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Honorable John Warren
County Clerk
Dallas, Texas

RE: FINAL AUDIT REPORT **County Clerk Vitals - FY 2024 and FY 2025 (Oct 2024 to March 2025)**

The Dallas County Auditor's Office Internal Audit Division performed procedures for the period October 1, 2023, through March 31, 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, completely, timely, and in compliance to statutory requirements.
3. Ensure court cost, fines, and fees were accurately assessed and recorded in compliance with statutory requirements.
4. Evaluate internal controls over financial transactions.

Overall Results

Inconsistent controls related cash management of deposits and the processing of credit cards were identified. Funds totaling $48,974 were deposited with the Treasurer's Office after the statutory timeframe established in Local Government Code § 113.02. Additionally, there were instances of credit card amounts that were deposited for less than the system control total.

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

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ISSUED: 10/8/2025
RELEASED: OCTOBER 20, 2025

REPORTABLE FINDINGS

ISS.25-IA-CC-7-01 Computer Receipt Adjustments, Voids, and Deposits:

A sample review of computer receipt adjustments, and all computer receipt voids, and daily deposits revealed the following:

- Eight deposits totaling $48,974 were deposited with the Treasurer's Office between six to ten business days after the initial transaction date.
- 14 instances were identified in which the reason for the deposit variance totaling $329 was not documented or clarified.
- Nine computer receipts totaling $1,291 were adjusted by the same individual who had processed the original transaction, without any review by supervisory personnel.
- 13 computer receipts totaling $694 were adjusted between one hour and 20 hours after the original transaction.
- Four computer receipts totaling $63 were voided without a sufficient reason noted.

Suggested Actions

- Ensure proper segregation of duties by having adjustments reviewed and approved by a supervisor or an employee independent of the original processor.
- Create a checklist to reduce common clerical errors causing deposit delays and document any delays.
- Document deposit delays, including the reason for the delay.

Management Action Plan

Deposits were delayed due to system issues or at the request of the Treasurer's Office. Effective immediately, detailed explanations for the delays will be noted on a daily log.

We have implemented a spreadsheet to log our efforts in returning the funds to the rightful owner. Clerks are held responsible for contacting the customer about the error. Customers are contacted twice, and if there is no response, the department deposits funds into the overage account.

All clerks have been instructed to send the item that requires correction to the administrator, so that it can be corrected; they are not to make any corrections themselves.

All clerks are required to balance tills before leaving for the day. Any error must be reported immediately once identified.

The Comment fields after the voids were left blank in error. As of October 1, 2025, management has implemented an issues log , which will be utilized for the purpose of noting issues for management review, including clerk adjustments and voids without comments.

REPORTABLE FINDINGS

ISS.25-IA-CC-7-02 Credit Card Processing:

A review of credit card deposits processed during the fiscal year identified 18 transactions with a cumulative variance of $302, which were below the system control total. The discrepancies stemmed from the department not receipting all Paymentus credit card transactions from a single business day as well as receipting cancelled transactions. Instead variances were recorded in the overage/shortage account.

Suggested Actions

- Ensure that both Paymentus reports and daily cash drawer summaries are consistently utilized during the reconciliation and deposit process to maintain accuracy and completeness.
- Develop and formalize written procedures requiring supervisory personnel to review and verify daily deposit activity.

Management Action Plan

All Paymentus credit card transactions will be reconciled to the system control total at the close of each business day. Staff must verify that all approved transactions for the day have been receipted before deposits are finalized.

Written procedures have been revised to include these controls and will be reviewed annually. Staff have been trained on the updated reconciliation and receipting procedures.

cc: Darryl Martin, County Administrator