



COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER CO#138069

PAGE 1 OF 6

DATE: 05/10/2022

SUBJECT: **RECEIVE AND FILE THE AUDITOR'S REPORT OF THE REVIEW OF FINANCIAL AND SYSTEM CONTROLS, CONSTABLE PRECINCT 8**

COMMISSIONERS COURT ACTION REQUESTED

It is requested that the Commissioners Court receive and file the Auditor's Report of the Review of Financial and System Controls, Constable Precinct 8.

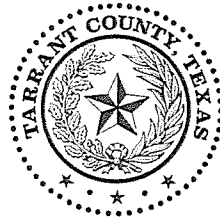
BACKGROUND

In accordance with the Local Government Code, the Auditor's Office reviewed the Constable's Office financial and system controls in place as of September 30, 2021.

FISCAL IMPACT

There is no direct fiscal impact associated with this item.

SUBMITTED BY:	Auditor Office	PREPARED BY: APPROVED BY:	S. Renee Tidwell
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TARRANT COUNTY

TARRANT COUNTY ADMINISTRATION BUILDING - ROOM 506
100 E. WEATHERFORD
FORT WORTH, TEXAS 76196-0103
817/884-1205
Fax 817/884-1104

S. RENEE TIDWELL, CPA
COUNTY AUDITOR
rtidwell@tarrantcounty.com

KIM BUCHANAN, CPA
FIRST ASSISTANT COUNTY AUDITOR
kmbuchanan@tarrantcounty.com

April 18, 2022

The Honorable Michael Campbell, Constable, Precinct 8
The Honorable District Judges
The Honorable Commissioners Court
Tarrant County, Texas

Re: Auditor's Report – Review of Financial and System Controls, Constable Precinct 8

In accordance with the Local Government Code, the Auditor's Office reviewed the Constable's Office financial and system controls in place as of September 30, 2021. The *Mainframe* was primarily used during the review period to record service paper information and financial transactions. Before the issuance of this report, *CivilServe* was implemented and replaced the *Mainframe* system on January 3, 2022. We expanded our scope to include testing receipts recorded before and after the implementation of *CivilServe*. During the transition to the new system, we observed and communicated several data entry errors that were subsequently corrected by staff. Furthermore, we observed *significant internal control weaknesses* related to various financial functions. As a result, we offer no assurance that all funds collected will be accounted for. We discussed the observations, along with some minor errors and less significant matters, with management.

Specifically, we observed the following:

1. *Segregation of duties was not adequate between certain incompatible tasks.* We observed the same staff responsible for entering receipts also prepared the weekly deposit. Furthermore, staff did not perform a *daily* reconciliation of the money collected to the amounts receipted into the system.

Recommendations: No one person should control all aspects of a financial transaction. While we understand the staffing limitations of the Constable's Office, we recommend the Constable implement procedures that include an independent review of the reconciliation of *daily* transactions to the weekly deposit. The reviewer should initial the financial summary worksheet as evidence of their review.

2. *Amounts collected were not always accurate.* Specifically:

- The amount collected on a judgment was inaccurate because the deputy's calculation was incorrect. The deputy reduced the amount of the writ service fee from \$150 to \$0. There was no documented supervisory review.
- The amount of fees charged did not always comply with the fee schedule approved by Commissioners Court. For example, the citation fee charged and collected on three receipts was more than the \$75 approved by Commissioners Court.

Recommendations: To reduce the risk of errors and fraud, we recommend independent review of all calculations for writs of execution. Furthermore, the amount collected for fees should comply with the fee schedule approved by Commissioners Court. We also recommend the Constable refund overpayments and make effort to collect any remaining balances owed to the County.

3. *Controls over the accountability and tracking of manual receipts books need improvement.* Although there was a log maintained to track the receipt books issued to deputies, the manual receipt numbers were not entered into *Mainframe*. As a result, we could not verify the sequential order of receipts issued and whether the funds collected in the field were recorded into *Mainframe*. As a result, a risk of theft or loss existed.

Recommendations: When deputies return funds to the designated administrative staff for deposit, each deputy should provide a copy of the manual receipt issued for each amount collected and a copy of any voided receipts. Administrative staff should reconcile the manual receipts to the funds collected by each deputy, and then prepare the daily deposit. Upon entering the funds into the system, manual receipt numbers should be recorded in the *CivilServe* system.

4. *The Constable's Office did not invoice court papers for the Office of the Attorney General (OAG) in a timely manner.* During our review, we found that the Constable's Office did not invoice any court papers served for the OAG during fiscal year 2021.

Recommendations: Since good business practice suggests that services should be billed on a timely basis, services should be billed to the OAG *monthly*. Also, the invoices sent to the OAG should be maintained so that payments can be applied accurately, and staff can follow-up on any unpaid balances.

CLOSING REMARKS

We appreciate the cooperation of the Constable and his staff during our review. Please call me if you have any questions regarding the contents of this report.

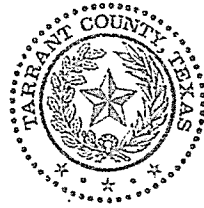
Sincerely



S. Renee Tidwell, CPA
County Auditor

Attachment: Management's response

Audit Team: Kim Trussell, Audit Manager
Kara Hoekstra, Senior Internal Auditor
Salima Sindhvani, Senior Internal Auditor



TARRANT COUNTY
FORT WORTH, TEXAS

MICHAEL R. CAMPBELL
CONSTABLE, PCT. 8
TARRANT COUNTY
3500 MILLER AVENUE
FORT WORTH, TEXAS 76119
817/531-5610

April 28, 2022

Kim Trussell, Audit Manager
Kara Hoekstra, Senior Internal Auditor
Salima Sindhwani, Senior Internal Auditor

Re: Auditor's Report – Review of Financial and System Controls, Constable Precinct 8

Our office is in receipt of your recent review of Precinct 8 Financial and System Controls. Based on your findings, we offer the following response:

Segregation of duties was not adequate between certain incompatible tasks

- Financial transactions have been delegated to all administrative staff to ensure familiarity with processing financial transactions accurately. An independent review of all transactions is now the practice of Precinct 8.

Amounts collected were not always accurate

- The inaccuracy of the amount collected regarding the Writ service fee was due to the non-payment from the attorney involved with the Writ. Precinct 8 attempted to collect the fee on several occasions, however, the attorney would not comply.
- Citation fees charged are always based on the Tarrant County fee schedule, however, there are instances where monies received were off by no more than \$5-\$10. If your office reflects much larger inaccuracies, please provide our office with that documentation as soon as possible for a detailed response. Additionally, our office has not historically been instructed to initiate refunds, however, moving forward, this practice and policy will now be in practice to ensure a reduced risk of errors and/or fraud. If it is the recommendation of the Auditor's office to refund any past amounts, please outline the refund amounts and recipients in order that our office can make those corrections immediately.

Controls over the accountability and tracking of manual receipt books need improvement

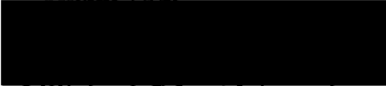
- An independent review is now the practice and policy of Precinct 8 to ensure accuracy. It is always a practice of Precinct 8 to attempt collection of any outstanding balances. Now that we are utilizing Civil Serv as opposed to the Mainframe system, Civil Serv has better functionality that allows for tracking payments thoroughly.

The Constable's Office did not invoice court papers for the Office of the Attorney General (OAG) in a timely manner

- Due to the extremely limited staff at Precinct 8 and internal employee issues, OAG billing was not timely billed. This resulted in disciplinary action. Now that Precinct 8 has been able to obtain additional staff, OAG billing has been reconciled and is current.

Thank you for notifying our office of the internal shortfalls and providing us with the opportunity to respond and correct these matters. If you have any further questions or require additional information, please feel free to contact our office.

Thank you.


Michael Campbell
Constable, Precinct 8

Cc: Donald Carter, Jr.
Kim Guy