



DALLAS COUNTY COUNTY AUDITOR

Memorandum

To: Honorable John F. Warren
County Clerk

From: Darryl D. Thomas *Darryl D. Thomas*
County Auditor

Subject: Truancy South - Review for Partial Fiscal Year 2011 (8/1/2011- 9/30/2011) through
Fiscal Year 2013

Date: Issued March 16, 2015
Released April 27, 2015

Scope

A review was performed in accordance with statutory guidelines on the financial records, reports, and internal controls of the Truancy South Court for fiscal years partial 2011 (8/1/2011-9/30/11) thru 2013 with a internal control procedures walkthrough completed in 2014. Operational functions such as court clerk and bookkeeping activities are under the purview of the County Clerk (clerical / bookkeeping staff budgeted under County Clerk department 4033 during complete audit period and directly supervised by County Clerk). (Judicial appointments, agreements with school districts, and truancy programs effectiveness under the purview of the County Judge were not included in operations / financial review.)

Review Procedures

Standard review procedures were followed to test the internal controls for cash, revenue, and other County assets. A random sampling of the total activity was selected for certain steps based on risk, dollar value of transactions, volume of transactions, and noted internal control weaknesses. Testing involved a review of the Odyssey Case Management system as well as case jackets.

A partial list of the review tests include:

- Accounted for numerical sequence of manual and computer generated receipts
- Traced amounts recorded on the receipts to the bank deposits
- Performed unannounced cash counts
- Reviewed assessed fees for compliance with applicable state laws and Commissioners Court orders
- Reviewed credits, charge reductions, and adjustments
- Reviewed and evaluated responses to the Internal Control Questionnaire (ICQ)
- Evaluated internal control procedures
- Reviewed credit card activity for accurate and timely posting to Odyssey
- Reviewed non-sufficient fund (NSF) activity
- Examined escrow fund disbursements and associated fee dockets to determine if sufficient funds were collected, proper payees paid, and if posting to Odyssey had occurred
- Reviewed unpaid criminal cases for outstanding warrants of arrest

- Examined Odyssey case activity reports
- Reviewed time and attendance records for proper posting and compliance with County policies and procedures

Partial Statistical Listing

During fiscal year 2011, the truancy court processed:

- 2,998 computer receipts totaling \$438,023
- 11,329 class C misdemeanors (failure to attend school and contributing to non-attendance)

During fiscal year 2012, the truancy court processed:

- 3,426 computer receipts totaling \$508,357
- 8,612 class C misdemeanors (failure to attend school and contributing to non-attendance)

During fiscal year 2013, the truancy court processed:

- 2,929 Computer receipts totaling \$430,707
- 7,106 class C misdemeanors (failure to attend school and contributing to non-attendance)

FINDINGS

Cash Management

Receipts – Computer / Manual– A review of manual receipts and manual receipt procedures revealed: manual receipts numbers not entered in the comment section in Odyssey once receipted to the system; and, manual receipt books not secured when not in use.

A sample review of computer receipts, computer receipt procedures, and adjustments revealed: fifteen computer generated receipts skipped in sequence in Odyssey during a three month period; one voided computer receipt with a 37 day delay between the date voided and reposting of the payment; adjustment transactions not entered in a separate adjustment till but combined with daily transactions; and, entry of adjustments not limited to the supervisor or manager.

A review of departmental processes and responses to the ICQ revealed: incomplete controls and a lack of separation of duties over the receipting, balancing, and deposit process; and, access to receipted funds in the safe are not under dual control.

Assessments / Reductions / Waivers / Credits – A sample review of 40 cases with assessments, a sample of 20 adjustments (reversed charges, charge reductions, and reverse charge reductions), and a sample review of 15 credits revealed: instances of errors in recording assessments, reductions, waivers, and credits; entry reductions, waivers, and credits not limited to supervisor or manager.

A review of departmental processes and responses to the ICQ revealed: incomplete controls and a lack of separation of duties over the assessment, reduction, waiver, and credit process; only verbal approval required to post adjustments in Odyssey; defendants do not complete applications for payment plans; fine schedules not updated in Odyssey resulting in clerks using the Judge's additional fine category to manually input the correct fine amount; and the adjustment till is used by multiple users.

Credit Cards – A review of all credit card transactions and a sample review of 46 settled credit card deposits revealed: one credit card payment posted with the wrong payment type in Odyssey was voided and not reposted in Odyssey for 47 business days; and, credit card payments are posted once weekly to Odyssey rather than daily as credit card transactions occur.

NSF Checks – A review of NSF procedures, a sample review of 3 cases with NSF checks, and the Treasurer's NSF check list revealed: NSF items are not flagged in Odyssey; receipted payments returned unpaid by the bank as NSF items are not reversed in Odyssey; and the \$30 NSF fee is not assessed to the party in Odyssey.

Processing/Reporting

Case Filings - A review of the systemic sequential assignment of cases within the Odyssey case management system and Odyssey Case Index reports revealed: sixteen case numbers skipped in sequence ("no match found" comment is shown when case numbers are entered in Odyssey); 637 cases filed out of file date sequence in FY2012; and, five cases filed out of file date sequence in FY2013.

Other/Miscellaneous

Time and Attendance – A review of time and attendance records revealed: one exempt employee authorized ATO resulting in average work week to be less than 40 hours over a 52 week period.

RECOMMENDATIONS

Cash Management

Receipting / Depositing – 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. Receipts should not be altered, but properly voided and affixed with a reason for the void. Voids should require supervisory approval. Manual receipt writing duties should be limited to Odyssey 'downtime' and access to cash limited to establish proper accountability and strengthen internal control.

All tills should be reconciled and closed daily and included on an Odyssey deposit through the Odyssey Managing Deposit functionality. Roles/rights with Odyssey adjustment functionality should be limited to the supervisor and/or manager for processing financial adjustment transactions in a separate 'adjustment' till.

Policy and procedures manual should be developed for cash handling responsibilities and training of current cash handling procedures reinforced. Controls should be implemented for dual control over the safe in which the cash receipts are stored. All rights and roles should be periodically reviewed to ensure users have only the rights necessary to perform their core job functions. A proper segregation of duties reduces the risk of misappropriated funds.

Assessments / Reductions / Waivers / Credits - Court costs, fees, and fines should be properly assessed/collected and timely deposited on all cases based on state laws, Commissioner Court orders, offense dates, offense types, etc. Adjustments to assessments should be made that both good internal control and audit trails are maintained including compensating controls such as dual sign-off on

adjustments, supervisory review and pre-approval, testing, and validation. Full assessment of court costs and fine amounts on Odyssey for defendants considered convicted as defined by Local Government Code § 133.101. Non-monetary credits for court approved community service and waiver of court costs and fines should be added in accordance with statute. Charge reductions and assessment reversals should be limited to correction of errors and fine reductions. Processing of financial transactions should reflect proper segregation of duties (e.g. users with roles/rights to receipt or void payments should be able to add additional charges, but **not** modify, reduce, or delete assessments). User roles granting rights to process manual overrides, charge reductions, credits, and charge reversals should be limited.

Credit Cards – All credit card submissions should be receipted and deposited timely in accordance with Local Government Code, § 113.022 and Code of Criminal Procedure, § 103.004. Settlement reports should be reviewed daily for accepted or rejected credit card payments. Credit card payments should be entered into Odyssey when the credit card transaction appears on the daily settlement report. Credit card payments should be reconciled against the settlement reports and added to the appropriate deposit daily with a separate Form 98 deposit submitted to the County Treasurer.

NSF Checks - A non-docket event and NSF flag should be added to the case on Odyssey once the court is notified of a NSF item by the County Treasurer. The flag should remain until funds are collected. NSF fee of \$30 should be assessed and added to the appropriate party's Odyssey financial tab. Funds returned as NSF, stop payment, or account closed should be reversed within 30 days after notification if not paid in full. The court's NSF tracking list should be maintained and include all relevant information including applicable case number.

Processing/Reporting

Case Assignments – All case numbers are accounted for (with reason codes for missing numbers, deleted numbers, or numbers issued out of sequence, and timely documented), issued consecutively by case type, and properly and timely indexed to Odyssey. Supervisory personnel should test for accurate, proper and complete assignment of case numbers based on established departmental procedures. All rights and roles should be periodically reviewed to ensure users have only the rights necessary to perform their core job functions. Rights to expunge cases should be restricted to the Truancy Court Manager.

Other/Miscellaneous

Time and Attendance – All start times, meal periods, end times, vacation time, sick time, holiday time, jury duty, compensatory time, overtime, ATO, etc. should be properly and timely posted to the Kronos time and attendance system in accordance with the Dallas County Code and Commissioners Court orders.

CURRENT FINDINGS/OBSERVATION AND RECOMMENDATIONS

Finding templates numbered 13.TR9-1.01.01 thru 13.TR9-1.01.08 (excluding 13.TR9-1.01.07) are attached. Management's proposed actions are incorporated on the template comments section.

Summary

The report is intended for the information and use of the 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.

Highest areas of risk which need to be addressed include: timely and properly receipting and depositing all payments; separation of duties over the receipt, deposit, assessment, and adjustment processes; and, daily processing of accepted credit card payments.

Emphasis on outlined procedures should provide for improved departmental processes. Consideration of all issues and weaknesses should be incorporated by the Truancy court as a self-assessment tool. Adherence to and follow-through with the recommendations should strengthen internal control and compliance with Dallas County policies and procedures.

cc: Honorable Judge Clay Lewis Jenkins
Darryl Martin, Commissioners Court Administrator
Ryan Brown, OBE



Finding Number: 13.TR9-1.01.01
Date: April 4, 2014
Audit: Truancy South 9-1 Review
Auditor(s) Assigned: NH

Finding:	<p>Manual Receipts</p> <p>A review of 245 manual receipts issued including all (two) voided manual receipts and a sample review of 40 manual receipts for proper posting to the Odyssey Courts System (Odyssey) during fiscal year 2011 (starting August 2011) thru fiscal year 2013 revealed:</p> <ul style="list-style-type: none"> One unused manual receipt book was not locked in the safe; the receipt book was located in the bookkeeper's storage bin under the desk. Status: New receipt book has been placed in the safe. Manual receipt book (currently in use) is not locked in a drawer or cabinet; receipt book is kept out for access to clerks in the event that both the lead clerk and bookkeeper are out of the office. Two voided manual receipts without a reason for the void indicated (original and all copies were retained). Forty (100%) of the 40 manual receipts sampled for posting to Odyssey lacked entry of a manual receipt number to the Financial comment section in Odyssey. Manual receipt number was added to the event comment section for five cases. Response: Policy will ensure that comments and notes will be added to Odyssey when entering manual receipts. Three (7.5%) of the 40 manual receipts sampled with issuance of a corresponding Odyssey computer receipt delayed for three to 57 days. <p>Departmental responses to the Internal Control Questionnaire (ICQ) and inquiry of Truancy South 9-1 staff revealed:</p> <ul style="list-style-type: none"> Manual receipts number are entered into the Odyssey system when entering the system receipt. However, based on sample testing, the manual receipt number is not entered under financial tab when entering the system receipt. All copies of voided receipt are clearly marked "void" along with an explanation as to why the receipt is being voided. However, based on sample testing, voided computer receipts are <u>not</u> retained. <p>Risks identified during walkthrough of department's internal control processes revealed:</p> <ul style="list-style-type: none"> Manual receipts are used by the other clerks when the bookkeeper and supervisor are both out of the office. (R02) Response: Manual receipts books are used by an authorized Grade 6 court clerk, in the rare instance that the Supervisor and bookkeeper are out of the office. Manual receipt books are kept out on the clerk's desk until the manual receipt books are needed. (R03) Response: Manual receipt books are now kept in a secured area until needed.
Workpaper Reference: (or other method by	Workpapers 4A1-2, 4A.3, 4A.4 Manual receipt books



which finding was identified)	Odyssey Conversation with Truancy 9-1 staff Truancy South 9-1 Responses to the Internal Control Questionnaire dated 2/28/14 Walkthrough 2/21/14 & 3/13/14 with Truancy South 9-1 Staff
Condition: (Describe the current condition)	When the system is non-operational or when the bookkeeper and lead clerk are both out of the office, manual receipts (three part form) are issued by the bookkeeper, lead clerk, and/or clerks. The manual receipt books are not stored in a safe control location. The original manual receipt is issued to the customer. Payments associated to manual receipts are later recorded into Odyssey and a computer receipt is generated. The original computer receipt is set aside for attachment to the corresponding triplicate manual receipt copy retained in numerical order. The duplicate manual receipt copy is attached to the duplicate computer receipt copy retained separately in numerical order.
Criteria: (Describe the optimal condition)	<p>Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific controls related to receipt control procedures require that:</p> <ul style="list-style-type: none"> • 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 and procedures recommended by the County Auditor. • Receipts should not be altered, but properly voided and affixed with a reason for the void with retention of all voided copies. • Manual receipts should be written only during system downtime reflecting the appropriate case number and amount paid. Once the system is restored, the payments are posted to the system and the manual receipt number is entered into the comment field. One copy of the manual receipt is attached to the computer receipt. • The number of individuals authorized to receipt payments and handle cash is properly segregated and limited. <p>Standard accounting and system control procedures require daily reconciliation and balancing of collected funds with receipts promptly issued for the amount of funds tendered. Separate cash drawers should be maintained by all clerks receipting payments and funds should be balanced prior to combining with other receipted funds.</p>
Cause: (Describe the cause of the condition if possible)	Recommended accounting and system control procedures for receipts not followed.
Effect: (Describe or quantify any adverse effects)	Prevents potential assertion that monies were paid and refunds due. Monies may be lost, misappropriated, and/or not entered into Odyssey on a timely basis. Delayed revenue recognition. Potential for unaccounted manual receipts/books and loss of County revenues.
Recommendation: (Describe corrective action)	<p>Receipt control procedures should include:</p> <ul style="list-style-type: none"> • Receipts should be written for all money received. No money should ever be accepted without immediately issuing an official County receipt.



	<ul style="list-style-type: none"> Manual receipts should be written only during system downtime reflecting the appropriate case number and amount paid. Once the system is restored, the payments are posted to the system and the manual receipt number is entered into the comment field. One copy of the manual receipt is attached to the computer receipt. All manual receipts should be accounted for and properly used, include supervisory review, kept in numeric order, have the corresponding computer receipt attached, and are posted and deposited daily, and timely in accordance with Local Government Code, § 113.022 and Code of Criminal Procedure, § 103.004. Receipts should not be altered, but properly voided and affixed with a reason for the void with retention of all voided copies. Manual receipts should be stored in a secure location and used in sequential order. The supervisor should periodically review manual receipt books to ensure all issued manual receipts have corresponding valid computer receipts attached. 				
Responsible Department or Organization:	County Clerk				
Management's Response:	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:	Emily Glidewell, Truancy Court Manager	Date: 4/22/2015
Comments:	<p>The bookkeeper receives all monies, reconciles tills and makes the daily deposit. The Supervisor recounts the monies and reviews the deposits to ensure that it is accurate. If the bookkeeper and/or Supervisor are out, a Grade 6 clerk recounts the monies and reviews the deposit to assure the accuracy of the deposit. Two signatures are required on the deposit.</p> <p>Due to the remote locations of the Truancy Courts and limited staff, the County Clerk's office has one bookkeeper and one Supervisor. The safe is under dual control of the bookkeeper and Supervisor.</p> <p>Additional responses to recommendations:</p> <ul style="list-style-type: none"> Policy ensures that written receipts are issued for all money received. Manual receipts are used when Odyssey is down or in the rare instance the bookkeeper and Supervisor are out of the office. The bookkeeper and Supervisor now enter the manual receipt number in the notes for Odyssey. The bookkeeper and Supervisor retain copies of the manual and Odyssey receipts. The bookkeeper and Supervisor retain copies of the manual and Odyssey receipts. Policy ensures that receipts are not altered. Manual receipts and books are stored in a secure area. 				
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration		



Finding Number: 13.TR 9-1.01.02
Date: April 7, 2014
Audit: Truancy South 9-1 Review
Auditor(s) Assigned: NH

Finding:**Computer Receipts & Closeout/Deposit**

A review of delays between computer receipt date and Odyssey deposit date, 41 voided computer receipts, a sample review of 14 payment reversals/adjustments, and a sample review of computer receipts issued during fiscal year 2011 (starting with August 2011) thru fiscal year 2013 revealed:

Computer Receipts

- 15 computer-generated receipts skipped in sequence (during three month sample period) and not located within Odyssey.

***Response:** The 15 receipt skipped may be due to Odyssey functionality or cases that have been expunged.*

- The "net column" on the Receipt Journal report is not used, resulting in the deposit fee codes being entered incorrectly into DMS when adjustments are made.
- Review of 41 voided computer receipts during the period of 8/1/2011 through fiscal year 2013 revealed:

- Six of 41 (14.6%) voided computer receipts for credit card payments with incomplete reason for void noted.
- Four of 41 (9.75%) voided computer receipts with delays between the original void receipt date and the date a replacement receipt was issued including one receipt not replaced for 37 days.
- Eight of 41 (19.5%) voided computer receipts without retention of the original hardcopy receipt.

Status: All receipts were replaced for the same or a higher amount.

***Response:** Hard copies of the receipts are being retained in a secure location.*

- Eighteen of 41 (43.9%) voided computer receipts without the word "void" written on the physical copy.

Odyssey Deposit Dates and Approved DMS 98 deposits

A review of all deposits revealed four delays of three business days between the Odyssey transaction receipt date and the Oracle deposit date.

***Response:** Odyssey had been down for several days and deposits could not be made.*

Adjustments

A sample review of fourteen transactions (reverse payment, adjustment, and/or reverse adjustment) out of 43 adjustments processed during the period of 8/1/2011 through fiscal year 2013 revealed:

- Four adjustment transactions not entered in a separate adjustment till but combined in the till designated for daily transactions.

***Response:** The supervisor and manager have an authorization code for an adjustment till. The bookkeeper does not have an authorization code for the adjustment till. The supervisor and manager use the adjustment till. Policy will*



ensure that notes are added to Odyssey when adjustments are made.

- All adjustments transactions were not processed by the supervisor or manager.
- Ten adjustment transactions without a reason entered to the Odyssey comment field.
- Incorrect case balance in Odyssey. Payment of \$100 and credit of \$100 were both applied to the same charge.

Status: Charge was adjusted to correct balance per auditor's recommendation.

Departmental responses to the Internal Control Questionnaire (ICQ) and inquiry of Truancy South 9-1 staff revealed:

- All copies of a voided computer receipt are clearly marked "void" along with an explanation as to why the receipt is being voided. However, based on sample testing, voided computer receipts do not consistently contain a reason for the void in the Odyssey comment field.

Response: *Policy will ensure that receipts are marked void and a reason is noted.*

- Adjustments are not included as part of the deposit.
- Truancy South does not contact the Internal Auditor's office when deposits are out-of-balance.
- Bookkeeper issues cash receipts, submits disbursement requests, sends billings on delinquent collections, assesses charges, process waivers and reductions, has cashier rights to enter credits and to make adjustments, and is responsible for the adjustment till.

Response: *The bookkeeper does not have a code to use the adjustment till.*

Risks identified during walkthrough of department's internal control processes revealed:

- It is possible to back date payments in the Truancy section. Rights/roles are not periodically reviewed for all personnel for all systems to ensure that access and functionality are appropriate. (R01)

Response: *Policy ensures that payments are not back dated. Rights and roles are reviewed and requests made to the IT Department to ensure rights and roles are assigned to the proper clerks and job duties. User roles and rights are consistent for Grades 6, 7 and Supervisors.*

- Truancy South office does not log cashier checks/money orders received through the U. S. mail or the drop box. (R05)

Response: *The bookkeeper maintains a log of payments received in the mail.*

- The supervisor does not recount or verify the change fund (opening till balance) for accuracy at the beginning of each day. (R07)

Response: *Supervisor now counts the opening change fund.*

- The supervisor does not verify that all tills are included in the daily deposit. (R08)

Response: *The Supervisor and Bookkeeper verify all the tills are included in the daily deposit.*

- The supervisor is present as the money is being counted, but does not recount the money for verification unless the tills are out of balance. (R09)

Response: *The Supervisor recounts the deposit.*

- The Odyssey Manage till screen is not reviewed by the supervisor regularly to



	<p>identify tills that have been open longer than a day. Also, the Odyssey deposit screen is not reviewed by the supervisor regularly to identify closed tills that have not been included in a deposit. There is no system requirement that tills be closed and deposited daily. (R10)</p> <p>Response: <i>The bookkeeper and Supervisor check daily to make sure all tills are closed and balanced. Odyssey functionality controls the system requirements.</i></p> <ul style="list-style-type: none"> When the bookkeeper and supervisor are both out of the office, a deposit is not created. The money collected on that day will remain in the safe until one of them returns to receipt the money in Odyssey and create a deposit and Form 98. (R11) <p>Response: <i>If the bookkeeper and Supervisor are both out of the office, the Manager will send another bookkeeper or Supervisor from another Truancy Court location to receipt and deposit the monies. If the court receives money, a deposit is made daily.</i></p> <ul style="list-style-type: none"> Access to the safe containing the daily receipts is not under dual control. (R12) <p>Response: <i>The supervisor is present when the bookkeeper opens and closes the safe.</i></p> <ul style="list-style-type: none"> Checklists are not used to document the timely and accurate completion of significant or key daily/weekly/monthly tasks. (R19) <p>Response: <i>The Truancy Court has a clerk manual that all employees receive and use.</i></p> <ul style="list-style-type: none"> The bookkeeper receipts all payments, reconciles tills, and prepares the 98 deposit. There is a lack of segregation of duties and management oversight for each task. (R20) <p>Response: <i>The bookkeeper receives monies, reconciles tills and makes the daily deposit. The Supervisor recounts the monies and reviews the deposit to ensure that it is accurate. If the bookkeeper and/or Supervisor are out, a Grade 6 clerk recounts the monies and reviews the deposit to assure the accuracy of the deposit. Two signatures are required on the deposit.</i></p>
Workpaper Reference: (or other method by which finding was identified)	<p>Workpapers 4B.1AB, 4B.2, 4B.3, and 4B.4, Conversation with Truancy 9-1 staff Odyssey Transaction Listing Report & Odyssey Receipt Journal Report Truancy South 9-1 Responses to Internal Control Questionnaire dated 2/28/14 Walkthrough 2/21/14 & 3/13/14 with Truancy South 9-1 Staff</p>
Condition: (Describe the current condition)	<p>The bookkeeper informs the customer of the amount due on the case. Cash payments received from the customer are counted by the bookkeeper in presence of the customer. Cash and checks/money order payments are consistently reviewed for correctness prior to the generation of the computer receipt. The bookkeeper accesses Odyssey to generate a computer receipt to the appropriate case number. The payment information is entered by the bookkeeper into Odyssey and two copies of the receipt are printed out. The money is placed in the cash drawer; any change due and one copy of the receipt are given to the customer. If payments with a personal check occur, the bookkeeper writes the <u>customer</u> birth date, phone number, expiration date, license number, a new address if applicable, and the customer fingerprint is placed on the front of the check next to the signature. All checks, money orders and cashier checks are stamped on the back with the deposit information.</p> <p>At the close of business, the tills are reconciled, funds are recounted, and 98 deposits are prepared. The supervisor does not recount the money for verification at the close of</p>



	<p>business, but observes the bookkeeper. If the bookkeeper is out of the office, the supervisor will perform the bookkeeping duties. The adjustment till is not used when the bookkeeper makes an adjustment.</p> <p>In event of identified error, the receipt is voided in Odyssey and marked void. An explanation for the void is inconsistently noted in the comment section in Odyssey. The actual computer receipts are marked void and both copies are inconsistently retained and attached together in the stack of receipts. Voiding rights are limited to the supervisor and manager.</p> <p>The court does not accept personal checks through the U.S. mail. The bookkeeper will attempt to contact the payer via phone to appear in person. If the payer does not appear, the personal check will be returned.</p> <p>Receipts are mailed to customers submitting payment via money orders through the U.S. mail.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific controls related to receipt control procedures require that:</p> <ul style="list-style-type: none"> • All monies received should be promptly receipted and deposited properly, and timely in accordance with Local Government Code, § 113.022 and Code of Criminal Procedure, § 103.004 and procedures recommended by the County Auditor. • 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 and affixed (including explanation recorded to computer system) with a reason for the void with retention of all voided copies. All voids should be reviewed daily by supervisory personnel at least one level above employee that voided the payment. • Employees receipting money should verify that money tendered is accurately receipted prior to providing computer receipts to the customer. • Tills should be closed and reconciled daily. • Adjustments are processed in a separate till. The adjustment till should be included with other tills as part of the daily deposit when the adjustments will not result in a negative fund balance. <p>COSO standards for internal control include adequate segregation of duties (separation of duties for personnel authorized to receipt payments and update assessments) so no one user has two or more business processes that could result in compromise of the integrity of the process or allow that person to commit fraud.</p> <p>Accounting and system control procedures require daily reconciliation and balancing of collected funds, including supervisory review.</p>



	Written procedures should be established for all the responsibilities of County Clerk Truancy personnel in order to strengthen the office's internal control and improve efficiency. These procedures and practice should be periodically reviewed by the appropriate supervisory staff for good internal control purposes.
Cause: (Describe the cause of the condition if possible)	Incomplete controls over the receipting process
Effect: (Describe or quantify any adverse effects)	Prevents potential assertion that monies were paid and refunds due and/or misappropriation of funds Delayed revenue recognition Inherent risks for delayed deposits include non-recovery of funds, checks or cash could be lost or stolen before being receipted.
Recommendation: (Describe corrective action)	<ul style="list-style-type: none"> • Computer receipts should not be altered, but properly voided and affixed with a reason for the void. Explanation should be entered into the comment field in Odyssey when voiding or reversing payments. Voids should require supervisory approval. No user should void their own issued receipt with voided receipts reviewed and initialed by a supervisor at the next level up. All copies of voided receipts should be retained (the latter of Records Retention requirements or audit completion date). • Procedures and documentation should incorporate compensating controls such as dual sign-off on voids, receipt corrections, supervisory review, testing, and validation. Receipts should be verified for accuracy of amount, payment type, case number, and payer before issuing to a customer. • Posting errors should be corrected on a timely basis. Court personnel should make such corrections to the fullest extent possible so that the revenues are accurately posted. • At the end of the business day, the receipts should be totaled and compared to the funds on hand and system control totals. Corrections should be made such that both good internal control and audit trails are maintained. Receipt and deposit totals should be verified by a supervisor with verification evidenced by signature or initial on control documents which are retained in accordance with Records Retention guidelines. • All tills should be closed, reconciled and closed daily within a day from opening the till and included on an Odyssey deposit through the Odyssey Managing Deposit functionality. Adjustment tills may remain open until the till can be added to a deposit form 98 without causing a negative fund balance. • All payments should be receipted and deposited in accordance with Local Government Code, § 113.022 and Code of Criminal Procedure, § 103.004. Closeout and balancing procedures should include deposit of checks the next business day after receipt. • Management or supervisor should count opening change fund to verify that it contains the correct balance and should verify daily that all open tills are closed timely and all closed tills are deposited. • All shortages or overages should be accurately recorded on the 98 form. If shortage



	<p>or overage exists, a detailed reconciliation should be completed identifying the discrepancy and the County Auditor's office contacted in accordance with Dallas County Code.</p> <ul style="list-style-type: none"> Cash handling duties should be properly separated. Due to limited staff, compensating processes such as dual sign-off on receipt corrections, till balancing documents, and deposit forms should be implemented along with management review, testing, and validation. <p>Other control recommendations include:</p> <ul style="list-style-type: none"> Policy and procedures manual should be developed for cash handling responsibilities and training of current cash handling procedures reinforced. Controls should be implemented for dual control over the safe in which the cash receipts are stored. Written supervisory approval should be required prior to processing adjustments to Odyssey. The Transaction Listing Report should be generated and reviewed by management to ensure the accuracy, appropriateness, timeliness, and deposit of adjustments. Management should evidence their review or approval. All financial adjustment transactions, such as returned check, should be associated to a specific till not designated for daily transactions and include appropriate information in the comment field. Odyssey adjustment roles/rights should be limited to the supervisor and/or manager. All rights and roles should be periodically reviewed to ensure users have only the rights necessary to perform their core job functions. A proper segregation of duties reduces the risk of misappropriated funds. 					
Responsible Department or Organization:	County Clerk					
Management's Response:	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:	Emily Glidewell, Truancy Court Manager	Date :	4/22/2015
Comments:	<p>The bookkeeper receives all monies, reconciles tills and makes the daily deposit. The Supervisor recounts the monies and reviews the deposits to ensure that it is accurate. If the bookkeeper and/or Supervisor are out, a Grade 6 clerk recounts the monies and reviews the deposit to assure the accuracy of the deposit. Two signatures are required on the deposit.</p> <p>Due to the remote locations of the Truancy Courts and limited staff, the County Clerk's office has one bookkeeper and one Supervisor. The safe is under dual control of the bookkeeper and Supervisor.</p> <p>Additional responses to recommendations:</p> <ul style="list-style-type: none"> Most recommendations are the current business process. The bookkeeper and supervisor haven't experienced shortages or overages. The Manager will update the manual regarding bookkeeping process. The Supervisor will require written documentation from the bookkeeper 					

County Auditor



Dallas County, Texas

	making the request to process adjustments.		
Disposition:	<input checked="checked" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration



Finding Number: 13.TR9-1.01.03
Date: April 7, 2014
Audit: Truancy South 9-1 Review
Auditor(s) Assigned: NH

Finding:	<p>Fine/Court Costs/Fee Assessments A sample review of fine, court cost, and fee assessments, reversed charges and charge reductions, and credits during fiscal year 2011 (8/2011 to 9/2011) thru fiscal year 2013 revealed:</p> <p><u>Manual Overrides</u> Truancy 9-1 performed no manual court cost allocation overrides during the audit period.</p> <p><u>Courts Costs/Fines/Fees and Other Assessments</u> A sample review of 40 cases revealed:</p> <ul style="list-style-type: none"> • Three cases with the \$25 time payment fee assessed twice Status: Duplicate assessments were reversed • One case with the \$5 juvenile case management (JCM) fee assessed; offense date is before JCM fee effective date • One cases with assessment of summons and warrant fees without a judgment on the case <p><u>Reversed Charge Reductions, Reverse Charges, Reverse Waivers, Charge Reductions, and Waivers</u> A sample review of 20 transactions revealed:</p> <ul style="list-style-type: none"> • Five (25%) transactions without a comment entered indicating the reason for the reduction or waiver Proposed Action: Bookkeeper will enter a comment "No Judicial Notes" if the Magistrate does not give an explanation. • Nineteen (95%) transactions with assessment reductions or waivers entered by non-supervisory staff Proposed Action: Bookkeeper and/or Supervisor will enter waiver reductions. • One case with court costs reduced in error; judge had ordered reduction of the fine amount Status: Corrected • One case with the fine amount reduced to \$75 rather than \$175 as ordered by the judge <p><u>Credits - Inability to Pay and Community Service</u> A sample review of 15 transactions revealed:</p> <ul style="list-style-type: none"> • Three (20%) cases with an "inability to pay" credit entered in error; judge had ordered waiver of the fine • Two (13.3%) credits recorded to the Financial tab without a corresponding entry to the Events tab Proposed Action: Bookkeeper will enter an event in the events tab.
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	<ul style="list-style-type: none"> Five (33.3%) credits recorded to the Financial tab without entry of comments indicating the reason for the credit <i>Proposed Action: Bookkeeper will enter an event in the events tab.</i> <p><u>Other Control Points</u></p> <ul style="list-style-type: none"> Fine schedules are not updated in Odyssey resulting in the clerks using the Judge's additional fine category to manually input the correct fine amount <i>Proposed Action: Manager will meet with the Auditor's staff to ensure that the fine schedule is updated in Odyssey.</i> Defendants do not complete applications for payment plans <i>Response: This finding falls under the Judicial side of the Truancy Court Program.</i> <p>Risks identified during walkthrough of department's internal control processes revealed:</p> <ul style="list-style-type: none"> Verbal approval is the only requirement to post adjustments to cases in Odyssey. No evidence (written documentation or through system) of authorization or review of adjustments exist. (R15) <i>Response: Comments are made in Odyssey regarding reasons why the adjustments are made by the Supervisor making the adjustment. The Manager will require written documentation from the bookkeeper making the requests for an adjustment.</i> Adjustment till is shared by multiple users (bookkeeper, supervisor, and manager). (R17) <i>Response: The bookkeeper does not have access to the adjustment till. The Supervisor and Manager select the appropriate till for their Court. In Odyssey, tills are assigned by user name.</i> Odyssey allows assessments to be systematically or manually added to a case based on Odyssey fee table. Currently, court cost, fines, and additional fees are added to the case at time of disposition. Fee assessments (including warrant fees, summons fees, time payment fees, and transaction fees) are manually entered. (R18) <i>Response: All court fines are entered manually due to what the Magistrates assess at the court hearings. All court fines and costs are not added to the case until assessed by the Magistrate. The Court cannot set a predetermined amount/fine for the defendant.</i>
Workpaper Reference: (or other method by which finding was identified)	Workpapers 5B.1, 5B.2, 5C, 5D Odyssey Transactions Listing Report Walkthrough 2/21/14 & 3/13/14 with Truancy South 9-1 Staff
Condition: (Describe the current condition)	South Truancy court accepts failure to attend school and parents contributing to truancy case filings from Dallas Independent School District (DISD). Truancy Information System (TIS) is the web host for exchange of data and documents between DISD and Odyssey for truancy court filings. DISD sends a data file to allow case upload into Odyssey for Central, South, and North truancy courts. DISD also submits PDF documents supporting the filing (affidavit, complaint and attendance records). The PDF file documents have been sorted by school and name to facilitate court processing. DISD receives an error file (ERF) from Odyssey stating if there are errors, no errors, or no data



	<p>found. If errors occur, DISD may resubmit cases appearing on this report. The PDF file is moved to a backup folder after an initial retention period. The truancy court generates a file copy for the case jacket but does not store these electronic records.</p> <p>Odyssey allows assessments to be systematically or manually added to a case based on user rights/roles. Currently, court cost, fines, and additional fees are added to the case at time of disposition. Fee assessments are manually entered for warrant fees, summons fees, time payment fees, and transaction fees.</p> <p>Odyssey has a configuration fee table of court cost, fines, and additional fees. Systemic assessment of court costs are based on the predefined tables within Odyssey established by offense date ranges. Updates to the tables require a Change Management document to be signed by the County Clerk and provide to IT Services Odyssey support team. Changes are not implemented in Production until testing is successfully complete in the Test environment.</p> <p>Charge Reductions, waivers, and credits are not consistently used as designed.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>Best practices regarding fee assessments/collections are:</p> <ul style="list-style-type: none"> • Court costs, fines, and fees should be assessed/collected/prorated in compliance with applicable state laws including Code of Criminal Procedure Chapters 45 and 102 and Local Government Code Chapter 133, Commissioners Court orders, and Attorney General Opinion Nos. GA-0147 and DM-250. Court costs should be assessed based on offense date and offense type. • Financial transactions for active cases should reflect proper segregation of duties of court clerks on the assessment and reduction of fees (automatic and manual) and receipting of payments. Bookkeeper should be able to add additional charges, but not modify or delete charges. • Manual distribution of payments should be limited. • Fee and fee schedule tables should be updated each time a legislative change or a Commissioners Court change is made affecting fees • A credit titled "inability to pay" should be used in Odyssey to record the waived assessments for valid uncontested affidavits of inability to pay. The inability to pay credit should automatically post to the Events tab. • The fee assessment process should be automated as much as possible with manual overrides restricted in use. • Formal approval should be required before adjustments are processed to Odyssey. • Supervisory personnel should periodically review exception reports and transaction logs (especially with respect to adjustments, credits, and manual overrides) to ensure that explanation for the change is documented and reasonable. <p>Written procedures should be established for all the responsibilities of Truancy South's personnel in order to strengthen the office's internal control and improve efficiency. (This is especially critical for those responsible for financial activities such as assessing charges, reducing assessments, and/or receipting payments.) These procedures and the employees' adherence to them in the performance of their work should be periodically</p>



reviewed by the appropriate supervisory staff in order to effectively maintain good internal control.

Education Code, § 25.093. PARENT CONTRIBUTING TO NONATTENDANCE.

(c) An offense under Subsection (a) is a Class C misdemeanor. Each day the child remains out of school may constitute a separate offense. Two or more offenses under Subsection (a) may be consolidated and prosecuted in a single action. If the court orders deferred disposition under Article 45.051, Code of Criminal Procedure, the court may require the defendant to provide personal services to a charitable or educational institution as a condition of the deferral.

Education Code, § 25.094. FAILURE TO ATTEND SCHOOL. (a) An individual commits an offense if the individual:

- (1) is 12 years of age or older and younger than 18 years of age;
- (2) is required to attend school under Section 25.085; and
- (3) fails to attend school on 10 or more days or parts of days within a six-month period in the same school year or on three or more days or parts of days within a four-week period.

(c) On a finding by the county, justice, or municipal court that the individual has committed an offense under Subsection (a) or on a finding by a juvenile court in a county with a population of less than 100,000 that the individual has engaged in conduct that violates Subsection (a), the court may enter an order that includes one or more of the requirements listed in Article 45.054, Code of Criminal Procedure, as added by Chapter 1514, Acts of the 77th Legislature, Regular Session, 2001.

(d) If the county, justice, or municipal court believes that a child has violated an order issued under Subsection (c), the court may proceed as authorized by Article 45.050, Code of Criminal Procedure.

(e) An offense under this section is a Class C misdemeanor.

Code of Criminal Procedure

Art. 45.0491. WAIVER OF PAYMENT OF FINES AND COSTS FOR INDIGENT DEFENDANTS. A municipal court, regardless of whether the court is a court of record, or a justice court may waive payment of a fine or costs imposed on a defendant who defaults in payment if the court determines that:

- (1) the defendant is indigent; and
- (2) discharging the fine and costs under Article 45.049 would impose an undue hardship on the defendant.

Art. 45.050. FAILURE TO PAY FINE; CONTEMPT: JUVENILES. (a) In this article, "child" has the meaning assigned by Article 45.058(h).

(b) A justice or municipal court may not order the confinement of a child for:

- (1) the failure to pay all or any part of a fine or costs imposed for the conviction of an offense punishable by fine only; or
- (2) contempt of another order of a justice or municipal court.

(c) If a child fails to obey an order of a justice or municipal court under circumstances that would constitute contempt of court, the justice or municipal court, after providing



	<p>notice and an opportunity to be heard, may:</p> <p>(1) refer the child to the appropriate juvenile court for delinquent conduct for contempt of the justice or municipal court order; or</p> <p>(2) retain jurisdiction of the case, hold the child in contempt of the justice or municipal court, and order either or both of the following:</p> <p>(A) that the contemnor pay a fine not to exceed \$500; or</p> <p>(B) that the Department of Public Safety suspend the contemnor's driver's license or permit or, if the contemnor does not have a license or permit, to deny the issuance of a license or permit to the contemnor until the contemnor fully complies with the orders of the court.</p> <p>(d) A justice or municipal court may hold a person in contempt and impose a remedy authorized by Subsection (c)(2) if:</p> <p>(1) the person was convicted for an offense committed before the person's 17th birthday;</p> <p>(2) the person failed to obey the order while the person was 17 years of age or older; and</p> <p>(3) the failure to obey occurred under circumstances that constitute contempt of court.</p> <p>(e) A justice or municipal court may hold a person in contempt and impose a remedy authorized by Subsection (c)(2) if the person, while younger than 17 years of age, engaged in conduct in contempt of an order issued by the justice or municipal court, but contempt proceedings could not be held before the person's 17th birthday.</p> <p>(f) A court that orders suspension or denial of a driver's license or permit under Subsection (c)(2)(B) shall notify the Department of Public Safety on receiving proof of compliance with the orders of the court.</p> <p>(g) A justice or municipal court may not refer a child who violates a court order while 17 years of age or older to a juvenile court for delinquency proceedings for contempt of court.</p> <p>Art. 45.054. FAILURE TO ATTEND SCHOOL PROCEEDINGS.</p> <p>(d) An individual commits an offense if the individual is a parent who fails to attend a hearing under this article after receiving notice under Subsection (c) that the individual's attendance is required. An offense under this subsection is a Class C misdemeanor.</p> <p>(j) A county, justice, or municipal court may waive or reduce a fee or court cost imposed under this article if the court finds that payment of the fee or court cost would cause financial hardship.</p> <p>Art. 102.072. ADMINISTRATIVE FEE. An officer listed in Article 103.003 or a community supervision and corrections department may assess an administrative fee for each transaction made by the officer or department relating to the collection of fines, fees, restitution, or other costs imposed by a court. The fee may not exceed \$2 for each transaction. This article does not apply to a transaction relating to the collection of child support.</p>
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Inadequate segregation of duties</p> <p>Method of using charge reductions and reversals for grouped fees</p> <p>Clerical error</p> <p>Odyssey system configuration error</p>



Effect: (Describe or quantify any adverse effects)	Potential revenue loss for Dallas County and the State of Texas Assessments and non-monetary credits understated inhibiting accurate receivable analysis.
Recommendation: (Describe corrective action)	<ul style="list-style-type: none"> • Court costs, fees, and fines should be properly assessed/collected and timely deposited on all cases based on state laws, Commissioner Court orders, offense dates, offense types, etc. • Adjustments to assessments should be made that both good internal control and audit trails are maintained including compensating controls such as dual sign-off on adjustments, supervisory review and pre-approval, testing, and validation. • Credit for inability to pay should be used to reduce the case balance when there is a determination by the court of the defendant's indigency. Credits should automatically post to the Event screen. • Partial payments should be systemically prorated to each state and local court costs / fee before recording amounts to fine or only one court cost. Manually prorating payments should be limited. • Full assessment of court costs and fine amounts on Odyssey for defendants considered convicted as defined by Local Government Code, § 133.101. • Non-monetary credits for court approved community service and waiver of court costs and fines should be added in accordance with statute. • Charge reductions and assessment reversals should be limited to correction of errors and fine reductions. • Processing of financial transactions should reflect proper segregation of duties (e.g. users with roles/rights to receipt or void payments should be able to add additional charges, but not modify, reduce, or delete assessments). • User roles grant rights to process manual overrides, charge reductions, credits, and charge reversals should be limited. User access requirements should correspond to least rights necessary to perform core job functions. • All financial adjustments/corrections should include a complete and valid explanation in the comment field. • Policy and procedures manual should be developed for assessment responsibilities and training reinforced. • Management should periodically review system reports including the Transaction Listing Report and daily work for accuracy, appropriateness, timeliness, and staff compliance to established policies and procedures. Management should evidence their review or approval. <p>Procedures for updating fee schedule tables should include:</p> <ul style="list-style-type: none"> • Fee schedule tables updated each time a legislative change or a Commissioners Court order affects court costs and/or fees. • Document and communicate to the IT Services Odyssey support team updates and corrections needed to the configuration tables in accordance with Change Management procedures.
Responsible Department or	County Clerk



Organization:					
Management's Response:	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:	Emily Glidewell, Truancy Court Manager	Date: 4/22/2015
Comments:	<p>Grade 6 court clerks enter the assessments. The bookkeeper checks for errors when taking payments. Only the bookkeeper and/or supervisor may reduce, waive or credit a court fine. The Magistrate fills out and signs a court order reducing the fine. The bookkeeper and/or supervisor enter in Odyssey the Magistrate's Order. The Supervisor notes in Odyssey when the adjustment till is used.</p> <p>Additional responses to recommendations:</p> <ul style="list-style-type: none"> • Most recommendations are the current business process. • The Manager will request an updated payment plan in Odyssey, after meeting with the Auditor's office to establish the guidelines. 				
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration		



Finding Number: 13.TR 9-1.01.04
Date: April 7, 2014
Audit: Truancy South 9-1 Review
Auditor(s) Assigned: NH

Finding:	<p>Credit Card Transactions</p> <p>A review of all credit card transactions from FY 2011 (Aug 2011 to Sept 2011) thru FY2013 revealed:</p> <ul style="list-style-type: none"> • One delay of 47 business days in re-posting a credit card payment voided after entry using the wrong payment type. <p>A sample review of 46 settled credit card deposits from FY2011 (Aug 2011 to Sept 2011) thru FY2013 revealed:</p> <ul style="list-style-type: none"> • Twenty-four (52.2%) computer receipts without credit card transaction id numbers referenced on Odyssey • Two (4.3%) computer receipts with entry of the wrong credit card transaction ID number • Credit card transactions are not receipted to Odyssey daily; however, transactions are typically posted every Friday <p>Risks identified during walkthrough of department's internal control processes revealed:</p> <ul style="list-style-type: none"> • No controls in place to ensure that credit card transactions are entered into Odyssey on a timely basis. (R06) <i>Response: Bookkeeper checks the credit card payments daily to ensure that the parents or students have complied with the court's order.</i> • NSF items and credit card chargebacks are not processed adequately, completely, and timely. (R13) <i>Response: The bookkeeper calls the Auditor's office for assistance with NSF and chargebacks due to having only 1 or 2 instances a year. The Auditor's office walks the bookkeeper through the process.</i>
Workpaper Reference: (or other method by which finding was identified)	<p>Workpapers 6B and 6C Walkthrough 2/21/14 & 3/13/14 with Truancy South 9-1 Staff Credit card settlement reports</p>
Condition: (Describe the current condition)	<p>Credit card payments are accepted at the Kiosk machine at the court and through the Dallas county website. Credit card payments are not accepted at the Truancy counter. Defendants paying with credit card must have their case number in order to remit payment online. If the defendant does not have the case number, the defendant can contact the Truancy court for the information. The defendant has the option to pay the full amount or a partial amount. After going through two additional screens, the defendant will be redirected to the JPMorgan Chase PayConnexion site after clicking on the 'continue' button. A valid credit or debit card must be entered at this point. A convenience fee (charged and collected by JPMorgan Chase) will display on the payment verification screen where the defendant will have the opportunity to terminate the transaction or make payment. Once the defendant accepts the final amount, a</p>



	<p>confirmation number is generated by the system for successful transactions and the confirmation can be printed by the defendant. Credit/debit card payments processed by 6:59:59 PM are not included in the next day business closeout. Credit card number and other information are not stored on Dallas County servers or systems.</p> <p>Once a week, the bookkeeper will run the credit card settlement report for the week and post the payments to each case. The bookkeeper waits 48 hours to post the payment to ensure the funds are available. The transaction ID number is periodically posted in the event tab. Once the payment is receipted, two computer generated receipts are printed and retained for the courts records. At close out, the bookkeeper will include the credit card total with the check total on the Form 98. The credit card settlement report is included in the deposit bag for verification.</p> <p>In event of identified error, the receipt is voided in Odyssey and marked void. An explanation for the void is inconsistently noted in the comment section in Odyssey. The actual computer receipts are marked void and both copies are inconsistently retained and attached together in the stack of receipts. Manager, Supervisor, and Bookkeeper have rights to void transactions.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific cash controls related to internal controls, system security, and statutes regarding e-file control procedures require that:</p> <ul style="list-style-type: none"> • All monies received should be promptly receipted and deposited properly, and timely in accordance with Local Government Code, § 113.022 and Code of Criminal Procedure, § 103.004. • Accounting and system control procedures require daily reconciliation and balancing of collected funds, including supervisory review. • E-Commerce requires information processing controls to test that transactions completed through computerized applications are valid and properly authorized, completely, accurately, and timely processed, and reported. <p>Per Dallas County General Policy for Use of Credit Card Transactions Policy, any customer credit card numbers or security numbers from the back of the credit card received through the mail and used to process credit card transactions must be securely retained for 24 months after the transaction is processed through web access in a locked file cabinet with limited access. After 24 months, the credit card information should be destroyed or redacted. At no time should credit card information be left on desks or other work areas nor be filed in case jackets.</p> <p>According to Local Government Code, § Sec. 130.003. PAYMENT CONDITIONAL. (a) The acceptance of a check or credit card invoice for the payment of a fee or tax does not constitute payment of the fee or tax. The fee or tax is not considered paid until the check is honored by the bank on which the check is drawn or the credit card invoice is</p>



	honored by the issuer.				
Cause: (Describe the cause of the condition if possible)	Non-integrated financial systems for e-commerce requiring manual intervention				
Effect: (Describe or quantify any adverse effects)	Delays in posting settled credit card amounts misstate case balances and may result in duplicate payments. Delays credit card reconciliation and revenue recognition. Potential risk of additional fees and warrants being issued on case. Odyssey financial case balances are not reflecting payment made in a timely manner.				
Recommendation: (Describe corrective action)	<ul style="list-style-type: none"> • All credit card submissions should be receipted and deposited timely in accordance with Local Government Code, § 113.022 and Code of Criminal Procedure, § 103.004. • Settlement reports should be reviewed daily for accepted or rejected credit card payments. • Credit card payments should be entered into Odyssey when the credit card transaction appears on the daily settlement report. • Credit card payments should be reconciled against the settlement reports and added to the appropriate deposit daily with a separate Form 98 deposit submitted to the County Treasurer. • Policy and procedures manual should be developed for credit card processing responsibilities and training of current procedures reinforced. • Credit card transaction ID number should be entered into the receipt comment field in Odyssey. • Credit card settlement postings should be verified for accuracy of amount, payment type, case number, and payer. 				
Responsible Department or Organization:	County Clerk				
Management's Response:	<input type="checkbox"/> Agree <input type="checkbox"/> Disagree	Respondent	Emily Glidewell, Truancy Court Manager	Date	4/22/2015
Comments:	1. Bookkeeper checks the credit card payments daily to ensure that the parents or students have complied with the court's order. 2. The bookkeeper will process the credit card payments 2-3 times a week. 3. We will update the current policy regarding credit card payments. The County Clerk will have final approval of the policy once it is updated by the Truancy Court Manager. 4. The bookkeeper will begin the process of entering the credit card transaction ID number into the receipt comment field in Odyssey.				
Disposition:	<input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration				



Finding Number: 13.TR9-1.01.05
Date: April 7, 2014
Audit: Truancy South 9-1 Review
Auditor(s) Assigned: NH

Finding:	<p>NSF</p> <p>A review of the NSF check list and three sampled cases with payments returned NSF for Truancy South 9-1 during FY Partial 2011 (8/11 - 9/11) thru 2013 revealed:</p> <ul style="list-style-type: none"> Three (100%) cases with NSF checks not flagged in Odyssey. <p>Status: A flag has been added to two of the three cases.</p> <ul style="list-style-type: none"> Three (100%) cases without reversal of the original payment or assessment of the \$30 NSF fee. <p>Status: One NSF payment recovered with payment made directly to the County Treasurer.</p> <p>Risks identified during walkthrough of department's internal control processes revealed:</p> <ul style="list-style-type: none"> NSF items and credit card chargebacks not processed adequately, completely, and timely. (R13) The original payment made with the NSF check or credit card chargeback is not reversed in Odyssey. (R14) <p><i>Response to R13 & R14: The bookkeeper calls the Auditor's office for assistance with NSF and chargebacks due to having only 1 or 2 instances a year. The Auditor's office walks the bookkeeper through the process.</i></p>
Workpaper Reference: (or other method by which finding was identified)	<p>Workpaper #7A Treasurer NSF check list Walkthrough 2/21/14 & 3/13/14 with Truancy South 9-1 Staff</p>
Condition: (Describe the current condition)	<p>NSF checks are returned by the bank directly to the County Treasurer for accounting and routing to the District Attorney for collection. The Treasurer submits a General Ledger entry to record all returned checks to Fund 170. A photo static copy of each check along with a Treasurer's office form is sent to personnel in the Truancy courts. This form asks for the name of the clerk who received the check, the date the check was received, and the telephone number of the clerk receiving the check. The bookkeeper will contact the customer and inform them of the NSF check and direct them to the Treasurer office to pay the check amount and an additional \$30 NSF fee. South truancy court does not reverse the payment in Odyssey nor assess the \$30 NSF fee, and a NSF flag is not entered on the case.</p>
Criteria: (Describe the optimal condition)	<p>Best practices regarding NSF check control procedures require that:</p> <ul style="list-style-type: none"> Collection efforts should occur to obtain reimbursement of NSF items. Case management financial reports are available to track outstanding NSF items. <p>Cases with outstanding NSF should be flagged with a NSF comment and an event added to the case. A \$30 NSF fee should be assessed on Odyssey to the appropriate party's financial tab.</p> <p>For NSF items not recovered, the original receipt should be reversed using the Odyssey adjustment functionality to move payment to a NSF Returned fee code (Fund 170 and</p>



	account 48120). An adjustment till should be used. The adjustment till should be included with other tills as part of the daily deposit when the adjustments will not result in a negative fund balance.				
Cause: (Describe the cause of the condition if possible)	Incomplete application of control procedures				
Effect: (Describe or quantify any adverse effects)	Revenue is overstated and uncollected funds remitted to the State. Case balances inaccurately reflect financial assessments as paid. Revenue is recorded for funds that have not and may never be collected. May result in untimely, incomplete, or inaccurate processing and recording of NSF transactions.				
Recommendation: (Describe corrective action)	<ul style="list-style-type: none"> • A non-docket event and NSF flag should be added to the case on Odyssey once the department is notified of a NSF item by the County Treasurer. The flag should remain until funds are collected. • \$30 NSF fee should be assessed and added to the appropriate party's Odyssey financial tab. • Funds returned as NSF, stop payment, or account closed should be reversed within 30 days after notification if not paid in full. • NSF tracking list should be maintained and include all relevant information including applicable case number. NSF list should be reconciled to the Treasurer's Office NSF outstanding list. All discrepancies should be resolved. • All financial adjustment transactions related to previously deposited payments, such as return checks, should be associated to a specific till not designated for routine daily transactions with appropriate information in the comment field. The adjustment till should be included with other tills as part of the daily deposit when the adjustments will not result in a negative fund balance. • Management should implement a formalized, coordinated process with Treasurer's Office for handling NSF items and chargebacks. <p>Document and consider working with IT Services to define necessary Odyssey system modifications / procedures to use the case management system for tracking and reporting of outstanding NSF items.</p>				
Responsible Department or Organization:	County Clerk				
Management's Response:	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:	Emily Glidewell, Truancy Court Manager	Date: 4/22/2015
Comments:	<ol style="list-style-type: none"> 1. Most recommendations have been implemented. 2. The Truancy Court Manager will meet with the Treasurer's Office for written procedures on NSF items and chargebacks. 3. We will investigate using the case management system for tracking and reporting of outstanding NSF items. 				
Disposition:	<input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration				



Finding Number: 13.TR9-1.01.07
Date: April 7, 2014
Audit: Truancy South 9-1 Review
Auditor(s) Assigned: NH

Finding:	<p>Case Index Reports</p> <p>A review of the systemic sequential assignment of cases within the Odyssey case management system and Odyssey Case Index reports for FY Partial 2011(8/11 - 9/11) thru FY 2013 revealed:</p> <ul style="list-style-type: none"> • 16 case numbers skipped in sequence; “no match found” comment is shown when case numbers are queried in Odyssey. <ul style="list-style-type: none"> ○ Six cases in 2012 ○ Ten cases in 2013 • 637 cases filed out of file date sequence in FY2012 <ul style="list-style-type: none"> ○ 368 cases were filed out of file date sequence (file dates indicate Oct 2011 thru Dec 2011, case numbers start with Year 12 rather than Year 11). • 5 cases filed out of file date sequence in FY2013 (file dates indicate Nov 2012, case numbers start with Year 13 rather than Year 12). <p><i>Response: Case numbers that cannot be found may be due to expunged cases. Historically, when Odyssey has skipped case numbers, management does notify IT services.</i></p> <p>Responses to the Internal Control Questionnaire indicate employees are not assigned to monitor Odyssey case index reports.</p>
Workpaper Reference: (or other method by which finding was identified)	<p>Workpaper 11A review of case index reports</p> <p>Response to the Internal Control Questionnaire</p> <p>Odyssey</p>
Condition: (Describe the current condition)	<p>South Truancy court accepts failure to attend school and parents contributing to failure to attend school truancy case filings from Dallas Independent School District (DISD). Truancy Information System (TIS) is the web host for exchange of data and documents between DISD and Odyssey for truancy court filings. DISD sends a data file to allow case upload into Odyssey for the Central, South, and North truancy courts. DISD also submits PDF documents supporting the filing (affidavit, complaint and attendance records). The PDF file documents have been sorted by school and name to facilitate court processing. DISD receives an error file (ERF) from Odyssey stating if there are errors, no errors, or no data found. If errors occur, DISD may resubmit cases appearing on this report. Cases automatically uploaded into Odyssey are assigned a system-generated case number. The PDF file is moved to a backup folder after an initial retention period. The truancy court generates a file copy for the case jacket but does not store these electronic records.</p> <p>Truancy court employees do not monitor DISD case file uploads for missing or non-sequential case number assignments.</p> <p>Case numbers are missing, expunged cases are deleted from the system (Expunged cases will be removed from Odyssey by the Truancy Court Case Manager and will appear as “no match found” when searching), and some case numbers are assigned out of sequence.</p>



Criteria: (Describe the optimal condition)	<p>Best practices for case number assignment include:</p> <ul style="list-style-type: none"> • All case numbers are accounted for; issued consecutively; and properly and timely indexed to Odyssey (unless otherwise prescribed by law). • Odyssey case index reports are monitored by Truancy staff to ensure court activity is accurately generated. <p>Design of system processing controls include: established court assignment and proper system configuration to assign case numbers sequentially; security restrictions to prevent unauthorized skips in sequence and case deletions; and complete audit trails of all changes and manual case assignments. Consistent project management and testing by user department and IT Services must be devoted to timely resolution of issues in the Production Environment.</p> <p>Automated systems include a review of access controls against an authorization matrix that defines "least privilege" access levels and authority for an individual's role to their job function / responsibilities.</p> <p>Code of Criminal Procedure Art. 45.055. EXPUNCTION OF CONVICTION AND RECORDS IN FAILURE TO ATTEND SCHOOL CASES. (a) Except as provided by Subsection (e), an individual convicted of not more than one violation of Section 25.094, Education Code, may, on or after the individual's 18th birthday, apply to the court in which the individual was convicted to have the conviction and records relating to the conviction expunged. (d) The court shall require an individual who files an application under this article to pay a fee in the amount of \$30 to defray the cost of notifying state agencies of orders of expunction under this article. (e) A court shall expunge an individual's conviction under Section 25.094, Education Code, and records relating to a conviction, regardless of whether the individual has previously been convicted of an offense under that section, if: (1) the court finds that the individual has successfully complied with the conditions imposed on the individual by the court under Article 45.054; or (2) before the individual's 21st birthday, the individual presents to the court proof that the individual has obtained a high school diploma or a high school equivalency certificate.</p>
Cause: (Describe the cause of the condition if possible)	<p>Missing case numbers – Inadequate or incomplete system configuration prior to conversion or expunged cases. Incomplete monitoring of case deletions. Out of sequence issued case numbers – unknown.</p>
Effect: (Describe or quantify any adverse effects)	<p>Cases may be improperly deleted Incorrect case counts on Odyssey case index reports</p>
Recommendation: (Describe corrective action)	<p>Case assignment procedures should include:</p> <ul style="list-style-type: none"> • All case numbers are accounted for, issued consecutively by case type, and properly and timely indexed to Odyssey. • Supervisory personnel test for accurate, proper and complete assignment of case numbers based on established departmental procedures. • All case numbers accounted for, with reason codes for missing numbers, deleted numbers, or numbers issued out of sequence, and timely documented. • All rights and roles periodically reviewed to ensure users have only the rights



	necessary to perform their core job functions. • Rights to expunge cases restricted to the Truancy Court Manager.				
Responsible Department or Organization:	County Clerk				
Management's Response:	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent :	Emily Glidewell, Truancy Court Manager	Date : 4/22/2015
Comments:	Case filing numbers may be skipped due to Odyssey functionality or cases that have been expunged. DISD case file uploads are monitored by the Truancy Program Coordinator. Additional responses to recommendations: <ul style="list-style-type: none"> • Truancy Court cases are filed thru TIS. TIS automatically file the cases into Odyssey. • The Truancy Court Manager will keep documentation of the case numbers. • Several recommendations are the current business process. 				
Disposition:	<input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration				



Finding Number: 13.TR9-1.01.08
Date: April 7, 2014
Audit: Truancy South 9-1 Review
Auditor(s) Assigned: NH

Finding:	<p>Time and Attendance</p> <p>A review of time and attendance records during FY Partial 2011(8/11 - 9/11) thru FY2013, observation of offices schedules, and Kronos attendance system postings revealed:</p> <ul style="list-style-type: none"> One exempt employee authorized ATO resulting in average work week to be less than 40 hours over a 52 week period. <p><i>Response: The recommendation for ATO was made by the HR Generalist.</i></p> <ul style="list-style-type: none"> The court is open to the public from 8 AM to 4 PM, Monday thru Friday. Employees continue to work until 4:30 PM <p><i>Response: The bookkeeper balances and reconciles the till or tills from 4:00 p.m. to 4:30 p.m. The supervisor recounts the monies and ensures the till and deposit is correct. Due to the remote locations of the Truancy Courts and limited staff, the County Clerk's office has one bookkeeper and one Supervisor. After 4:30 p.m., the constable's office is closed. If the bookkeeper and supervisors balanced at 4:30 p.m., there would no one in the office, but two people.</i></p> <p>Other Control Points:</p> <ul style="list-style-type: none"> Key pad access code on the office door has not been changed since an employee separation. <p><i>Response: The keypad has been changed.</i></p>
Workpaper Reference: (or other method by which finding was identified)	Workpapers 11B.7 and 12A-B
Condition: (Describe the current condition)	Web-timestamp functionality is used by nonexempt staff to record start and end times. Annual leave, sick leave, holidays, etc. taken are recorded to the Kronos system based on information available to the supervisor. Oracle DC Employee Self-Service is available for court staff to review hours paid and accrual balances taken / earned / available.
Criteria: (Describe the optimal condition)	<p>According to Dallas County Code, Section 82.32, Work hours scheduling:</p> <p>(b) <i>Office hours.</i> An elected official/department head, with the approval of the commissioners court, has the right to establish and schedule reasonable work hours, rules and working conditions in a manner most advantageous to the county in accomplishing its service and work requirements. Compensatory time and overtime are also scheduled by the elected official/department head according to appropriate county policies. County offices, excluding 24-hour operations, are expected to remain open between the hours of 8:00 a.m. - 4:30 p.m. and remain open during the noon hour. Employees should verify office hours and work hours with their supervisor.</p> <p>(c) <i>Breaks and lunch periods.</i> An elected official/department head may also establish breaks and lunch periods for their employees. Employees may be granted one break of ten minutes for each four hours worked. Employees are paid while on break. A lunch period may be 30 minutes or an hour depending on the work schedule approved by the elected/appointed official/department head. Lunch periods are in addition to the</p>



	<p>regular eight-hour work period and shall not be combined with breaks. Employees are not paid during their lunch period; therefore, they should be completely relieved of all duties and be free to leave their post of duty.</p> <p>Sec. 82-175. - Supervisory responsibilities</p> <p>(c) Supervisors are responsible for ensuring employee time records are accurate and that no abuses occur. Only supervisors have the authority to correct employee time record errors or omissions.</p> <p>(d) Supervisors are responsible for recording employee vacation and sick time and for entering time for employees who are working outside their department work area.</p> <p>(e) Supervisors are responsible for checking daily start times, meal periods, end times, vacation time, sick time, compensatory time and overtime to ensure employees are in compliance with their shift work schedule and the county's overtime policies. Supervisors are responsible for promptly documenting actions warranting discipline and for promptly reporting possible fraud to the county auditor.</p> <p>According to Dallas County Code, Section 82-132, Work schedules: Exempt employees shall report all hours worked and adhere to an established work schedule approved by the elected official/department head. Exempt employees' work schedules <u>shall average a minimum of 40 hours per week</u>, including use of accrued leave time. All time worked shall be recorded in the official time and attendance system.</p> <p>According to Dallas County Code, Section 82-134, Scheduled time off: Periodically, elected officials/department heads may grant administrative time off for exempt employees. Such time off must be approved by the elected official/department head. In order to approve such leave, the elected official/department head must ensure the <u>exempt employee's most current 12-month average weekly work schedule exceeds 40 hours</u>. For exempt employees whose tenure is less than 12 months, their average weekly hours worked shall be determined by the average hours worked over the number of weeks worked for the county. If this criterion is met, the elected official/department head may, at his/her discretion, approve the time off. Under no circumstances will this time be granted on an hour-for-hour basis and the <u>total amount of time granted shall not exceed 15 work days in a 12-month period except by formal approval by the commissioners court.</u></p>
Cause: (Describe the cause of the condition if possible)	Unknown
Effect: (Describe or quantify any adverse effects)	Time used for ATO not in accordance with County policies
Recommendation: (Describe corrective action)	<p>All vacation, sick leave, comp time, holiday time, jury duty, and approved time off should be posted to the Kronos time and attendance system in accordance with the Dallas County Code and Commissioners Court orders.</p> <p>Individual keypad access codes should be assigned to employees. Upon employee separation or transfer, the employee's access code should be deactivated.</p>

County Auditor



Dallas County, Texas

Responsible Department or Organization:	County Clerk				
Management's Response:	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent :		Date :
Comments:					
Disposition:	<input type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration		