Timothy J. Hicks, CPA
Dallas County Auditor

500 Elm Street
Suite 4200
Dallas, TX 75202

Tel: (214) 653-6472
Fax: (214) 653-6440

Honorable John Warren
County Clerk
Dallas, Texas

RE: FINAL AUDIT REPORT **County Clerk Probate - FY2025 (April 2025 to September 2025)**

The Dallas County Auditor's Office Internal Audit Division performed procedures for the period April 1, 2025, through September 30, 2025.

The objectives of the engagement were to:

1. Ensure all funds were accounted for at the time of the unannounced cash count.
2. Ensure all funds collected were receipted and deposited accurately, timely, and in compliance with statutory requirements.
3. Ensure court costs, fines, and fees were accurately assessed and recorded in compliance with statutory requirements.
4. Evaluate internal controls over financial transactions.

Overall Results

County Clerk Probate experienced delays in depositing Texfile tills and in receipting payments received through the mail.

We appreciate the cooperation of the department and the staff during our review. 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,

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ISSUED: 7/30/2026
RELEASED: AUGUST 13, 2026

REPORTABLE FINDINGS

ISS.26-CC-3.01-01 Cash Management:

Risk Rating: Medium

A review of all daily tills, closeouts, and deposits, and a sample review of the mail log identified three Texfile tills totaling $19,857 that were deposited with the Treasurer's Office after the statutorily required deposit period of the next business day (no later than the fifth business day), including one till that was deposited 100 days after the till was opened. Additionally, seven payments totaling $4,700 were receipted to Odyssey between two and three business days after being received in the mail. Dallas County Code requires official receipts be written or generated immediately for all collections made.

Suggested Actions

- Ensure payments received through mail are promptly receipted to the Odyssey system.
- Periodically review mail log payments with corresponding computer receipts
- Deposit all overage amounts received into the overpayment account.
- Close and deposit tills on a daily basis.

Management Action Plan and Target Date

Target Date: 2/17/2027

Management has addressed the identified deficiencies by strengthening procedures related to the reconciliation and deposit of Odyssey Texfile tills. Staff received comprehensive training from the Financial Administrator on September 29, 2025, regarding Odyssey till reconciliation, deposit processing, and the timely resolution of payments received in the mail. The delayed deposits identified during the audit occurred prior to this training and the implementation of enhanced procedures. To prevent recurrence, management has implemented written procedures requiring daily reconciliation of all Odyssey tills and timely inclusion of reconciled tills in the Odyssey Deposit Management process. Supervisors are required to review the Till Balance Report and Monthly Exception Till Query each business day to identify outstanding tills, monitor aging items, and ensure deposits are completed promptly.

Payments received via mail were immediately addressed by management to ensure correction through policy revisions so that supervisors review, verify, and sign off on mail log entries receipted in Odyssey no later than the next business day in accordance with Local Government Code § 113.022. Management has scheduled refresher training for all staff on mail log procedures, which should be completed within 30 days. All cashiers and supervisors must verify compliance with established policies and procedures.

REPORTABLE FINDINGS

Additionally, management has established periodic reviews of system reports and daily transaction activity to verify compliance with deposit requirements and ensure that undeposited tills are promptly investigated and resolved. Routine refresher training will continue to reinforce established procedures, and all cashiers and supervisors are required to review and sign off on daily reconciliations to document compliance and accountability.

Please note that the transition from Bank of America to Wells Fargo has an impact on the timing of statement report availability. While reports were previously received within approximately two days, Wells Fargo reports may take longer to become available. Deposits may be temporarily held until balances can be verified; however, delays are promptly communicated to the Treasurer's Office team to maintain transparency and timely resolution.

cc: Darryl Martin, County Administrator

The 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 material weakness. It is the responsibility of the department to establish and maintain effective internal control over compliance with the requirements of law, regulations, and contracts applicable to the department.