

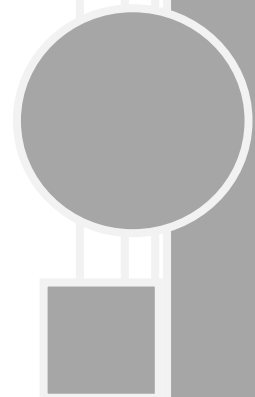


AUDIT REPORT

DALLAS COUNTY

DRO CHILD SUPPORT ICQ AND FOLLOW-UP REVIEW

Darryl D. Thomas
Dallas County Auditor
ISSUED: January 28, 2019
RELEASED: January 28, 2019



DRO CHILD SUPPORT ICQ AND FOLLOW-UP REVIEW

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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

Angela Igrisan
Domestic Relations Manager
Dallas, Texas

Attached is the County Auditor's final report entitled "**DRO Child Support ICQ and Follow-up Review**" Report. In order to reduce paper usage, a hard copy will not be sent through in-house mail except to the auditee.

If 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,

A handwritten signature in blue ink, reading "Darryl D. Thomas".

Darryl D. Thomas
County Auditor

EXECUTIVE SUMMARY

The Dallas County Child Support Office is responsible for receiving child support payments as ordered by the Family and Juvenile Courts. The Child Support Office records, monitors, and disburses these payments in the timeliest manner possible to help maintain the standard of living for recipient children. As part of ongoing reviews of county offices compliance with statutory regulations, we performed a follow-up review on the audit findings identified for the Domestic Relations Office (DRO) Child Support during fiscal years 2013-2015. Management did not implement any changes in response to the prior audit findings. Procedures included inquiry of employees and review of responses to an internal control questionnaire related to current processes. The significant observations below were identified:

Summary of Significant Observations

- DRO accepts funds from Texas Child Support Disbursement Unit (TxCSDU) customers without issuing an official Dallas County receipt.
- Updating of passwords and safe codes are not made after employees terminate employment.
- Management accepts risks associated with prior audit findings.

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. Evaluate internal controls.
2. Determine whether department implemented any action plans for prior audit findings.

This Internal Control Questionnaire (ICQ) covered the processes in place during fiscal year 2018.

The audit procedures will include interviews with key process owners, observation of processes, and review of responses to ICQ.

DETAILS

Prior Audit Follow-Up and ICQ

Review of the status of department actions to mitigate internal control weaknesses identified in prior audits revealed that deposit and receipting errors related to recording checks for the legal written amount versus the numeric amount still exist. **Status:** A deposit received at the County Treasurer's Office on August 14, 2018 was \$100 less than the system control total due to a check that was receipted for the numeric amount instead of the legal written amount. Cash handling duties are not properly segregated and there are no compensating controls given the limited staff size; access to the safe is not under dual control; DRO continues to take possession of payments court-ordered to be mailed directly to the Texas Child Support Disbursement Unit (TxCSDU); and passwords and safe codes are not always updated after employees are terminated. Though the department has indicated that employee turnover is low, changing passwords and security codes after employees leave, who have knowledge of the access information, is an important security measure to protect Dallas County assets and data.

All monies received should be promptly receipted and deposited consistent with Local Government Code, § 113.022 and the Code of Criminal Procedure, § 103.004. Receipts should be verified for accuracy of amount, payment type, case number, and payer before issuing to a customer. Operational practices and review steps relevant to cash management should include procedural controls that requires proper segregation of duties. Official Dallas County receipts should be issued when accepting funds, and access to the safe should be under dual control. Passwords and safe codes should be updated when an employee who had access leaves the position or no longer requires access to help ensure the protection of data and information.

Inconsistent management supervision, clerical errors, and inadequate segregation of duties or compensating controls, have resulted in delayed revenue recognition; potential liability to Dallas County for misdirected Texas Child Support Disbursement Unit (TxCSDU) payments; and increased potential for unintended disclosure of privileged data and information. Management accepts the risks associated with previously identified audit findings.

Recommendation

Prior Audit Follow-Up and ICQ

The Domestic Relations Office - Child Support management should:

- Establish written procedures for cash handling and the processing of terminated employees.
- Re-emphasize that checks are to be receipted for the legal written amount.
- Not assume responsibility for TxCSDU payments. Payments receive in error through the mail should be directed back to the sender.
- Issue an official Dallas County receipt for all payments received including payments accepted on behalf of another entity. This can be accomplished by configuring CLASS (CWR) with to accept non-receipt payments that do not impact the daily deposit.

Management Action Plan

Auditors Response

cc: Darryl Martin, Commissioners Court Administrator