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Honorable John Warren
County Clerk
Dallas, Texas

RE: FINAL AUDIT REPORT **County Clerk Civil - FY2025 (April 2025 to September 2025)**

The Dallas County Auditor's Office Internal Audit Division performed procedures for the period April 1, 2025 through September 30, 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, timely, and in compliance with statutory requirements.
3. Ensure court costs, fines, and fees were accurately assessed and recorded in compliance with statutory requirements.
4. Evaluate internal controls over financial transactions.

Overall Results

A review of County Clerk Civil identified Texfile Tills totaling $46,941 were not deposited timely. In addition, 23 computer receipts totaling $3,979 were voided between one day and six days after issuance of the original receipt and five computer receipts totaling $788 were voided between two hours and 23 hours after issuance of the original receipt. Seven voided Texfile receipts initially receipted for $1,155 were backdated upon reissuance.

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: 6/2/2026
RELEASED: JUNE 26, 2026

REPORTABLE FINDINGS

ISS.26-IA-CC-1.01-01 Voided Computer Receipts:

Risk Rating: Medium

A review of all County Clerk Civil computer receipt voids identified 23 computer receipts totaling $3,979 were voided between one day and six days after issuance of the original receipt and five computer receipts totaling $788 were voided between two hours and 23 hours after issuance of the original receipt. In addition, seven Texfile receipts totaling $1,155 were backdated by the department when a new receipt was issued.

Suggested Actions

- Develop procedures related to the processing of Texfile (credit card) transactions.
- Develop computer receipt procedures that include controls to ensure receipts are voided timely.
- Periodically review system reports and daily work for accuracy and staff compliance with established policies and procedures.

Management Action Plan and Target Date

Target Date: 6/10/2025

The October TexFile receipt delay resulted from an eFile system issue that prevented envelopes from processing properly during that period. Due to the system failure, the envelope was routed to an error queue, which delayed processing until the issue was resolved by Tyler Technologies.

Management has addressed the deficiencies identified by implementing enhanced internal controls and formalizing procedures related to voided computer receipts and Texfile transactions. Staff received comprehensive training from Financial Administrator on July 10, 2025, regarding the proper processing and timely voiding of computer receipts. The voids identified during the audit occurred prior to this training and procedural update.

Effective immediately, written procedures require all receipt voids to be processed promptly, include documented justification within Odyssey or the appropriate log, and receive daily supervisory review and approval by personnel at least one level above the employee initiating the void. In addition, all cashiers and supervisors are required to review and sign off on voided computer receipts to verify compliance with established policies and internal controls.

To address issues related to Texfile processing, management has established procedures for handling system-generated errors to ensure transactions are processed accurately, while maintaining appropriate documentation. Periodic supervisory reviews of system reports and

daily transaction activity will continue to monitor compliance, identify exceptions, and reinforce accountability through ongoing refresher training.

Implemented July 10, 2025, with ongoing monitoring, supervisory review, and periodic staff training to ensure sustained compliance.

ISS.26-IA-CC-1.01-02 Odyssey Tills and Deposits:

Risk Rating: Medium

A review of Odyssey tills, closeouts, deposits, and the Monthly Exception Till query identified one County Clerk Texfile Till totaling $6,505 was deposited 55 days after the till creation date, four Texfile Tills totaling $2,972 were deposited between five and seven days after the till creation date, and three Texfile Tills totaling $17,464 were deposited between nine and 14 days after the till creation date.

Suggested Actions

- Resolve all undeposited Civil tills to ensure funds are deposited to the correct general ledger accounts.
- Periodically review system reports and daily work for accuracy and staff compliance with established policies and procedures.
- Generate and review the Till Balance Report to ensure all tills have been closed and deposited in a timely manner.

Management Action Plan and Target Date

Target Date: 7/10/2025

Management has addressed the identified deficiencies by strengthening procedures related to the reconciliation and deposit of Odyssey Texfile tills. Staff received comprehensive training from the Financial Administrator on July 10, 2025, regarding Odyssey till reconciliation, deposit processing, and the timely resolution of transactions held in the Texfile error queue. The delayed deposits identified during the audit occurred prior to this training and the implementation of enhanced procedures.

To prevent recurrence, management has implemented written procedures requiring daily reconciliation of all Odyssey tills and timely inclusion of reconciled tills in the Odyssey Deposit Management process. Supervisors are required to review the Till Balance Report and Monthly Exception Till Query each business day to identify outstanding tills, monitor aging items, and ensure deposits are completed promptly. Any transactions remaining in the error queue due to document issues or filer-initiated chargebacks must be escalated to management for resolution within 24 hours and tracked through completion.

REPORTABLE FINDINGS

Additionally, management has established periodic reviews of system reports and daily transaction activity to verify compliance with deposit requirements and ensure that undeposited tills are promptly investigated and resolved. Routine refresher training will continue to reinforce established procedures, and all cashiers and supervisors are required to review and sign off on daily reconciliations to document compliance and accountability.

Please note that the transition from Bank of America to Wells Fargo has impacted the timing of statement report availability. While reports were previously received within approximately two days, Wells Fargo reports may take longer to become available. Deposits may be temporarily held until balances can be verified; however, any delays are promptly communicated to the Treasurer's Office team to maintain transparency and timely resolution.

Implemented July 10, 2025, with ongoing supervisory monitoring, periodic reviews, and continuous staff training.

cc: Darryl Martin, County Administrator

The 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 material weakness. It is the responsibility of the department to establish and maintain effective internal control over compliance with the requirements of law, regulations, and contracts applicable to the department.