Docusign Envelope ID: 13E25762-EAA9-4D30-BCBD-8AFD78D521CF

2024

Travis County Auditor's Office Review of Travis County Constable, Precinct 4 Office

Travis County Auditor's Office
Risk Evaluation and Consulting Division

July 23, 2024

Docusign Envelope ID: 13E25762-EAA9-4D30-BCBD-8AFD78D521CF

TRAVIS COUNTY
AUDITOR'S OFFICE

PATTI SMITH, CPA
COUNTY AUDITOR

TRAVIS COUNTY
700 LAVACA
P.O. BOX 1748
AUSTIN, TX 78767
(512) 854-9125
FAX: (512) 854-9164

To: George Morales
Constable, Precinct 4

From: Patti Smith, CPA
Travis County Auditor

Date: July 23, 2024

Subject: Constable, Precinct 4 Review

Scheduled as part of our statutory requirements, the Risk Evaluation and Consulting Division (REC) of the Travis County Auditor's Office has completed a review of the Travis County Constable, Precinct 4 (CN4) Office. We conducted our review in accordance with the applicable statutes governing the County Auditor's Office, and those relating to County financial and accounting protocols. As a result of our review, we are providing this report detailing our findings and recommendations.

BACKGROUND

A constable's office serves as a law enforcement agency with county-wide jurisdiction in civil and criminal matters. They process and execute civil processes from various courts, including forcible entry and detainer suits, 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 and for other municipalities and counties. Although Local Government Code (LGC) Chapter 86 is the primary Texas statute for this office, there are applicable sections in other statutes, as well.

The financial component of the Constable, Precinct 4 Office is responsible for processing disbursements relating to warrant work for other counties, refunding overpayments, escheating unclaimed property, and posting collections on executions. It also remits funds collected to the appropriate agencies (e.g., the County Treasurer, State of Texas, etc.) and prepares monthly financial statements and bank reconciliations.

The operational component of this office is responsible for receiving and processing the deposit of collections received both at the office and from field units that collect fines and fees. This

Docusign Envelope ID: 13E25762-EAA9-4D30-BCBD-8AFD78D521CF

component also enters/receipts all assessed fees and vehicle donations. This group is responsible for managing/monitoring fixed assets, inventory stock, facility work orders, fleet usage, and vehicle maintenance. In addition, all warrants and citations are executed by the operational component of the office.

METHODOLOGY

We used data analytics to review all transactional data collected by the CN's Civil Serve court management system. Our analysis was based on applying sampling procedures and analytical models to the stored records. By using data analytics, we were able to limit disruption to the office's day-to-day activities and to focus our resources on higher risk transactions. In addition, our sampling procedures relate 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 matters in the financial statements, records, and controls that might signify material weaknesses or misstatements. Regarding any written and verbal representations made by CN4 personnel, 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.

SCOPE

This review included an assessment of the adequacy and effectiveness of the overall system of financial controls in place for the CN4 during the period April 1, 2023, to March 31, 2024. The scope of this examination included a review of controls in place for fee assessments, fixed assets, accounts receivable, disbursements, general ledger, internal/external reporting, interlocal agreements, and cash handling.

SUMMARY OF FINDINGS

During our review of the CN4 Office, we noted area of concern with cash controls.

EXAMINATION TEAM

Angel Candelario, Senior Auditor
Travis Lee, Staff Auditor
Dr. John Gomez, Lead Data Scientist

CLOSING

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

Docusign Envelope ID: 13E25762-EAA9-4D30-BCBD-8AFD78D521CF

DocuSigned by:
David Jungerman
5B5881D13DFE48D...

David Jungerman, CIA
Chief Assistant County Auditor II – REC Division

DocuSigned by:
Patti Smith
53FF54208085470...

Patti Smith, CPA
Travis County Auditor

REPORT DISTRIBUTION

Amy Clark Meachum, Judge, 201st Judicial District
Jan Soifer, Judge, 345th Judicial District
Tamara Needles, Judge, 427th Judicial District
Selena Alvarenga, Judge, 460th Judicial District
Laurie Eiserloh, Judge, 455th Judicial District
Andy Brown, Travis County Judge
Jeff Travillion, Commissioner, Precinct 1
Brigid Shea, Commissioner, Precinct 2
Ann Howard, Commissioner, Precinct 3
Margaret Gomez, Commissioner, Precinct 4
Bryon Curtis, Constable, Precinct 4, Office Manager
Joe Alvarado, Financial Manager
Travis County Executive Managers
Managers, Travis County Auditor's Office
Examination File

Docusign Envelope ID: 13E25762-EAA9-4D30-BCBD-8AFD78D521CF

AREA OF CONCERN

1. Completeness of Receipts

We obtained the Receipt Transaction report for the review period. We then selected 25 receipts for compliance testing. Of the 25 receipts, seven receipts were remitted to the Treasurer 6-19 business days after the receipt date as detailed below:

Receipt No	Receipt Date	Deposit Date on Bank Statement	# of business days between receipt and deposit	Date remitted to Treasurer	# of business days between receipt and remittance to Treasurer
1543	5/22/23	5/24/23	1	6/7/23	11
CN4-0858	4/10/23	4/17/23	4	4/20/23	6
CN4-0085	5/15/23	5/23/23	5	6/7/23	15
1568	6/29/23	7/5/23	2	7/12/23	7
1634	10/9/23	11/3/23	18	11/6/23	19
1682	1/9/24	1/19/24	6	1/24//24	9
1683	1/10/24	1/19/24	5	1/24/24	8

Significance

Local Government Code Section 113.022 states that:

> *"A county officer or other person who receives money shall deposit the money with the county treasurer on or before the next regular business day after the date on which the money is received. If this deadline cannot be met, the officer or person must deposit the money, without exception, on or before the fifth business day after the day on which the money is received."*

Recommendation

We recommend detailed procedures be implemented that ensures timely deposit and remittances to the Treasurer's Office to meet statutory guidelines.

Management Response

To comply with LGC Section 113.022, the accounting office disburses twice a week on Tuesday and Thursday. On those days, the accountant responsible for CN4 verifies that outstanding deposits cleared the bank and creates a disbursement.

Please note that deposit settlements may be delayed due to inconsistent armored car service, credit card settlement delays, prioritizing month-end-close, vacation, and sick days.

Below are the reasons for the seven delayed disbursements noted in this audit comment.

Docusign Envelope ID: 13E25762-EAA9-4D30-BCBD-8AFD78D521CF

Receipt number 1543 – The disbursement was delayed because the CN4 accountant had a scheduled vacation starting on 05/24/23. Prior to his departure, the deposit had not yet cleared. The disbursement was also delayed because the month-end-close was prioritized upon his return.

Receipt number CN4-0858 – The deposit cleared the bank on Tuesday April 17,2023 after 10:00 am so it was not disbursed until Thursday April 20, 2023.

Receipt number CN4-0085 - The disbursement was delayed because the CN4 accountant had a scheduled vacation starting on 05/24/23. Prior to his departure, the deposit had not yet cleared. The disbursement was also delayed because the month-end-close was prioritized upon his return.

Receipt number 1568 - The disbursement was delayed due to prioritizing month-end-close.

Receipt number 1634 - The deposit slip was prepared on 10/09/23 and the check was sealed in bank bag #67872220 on 10/09/23. The courier service was delayed and did not pick up until 11/02/23.

Receipt number 1682 - The deposit slip was prepared on 01/09/24 and the check was sealed in bank bag #67872174 on 01/09/24. The courier service was delayed and did not pick up until 01/18/24.

Receipt number 1683- The deposit slip was prepared on 01/10/24 and the check was sealed in bank bag #67872173 on 01/10/24. The courier service was delayed and did not pick up until 01/18/24.