

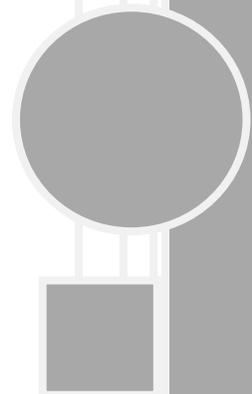


AUDIT REPORT

DALLAS COUNTY

LAW LIBRARY - FY2018

Darryl D. Thomas
Dallas County Auditor
ISSUED: August 01, 2019
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LAW LIBRARY - FY2018

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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

David Wilkinson
Law Library Director
Dallas, Texas

Attached is the County Auditor's final report entitled "**Law Library - FY2018**" 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 that reads "Darryl D. Thomas".

Darryl D. Thomas
County Auditor

EXECUTIVE SUMMARY

A review of Jury Services for fiscal years 2017 and 2018 revealed the significant observations listed below:

Summary of Significant Observations

- Employee passwords were shared and used by multiple users to process transactions in CWR.

Status: After notification from Internal Audit, Law Library obtained separate user IDs and passwords for each employee.

- 12 cash transactions were voided more than 20 minutes after the issuance of the original receipt.

Repeat Observations from Previous Audits:

- Newly programmed copy cards being sold to customers out of sequence
- No evidence of supervisory review of voids.
- Incomplete/insufficient information entered into CWR Comment field for voids and cancellations.
- Employee passwords were shared and used by multiple users to process transactions in CWR.

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, 2017 through September 30, 2018.

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

Financial Set Up

A walk-through of internal controls, observation and inquiry of Law Library employees, and a review of the CWR financial set-up revealed one non-supervisory employee was assigned Cashier and Supervisor roles in CWR; employees enter their initials in the payer section of the CWR receipt instead of customer information; and seven employees share the same user ID and password, giving them access to both Cashier and Supervisor functionalities.

The County-Wide Receipting (CWR) Administration manual as of June 29, 2010 defines the function and appropriate assignment of Inquiry, Cashier and Supervisor user roles in CWR: the Inquiry role supports on-line inquiry, which is limited to reporting capabilities; the Cashier role issues receipts and accepts payments. A cashier can be assigned to multiple deposit sources but should not also be assigned the Supervisor role; and the Supervisor role allows an individual to close out receipting periods, adjust fee amounts, cancel receipts and prepare deposits. While a person assigned the role of Supervisor may also be assigned the role of Cashier, it is expected that they will only create transactions infrequently. Best practices for internal control include adequate segregation of duties between personnel authorized to receipt payments, void payments and prepare the deposit, so that no one user performs two or more business processes that could result in compromise of the integrity of the process or allow that person to commit and conceal fraud. Lack of supervisory oversight related to the segregation of duties and assignment of CWR system right/roles resulted in an inability to assign accountability for system transactions and increased the potential that funds may be misappropriated.

Recommendation

Financial Set Up

Management should:

- Modify system rights to limit receipt adjustments capabilities to supervisory employees.
- Ensure that the payer name is entered in CWR instead of staff initials.
- Periodically review roles and functionality for all users to ensure that access is appropriate.
- Enforce Dallas County IT policies related to safeguarding user IDs and passwords.
- Ensure that each cashier uses assigned user ID for accountability and security.

Management Action Plan

After consulting with IT, during this audit, they informed us of another alternative which did not entail completely leaving the system between each customer. That remedy was immediately put into action and employees can now use their own password immediately and not in the payer section.

Auditors Response

None

Computer Receipt Voids

An internal control walkthrough, inquiry of Law Library employees, and a sample review of voided computer receipts revealed: four computer receipts did not have a reason for the void indicated; nine voided receipts were not approved by a supervisor; five voided receipts could not be located for review; and 12 cash transactions were voided more than 20 minutes after the issuance of the original receipt (six receipts totaling \$96.25 were not re-issued and three receipts were re-issued for \$15 less than the original receipt amount). All monies received should be promptly receipted and deposited properly and timely in accordance with Local Government Code (L.G.C.), § 113.022. All receipts should be accounted for and properly used in order to affix responsibility, enhance cash control, and prevent assertion that monies were paid and refund due. Receipts should not be altered, but properly voided (canceled within CWR) and affixed with a reason for the void with retention of all voided copies. The responsibilities granted to users in CWR should be restricted based on their job duties. Supervisory approval of cancelations and adjustments in CWR should be performed. Due to inconsistent supervisory review and clerical oversights and omissions by the staff, computer receipts lacking explanations for voids, and no supervisor approval, there are decreased internal controls over receipts and the increased potential for misappropriation of funds.

Recommendation

Computer Receipt Voids

Management should:

- Emphasize that computer receipt void explanations are to be entered into the canceled reason field in CWR.
- Review and approval of voided computer receipts should be consistently applied by authorized supervisors.

Management Action Plan

Unfortunately, due to our small front desk staff and amount of foot traffic, 200 to 400 people per day, some transactions were not voided immediately. Employees now realize time is important in this situation.

Auditors Response

None

Copy Card

A review of copy card revenue for fiscal year 2018 revealed 54 copy cards were not sold to customers in numerical sequence and one customer was not charged the new card fee. Specific procedures related to the issuance of copy cards indicate that new copy cards should be issued to customers in numerical sequence. Supervisors should account for all used and unused copy cards at least annually and review copy

card activity for proper tracking and issuance. Logs should be maintained in a centralized document to ensure proper order and record keeping. Service fees should be assessed and collected in compliance with applicable state laws, including Local Government Codes and approved Commissioner's Court Orders. Incomplete managerial oversight related to the issuance of copy cards may result in revenue loss for Dallas County due to cards being lost, stolen or misplaced.

Recommendation

Copy Card

Management should:

- Establish and implement written procedures related to the issuance of copy cards.
- Train employees on the copy card procedures.
- Periodically review employee adherence to established copy card procedures.

Management Action Plan

The Law Library has decided to cease selling copy cards in set different dollar amounts and allow customers to decide the amount/number of copies they want programmed on the card. This will allow the Library to sell the cards in vendor sequential order number in the future.

Auditors Response

None

cc: Darryl Martin, Commissioners Court Administrator