

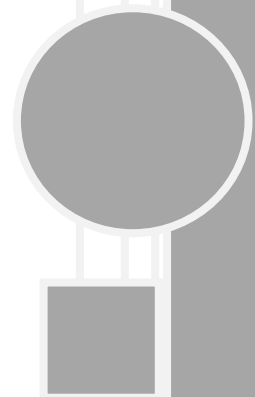


# AUDIT REPORT

DALLAS COUNTY

ELECTIONS ICQ AND FOLLOW-UP REVIEW

Darryl D. Thomas  
Dallas County Auditor  
ISSUED: January 16, 2019  
RELEASED: January 16, 2019



# ELECTIONS 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**

Toni Pippins-Poole  
Elections Administrator  
Dallas, Texas

Attached is the County Auditor's final report entitled "**Elections 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 Elections Department is responsible for voter registration activities and election operations throughout Dallas County. There are 797 voting precincts in Dallas County and a total of 54 political subdivisions which break down into 30 Cities, 17 Independent School/Community College/County School Board Districts, 7 Water and Flood Districts. A review of the department's actions in response to the internal control weaknesses identified in the audit of fiscal years 2013 through 2015 revealed that the department had taken steps to mitigate internal control weaknesses. We determined that the department has implemented 13 of 13 management action plans related to prior audit findings. While the Elections Department management has made improvements to the internal control environment since the prior audit, responses to the Internal Control Questionnaire about processes in place during fiscal year 2018 revealed the significant observations below:

### **Summary of Significant Observations**

- Deposits do not include all receipts written or registered transactions subsequent to the last deposit.
- System controls do not require supervisory approval to void a computer receipt.

## **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**

### **ICQ Review**

As part of an ongoing review of the Elections Department's internal control environment, a review of the department's responses to an Internal Control Questionnaire related to processes in place during fiscal year 2018 revealed the applicable receipt series is not clearly indicated on the deposit form; deposits do not include all receipts written or registered transactions subsequent to the last deposit; and the receipting system does not require that a supervisor approves voiding of computer receipts. A lack of managerial oversight and clerical errors may have increased the potential that funds may be lost or misappropriated.

All monies received should be promptly receipted and deposited consistent with state law, Local Government Code, § 113.022 and 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. Best practices for cash management indicate that all voids be performed at the supervisor level and the computer receipt sequence is indicated on deposit slip.

### **Recommendation**

#### **ICQ Review**

The Election's Department management should:

- Review deposit forms to ensure all applicable information is included.
- Establish written procedures for voiding receipts that include the requirement of supervisory review.
- Review the daily tills to ensure all deposits are included in the close-out process.

### **Management Action Plan**

### **Auditors Response**

#### **Elections Prior Audit Follow-up**

A follow-up review was performed regarding the status of the Election Department's management response to findings identified during the audit of fiscal years 2013 through 2015. Inquiry of Elections Department employees revealed that the department had taken steps to mitigate the internal control weaknesses identified in the prior audit including eliminating the use of manual receipts with the implementation of the CLASS (CWR) System in 2017; retaining copies of approved Form 98 deposit slips for audit review; depositing funds on a daily basis; segregating the duties of employees with cash handling responsibilities; requiring exact change for customers paying with cash and accepting credit card payments as an alternative; requiring supervisory verification of the opening cash balance and verification that all funds are deposited daily; limiting access to the safe; assessing only fees and amounts approved by the Dallas County Commissioners Court; and ensuring that all elections escrows have been closed through 2018.

**Recommendation**

**Elections Prior Audit Follow-up**

The management of the Elections Department should:

- Continue their current processes as indicated in response to prior audit findings.
- Stay aware of changes in their operational and statutory environment that may necessitate changes to current controls.

**Management Action Plan**

**Auditors Response**

cc: Darryl Martin, Commissioners Court Administrator