



AUDIT REPORT

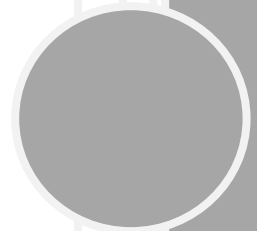
DALLAS COUNTY

COUNTY CLERK TRUANCY 91, 92 AND 94 - FY 2022

Darryl D. Thomas
Dallas County Auditor

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County Clerk Truancy 91, 92 and 94 - FY 2022

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This report is intended for the information and use of the agency/department. While we have reviewed internal controls and financial reports, this review will not necessarily disclose all matters of a material weakness. It is the responsibility of the department to establish and maintain effective internal control over compliance with the requirements of laws, regulations, and contracts applicable to the department



DALLAS COUNTY
COUNTY AUDITOR

MANAGEMENT LETTER

Honorable John Warren
County Clerk
Dallas, Texas

Attached is the County Auditor's final report entitled "**County Clerk Truancy 91, 92 and 94 - FY 2022**" Report. In order to reduce paper usage, a hard copy will not be sent through in house mail except to the auditee.

In you prefer that released reports be emailed to a different (or additional) recipient, please inform me of the name and the change will be made.

Respectfully,

Darryl D. Thomas

Darryl D. Thomas
County Auditor

EXECUTIVE SUMMARY

A review of Truancy South, North and East Locations for fiscal year 2022 revealed the following significant observations.

Summary of Significant Observations:

- Ten active tills associated to six users no longer employed with County Clerk Truancy department.

Repeat observations from Previous Audits:

- Delay in voiding computer receipts.

Only those weaknesses which have come to our attention as a result of the audit have been reported. It is the responsibility of the department management to establish and maintain effective internal control over compliance with the requirement of laws, regulations, and contracts applicable to the department.

INTRODUCTION

Dallas County Auditor's Office mission is to provide responsible, progressive leadership by accomplishing the following:

- Comply with applicable laws and regulations
- Safeguard and monitor the assets of the County utilizing sound fiscal policies
- Assess risk and establish and administer adequate internal controls
- Accurately record and report financial transactions of the County
- Ensure accurate and timely processing of amounts due to County employees and vendors
- Set an example of honesty, fairness and professionalism for Dallas County government
- Provide services with integrity
- Work in partnership with all departments to resolve all issues of the County
- Strive to utilize the latest efficient and effective technology in the performance of tasks
- Provide technical support and training in the development, implementation, and maintenance of information systems
- Hold ourselves accountable to the citizens of the County at all times
- Be responsive to the elected officials and department heads of Dallas County

The objectives of this audit are to:

1. Ensure compliance with statutory requirements
2. Evaluate internal controls
3. Verification of accuracy and completeness of reporting
4. Review controls over safeguarding of assets

This audit covered the period of October 1, 2021 through September 30, 2022.

The audit procedures will include interviews with key process owners, observation of transactions processing, data analysis and sample testing of transactions. The main system used will also be reviewed and incorporated as part of the testing of transactions.



DETAILS

Computer Receipts Voids and Cash Management

A review of all Truancy computer receipts voided during fiscal year 2022 revealed three voided computer receipts totaling \$646 were voided between 30 minutes and 8 hours after the original transaction.

Risk identified during the walkthrough of department's internal controls of cash handling process revealed the bookkeeper receipts all payments, reconcile tills, and prepares deposit.

Internal controls procedures related to voids and proper cash handling indicate that receipts should be verified for accuracy, including the amount, tender type, and payer name fields before issuing to a customer. Processing of financial transactions should reflect proper segregation of duties so no one user has two or more business process that could result compromise of the integrity of the process or allow a person to conceal or commit fraud. All payments should be receipted and deposited in accordance with V.T.C.A., L.G.C. § 113.022. Incomplete controls over the timely receipting for voids and lack of segregation of duties has resulted in inaccurate financial records and may increased potential risk that funds may be misappropriated.

Recommendation

Computer Receipts Voids and Cash Management
Management should:

- Periodically review system reports and daily work for accuracy and staff compliance to established policies and procedures.
- Establish compensating controls for review of deposits without a full-time supervisor on staff.
- Consider requesting additional staff for proper segregation of duties.

Management Action Plan

- The supervisor or clerk receives the funds from the defendant at the clerical window. The supervisor or clerk counts the funds in front of the defendant. The supervisor or clerk hand delivers the funds and the defendant's file to the bookkeeper. Prior to beginning the transaction process, the bookkeeper recounts the funds delivered by the clerk. As a Best Practice, the supervisor or manager will observe the bookkeeper count the funds and recount the funds for accuracy at the end of business. If the Supervisor or manager is unavailable, a clerk will recount the funds after the bookkeeper counts the funds at the end of business. The computer receipt tape is reviewed. There are two receipts, one receipt is maintained within the department for records. The second receipt, put inside the deposit bag and sent to the County Treasurer. The management team has rights and roles to void and is involved in all void transactions. The User is not authorized to void their transaction. Therefore, must request approval. The void must be approved by the next level of



management. The supervisor or manager reviews the case in Odyssey. A "Void/Reversal form was created for the next level of management to sign off on and convey a reason as to why the void was necessary. The void form consists of the defendant's name, case number, error and correction date, receipt number, type of tender, amount of transaction, and the management team's signature. The Void/Reversal form is scanned and attached to the case in Odyssey. The voided receipt is marked "void ". The voided receipt and a copy of the original receipt must be affixed to the Void/Reversal form and kept in the designated area in the department. Management will continue to use a Transaction Listing Report.

Auditors Response

None

Financial Set-Up

A limited review of the Odyssey system financial setup and user access for County Clerk Truancy during fiscal year 2022 revealed ten active tills associated to six users who are no longer employed in the County Clerk Truancy department or Dallas County. Best practices indicate all set-up related to financial systems should be end-dated or disabled once codes are no longer used to limit potential posting errors. Inconsistent management review of the user access lists may lead to limited accountability for the posting of financial transactions to accounts belonging to terminated/transferred employees and increased the risk that funds may be misappropriated.

Recommendation

Financial Set Up

Management should:

- End-date and check mark the inactive box to terminate Odyssey user's accounts. All assigned cashier stations and tills should be de-activated when users are no longer employed in the County Clerk Truancy.
- Request user access for ex-employees or reassigned employees be disabled with follow-up occurring to ensure user account was disabled.
- Periodically perform review of accounts to confirm timely deactivation for separated / transferred employees.

Management Action Plan

- The Court Manager, explained to the Lead Tech Analyst, that the Financial Set-up (Odyssey accounts of former employees), continues to be an annual audit finding. Also, explained that the Internal Audit department requested that all former employees Odyssey Accounts be disabled. Although the proper Odyssey User Request form was submitted by the Court Manager, the IT dept would not disable the Odyssey account. Currently, with one exception, the former employees' Odyssey accounts were removed from the Truancy division. The Court Manager is consistent with reviewing the user access of former employees. Therefore, there is no risk to funds being misappropriated.

DALLAS COUNTY



COUNTY AUDITOR

Auditors Response

- None

cc: Darryl Martin, Commissioners Court Administrator