AUDIT REPORT

DALLAS COUNTY

COUNTY CLERK TRUANCY 91, 92 AND 94 - FY 2023

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First Assistant County Auditor

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County Clerk Truancy 91, 92 and 94 - 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 John Warren
County Clerk
Dallas, Texas

Attached is the County Auditor's final report entitled "**County Clerk Truancy 91, 92 and 94 - 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

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EXECUTIVE SUMMARY

A review of Truancy South, North and East Locations for fiscal year 2023 revealed the following significant observations.

Summary of Significant Observations:

- None Identified

Repeat observations from Previous Audits:

Computer Receipt Voids:

- Delays in voiding computer 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:

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

Odyssey Tills

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 require that Odyssey tills should be closed, reconciled daily, and included in an Odyssey deposit through the Odyssey Deposit Management functionality.

Review

A review of all daily tills, closeouts, and deposits during fiscal year 2023 totaling $185,604.43 revealed:

- Five adjustment tills and two regular tills totaling $1,253.15 were deposited with the Treasurer's Office between six and 54 days after being closed in Odyssey.
- Four adjustment tills totaling $698 have not been deposited in Odyssey as of 12/07/23.

Cause/Effect

This is due to inconsistent management oversight and clerical errors related to the depositing process. This has resulted in inaccurate financial records in the Odyssey case management system.

Recommendation

Odyssey Tills

Management should:

- Generate the Till Balance report to ensure all tills have been closed and deposited in a timely manner.

Management Action Plan

The court manager will add the adjustment tills and regular tills to the management teams' Odyssey deposit through the Odyssey Deposit Management functionality. Also, the court manager will generate the Till Balance report to ensure all tills have been closed and deposited in a timely manner.

Auditor's Response

- None

Credits

Criteria

Per the Code of Criminal Procedure Art. 45.0491, the court may waive payment of all or part of a fine imposed on a defendant if the court determines that the defendant is indigent or does not have sufficient resources or income to pay all or part of the fine.

Standard internal controls require that Odyssey credit waivers should be used to reduce case balances. The event for credit waivers should be noted in the Events tab.

Review

A review of all seven credits issued during fiscal year 2023 revealed:

- Two cases totaling $125 did not have the supporting documentation for the credit waiver signed by the judge listed on the Events tab in Odyssey.

Cause/Effect

This was due to a lack of management review associated with updating the Events tab when credit waivers were granted.

As a proper supporting documentation was not reflected on the cases. The potential risk of unauthorized credits being issued can increase the risk of financial losses.

Recommendation

Credits

Management should:

- Periodically review credit waivers to ensure that the transactions are properly docketed in Odyssey.

Management Action Plan

The court manager will continue to reiterate to the clerks that the credit waivers should be used to reduce balances. Therefore, the truancy magistrates should request and sign a waiver. Also, the court manager will continue to reiterate to the clerks that the event for credit waivers should be noted in the Event tab.

In both cases, the truancy magistrates did not request a waiver because either a fine was not imposed and /or an Inability to Pay Credit was not requested. As a normal business practice, the management team views the truancy magistrates' waivers prior to entering the information in Odyssey.

Auditor's Response

- None

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.

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 six voided computer receipts processed during fiscal year 2023 revealed:

- Five computer receipts totaling $412 were voided between 30 minutes and 5 hours after the original transaction was processed.

Cause/Effect

This was due to the inconsistent controls over receipt voiding procedures. As a result, there is an increased risk the funds could 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.
- Develop procedures and documentation incorporating controls such as the processing of voids and receipt corrections within 30 minutes and supervisory review.

Management Action Plan

The Truancy division has improved by reducing the time of processing voids and receipt corrections and supervisory review. Also, the court manager established and

implemented a Voids and Reversal Best Practice in April 2018. The Truancy division's best practices were submitted to the Dallas County Internal Audit department in 2018. The management team will focus on reducing the computer receipt void timeframe.

Auditor's Response

- None

cc: Darryl Martin, Commissioners Court Administrator