



COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER CO#140055

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DATE: 01/10/2023

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 reviewed the Constable's Office financial and system controls in place for the five months ending September 30, 2022.

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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December 2, 2022

The Honorable Jon Siegel, Tarrant County Constable, 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, the Auditor's Office reviewed the Constable's Office financial and system controls in place for the five months ending September 30, 2022. *CivilServe*, a Tyler Technologies software, went on live on January 1, 2022. The Auditor's Office has previously identified various system limitations which were reported to Commissioners Court on May 10, 2022 (CO #138066).

As a result of our review, we observed various financial controls that require management's attention. We discussed our observations, along with some less significant matters, with the Constable and his staff. Specifically:

1. *Segregation of duties was not adequate between certain incompatible tasks.* We observed the same staff responsible for entering receipts and making disbursements also prepared a monthly bank reconciliation.

Recommendations: No one person should control all aspects of a financial transaction. While we understand the staffing limitations of the Constable's Office, the Constable should implement procedures that includes an independent review of the reconciliation of *daily* transactions to the prepared deposit. The Constable or the Chief Deputy should also review the accuracy of the monthly bank reconciliation, particularly any reconciling items.

2. *Deposits were not always made in accordance with Local Government Code.* We observed six instances where deposits were not made to the Auditor's Office by the 5th business day after the money was received. Furthermore, receipts were kept in a locked drawer instead of a safe.

Recommendations: To ensure compliance with Local Government Code, the Constable should make deposits with the Auditor's Office at least weekly. All funds collected should also be secured in a safe rather than a file drawer.

3. *Disbursements were not recorded into CivilServe for over nine months.* As a result, *CivilServe* showed that the Constable had approximately \$21,000 more than the actual cash held in the Constable's bank account. In January 2022, the Auditor's Office provided financial guidance to each of the constables' office managers specifically stating that the disbursements should be recorded in *CivilServe* as part of their accounting process.

Recommendation: All disbursements should be recorded in *CivilServe* at the time disbursements are made.


4. *A daily reconciliation of receipts collected was not performed.* Instead, a reconciliation is performed when the deposit is prepared. Therefore, duplicated receipts entered into *CivilServe* were not discovered and voided until four days later.

Recommendation: A daily reconciliation should be performed so that errors are identified and corrected in a timely manner. Voids should be reviewed and signed off by management, then provided to the Auditor's Office as part of the monthly reconciliation packet.

CLOSING REMARKS

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

Sincerely



S. Renee Tidwell, CPA
County Auditor

Distribution: Chris Williamson, Chief Deputy

Audit Team: Matt Jones, Audit Manager
Maki Brown, Senior Internal Auditor



Audit Reply 2022

1.

REPLY:

Due to the staffing limitations mentioned in the segregations of tasks, the office staff will make sure whomever does the deposit for the week will not do the disbursement for that deposit. We will continue to have the Chief Deputy and/or the Constable initial and date all deposits and compare them with the checks transferring them to the trust account. We will also start comparing the transaction report with the actual monthly bank statements for any discrepancies daily. The actual bank statements and reconciliations will be compared with the ones we do in house for accuracy.

2.

REPLY: We will make sure that all deposits are made to the Auditor's Office no later than the 5th business day after the money is received. We do not have a small safe in this office. Therefore, we keep any money collected, in a metal filing cabinet drawer that is kept locked. The only two keys are kept by the Office Secretary and the Office Manager. If you are still recommending we have a safe, we are willing to get one. We even have a locked closet a small one would fit in providing an extra layer of security. We are willing to take an unused or spare safe should one be available elsewhere in the county. If not, We can add one to next year's budget or If funds were to become available this year I would be willing to request reallocating funds to help meet your recommendation.

3.

REPLY: Due to a misunderstanding with the new CIVLSERVE program, we did not follow this step and fell nearly 9 months behind. Once the auditors brought this to our attention this was corrected and the oversight and data brought up to date and current. We now perform a Distribution Report with every deposit.

4.

REPLY: As stated before, we occasionally go for a week or more without receiving funds. As an example, the checkbook shows no funds received 4/18-4/25 and again 8/25-9/6. The last one is nearly two weeks. We have many other weeks we only receive only one or two checks. We will focus on getting the Distribution Report done timely but want to reiterate the reason there may not be "Daily Distribution

Reports" is if there are no funds received there will be no report generated.

