

**Travis County Constable, Precinct 3  
Report of Findings and Recommendations  
(Exit Examination)  
#13-01**

**Report Date: April 9, 2013  
Issue Date: September 8, 2013**

TRAVIS COUNTY  
AUDITOR'S OFFICE

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April 9, 2013  
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Exit Examination  
#13-01

### **Report of Findings and Recommendations**

Sally Hernandez  
Constable, Precinct 3

Scheduled as part of our statutory requirements, the Revenue and Internal Controls Auditing Division of the Travis County Auditor's Office has completed an exit examination of the Constable, Precinct 3 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.

The primary objective of this examination was to verify the validity of the Constable, Precinct 3 Office's books and reports as of the end of the prior constable's term of office. Our examination of this office included an assessment of the adequacy and effectiveness of the overall system of internal controls in place for Constable 3's accounting system as of December 31, 2012. This included examinations of controls over handling and managing collections, liabilities, receivables, bank reconciliations, fixed assets and user access to the County's financial system.

Our work was based on applying sampling procedures to office records and on verbal and written representations from this 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 Constable, Precinct 3's financial statements, financial records and internal controls that might be material weaknesses or misstatements. In regards to the written and verbal representations made by this 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.

Based on our examination, we gave the system of internal controls for this functional area our rating of "Adequate", which indicates an overall solid system of internal controls that outweighs the relative number of minor audit findings. See Attachment A for an explanation of our grading system for the overall control environment.

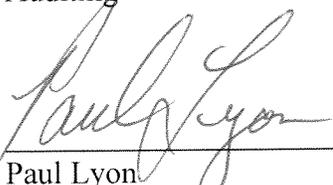
Specifically, we noted discrepancies between the fixed asset inventory for this office maintained by the Purchasing Office and the fixed assets currently in the possession of Constable, Precinct 3. Details of this item, our recommendations, and management's responses to this issue can be found in Attachment B. Immediately after the title of the control issue listed in Attachment B, we have placed our assessment of the severity of that particular issue in parenthesis. They are assessed as having "Most Serious," "Serious" or "Less Serious" significance.

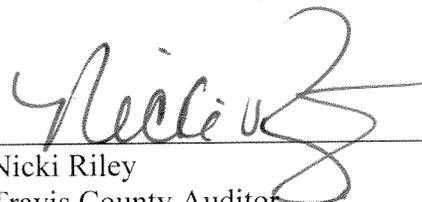
Copies of this office's financial statements for December 31, 2012 are provided in Attachment C. The express purpose of presenting these financial statements and the associated findings is to comply with the applicable local government code statutes and to provide internal control feedback to Travis County officials. This financial statement has not currently been audited by Travis County's external auditors.

These findings and recommendations are intended solely for the information and use of management and Commissioners' Court. We would like to note that this was an exit examination of the previous administration for this office only. No assessment was made of the internal controls put in place by the incoming constable.

We greatly appreciate the cooperation and assistance received from the management and staff of the Constable, Precinct 3 Office during this examination. Please contact our office if you have any questions or concerns regarding this report.

  
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Examination File

## EXECUTIVE SUMMARY

### **Functional Area:**

Constables serve as a law enforcement agency for Travis County, with countywide 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 justice of the peace courts. The constables also process and execute misdemeanor traffic and hot check warrants of arrest for Travis County justice of the peace courts and for other municipalities and counties.

### **Prior Examination Exceptions (#11-11, Dated May 9, 2012):**

No prior examination findings noted.

### **Current Examination Objective (Period – December 31, 2012):**

The scope of this examination included a review of receipts and disbursements to verify compliance with statutes and internal policies and procedures. In addition, we evaluated controls over internal functions responsible for handling and managing collections, refunds, fixed assets, user access to the County's financial system, as well as the final disposition of the funds on hand.

### **Current Examination – Significant Findings:**

During this examination, we reviewed only the records of the prior administration of this office. No assessment was made of the new constable's records or internal controls; nor were significant findings noted relating to the prior administration.

### **Overall Opinion (See Transmittal Letter for Specifics):**

The overall system of internal controls in place for this office was rated "Adequate".

### Internal Controls Rating Key

Rating Designation	Rating Description
Good	Well established internal controls with few, if any, minor exceptions
Adequate	Overall solid system of internal controls outweighs the relative number of minor or more serious findings
Requires Improvement	Weaknesses exist that negatively impact the overall system of internal controls
Requires Significant Improvement	Significant number of weaknesses that negatively impact the overall system of internal controls
Inadequate	Existing overall system of internal control is ineffective

Note: A good internal control system reduces the risk of errors, defalcations, and misappropriations of funds. Weak internal control systems provide an environment in which errors, defalcations, and misappropriations of funds can go undetected.

## Attachment B

### 1. Fixed Asset Inventory

As of December 31, 2012, there were 283 assets assigned to the Constable, Precinct 3 Office. During our review of these assets, we were unable to locate 6 assets, one of which was historically unknown. These items are detailed below:

Historically Unknown Assets Not Found During Examination:	
Asset Number	Description
1015312	CAMERA, CANON A430 DIGITAL

Other Assets Not Found During Examination:	
Asset Number	Description
1018645	SYSTEM 7 PRO VCR
1018151	RADIO XTL5000 MOBILE
1018152	RADIO XTL5000 MOBILE
1039809	PYTHON III STATIONARY RADAR UNIT
1015763	TASER X26E SYSTEMS MODEL #26011

In addition, we noted that the departing Constable, Richard McCain, was still listed as the responsible employee for nine of the verified assets in the Constable Precinct 3's possession. These nine items are as follows:

Assets that are still assigned to Richard McCain:	
Asset Number	Description
1006798	COMBINATION VCR/20
1008073	RADIO PORTABLE XTS2500II
1002473	2009 TOYOTA HIGHLANDER HYBRID
1001920	2007 FORD F150 PICKUP
1002628	2010 FORD POLICE INTERCEPTOR
1002630	2010 FORD POLICE INTERCEPTOR
1002827	APX MOBILE DASH MOUNT
1030429	NOTEBOOK E6410 LATITUDE
1005559	PRINTER LASERJET HP

#### Significance:

Article 3.10.4, "Missing Assets", of the Travis County Fixed Asset Policy and Procedures Manual states:

*"The user department shall contact the Fixed Asset Manager when an item is identified as "missing" and the department cannot prove that theft occurred. Assets identified as "missing" shall not be immediately removed from the inventory listing, but shall be retained until a thorough search can be made to determine that the asset is not located elsewhere in the county. The user department is required to make a thorough and adequate search for the missing item and document steps taken to locate the asset."*

In regards to assets assignments, both for the responsible party and the office assigned, this data should be kept up to date to improve the safeguarding of assets and help ensure accountability.

Recommendation:

Based on the noted significance, we recommend that Constable 3 verify that the 16 assets noted cannot be located. If not, this office should follow the procedures as outlined in Article 3.10.4 of the Travis County Fixed Asset Policy and Procedure Manual regarding the missing assets.

Assets that are not assigned to the correct responsible party or office should be corrected as soon as possible, with the assistance of the Fixed Asset Manager in the Purchasing Office.

Management Response:

Asset's 1018645, 1018151, 1018152 and 1039809 are *Unknown (not found)*. Asset Management has been notified, Pursuant Article 3.10.4, "Missing Assets", of the Travis County Fixed Asset Policy and Procedures Manual. Asset 1015763 is unaccounted for and has been reported to Asset Management as missing.

All assets above have been assigned accordingly (to individual in possession) in SAP. No assets are under Richard McCain.

**Travis County Constable, Precinct 3**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Fund**  
**December 31, 2012**

<b>Assets</b>	
Cash	\$ 4,979
Accounts receivable, net	<u>4,666</u>
Total assets	<u>9,645</u>
<b>Liabilities</b>	
Due to third parties	<u>9,645</u>
Total liabilities	<u>9,645</u>
Net Assets	<u><u>\$ -</u></u>

NOTE: The express purpose of presenting this financial statement and the appropriate findings is to comply with applicable local government code statutes and to provide internal control feedback to Travis County officials. This financial statement has not currently been audited by Travis County's external auditors.