

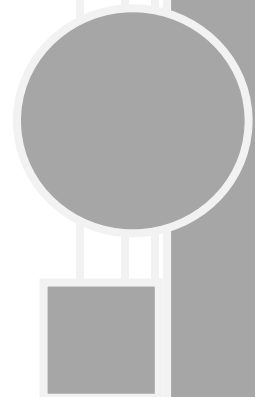


AUDIT REPORT

DALLAS COUNTY

COUNTY TREASURER - FY2020 (4TH QUARTER)

Darryl D. Thomas
Dallas County Auditor
ISSUED: January 08, 2021
RELEASED: January 14, 2021



COUNTY TREASURER - FY2020 (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 - FY2020 (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 black ink, appearing to read "Darryl D. Thomas".

Darryl D. Thomas
County Auditor

EXECUTIVE SUMMARY

A review of the Dallas County Treasurer during the fourth quarter of fiscal year 2020 revealed the significant observations listed below:

Summary of Significant Observations

- None identified

Repeat Observations from Previous Audits:

- Deposits remained 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, 2020 through September 30, 2020.

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

Status of Cash

A review of status of cash items during the fourth quarter of fiscal year 2020 revealed that one check made payable to the City of Dallas was accepted and receipted in error on September 29, 2020 in the amount of \$50.16. **Status: Treasurer's Office identified the error and performed an adjustment prior to depositing the funds.**

Local Government Code 113 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. Cash control procedures should include verification of check details to ensure funds are payable to Dallas County prior to receipt and deposit. Inconsistent supervisory review and lack of employee verification of check payment details resulted in acceptance of funds not payable to Dallas County.

Recommendation

Status of Cash

Management should develop cash management procedures that include:

- Staff verification of check payment details prior to processing funds for deposit.
- Periodic supervisory review of check details.

Management Action Plan

The Treasurer's Office agrees and will follow the Auditor's recommendation.

Auditors Response

None

cc: Darryl Martin, Commissioners Court Administrator