



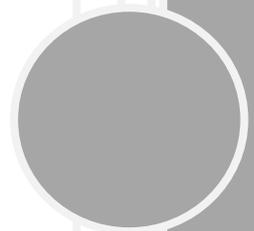
AUDIT REPORT

DALLAS COUNTY

County Treasurer - 2nd Quarter - FY2022

Darryl D. Thomas
Dallas County Auditor

ISSUED: 6/14/2022
RELEASED: JULY 12, 2022



County Treasurer - 2nd Quarter - FY2022

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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 Pauline Medrano
County Treasurer
Dallas, Texas

Attached is the County Auditor's final report entitled "County Treasurer - 2nd Quarter - FY2022" Report. In order to reduce paper usage, a hard copy will not be sent through in house mail except to the auditee.

In 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,

Darryl D. Thomas

Darryl D. Thomas
County Auditor

EXECUTIVE SUMMARY

A review of the Dallas County Treasurer during the second quarter of fiscal year 2022 revealed the significant observations listed below:

Summary of Significant Observations

- None identified

Repeat Observations from Previous Audits:

- CWR deposit was approved in excess of five business days after initial system entry date

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 January 1, 2022 through March 31, 2022.

The audit procedures will include interviews with key process owners, observation of transactions processing, data analysis and sample testing of transactions. The main system used will also be reviewed and incorporated as part of the testing of transactions.



DETAILS

CWR Receipting

A review of the Oracle and the County-Wide Receipting (CWR) pending deposit reports during the second quarter of fiscal year 2022 revealed one CWR deposit for \$44,753.72 was approved eight business days after the initial system entry date. Chapter 113 of the Local Government Code requires the County Treasurer to receive all money belonging to the county and transmit the original receipt to the auditor. Best practices require separation of duties, documented procedures, and immediate reconciliation and updates for transactions involving cash, including automated deposit reconciliation with the bank. Section 74-692 of the Dallas County Code requires that the County Auditor's office be notified immediately (within one day) of any out of balance condition involving money. Cash control procedures should include verification and deposit of funds payable to the county with follow-up of all exceptions. Inconsistent management oversight and untimely follow-up on deposit issues resulted in inaccurate deposit balances and delayed revenue recognition.

Recommendation

CWR Receipting

Management should develop cash deposit procedures to include:

- Timely communication of all unresolved deposits to departments for immediate resolutions
- More frequent review of pending deposit reports

Management Action Plan

- Cash management will adhere to cash deposit procedures. Supervisor will review (more frequently) pending deposit reports.

Auditors Response

- None

cc: Darryl Martin, Commissioners Court Administrator