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Honorable John Warren
County Clerk
Dallas, Texas

RE: FINAL AUDIT REPORT **County Clerk Registry Trust - FY 2025**

The Dallas County Auditor's Office Internal Audit Division performed procedures for the period October 1, 2024, through September 30, 2025.

The objectives of the engagement were to:

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

Overall Results

A review of County Clerk Trust and Registry investments for fiscal year 2025 revealed delays in posting amounts to Odyssey including disbursements and investment interest totaling $1,285,502. Additionally, $4,731 in duplicate payments were issued and disbursements totaling $9,931 were not posted 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,

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ISSUED: 2/6/2026
RELEASED: MARCH 3, 2026

REPORTABLE FINDINGS

ISS.26-CC-5-01 Fund 501 Odyssey Posting Errors:

A review of all Fund 501 Civil and Probate registry disbursements identified significant delays and errors in posting activity. One-hundred four disbursements, totaling $959,582, were posted to Odyssey between six and 64 days after issuance. Additionally, five disbursements totaling $4,431 were not posted to Odyssey, two disbursements totaling $500 were only partially posted, and duplicate disbursements totaling $2,779 were issued on two cases.

Status: One duplicate disbursement was cashed, while the other duplicate disbursement remains in negotiable status.

Suggested Actions

- Implement procedures to ensure all disbursements are posted to Odyssey on the date of issuance.
- Provide staff training to reinforce proper posting requirements.
- Establish a supervisory review process to verify the completeness and accuracy of all postings.
- Perform routine reconciliations between issued disbursements and Odyssey postings to identify missing, partial, or duplicate entries.
- Develop monitoring controls to detect delays or discrepancies in posting activity in a timely manner.

Management Action Plan

All corrections that were able to be addressed in Odyssey have been completed. The five payments that were not previously posted have now been updated. The two partial payments have been adjusted to accurately reflect the correct amounts. Management will conduct periodic spot checks to ensure all check numbers are being updated accurately and in time. No additional check request can be made until all check numbers are entered per Accounting and Trust Division to prevent duplicates.

ISS.26-CC-5-02 Fund 502 AIS Posting and Disbursement Errors:

A review of Fund 502 misdemeanor cash bond transactions in the Adult Information System (AIS) identified eighteen bond disbursements totaling $19,065 were refunded and recorded in AIS, but the corresponding disbursements were not posted to the Odyssey system. In addition, bond activity for three cases totaling $5,500 was not posted to Odyssey. The review also noted that 24 disbursements totaling $38,844 were cancelled in AIS; however, explanations were not

documented in the AIS system, and the corresponding cancellations were not recorded in Odyssey.

Suggested Actions

- Implement a daily reconciliation process that compares AIS bond activity with Odyssey postings to identify missing, partial, or unrecorded transactions.
- Establish supervisory review procedures to verify that all disbursements, cancelled checks, and case activity are accurately and completely posted.
- Document explanations for cancelled checks in AIS and ensure corresponding entries are posted to Odyssey.
- Periodically review case balances, disbursements, and cancellations to ensure amounts are properly posted to AIS and Odyssey.
- Provide staff training on proper posting requirements and documentation standards to reduce errors and omissions.
- Collaborate with IT Services to verify that all bond activity recorded in AIS is accurately and consistently transferring to Odyssey. Implement corrective measures if discrepancies are identified.

Management Action Plan

Regarding refunds not being recorded in the Odyssey system, for disbursements that were processed in AIS but not reflected in Odyssey, a ticket has been submitted requesting system integration to allow check information to feed from AIS into Odyssey. The implementation timeline for this enhancement is dependent on the IT department's availability and workload. Also, a ticket has been submitted to the IT team for the three bond cases that did not migrate properly into Odyssey. Under the normal process, all bond activity should automatically integrate into Odyssey once entered into AIS.

Going forward, notations will be entered in Odyssey for all cancellations. Additionally, all cancellations will be required to be completed or confirmed by the management team.

ISS.26-CC-5-03 Fund 506 Odyssey Posting Errors:

A review of all Fund 506 disbursements and cancellations issued during fiscal year 2025 identified four disbursements totaling $148,276 posted to Odyssey between eight and 32 business days after the checks were issued. For one of these checks, the full amount was not posted to Odyssey resulting in the issuance of a duplicate disbursement totaling $1,952. In addition, three cancelled disbursements totaling $71,830 had not been posted or voided in Odyssey as of December 09, 2025, and one disbursement totaling $102,097 was posted to Odyssey for $7,755 more than the issuance amount. **Status**: On January 5, 2026, Odyssey was updated to reflect the correct amount for the $102,097 disbursement.

Suggested Actions

- Implement procedures to ensure all disbursements are posted to Odyssey on the date of issuance to prevent delays, omissions, and duplicate payments.
- Provide staff training on proper posting procedures and error-resolution requirements to reduce recurring discrepancies.
- Require supervisory review of all disbursements and cancellations to verify that amounts are posted accurately and completely.
- Perform routine reconciliations between issued checks and Odyssey postings to identify late, missing, incorrect, or duplicate entries.
- Ensure cancelled disbursements are promptly voided or posted in Odyssey and that documentation is maintained to support each cancellation.

Management Action Plan

Corrections have been made to update and correct check numbers in Odyssey, including instances where check numbers were not previously entered. Additionally, three cancelled checks that were not placed or voided in Odyssey were identified as duplicate payments that had already been posted to the registry.

The State Comptroller has been notified and is in the process of reissuing the funds back to the registry. Once the funds are received, the accounts will be reconciled to ensure accuracy and completeness.

Management will conduct periodic spot checks to ensure interest amounts are being updated accurately and timely.

ISS.26-CC-5-04 Investment Interest Posting to Odyssey:

A review of civil and probate investment account balances as of September 30, 2025 identified that interest totaling $177,644 had not been updated in Odyssey for 331 accounts.

Suggested Actions

- Implement procedures to ensure all investment account interest is updated in Odyssey promptly and accurately, including a defined schedule for posting interest earnings.
- Perform periodic reconciliations between investment account statements and Odyssey records to identify and correct missing or outdated interest postings.
- Establish supervisory review controls to verify that interest updates are complete and properly recorded for all applicable accounts.
- Coordinate with IT or system support teams to address any system-related issues that may prevent interest amounts from updating correctly.

REPORTABLE FINDINGS

- Provide staff training on required posting procedures and the importance of maintaining accurate investment account balances.

Management Action Plan

Certain banking institutions do not issue periodic statements reflecting interest updates or maturity dates when funds are held in savings accounts. As a result, interest activity is not always automatically communicated through standard bank statements. Management will conduct periodic spot checks to ensure interest amounts are being updated accurately and timely.

cc: Darryl Martin, County Administrator