

2020

**Travis County Auditor's Office Examination of
Constable, Precinct 5**

**Travis County Auditor's Office
Risk Evaluation and Consulting Division**

April 9, 2020

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

Date: April 9, 2020

To: Carlos Lopez
Constable, Precinct 5

From: Patti Smith
Travis County Auditor

Subject: Constable, Precinct 5 Statutory 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 Constable, Precinct 5 Office (CN5). 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. 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, 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.

EXAMINATION METHODOLOGY

Our work was based on applying sampling procedures to office records and on verbal and written representations from CN5. 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 CN5, 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 report details an assessment of the adequacy and effectiveness of the overall system of financial controls in place for CN5 during the period of January 1, 2019 through December 31, 2019.

SUMMARY OF FINDINGS & RECOMMENDATIONS

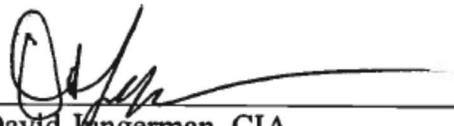
During this examination, we noted funds collected for 25 (37%) of the 68 receipts tested were not remitted to the Treasurer within 5 business days, as required by statute. See Attachment A for our findings and the management response.

EXAMINATION TEAM

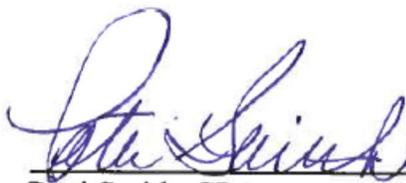
Amanda Muehlberg, Lead Auditor
Travis Lee, Staff
Ely Allen, Staff

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 Constable, Precinct 5 Office during our review. Please contact us if you have any questions or concerns regarding this report.



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



Patti Smith, CPA
Travis County Auditor

REPORT DISTRIBUTION

Tim Sulak, Judge, 353rd Judicial District
Brenda Kennedy, Judge, 403rd Judicial District
Sarah Eckhardt, Travis County Judge
Jeff Travillion, Commissioner, Precinct 1
Brigid Shea, Commissioner, Precinct 2
Gerald Daugherty, Commissioner, Precinct 3
Margaret Gomez, Commissioner, Precinct 4
Joe Alvarado, Financial Manager, Constable, Precinct 5
Cinda Kortan, Office Manager Senior, Constable, Precinct 5
Travis County Executive Managers
Managers, Travis County Auditor’s Office
Examination File

ATTACHMENT A – AUDIT COMMENT AND MANAGEMENT RESPONSE

1. Receipt Remittance to the Treasurer

The Risk Evaluation and Consulting Division of the Travis County Auditor’s Office has completed an examination of the accounts and records of the Constable, Precinct 5 Office. During this examination, we noted that for 25 (37%) of the 68 receipts tested, the funds collected were not remitted to the Treasurer within 5 business days, as required by statute.

Significance:

Per Local Government Code Section 113.022:

(a) 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.

The statute provides leniency for deposits that cannot be made on or before the following business day which would reasonably account for delays beyond the control of the office; however, the deposits in question exceeded the leniency period and were not in compliance with statute.

Recommendation:

We recommend the financial division for CN5 update current processes to reconcile and remit funds more frequently in order to meet statutory requirements.

Management Response:

The verification process from receipt to disbursement at CN5 takes a bit longer because CN5 uses 2 software programs. Receipting is done in the CN5 Desktop Database. Funds are deposited to the CN5 Official Fees Bank Account by the next business day and those deposits are subsequently posted, verified and reconciled to the bank in QuickBooks, prior to disbursing the funds.

Disbursement Process:

Day 1 – Payments receipted in CN5 Desktop Database & deposits to CN5 bank account prepared

Day 2 – Deposits picked up by armored car service

Day 3 – Deposit documentation verified & posted to QuickBooks

Day 4 or 5– Deposits reconciled to the bank & Official Fees remitted to the Treasurer

Remittances to the Treasurer take about 4 to 5 days and should occur no later than the 7th business day from the date of receipt to allow for delayed deposits and discrepancies.

Management couldn’t find any specific notations as to why some remittances occurred after the 7th business day and the FTE responsible for reconciling and remitting funds during that time period is no longer employed at the County.

Receipts and remittances dated between 10/1/2019 and 12/31/2019 occurred less frequently because we were down 1 FTE.

CN5 has been assigned to a new FTE and the receipt to disbursement process has been revised so that Official Fees are receipted & remitted on a daily basis but no later than the 5th business day from the date of receipt to allow for delayed deposits and discrepancies. The deposit verification and reconciliation process will no longer delay remittance. American Express settlements delays, armored car service delays or other discrepancies will be documented within the remittance paperwork.

New Disbursement Process:

Day 1 – Receipt Issued in CN5 Desktop Database & deposits to CN5 bank account prepared

Day 2 –Deposits picked up by armored car service & Official Fees remitted to the Treasurer

Day 3 or 4 – Deposit paperwork verified & posted to QuickBooks

Day 4 or 5– Deposits reconciled to the bank