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Honorable John Warren
County Clerk
Dallas, Texas

RE: FINAL AUDIT REPORT County Clerk Registry Trust - FY 2024

The Dallas County Auditor's Office Internal Audit Division performed procedures for the period October 1, 2023, through September 30, 2024.

The objectives of the engagement were to determine whether:

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

Overall Results

A review of the County Clerk Trust and Registry investments for fiscal year 2024 revealed delays in posting disbursements and investment interest to Odyssey.

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

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ISSUED: 1/13/2025
RELEASED: JANUARY 31, 2025

REPORTABLE FINDINGS

ISS.25-CC-5-01 Fund 501 Odyssey Posting Errors:

A comparison of all Fund 501 Civil and Probate disbursements revealed delays in posting disbursements and cancellations in Odyssey totaling \$278,708. An additional seven disbursements were posted to Odyssey for the incorrect amount (variance \$2,462).

Suggested Actions

- 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.
- Record all registry transactions to Odyssey in a timely manner.
- Correct all posting errors and unrecorded items in Odyssey.

Management Action Plan

- The seven disbursements that were posted to Odyssey for the incorrect amount and the five cancelled disbursements have been corrected.
- To assure check numbers are being entered in the service level standard of 3 business days, Accounting and Trust will no longer process check request until it is confirmed that the previous check request numbers have been entered into Odyssey. A Trust clerk has been trained to review Odyssey to ensure check number are entered correctly, accurately and on a timely basis.

ISS.25-CC-5-02 Fund 502 AIS Posting and Disbursement Errors:

A review of Fund 502 disbursements and cancellations associated with misdemeanor cash bonds posted to the Adult Information System (AIS) revealed duplicate disbursements totaling \$5,300. An additional 21 stale-dated checks totaling \$10,359 have not been voided in AIS.

Suggested Actions

- Periodically review case balances, disbursements, and cancellations to ensure amounts are properly posted to AIS.

Management Action Plan

- The corrections for the two duplicates totaling \$300 have been completed and the \$5,000 check has a demand request for repayment.
- The systematic error responsible for generating these duplicates has been identified and resolved. The system is now functioning correctly and will no longer create

REPORTABLE FINDINGS

duplicates. Invoice numbers that correspond to AIS receipt numbers are being used to catch all duplicate request.

- All funds have been made available in AIS. A lack of access to AIS has been responsible for the delay. The 502 stale-dated process is a manual procedure that management will oversee to ensure funds are made available once they become stale-dated.

ISS.25-CC-5-03 Investment Interest Posting to Odyssey:

A review of civil and probate investment account balances as of September 30, 2024 revealed interest amounts totaling \$117,353 were not updated in Odyssey for 188 accounts.

Suggested Actions

- Periodically review investment balances to bank information to ensure investment balance is correct and identify any material discrepancies.
- Periodically reconcile interest amounts recorded in Odyssey to official records of banking institutions.

Management Action Plan

- The investment report indicates that interest amounts have not been updated in Odyssey. This issue stems from banks that do not provide interest amounts for investments deposited into savings accounts based on their dollar value.

cc: Darryl Martin, Commissioners Court Administration