



COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER CO#129659

PAGE 1 OF 5

DATE: 02/26/2019

SUBJECT: **RECEIVE AND FILE THE AUDITOR'S REPORT OF THE REVIEW OF
FINANCIAL AND SYSTEM CONTROLS FOR CONSTABLE, PRECINCT 6**

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 for Constable, Precinct 6.

BACKGROUND:

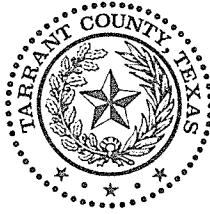
In accordance with Local Government Code, the Auditor's Office performed a review of the financial and system controls established by Constable, Precinct 6, for the twelve (12) months ending September 30, 2018.

FISCAL IMPACT:

There is no direct fiscal impact associated with this item.

SUBMITTED BY: Auditor

PREPARED BY: S. Renee Tidwell
APPROVED BY:



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

CRAIG MAXWELL
FIRST ASSISTANT COUNTY AUDITOR
cmaxwell@tarrantcounty.com

January 31, 2019

Constable Jon Siegel, Precinct 6
The Honorable District Judges
The Honorable Commissioners Court
Tarrant County, Texas

Re: Auditor's Report – Review of Financial and System Controls, Constable Precinct 6

SUMMARY

In accordance with the Local Government Code, we performed a review of the financial and access controls of the Constable's Office, Precinct 6 (Constable), for the twelve month period ending September 30, 2018. The Constable's Office receives process papers from various sources, including Constable 1, out of county agencies, attorneys and the Justice Courts. The Constable's Office does not maintain a comprehensive list of process papers received and then served by the Constable and his deputies. The *Mainframe* is the system primarily used to record both service paper information and financial transactions. However, the reporting functionality for the *Mainframe* is limited and there is no report readily available that lists papers entered, assigned, receipts, and attempted service, etc. The Tarrant County Constables have requested a comprehensive solution to replace multiple systems and manual processes. Because of these limitations and manual processes, our review was limited in scope and we offer no assurance that all funds collected were accurately recorded and deposited with the Auditor's Office.

As a result of our review, we observed that procedures related to the oversight and processing of financial related transactions could be improved. We also communicated less significant matters to staff during our review. Attached is management's written response.

OBSERVATIONS AND RECOMMENDATIONS

Procedures related to the oversight and processing of financial related transactions could be improved.

Background

Segregation of duties is critical to effective internal control because it reduces the risk of mistakes and inappropriate actions. No one employee should be in a position both to perpetrate and to conceal errors or fraud. In situations where it is impossible to separate duties due to the small number of employees, additional controls should be implemented such as independent or supervisory review.

Observations

During our review, we observed procedures related to the oversight and processing of financial related transactions could be improved. Specifically:

1. *Segregation of duties was not always adequate between certain incompatible tasks.* We observed that the Office Manager was responsible for entering receipts into the *Mainframe*, preparing the weekly deposit, and reconciling the month end bank statement. Additionally, the Office Manager has the ability to “back out” (void) receipts recorded in the *Mainframe*. Independent review of the “back out” entries was not always documented.

Furthermore, we found that the daily and/or weekly deposit was not always reconciled to the *Receipts by Date* report generated from the *Mainframe*. For example, we found an instance where the weekly deposit and disbursement amount was more than what was recorded into the *Mainframe* by \$75. The error was not identified until the monthly bank reconciliation was completed. The entry was backdated so that receipts agreed to what was actually deposited.

Without adequate segregation of duties or other mitigating controls, a risk exists that errors could go undetected.

Recommendations

We recommend the Constable develop procedures that include an independent review and reconciliation of the weekly deposit to the *Receipts by Date* report. These procedures should also include the review of accuracy and validity of any “back out” receipts. This review should be documented.

2. *Certain charges assessed and collected did not comply with the published fee schedule.* Local Government Code 118.131 authorizes Constables to assess fees for services as approved by Commissioners Court. For example, we observed two receipts where the citation fee charged and collected was \$150. The current fee schedule approved by the Commissioners Court allows for the assessment of \$75 for citation fees.

Recommendations

We recommend the Constable implement procedures to periodically review fees listed on the *Receipts by Date* report to the underlying service paper to ensure compliance with the published fee schedule. In instances where the paper has already been served and payment presented, we recommend the Constable implement procedures to receipt the payment and refund the overpayment. A refund can either be requested through *ReadSoft* or a manual check request sent directly to the Auditor's Office.

3. *The monthly invoice to Office of the Attorney General's (OAG) was not always accurate.* Each Constable's Office is responsible for invoicing the OAG for cases involving child support for the State of Texas. This is a manual process as the *Mainframe* is not configured to support invoicing functions. We found one instance out of 11 tested where the OAG was billed twice for the same service paper. This occurred because the wrong reference number was invoiced to the OAG. As a result, the OAG was overbilled a net amount of \$49.50.

Recommendations

We recommend the Constable contact the OAG to initiate a refund for the \$49.50. We also recommend an independent or supervisory review of the monthly invoice to the OAG.

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 Buchanan, Audit Manager
Angela Tran-Le, Internal Auditor



TARRANT COUNTY

**JON SIEGEL
CONSTABLE PRECINCT 6
6551 GRANBURY ROAD
FORT WORTH, TEXAS 76133**

February 16, 2019

Renee Tidwell
Tarrant County Auditor
100 E. Weatherford
Fort Worth, Texas


Re: Review of Financial and System Controls, Constable Precinct 6

Mrs. Tidwell,

The Tarrant County Precinct 6 Constable's office is in receipt of the Auditor's Report dated January 31st, 2019. I accept the report and agree with the observations related to the financial and system controls. We will implement your recommended procedures. I appreciate your staff and their willingness to assist us in correcting the deficiencies.

I look forward to the continued positive working relationship with the Tarrant County Auditor's Office. Please feel free to contact me or any of my staff should you have further questions or suggestions.

Thank You,


Jon Siegel
Constable Precinct 6