



# AUDIT REPORT

DALLAS COUNTY

DISTRICT CLERK JUVENILE - FY 2023

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First Assistant County Auditor

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## District Clerk Juvenile - FY 2023

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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 Felicia Pitre  
District Clerk  
Dallas, Texas

Attached is the County Auditor's final report entitled "**District Clerk Juvenile - 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,

*wessen Stefanos*

Wendwessen Stefanos, CPA  
First Assistant County Auditor

## **EXECUTIVE SUMMARY**

Review of District Clerk Juvenile for fiscal year 2023 revealed:

### **Summary of Significant Observations**

- None identified

### **Repeat Observations from Previous Audits:**

- Delay in voiding computer receipts. Internal controls are not consistently followed in the void receipt process increasing the risk that funds may be misappropriated.

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:

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

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****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 the day on which the money is received.

Standard internal control procedures related to the receipting process require that all voids be reviewed daily by supervisory personnel at least one level above the employee that voided the payment.

**Review**

A review of all 18 District Clerk Juvenile computer receipts voided during fiscal year 2023 revealed:

- Five computer receipts were voided between 30 minutes and 2 days after the original transaction.
  - TWO checks were returned to the payors due to the checks not having an appropriate signature on the check.

**Cause/Effect**

This was due to inconsistent controls over the receipt voiding procedures and management oversight.

As a result, there was a delay in revenue recognition and an increased risk that funds may be misappropriated.

**Recommendation****Computer Receipt Voids**

Management should:

- Periodically review system reports and daily work for accuracy and staff compliance to established policies and procedures.
- Ensure that voids and receipt corrections are processed within 30 minutes of the original transaction.

**Management Action Plan**

Effective May 2024, cashiers were instructed to notify management of required voids immediately. Voids will be processed by management at that time to prevent delays.



Staff have been re-trained on how to process checks (verifying that checks are appropriately signed and dated, and that the written and numerical amounts match).

### **Auditor's Response**

- None

## **Special Fund**

### **Criteria**

Standard internal control procedures require all special fund disbursements, voids, and stale dated checks should be timely and accurately posted to the Odyssey system to maintain accurate financial records.

### **Review**

A sample review of 20 out of 316 Special Fund 503 disbursements issued during fiscal year 2023 revealed:

- Five disbursements totaling \$830 were posted to Odyssey between six and 41 business days after the date of issuance.

### **Cause/Effect**

This is due to inconsistent management oversight to ensure check amounts reflected in Oracle are manually updated in Odyssey. There is no integration between Oracle and Odyssey.

This has resulted in inaccurate financial case balances and increased the potential for duplicate payments.

### **Recommendation**

Special Fund

Management should:

- Periodically review case balances.
- Post disbursements to Odyssey in a timely manner.

### **Management Action Plan**

Effective May 2024, staff have been instructed to process checks the same day or next business day depending on the time of day that the Treasurer's Office emails the checks and reviews to ensure all checks have been processed.

### **Auditor's Response**

- None

**Financial Set-Up****Criteria**

Standard internal control procedures require all set-up related to financial systems should be end-dated or disabled once codes are no longer used to limit potential posting errors.

**Review**

A limited review of the Odyssey system financial setup and active tills for District Clerk Juvenile during fiscal year 2023 revealed:

- One active Odyssey till associated to a user who is no longer employed in by District Clerk Juvenile.

**Status:** As of February 8, 2024, the Odyssey till and cashiering station have been deactivated.

**Cause/Effect**

There is inconsistent management review of the Odyssey tills once an employee is no longer with the department.

This has resulted in limited accountability for the posting of financial transactions to accounts belonging to terminated/transferred employees and increased the risk that funds may be misappropriated.

**Recommendation****Financial Set-Up**

Management should:

- End-date and check mark the inactive box to terminate Odyssey users' accounts.
- All assigned cashier stations and tills should be de-activated when users are no longer employed.
- Request that user access for former employees or employees who have been reassigned be disabled. Follow-up to ensure user account was disabled.
- Periodically perform review of accounts to confirm timely deactivation for separated/transferred employees.

**Management Action Plan**

Management will submit Odyssey request form to IT to terminate former staff's access to Odyssey upon their last day of employment. Management will also follow up with IT to ensure that the request submitted to remove staff from Odyssey have been completed.



# DALLAS COUNTY



# COUNTY AUDITOR

## **Auditor's Response**

- None

cc: Darryl Martin, Commissioners Court Administrator