice) and the Guide to Equitable Sharing for Foreign Countries and Federal, State, and Local Law Enforcement Agencies (Department of Treasury). The certified reports are to be delivered to the U.S. Department of Justice and the U.S. Department of Treasury no later than 60 days after the fiscal year end. According to the Federal Equitable Sharing Agreement, the head of the law enforcement agency and a designated official of the governing body are required to sign the Annual Certification Report certifying that the accounting of funds received and spent by the law enforcement agency is accurate and in compliance with the guidelines and statutes that govern the equitable sharing program. The federal equitable sharing audit includes a review of the shared funds and property received from federal agencies and federal forfeiture expenditures by Dallas County agencies. Forfeited funds are held in a special account in the treasury, to be used by the Constable's office solely for law enforcement purposes. Internal Control weaknesses which need consideration by management are:

Summary of Significant Observations:

Lack of management designing and implementing internal controls related to forfeiture expenditures resulted in:

- Inaccurate accounting and reporting of expenditures.
- Equipment details were not verified and reconciled with the inventory list when items are received.
- The Precinct based the cost of equipment on an estimate instead of the purchase price.

Repeat observations from Previous Audits:

None

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 review covered fiscal year ending September 30, 2018.

Tests were performed for limited purpose of compiling financial transactions in format required by the Department of Justice and Department of Treasury. The auditor tested the approved budget and availability of cash. Internal controls for financial management by the Constable's office including purchasing, accounting, compliance, and reporting are tested at year-end. A random sampling of the total budget activity was selected for certain procedures, while some categories were reviewed in entirety.

DETAILS

Expense Codes

A review of thirty-three financial records for FY18 in regards to the use of Federal Forfeiture funds revealed: 12 out of 33 expenditures in FY18 were incorrectly coded as either Other Professional Fees or Conference Travel. Best recommended practice should be that expenditures should be allocated to the correct account based on the type of service/goods ordered and/or received. However, lack of management designing and implementing internal controls related to forfeiture expenditures resulted in inaccurate accounting and reporting of expenditures.

Recommendation

Expense Codes

Management should:

- Ensure that expenditures are budgeted to and paid from the correct expense accounts.
- Contact accounts payable for correct code to use when uncertain of which expense code to use.

Management Action Plan

Auditors Response

Forfeiture Inventory

A sample review of five property items revealed: the item description and serial number for one item listed on the Precinct's inventory list does not match the information found on the item, and the cost recorded for two items on the Precinct's inventory list does not reflect the actual cost. Best practices regarding inventory procedures include inventory should be performed annually and property should be maintained according to Dallas County Code Chapter 90 Article III. Also, capital and non-capital property should be tracked according to UGMS 2 CFR section 215.34(f). If equipment details are not verified and reconciled with the inventory list when items are received, the inventory list may contain inaccurate or incomplete information.

Recommendation

Forfeiture Inventory

Management should ensure that the inventory list includes an accurate description of all forfeiture property received, the Dallas County property tag number and IT asset tag number (if either are applicable), serial numbers, date and manner of disposal, current location of property, and any other information that could be useful in identifying and tracking the property.

Management Action Plan

Auditors Response

cc: Darryl Martin, Commissioners Court Administrator