



# AUDIT REPORT

DALLAS COUNTY

COUNTY TREASURER - FY2019 (4TH QUARTER)

Darryl D. Thomas  
Dallas County Auditor  
ISSUED: October 14, 2019  
RELEASED: November 04, 2019



# COUNTY TREASURER - FY2019 (4TH QUARTER)

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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 - FY2019 (4th Quarter)**" Report. In order to reduce paper usage, a hard copy will not be sent through in-house mail except to the auditee.

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,

A handwritten signature in blue ink that reads "Darryl D. Thomas".

Darryl D. Thomas  
County Auditor

## **EXECUTIVE SUMMARY**

A review of the Dallas County Treasurer's Office during the fourth quarter of fiscal year 2019 revealed the significant observations listed below:

### **Summary of Significant Observations**

- None identified

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

- Deposits remain pending in excess of 5 business days.

**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 July 1, 2019 through September 30, 2019.

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

### **DMS Deposit Adjustment Delays**

A review of Deposit Management (DMS) reports for deposits pending during the fourth quarter of fiscal year 2019 revealed two deposits totaling \$4,263.10 remained pending in excess of ten business days after the initial system entry date. **Status: After notification from Internal Audit, the deposits were cancelled in DMS on August 14, 2019.** Local Government Code 113 requires the County Treasurer to receive all money belonging to the County and transmit the original receipt to the County Auditor. All monies received should be promptly receipted and deposited consistent with Local Government Code, § 113.022. Inconsistent management review of pending deposits resulted in inaccurate financial records.

### **Recommendation**

#### **DMS Deposit Adjustment Delays**

Management should implement a secondary review to ensure that all pending deposits are processed timely in accordance with Local Government Code, § 113.022.

### **Management Action Plan**

The Treasurer's Office concurs with the recommendation.

### **Auditors Response**

None

cc: Darryl Martin, Commissioners Court Administrator