



# AUDIT REPORT

DALLAS COUNTY

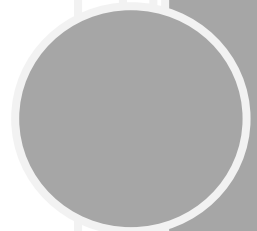
COUNTY CLERK CRIMINAL - FY 2023

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County Auditor

ISSUED: 9/12/2024

RELEASED: SEPTEMBER 23, 2024



## County Clerk Criminal - FY 2023

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This report is intended for the information and use of the agency/department. While we have reviewed internal controls and financial reports, this review will not necessarily disclose all matters of a material weakness. It is the responsibility of the department to establish and maintain effective internal control over compliance with the requirements of laws, regulations, and contracts applicable to the department.



**DALLAS COUNTY**  
**COUNTY AUDITOR**

**MANAGEMENT LETTER**

Honorable John Warren  
County Clerk  
Dallas, Texas

Attached is the County Auditor's final report entitled "**County Clerk Criminal - FY 2023**" Report. In order to reduce paper usage, a hard copy will not be sent through in-house mail.

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*

Timothy J. Hicks, CPA  
County Auditor

## **EXECUTIVE SUMMARY**

A review of County Clerk Criminal for fiscal year 2023 revealed the significant observations listed below:

### **Summary of Significant Observations:**

- **Manual Receipts:** 87 manual receipts totaling \$9,752.23 were receipted in Odyssey between two and 17 days after the manual receipt was issued.
- **Deposits and Odyssey Tills:** Three criminal misdemeanor e-file tills totaling \$3,606 have not been deposited with the Treasurer's Office as of June 21, 2024.
- **Deposits and Odyssey Tills:** 80 criminal tills totaling \$225,696 were deposited with the Treasurer's Office between four to 169 days after the till was closed in Odyssey.

### **Repeat Observations from Previous Audits:**

- **Fee Compliance:** Inaccurate fee assessments.
- **Deposits and Odyssey Tills:** Deposits processed five or more business days after the computer receipt date.
- **Special Fund Disbursements:** Disbursement posting errors.

Only those weaknesses which have come to our attention as a result of the audit have been reported. It is the responsibility of the department management to establish and maintain effective internal control over compliance with the requirement of laws, regulations, and contracts applicable to the department.

## **INTRODUCTION**

**Dallas County Auditor's Office mission is to provide responsible, progressive leadership by accomplishing the following:**

- Comply with applicable laws and regulations.
- Safeguard and monitor the assets of the County utilizing sound fiscal policies.
- Assess risk and establish and administer adequate internal controls.
- Accurately record and report financial transactions of the County.
- Ensure accurate and timely processing of amounts due to County employees and vendors.
- Set an example of honesty, fairness and professionalism for Dallas County government.
- Provide services with integrity.
- Work in partnership with all departments to resolve all issues of the County.
- Strive to utilize the latest efficient and effective technology in the performance of tasks.
- Provide technical support and training in the development, implementation, and maintenance of information systems.
- Hold ourselves accountable to the citizens of the County at all times.
- Be responsive to the elected officials and department heads of Dallas County.

The objectives of this audit are to:

1. Ensure compliance with statutory requirements
2. Evaluate internal controls
3. Verification of accuracy and completeness of reporting
4. Review controls over safeguarding of assets

This audit covered the period of October 1, 2022 through September 30, 2023.

The audit procedures will include interviews with key process owners, observation of transactions processing, data analysis and sample testing of transactions. The main system used will also be reviewed and incorporated as part of the testing of transactions.

**DETAILS****Fee Compliance****Criteria**

Per Local Government Code Section 133.102, "a person convicted of an offense shall pay as a court cost, in addition to all other costs: (1) \$185 on conviction of a felony, (2) \$147 on conviction of a Class A or Class B misdemeanor, or (3) \$62 on conviction of a non-jailable misdemeanor offense, including a criminal violation of a municipal ordinance, other than a conviction of an offense relating to a pedestrian or the parking of a motor vehicle."

Per Local Government Code Section 134.102, "a person convicted of a Class A or Class B misdemeanor shall pay \$123 as a court cost, in addition to all other costs, on conviction."

Per Local Government Code Section 134.103, "a person convicted of a non-jailable misdemeanor offense, including a criminal violation of a municipal ordinance, shall pay \$14 as a court cost, in addition to all other costs, on conviction."

Per standard internal controls, information processing controls must be continually updated and monitored to help ensure that transactions completed through computerized applications are valid, authorized, complete, and accurate.

**Review**

A sample review of 102 County Clerk criminal cases with assessments created during fiscal year 2023 revealed:

- One case was not assessed the Clerk Fee of \$40.
- One case was not assessed the Records Management Fee of \$25.
- Two cases were assessed \$25 for the District Attorney Fee in error instead of \$20.
- Two cases were assessed \$40.60 for the Clerk Fee in error instead of \$40.
- Two cases were assessed \$22.50 for Records Management Fee in error instead of \$25.
- One case was not assessed the Child Safety Fee for \$25.
- One case had the Installment Fee of \$15 assessed twice.
- 12 cases were assessed \$5 Truancy Prevention Diversion Fund fee in error totaling \$60. The Local Truancy Prevention Diversion Fund fee should have been assessed.

**Cause/Effect**

This was due to the implementation of the new Odyssey system, as well as the lack of training of the new system resulting in clerical errors and management oversight.

This has resulted in inaccurate fee assessments and potential revenue loss for Dallas County.



## **Recommendation**

### Fee Compliance

Management should:

- Periodically review assessments to ensure that transactions are processed in accordance with state law and properly entered in Odyssey.
- Emphasize accuracy in recording all elements of the assessments and receipts. Process corrections (within statutory guidelines) for assessments errors and adjustments.

## **Management Action Plan**

- The errors outlined were due to the implementation of the new Odyssey system and have been corrected. Due to limited training on the system and the learning curve expected with a new system, errors were incurred.
- Since go-live, we have implemented consistent training on all processes, including the following:
  - Reviewing pleas and assessments to ensure that transactions are processed in accordance with state law and properly entered in Odyssey,
  - Emphasizing accuracy in recording all elements related to all misdemeanor cases.
  - Holding staff accountable for correcting all errors in a timely manner.

## **Auditor's Response**

- None

## **Credits**

### **Criteria**

Per the Code of Criminal Procedure Art. 43.091, "the court may waive payment of all or part of a fine imposed on a defendant if the court determines that the defendant is indigent or does not have sufficient resources or income to pay all or part of the fine."

Per Texas Attorney General Opinion, No DM-407, monies credited in Odyssey is applied to the fine first and then court costs which should coincide with the state laws, Judge's orders, Commissioner's court orders, and Attorney General Opinions. The quality control process should be implemented with ongoing review by management. Any information processed must be continually updated and monitored to help ensure that transactions completed through computerized applications are valid, authorized, complete, and accurate.

### **Review**



A sample review of 20 out of 5,460 County Clerk Criminal credits applied to cases during fiscal year 2023 revealed:

- Criminal Department went live in May 2023 with the new Odyssey system. The system does not automatically reduce the fine when a credit is applied.
  - Eight cases totaling \$11,220 in which a credit was applied incorrectly to the case fees.
    - Court cost was reduced by the credit instead of the fine.

**Status:** Six cases were corrected to apply the credit to the fine first.

- Four cases totaling \$6,995 had the incorrect credit type applied to the fine and/or court costs.

**Status:** All cases were corrected, and the proper credit type was applied.

A sample review of 15 County Clerk Criminal cases related to Civil with a State credit applied during fiscal year 2023 revealed:

- Four cases did not have the State credit applied correctly.
  - Appellate Fund and Language Access Fund fees were incorrectly included in the \$137 credit applied to the case.

### **Cause/Effect**

This was due to the Odyssey system limitation of applying the credit to the fine first and a lack of training for the employees on the new system. Also, the State credit was not configured correctly during system implementation.

This has resulted in an incorrect distribution of funds requiring additional staff time to correct errors. Additionally, any payments received would be improperly applied to the Fine and State Consolidated Fee accounts.

### **Recommendation**

#### Credits

Management should:

- Train staff on how to properly apply a credit to a case in which the fine is reduced first.
- Ensure proper credits are applied to the correct fee codes.
- Periodically review cases with credits to ensure appropriateness, timeliness, and completeness.





## **Management Action Plan**

- The errors outlined were due to the implementation of the new Odyssey system and have been corrected. Due to limited training on the system and the learning curve expected with a new system, errors were incurred.
- Since go-live, we have implemented consistent training on all processes, including the following:
  - Reviewing pleas and assessments to ensure that transactions are processed in accordance with state law and properly entered in Odyssey,
  - Emphasizing accuracy in recording all elements related to all misdemeanor cases.
  - Holding staff accountable for correcting all errors in a timely manner.

## **Auditor's Response**

- None

## **Manual Receipts**

### **Criteria**

Per Local Government Code § 113.022, "all monies received should be promptly receipted and deposited with the County Treasurer on or before the next regular business day after the date on which the money is received. If this deadline cannot be met, the money must be deposited without exception on or before the fifth business day after the day on which the money is received."

Standard internal control procedures require that all manual receipts be accounted for and properly used, include supervisory review, be kept in numeric order, and have the corresponding computer receipt attached. Once the system is restored, the payments are posted to the system, and the manual receipt numbers are entered into the Odyssey Comment field.

### **Review**

A review of all 143 County Clerk Criminal manual receipts totaling \$19,677 issued during fiscal year 2023 revealed:

- County Clerk Criminal implemented a new case management system in May 2023. Manual receipts were issued during the implementation period while working through system issues and learning the new system.



- 87 manual receipts totaling \$9,752 were receipted in Odyssey between two and 17 days after the manual receipt was issued.
- Manual receipt numbers on all 143 computer receipts were not entered into the Odyssey Comment field.

**Cause/Effect**

This was due to the implementation of a new case management system as well as a lack of training and knowledge as to how to navigate the system.

This has resulted in delayed revenue recognition and a potential risk for funds to be misappropriated.

**Recommendation**

Manual Receipts

Management should:

- Train new and current employees on manual receipting procedures including that manual receipt numbers should be entered in Odyssey Comment field.
- Establish written procedures for processing manual receipts.
- Review manual receipt books for completeness and proper posting to Odyssey.
- Reconcile manual receipts to Odyssey receipts to ensure all transactions have been recorded.

**Management Action Plan**

- Due to the implementation of the new Odyssey system, staff was required to undertake extraordinary steps to process work. We do not anticipate the re-occurrence of such errors. Policies and procedures have had to be further defined for the new system. Management will take the Audit recommendation to have the manual receipt numbers entered to the Odyssey comment field as a procedure going forward.

**Auditor's Response**

- None



## Computer Receipts

### **Criteria**

Per Local Government Code § 113.022, "all monies received should be promptly receipted and deposited properly, and timely with the County Treasurer on or before the next regular business day after the date on which the money is received. If this deadline cannot be met, the money must be deposited without exception on or before the fifth business day after the day on which the money is received."

Standard internal control procedures related to voids require the receipts to be voided with a reason for the void recorded to the computer system and all voided copies retained. All voids should be reviewed daily by supervisory personnel at least one level above the employee who voided the payment.

### **Review**

A review of all 68 County Clerk Criminal voided computer receipts totaling \$10,493 processed during the fiscal year 2023 revealed:

- 23 computer receipts totaling \$3,211 were voided between one hour and five days after the original transaction was processed.
  - 18 computer receipts totaling \$1,396 were voided between one hour and five hours after the original transaction was processed.
  - Five computer receipts totaling \$1,815 were voided between one day and five days after the original transaction was processed.
- Two computer receipts totaling \$142 were originally back dated when receipted, and later voided.

### **Cause/Effect**

This was due to the lack of written procedures related to voids and inadequate employee training on the new system.

This has resulted in delayed revenue recognition and increases the risk that funds may be misappropriated.

### **Recommendation**

Computer Receipts

Management should:

- Develop procedures and documentation incorporating controls such as the processing of voids and receipt corrections within 30 minutes and supervisory review.



- Periodically review system reports and daily work for accuracy and staff compliance with established policies and procedures.

### **Management Action Plan**

- Due to the implementation of the new Odyssey system, staff was required to undertake extraordinary steps to process work, which resulted in voids and delays. We do not anticipate the re-occurrence of such errors.

### **Auditor's Response**

- None

## **Special Fund Disbursements**

### **Criteria**

Per standard internal control procedures, special fund disbursements, voids, and stale dated checks should be timely and accurately posted to the Odyssey system to maintain accurate financial records.

### **Review**

A review of all 16 County Clerk Criminal case fees Special Fund 501 disbursements totaling \$4,769 issued during the fiscal year 2023 revealed:

- Seven disbursements totaling \$911 were posted to Odyssey 55 or more business days after the date of issuance.
- One disbursement totaling \$279 was not posted to Odyssey.

### **Cause/Effect**

This was due to inconsistent management oversight to ensure Oracle issued check amounts are manually updated to Odyssey. There is no integration between Oracle and Odyssey.

This has resulted in inaccurate Odyssey financial case balances and increased the potential for duplicate payments being issued by the department.

### **Recommendation**

Special Fund Disbursements

Management should:

- Develop written procedures for the disbursement process.
- Generate a daily Odyssey Transaction Listing report for disbursements and compare the report to the disbursement file received from the Treasurer's Office to confirm all checks have been posted to Odyssey in the correct amounts and to the correct cases.

**Management Action Plan**

- We do not anticipate the re-occurrence of such delays. Disbursements are typically posted to Odyssey between 3-5 business days and no further disbursements are to be made until postings are up to date.
- One disbursement referenced above was made payable to the Dallas County Treasurer's Office due to the case payment being charged back. Going forward, the cashiers will not reverse the payment in Odyssey but will enter the check number where the funds were returned to the Treasurer's Office which will allow for the appropriate paper trail.

**Auditor's Response**

- None

**Deposits and Odyssey Tills****Criteria**

Per Local Government Code § 113.022, "all monies received should be promptly receipted and deposited with the county treasurer on or before the next regular business day after the date on which the money is received. If this deadline cannot be met, the money must be deposited without exception on or before the fifth business day after the day on which the money was received."

Per standard internal control procedures, all tills are reconciled daily and included in an Odyssey deposit through the deposit management functionality.

**Review**

A review of all daily tills, closeouts, and deposits processed during the fiscal year 2023 totaling \$2,758,672 revealed:

- Three Criminal Misdemeanor e-file tills totaling \$3,606 have not been deposited with the Treasurer's Office as of June 21, 2024.
- 80 criminal tills totaling \$225,696 were deposited with the Treasurer's Office between four to 169 days after the till was closed in Odyssey.
- Four tills totaling \$13,891 were closed in Odyssey between five to 23 days after they were initially opened.
- Three deposits totaling \$42,963 were delayed in processing between 29 and 37 days after the computer receipt date.



- During implementation of the new credit card machines an installation error occurred, which resulted in funds being sent to another department's holding account.

**Status:** New deposit 98s were created to correct the deposit error.

### **Cause/Effect**

This was due to the implementation of the new case management system and a lack of employee training on the new system.

This has resulted in delayed revenue recognition.

### **Recommendation**

Deposits and Odyssey Tills

Management should:

- Generate the Till Balance Report to ensure all tills have been closed and deposited in a timely manner with the Treasurer's Office.  
Train employees to closeout adjustment tills and include the tills in an Odyssey deposit.

### **Management Action Plan**

- As noted, new Form 98's were created to correct the issues. We do not anticipate a recurrence of further errors or delays.

### **Auditor's Response**

- None

## **E-file Transactions**

### **Criteria**

Per Local Government Code § 113.022, "all monies received should be promptly receipted and deposited with the county treasurer on or before the next regular business day after the date on which the money is received. If this deadline cannot be met, the money must be deposited without exception on or before the fifth business day after the day on which the money was received."

Standard internal control procedures require the e-file inbox be reviewed daily to accept and reject submitted filings. E-filings transactions list the trace number and any other identifying information in Odyssey.

### **Review**

A sample review of 20 daily e-file transactions processed during fiscal year 2023 revealed:



- Six e-file transactions totaling \$1,080 were receipted between four and 16 business days after the acceptance date.
- Two e-file transactions totaling \$426 did not have the correct trace number noted in the system.

**Cause/Effect**

This was due to clerical error and an inconsistent management review.

This has resulted in delayed revenue recognition to the general ledger and payment detail was not consistently recorded in the system for a proper audit trail.

**Recommendation**

E-file Transactions

Management should:

- Review e-file tills for accuracy and timeliness of processing of transactions.
- Ensure all e-file tills are closed and deposited in a timely manner with the Treasurer's Office.
- Ensure staff is consistently following established policies and procedures.

**Management Action Plan**

- E-file was impacted due to the implementation of the new Odyssey system. We do not anticipate the re-occurrence of such delays in receipting.
- The e-file transaction trace numbers were provided by the vendor reports.

**Auditor's Response**

- None

**Financial Set-Up****Criteria**

Per standard internal control procedures all set-up related to financial systems is to be end-dated or disabled once codes are no longer used to limit potential posting errors.

**Review**

A limited review of the Odyssey System financial setup and active tills for County Clerk Criminal revealed:

- Two active Odyssey tills associated to users transferred out of the County Clerk Criminal Cashier Division.

**Cause/Effect**



There was a lack of training and written procedures on the process to end-date a user's Odyssey till access once an employee is no longer with the department.

This has resulted in limited accountability for the posting of financial transactions to accounts belonging to terminated/transferred employees and increased the risk that funds may be misappropriated.

**Recommendation****Financial Set-Up**

Management should:

- End-date and check mark the inactive box to terminate Odyssey users' accounts.
- Deactivate all assigned cashier stations and tills when users are no longer employed in the County Clerk Criminal Cashier division.
- Request that user access for former employees or employees who have been reassigned be disabled. Follow-up to ensure the user account was disabled.
- Periodically review accounts to confirm timely deactivation for separated/transferred employees.

**Management Action Plan**

- One employee still requires the active till access in her role in the Accounting and Trust Department.
- One employee still requires Odyssey access in her position with the County Clerk's office; however, a request was submitted to remove till access only from her Odyssey access.

**Auditor's Response**

- None

cc: Darryl Martin, Commissioners Court Administrator