



AUDIT REPORT

DALLAS COUNTY

COUNTY CLERK VITALS - FY 2023

Timothy J. Hicks, CPA

County Auditor

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County Clerk Vitals - FY 2023

TABLE OF CONTENTS

County Clerk Vitals - FY 2023	2
MANAGEMENT LETTER	3
EXECUTIVE SUMMARY	4
INTRODUCTION.....	5
DETAILS	6
Computer Receipt Voids and Adjustments	6

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 Vitals - 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 Vitals for fiscal year 2023 revealed the following:

Summary of Significant Observations

- No significant observation

Repeat Observations from Previous Audits

- **Computer Receipt Voids and Adjustments:**
 - Computer receipts were voided one hour or more after original transaction.
 - Computer receipts adjusted to the correct receipt amount instead of voiding/re-issuing new receipts.

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:

- Ensure compliance with statutory requirements
- Evaluate internal controls
- Verification of accuracy and completeness of reporting
- Review controls over safeguarding of assets

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

The audit procedures may have included interviews with key process owners, observation of transactions processing, data analysis and sample testing of transactions. The main system used may have been reviewed and incorporated as part of the testing of transactions.

**DETAILS****Computer Receipt Voids and Adjustments****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 receiving the money.

Standard internal control procedures require receipts to be properly voided with a reason for the void recorded to the computer system and retention of all voided copies. All voids should be reviewed daily by supervisory personnel at least one level above employee that voided the payment. Processing of financial transactions should reflect proper segregation of duties. Adjustments to receipts should be made so that both good internal controls and audit trails are maintained.

Review

A review of all 53 County Clerk Vitals voided computer receipts totaling \$2,371 processed in fiscal year 2023 revealed:

- Three voided computer receipts totaling \$43 had an insufficient explanation noted.
- 23 voided computer receipts totaling \$977 were voided between one hour and three days.
 - Six were cash receipts totaling \$283
 - Two were check receipts totaling \$60
 - 15 were credit cards receipts totaling \$634

A sample review of 15 adjustments totaling \$558 processed during fiscal year 2023 revealed:

- Two computer receipts totaling \$125 were adjusted to correct receipt amounts instead of voiding and re-issuing new receipts.

Cause/Effect

This is due to inconsistent management oversight and incomplete controls over the voiding and adjustment processes.

This may result in delayed revenue recognition, inaccurate financial records and increased the potential that funds could be misappropriated.

Recommendation

Computer Receipt Voids and Adjustments



Management should:

- Periodically review system reports and daily work for accuracy and staff compliance with established policies and procedures.
- Develop procedures and documentation incorporating controls such as the processing of voids and receipt corrections within 30 minutes and supervisory review.
- Establish business process for entering consistent and detailed reasons for voids or adjustments.

Management Action Plan

- The three computer receipts totaling \$43 that were voided with insufficient explanation have been addressed with the clerks.
- The 23 computer receipts totaling \$977, which were voided between one hour and three days, were due to a system issue or because the drawer did not balance with the report. We are unable to make a deposit with the County Treasurer unless all monies coincide with the reports.
- The two computer receipts totaling \$125 were adjusted to correct receipt amounts instead of voiding and re-issuing new receipts because the customers had already left. Voiding the receipt would have also voided the marriage licenses that the customers paid for.
- The clerks have been instructed to review their individual daily deposit reports as well as their daily work first thing in the morning, before and after morning break, before and after afternoon break and before and after lunch for accuracy.
- When there is an issue a member of the management team will step in to rectify it. The clerks have also been asked to thoroughly document all transactions for each order, so all notes are clear in the event someone else needs to review them later.

Auditor's Response

- None

cc: Darryl Martin, Commissioners Court Administrator