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Honorable John Warren
County Clerk
Dallas, Texas

RE: FINAL AUDIT REPORT **County Clerk Central Records - 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

A review of County Clerk Central Records for fiscal year 2025 (April 2025 to September 2025) revealed seven Odyssey tills totaling $987 were deposited between five and 35 business days after the original transaction date. In addition, 31 payments totaling $594 were deposited between 30 and 134 days after the settlement report date. Further review showed that these same 31 payments were deposited with the Treasurer's Office prior to being receipted in the Odyssey system, indicating that funds were not recorded in Odyssey at the time they were physically deposited.

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,

Timothy J. Hicks, CPA
County Auditor

ISSUED: 3/25/2026
RELEASED: APRIL 20, 2026

REPORTABLE FINDINGS

ISS.26-IA-CC-60.01 Internal Controls:

Discussion with Central Records management and clerks, along with risks identified during the walkthrough completed on February 05, 2026, identified that the Payment Processing Handbook provided by Central Records does not reflect the current processes performed by Central Records clerks: (1) a secondary level review is not completed for the end of day close-out procedures performed by the clerks, and (2) current management does not have access to County Wide Receipting (CWR) and is not trained in receipting and depositing procedures. Additionally, two former employees still have active access to CWR, as of February 26, 2026.

Suggested Actions

- Use standard operating procedures to train new staff and reinforce training for existing staff.
- Daily management review of duties performed by staff to ensure deposits and receipts are accurate, complete, and timely.
- Request IT Services disable CWR access for the former employees.

Management Action Plan

Management has implemented corrective actions to strengthen internal controls over system access and cash handling processes, as outlined below:

- **CWR System Access:** Access for all separated employees has been reviewed and terminated in coordination with IT Services to ensure timely deactivation and prevent unauthorized system use. *Completed*

- **CLASS System Access:** Access for designated management personnel has been formally requested to ensure appropriate oversight and segregation of duties. Management will validate and document access upon completion.

- **Policy and Procedure Updates:** The Payment Processing Handbook has been revised to reflect current receipting and depositing procedures, including enhanced control requirements and staff responsibilities. *Completed*

- **Staff Training:** Management will conduct mandatory training for all applicable staff on updated receipting and depositing procedures, with an emphasis on internal control compliance, accuracy, and timeliness. Attendance will be documented and retained for audit purposes. *Target Completion: within 30 days.*

Management will continue to monitor compliance with these controls and implement additional corrective actions as necessary to ensure sustained adherence.

Management will implement enhanced procedures within the next 30 day.

REPORTABLE FINDINGS

ISS.26-IA-CC-60.02 Deposits:

A review of all Odyssey tills, closeouts, and deposits processed revealed seven Odyssey tills totaling $987 were deposited between five and 35 business days after the original transaction date.

Suggested Actions

- Develop closeout and balancing procedures emphasizing that funds are deposited the next business day after receipt.
- Require supervisory review to ensure all tills are closed and deposited daily.
- Ensure the ACT-0010 JP Morgan Chase Paymentech report is used as a source to verify VeriFone credit card transactions in daily deposits.
- Periodically review system reports and daily work for accuracy and staff compliance with established policies and procedures.

Management Action Plan

Management has implemented and continues to reinforce internal controls to ensure the accuracy, completeness, and timeliness of deposit processing, as outlined below:

- **Daily Oversight:** Management performs a documented daily review of all tills and related deposits to verify accuracy, completeness, and timely processing. *Completed/Ongoing*

- **Monitoring and Compliance:** Staff adherence to deposit timeliness is reinforced through ongoing communication and supervisory oversight. Management conducts periodic, unannounced spot checks within Odyssey (receipting system) and CLASS (deposit system) to validate alignment between receipts and recorded deposits. *Completed/Ongoing*

- **Secondary Review Control:** A formal secondary review process for end-of -day close-out procedures have been implemented and is tracked via a standardized spreadsheet. This control ensures all transactions, tills, and deposits are independently verified for accuracy and completeness prior to finalization. *Completed/Ongoing*

- **Reconciliation Variances**: Seven Odyssey tills have been fully reconciled. Any identified discrepancies were reviewed and resolved to ensure accurate financial posting. *Completed.*

Management will continue to monitor these controls for effectiveness and compliance and will implement corrective actions as needed to address any identified deficiencies.

REPORTABLE FINDINGS

ISS.26-IA-CC-60.03 Online Credit Card Payments:

A review of online credit card transactions identified 31 payments totaling $594 deposited between 30 and 134 business days after the settlement report date. These same 31 payments were also deposited with the Treasurer's Office before being receipted in the Odyssey system.

Suggested Actions

- Develop, implement, and train employees on formal written procedures detailing credit card handling procedures.
- Receipt credit card payments to Odyssey and deposit in compliance with LGC 113.022.
- Reconcile transactions using the Credit Card Settlement report, and the Odyssey Payment and Till Balance reports daily to ensure all tills have been closed and deposited.

Management Action Plan

- **Staff Training:** All applicable staff have completed training on credit card processing procedures, with an emphasis on proper receipting, reconciliation, and deposit requirements. *Completed.*

- **Daily Reconciliation:** Management performs a documented daily reconciliation using settlement reports and Odyssey system reports to ensure all online credit card transactions are accurately recorded and aligned. *Completed/Ongoing*

- **Transaction Resolution**: All 31 online credit card payments have been properly receipted in Odyssey. *Completed*

The transactions identified during the audit have been fully reviewed, reconciled, and resolved.

The discrepancies were attributed to control gaps in ensuring that all transactions were both receipted in Odyssey and deposited with the Treasurer's Office. Specifically, certain transactions were either deposited without the corresponding receipt or receipted without being deposited.

To address these deficiencies, management has implemented enhanced internal controls to ensure completeness and accuracy of transaction processing. A standardized tracking spreadsheet has been established and is utilized daily to monitor all transactions from receipt through deposit. This tool requires verification that each transaction is both receipted and deposited, with management review to ensure alignment between systems.

cc: Darryl Martin, County Administrator