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2022

Travis County Auditor's Office Review of Travis County Constable, Precinct 5 Office

Travis County Auditor's Office
Risk Evaluation and Consulting Division

November 7, 2022

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To: Carlos Lopez
Travis County Constable, Precinct 5

From: Patti Smith, CPA
Travis County Auditor

Date: November 7, 2022

Subject: Constable, Precinct 5 Examination

Scheduled as part of our statutory requirements, the Risk Evaluation and Consulting Division (REC) of the Travis County Auditor's Office has completed an examination of the Constable, Precinct 5 Office. We conducted our examination 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 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. 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 5 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

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component also enters/receipts all assessed fees and vehicle donations. This group is also 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

Our examination methodology was based on applying sampling procedures to office records and on verbal and written representations from the Constable, Precinct 5 Office. 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 matters in the financial statements, records, and controls that might signify material weaknesses or misstatements. Regarding the written and verbal representations made by the Constable, Precinct 5 Office, 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 examination included an assessment of the adequacy and effectiveness of the overall system of financial controls in place for the Constable, Precinct 5 Office during the period June 1, 2021 to May 31, 2022. This encompassed examinations of the overall internal controls in place for handling and managing collections, disbursements, receivables, liabilities, general ledger, internal/external reporting, and fixed assets.

SUMMARY OF FINDINGS

During our examination of the Constable, Precinct 5 Office, we noted an issue with missing receipts due to a system error. Missing receipts increase the risk for misappropriation of incoming funds. We recommend that all gaps in receipt numbering be timely investigated.

ATTACHMENTS

Attachment A: This attachment contains the details of our findings for this examination, including the significance of the noted items, recommendations to office management, and responses by Office management.

EXAMINATION TEAM

Lisa Denton, CFE, Senior Auditor
Travis Lee, Staff Auditor
Frank Williams, Staff Auditor

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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 5 Office during this examination. Please contact us if you have any questions or concerns regarding this report.

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Patti Smith, CPA
Travis County Auditor

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Examination File

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ATTACHMENT A – FINDINGS AND RECOMMENDATIONS

MISSING RECEIPTS

During the examination period, June 1, 2021, through May 31, 2022, we obtained a data download from the Constable 5 Civil Desktop System listing all receipts issued during the examination period. There were 4,413 receipts totaling $2,833,585.64 issued for this period, and we performed gap testing to identify missing receipts. During this testing, we noted there were 82 missing receipts from this sequence.

Per our discussion with Constable, Pct. 5 IT staff, a system error created duplicate receipt numbers, and users deleted the duplicate receipts. However, it appears when the duplicate receipt was deleted, the system deleted the entire receipt (both the original and duplicate). As a result, the system reflects them as a missing receipt, and the IT staff were unable to retrieve the deleted items.

Missing receipt numbers from the Constable 5 Civil Desktop System for the examination period June 1, 2021, through May 31, 2022:

21060077	21090158	21110375	22030142
21060136	21090213	21120026	22030144
21060186	21090351	21120218	22030147
21060221	21090383	22010138	22030217
21060283	21090423	22010139	22030234
21060367	21090424	22010141	22030320
21070031	21090444	22010148	22030372
21070062	21090447	22010170	22030391
21070063	21100043	22010185	22040103
21070065	21100056	22010241	22040106
21070153	21100058	22010260	22040143
21070170	21100100	22010303	22040200
21070194	21100133	22010314	22040260
21070197	21100175	22020102	22040262
21070284	21100279	22020183	22040310
21070303	21100354	22020184	22040340
21070308	21100378	22020185	22040342
21070327	21110064	22020254	22040348
21080321	21110164	22020256	22050253
21090137	21110200	22030083	
21090139	21110271	22030135	

Significance:
Deleting receipts from the system reduces the integrity of the audit trail, and missing receipts increase the risk that these receipts may be used for unauthorized purposes or for misappropriation of incoming funds.

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Recommendation:
All gaps in receipt numbering should be timely investigated and noted. This is a necessary internal control feature that may help prevent or detect misappropriation of funds.

Management Response:
As stated in the Conditions/Facts section of this comment, a system error caused the desktop application to automatically generate duplicates of the receipts listed in Attachment A. To correct the error, the users (supervisors) deleted the duplicates. That action deleted both the original and the duplicate receipts. Per Eric Wu, the Application Development Analyst for CN5, the application has been updated so that receipt errors must be voided instead of deleted going forward.