2019

Travis County Auditor's Office Review of Constable, Precinct 4 Off-Duty Vehicle Donations

Travis County Auditor's Office
Risk Evaluation and Consulting Division

January 31, 2019

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Date: January 31, 2019

To: George Morales
Constable, Precinct 4

From: Patti Smith, CPA
Travis County Auditor

Subject: Off-Duty Vehicle Donations Examination

Scheduled as part of our statutory requirements, the Risk Evaluation and Consulting Division of the Travis County Auditor's Office has completed an examination of the accounting protocols for the off-duty vehicle donation function of the Constable, Precinct 4 Office (CN4). We conducted our examination in accordance with the applicable statutes governing the County Auditor's Office and the off-duty vehicle function. As a result of our examination, we are providing this report on our findings and recommendations.

BACKGROUND

A constable's office serves as a law enforcement agency with county-wide jurisdiction in civil and criminal matters. These offices process and execute civil legal notices, summonses, and citations from various courts including forcible entry and detainers, writs of possession, citations, and executions issued from the Justice of the Peace courts. Constables also process and execute misdemeanor traffic and hot check warrants of arrest for the Travis County Justices of the Peace courts, as well as other municipalities and counties. Law enforcement personnel periodically perform services for outside parties while off duty. These services include, for example, security for large events and directing traffic at construction sites.

SCOPE

This report details an assessment of the adequacy and effectiveness of the overall system of financial controls in place for CN4 off-duty vehicle donations during the period of October 1, 2016 through March 31, 2018.

EXAMINATION METHODOLOGY

Our work was based on applying sampling procedures to office records and on verbal and written representations from CN4. Sampling relates to examining, on a test basis, evidence supporting the amounts and disclosures in the financial records and statements. The use of sampling techniques would not necessarily disclose all material issues and weaknesses in this functional area. In regard to the written and verbal representations made by CN4, unless otherwise noted in this report, office management maintains that the assertions we relied upon in the examination were correct to the best of their knowledge.

SUMMARY OF FINDINGS & RECOMMENDATIONS

We noted internal control issues related to the utilization of an unapproved hourly rate for donations. Our findings and recommendations are detailed in the Areas of Concern Section of this report. Each finding has a listed severity of "Most Serious", "Serious", or "Less Serious".

EXAMINATION TEAM

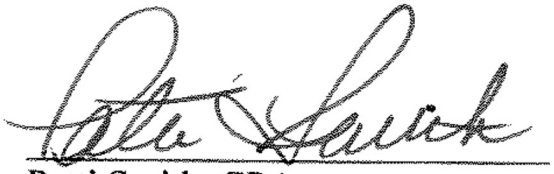
Amanda Muehlberg, Lead Auditor

CLOSING

This report is intended solely for the information and use of the Constable's Office and the Commissioners Court. We greatly appreciate the cooperation and assistance received from the management and staff of the Travis County Constable, Precinct 4 Office during our review. Please contact us if you have any questions or concerns regarding this report.



David Jungerman, CIA
Chief Assistant County Auditor -
Risk Evaluation & Consulting



Patti Smith, CPA
Travis County Auditor

REPORT DISTRIBUTION

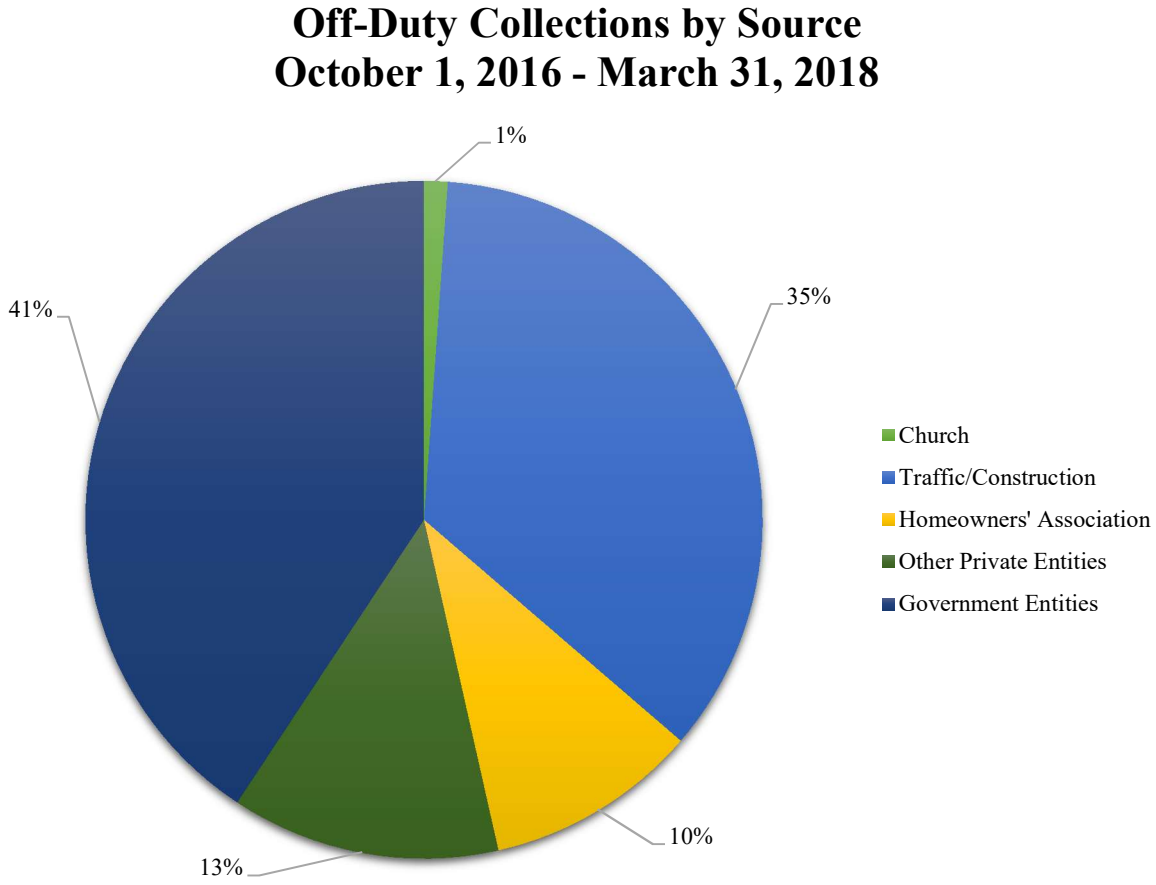
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Examination File

Background

At times, outside third parties require specialized assistance from Law Enforcement Officers (LEOs). For example, churches, municipal utility districts, or road construction contractors may need an LEO to direct traffic, or a large public event may obtain LEOs for security. When Constable LEOs provide these services, they typically do so while off duty (When this is the case, the LEO enters into a third party contract to which the Constable's Office and Travis County are not a party.).

In many cases, the LEOs must utilize their County-owned patrol vehicles in order to properly perform these off-duty services for third parties. These vehicles can be particularly helpful for closing road lanes and alerting drivers while LEOs direct traffic. When County vehicles are used for this purpose, fuel, maintenance, and other usage costs are incurred by the County. In order to recoup these costs, the third parties agree to donate a set hourly amount to the County.

These donations are collected by the applicable constable's office directly, remitting the funds collected to the Treasurer's Office as County revenue. During the period October 1, 2016 through March 31, 2018, CN4 collected $23,394 on 44 payments from outside parties. The graph below details the percentages by source type:



Areas of Concern

We reviewed 8 (18%) of the 44 payments received during the period, for which the sampled receipts totaled $9,860. During this review we noted the following:

1. Donation Assessment Rate/Rate Analysis (Less Serious)

CN4 currently requests $15/hour for off-duty vehicle usage, with a minimum two-hour charge. In 2008, the Commissioners Court approved an increase to all off-duty vehicle donations from $15/hour to $20/hour. This increase took effect in January 2013.

Significance:

In order to be compliant with the decree of the Commissioners Court, donations should be requested at the approved $20/hour rate.

Recommendations:

We recommend that CN4 utilize the Commissioner's Court-approved donation rate of $20/hour. We also recommend that CN4 work with the Planning and Budget Office (PBO) and Transportation and Natural Resources (TNR) to determine if the hourly rate for donations is adequate, or if it should be changed, as this rate has not been analyzed since 2008.

Management Response:

Travis County Constables are part of what is called the Vehicle Users Committee, and we have a representative there who discusses and facilitates ongoing vehicle issues with TNR and other involved parties. I was informed during the time the increase in fees took into effect, it was due in most part to a spike in fuel that was occurring, and it was a trend which we were unable to predict, especially its longevity. With fuel prices leveled out and fitting within the allotted fuel costs, I believe this should be re-evaluated through the Vehicle users committee. Travis County Maintenance costs for a patrol vehicle are slotted to be $4,692. The $4,692 was provided by PBO which encompasses the cost of 4 oil changes a year, transmission service, tires, brake job, misc. repairs, and fuel. It should also be noted that the majority of the time spent on an off duty event which utilizes the vehicle is spent in a fixed location while the vehicle is idle. Travis County Pct 4 believes the $15 per hour collected on a "Vehicle Donation" is more than sufficient to cover operating costs as indicated.

Description	Cost
Pickups, 4x4 Utility, Vans & Other Sedans:	
Oil changes	$65
Transmission Service	$65
Tires	$300
Brake Job	$125
misc. repairs	$400
Fuel - 15/mpg/12,000 miles yr.	$1,800
Total	**$ 2,755**

Description	Cost
Law Enforcement Vehicles:	
4 a year @ avg. $67 Oil changes	$268
Transmission Service	$85
Tires	$500
Brake Job	$200
Misc. repairs	$425
Fuel -14/mpg /20,000 miles yr.	$3,214
Total	**$ 4,692**

With 261 working days throughout the calendar year, this equates to $17.97 a day for vehicle usage. The Constables working day consists of 8 hours, which roughly totals $2.25 cents an hour for operation of the county vehicle. The operating cost of the county vehicle and the requested donation has a huge disparity of $17.75. I personally contacted representatives from various other departments in our general area to see what their department vehicle donations charge was and the results are as follows:

City of Hutto-$15
City of Round Rock-$17
City of Lockhart-$15
Williamson County Sheriff's Office-$12
Hays County-$10-$15
Kyle Police Department-$10
Williamson County Pct. 1 Constables Office-$12

With plenty of lower cost options available to outside vendors who utilize our services, this in turn will predictably cause a lower level of vehicle donations being collected in the long term.

Travis County Constable User Committee representatives will be made aware of the recommendation to work with both TNR and PBO on updated cost recovery rate analysis, and the timeline being recommended by the Risk Evaluation and Consulting Division reference when it should be conducted. The Vehicle Users Committee is the obvious choice for moving forward with this request as the Constables interests are already represented, and the other parties should already be represented within this committee. It will be our recommendation to the Constable Representative that guidelines be set forth to address the key issues to look for when conducting the fee analysis, as well as with whom the burden of funding such an analysis falls upon.

Travis County Pct. 4 looks to continue its "hand in hand" work with the other departments referenced in this matter and is hoping that its concerns referencing the rate hike from $15 an hour to $20 an hour on vehicle donations will be looked at thoroughly in the grand scheme of things. Documentation has been provided referencing actual vehicle cost as it relates to budgetary commitments, for continued review by the involved departments.

Updated Management Response (provided via email on January 25, 2019):
After speaking and evaluating the cost with office management, we will be changing our hourly rate associated with vehicle usage to $20 hour from $15 hour. Our change will take into effect immediately and be reflected in our invoices.

2. Supporting Documentation (Less Serious)

Invoices supporting five (62.5%) of the eight sampled payments were not available. For the three invoices that were available for review, sufficient detail was not provided to verify that the appropriate amount was charged for one (12.5%). Specifically, the number of vehicles provided and the number of hours the vehicles spent on site were not denoted.

Significance:
In order to maintain a sufficient audit trail, copies of all vehicle donation invoices should be maintained. These invoices should include all relevant details, such as the number hours on site and the number of vehicles assigned.

Recommendation:
We recommend the Constable, Precinct 4 Office create a standardized and detailed invoice. Invoices should clearly state the date and time of service, the number of vehicles used, the hours for each vehicle, and the vehicle rate per hour. In addition, invoices should be time stamped or printed to PDF with a time marker to provide a reliable audit trail and ensure invoices were not created or altered after the receipt date.

Management Response:
Travis County Pct. 4 has taken the recommendation from the Risk Evaluation and Consulting Division and re-formatted our current invoicing to include the additional details, which were mainly mileage. Again, the vehicle's use is mainly utilized at a fixed location while it is running idle. A PDF will in turn be used for record management and invoicing.