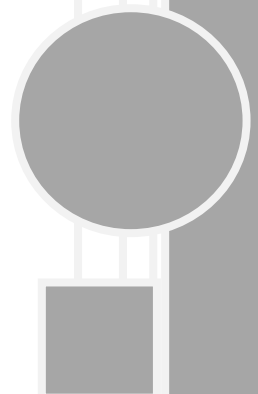




AUDIT REPORT

DALLAS COUNTY
County Treasurer - 3rd Quarter - FY2022

Darryl D. Thomas
Dallas County Auditor
ISSUED: 8/24/2022
RELEASED: OCTOBER 7, 2022



County Treasurer - 3rd 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 - 3rd 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 third quarter of fiscal year 2022 revealed the significant observations listed below:

Summary of Significant Observations

- None identified

Repeat Observations from Previous Audits:

- None Identified

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 requirements2. Evaluate internal controls3. Verification of accuracy and completeness of reporting4. Review controls over safeguarding of assets

This audit covered the period of April 1, 2022 through June 30, 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

Posting of HHW Receipts

A review of posting and deposits of Household Hazardous Waste (HHW) FY2021 manual receipts to CWR by the Treasurer's Office revealed HHW have inquiry only rights in CWR, therefore, their funds are sent to Treasurer's office to be receipted and deposited in CWR and eight HHW manual receipts totaling \$1,124.59 were receipted under Treasurer's CWR terminal Other Dept. 1050-02 instead of Multi-Dept. 1050-04. 14 HHW manual receipts totaling \$1,330 were recorded to CWR with a different payer name than what was indicated on the manual receipt.

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. All monies received should be promptly receipted and deposited consistent with Local Government Code, § 113.022. Dallas County Code Section 74-691, further states that an official receipt shall be written or generated immediately for all collections made in the official capacity of the various offices of the county. All manual receipts should be verified for accuracy, including the amount, tender type, transaction date and payer name field before issuing to a customer.

Inconsistent posting on CWR terminals for HHW, incomplete controls related to manual receipt numbers being included on CWR computer receipt memo line from departments has resulted in an incomplete audit trail, delayed revenue recognition, and increased potential risk that funds may be lost or misappropriated.

Recommendation

Posting of HHW Receipts

Management should:

- Ensure that the manual receipt is used to post the proper payor name in CWR.
- Include the manual receipt numbers on the HHW department's CWR receipt.
- Ensure that all HHW receipts are properly posted on CWR to the correct terminal.

Management Action Plan

- The Treasurer's Office is requesting that Household Hazardous Waste be set up in CLASS to produce their departments' 98, and send to the Treasurer's Office for processing. In the meantime, our office will be utilizing one key on terminal, include manual receipt numbers on the Household Hazardous Waste Department CWR receipts and that the manual receipt is used to post proper payor name in CWR. This will begin at the start of the new fiscal year, October 3rd, 2022.

Auditors Response

- None

DALLAS COUNTY



COUNTY AUDITOR

cc: Darryl Martin, Commissioners Court Administrator