



**DALLAS COUNTY  
COUNTY AUDITOR**

**REPORT ON INTERNAL CONTROL & COMPLIANCE**

TO: Honorable Susan Hawk  
District Attorney

FROM: Darryl D. Thomas *Darryl D. Thomas*  
County Auditor

SUBJECT: District Attorney – FY2009 - FY2014 Review

ISSUE DATE: March 16, 2015  
RELEASE DATE: May 5, 2015

**SCOPE**

As part of ongoing reviews of county offices and compliance with statutory regulations, we performed a limited review of financial records and reports of the District Attorney's (DA) office for the period of October 1, 2009 through September 30, 2014 during the period which the Honorable Craig Watkins served.

**PROCEDURE**

Standard review processes were applied to data from the department in order to evaluate internal controls and reporting accuracy within the department. A random sampling of total activity was selected for certain procedures, while others were reviewed in their entirety. Transactions were evaluated based on risk, dollar value of transactions, volume of transactions and noted internal control weaknesses. Review steps included, but were not limited to, the following:

- Cash count
- Flow chart of departmental processes
- Review of returned checks and restitution collection process
- Review of remittances to merchants, filing agencies, justice courts, etc.
- Review of receipts and deposits for the Returned Checks program, DWI Tape program, and MOU program
- Review of disbursements for the Returned Checks program, DA Check Fees account, State Supplement Funds account, and Law Enforcement Officer Standard and Education Fund account
- Review of bank reconciliation related to returned checks
- Review of time and attendance
- Review of user's Returned Checks system access

**FINDINGS**

Cash Count – Un-receipted checks on hand during various cash counts performed. The oldest check was presented during the December 12, 2014 cash count; check was dated March 4, 2013.

One Fund 541 reimbursement check dated December 22, 2014 was not presented to the auditor during the January 5, 2015 count. Check was held unprocessed until transferred to the Auditor's office on January 13, 2015.

Returned Check Program – Review of transactions, bank reconciliations, Internal Control Questionnaire responses and department walkthrough revealed: receipted payments are not retained in a locked cash drawer during business hours; deposits are not prepared or taken to the bank daily; all copies of voided computer receipts not retained; an outstanding check list is not maintained; limited research of aged outstanding checks and undisbursed items (as of September 30, 2014, \$496,306.56 {Prior report indicated over \$427,000 in outstanding checks had been issued prior to October 1, 2008 with the oldest check dating to 1995} remains in an inactive bank account with an additional \$346,342.87 balance in an active bank account used to deposit merchant restitution, merchant check fees, DA hot check fees, and justice of the peace court costs and fines) without action to escheat to the State Comptroller as unclaimed funds; and, system access roles active for terminated employees, roles/rights not limited to 'least privilege' access levels, and generic user ids established.

Other Receipts – A review of DWI Video and MOU program receipts and deposits, Internal Control Questionnaire responses and department walkthrough revealed: deposit delays of five or more business days after receipt date.

Special Fund Account No. 538 (DA Check Fee Account) disbursements – A sample review of DA Check Fee Account disbursements revealed: two reimbursements to the DA State Forfeiture Account Fund 541 which include a \$3,000 payment to a private school for a dinner fundraiser event and \$4,543.82 for a legal settlement related to vehicle damages; two donations totaling \$1,500 to non-profit organizations; \$2,500 for children's advocacy luncheon, \$2,500 salary advance without evidence of repayment, two payments totaling \$2,350 without evidence of Form 1099-MISC issuance; and, a \$397.69 Dallas restaurant receipt which included main courses costing \$42 and \$47 without supporting documents reflecting how related to the official expenses of the prosecutor's office.

Time/Attendance – A sample review of Kronos activity including absences noted during field work revealed: instances of negative accrued sick leave, vacation leave, and/ or compensatory time; two exempt employees did not average a 40 hour work week over a 52 week period; inconsistencies in Kronos swipe in and swipe out times as compared parking system entry and exit times; exempt employees noted as absent during field work during the week beginning December 8, 2014 without vacation leave or Leave Without Pay recorded to Kronos (posted/recognized as regular salary receiving full check for the pay period); one employee with 196 sick hours recorded from August 23, 2014 through December 26, 2014 without any evidence of FMLA considerations.

State Supplement Funds – A review of State Supplement Funds deposits and disbursements revealed: two annual supplement payments commingled with funds in the DA Check Fee Account rather deposited directly to the DA salary allocation account (**Status:** Transfers to the DA salary allocation from the DA Check Fee Account, reportedly, included the two supplement payments received.). Funds in a non-County bank account carried over from a previous DA administration were used for purposes other than to defray the expenses of the prosecutor's office including: \$1,579.50 loan to DA employee (**Status:** Repaid); \$706 for t-shirts; \$2,360 for non-profit fundraisers, a law student scholarship and awards banquet, and a scholarship pledge brunch; \$4,796 for two DA employee Christmas parties (including one payment to 'Cash' with supporting documentation missing); and, \$402.50 for a meal for 35 persons without indication of attendees or purpose noted.

Law Enforcement Officer Standards and Education Fund Account (LEOSE Funds) – A review of LEOSE Funds deposits and disbursements revealed: funds are deposited in a non-County bank account; a request for 2013 LEOSE funds was not made; and four reimbursements totaling \$486.35 not related to the continuing education of investigators.

Outstanding Issue - A check to reimburse the DA Check Fee Account for an executive chair and shadow box (costing \$1,205) to be given as a gift to the departing DA was held by the former Financial Administrator due to Interim Purchasing Director's refusal to accept the payment in December 2014. The Financial Administrator took the check with his personal items when unexpectedly notified on December 31, 2014 that he would not be retained after the last day of Mr. Watkins term in office.

## **RECOMMENDATIONS**

Cash Count and Other Receipts - All monies received should be promptly receipted and deposited consistent with state law, Local Government Code, § 113.022 and Code of Criminal Procedure, § 103.004 and procedures recommended by the County Auditor.

Returned Check Program – Outstanding checks should be stale dated and cancelled on the District Attorney Odyssey Hot Check system and processed in accordance with unclaimed property statutes, Property Codes, §72 and §76. Computer receipts should not be altered, but properly voided (with retention of all voided receipts) and affixed with a reason for the void. Voids should require supervisory approval. No user should void their own issued receipt with voided receipts reviewed and initialed by a supervisor at the next level up. All tills should be reconciled and closed daily and included on a daily deposit. All system rights and roles should be reviewed to ensure users have only the rights necessary to perform their core job functions. A terminated user's account should be end-dated and the inactive box check-marked.

Special Fund Account No. 538 (DA Check Fee Account) disbursements – Expenditures should comply with Code of Criminal Procedure Chapter 102.007 (f) including for the official business of the prosecutor's office with proper documentation supporting eligibility of uses.

Time/Attendance – Actual hours worked, meal periods, vacation time, sick time, holiday time, jury duty, compensatory time, overtime, ATO, etc. should be properly and timely posted to the Kronos time and attendance system in accordance with the Dallas County Code and Commissioners Court orders. Requests for historical edits should be submitted to the Payroll hotline for current employees or recovery sought in conjunction with Payroll for terminated employees.

State Supplement Funds – Expenditures should comply with Government Code, § 46.004 including for the official business of the prosecutor's office with proper documentation supporting eligibility of uses. State Supplement Funds should be deposited in the County Treasury, expended and accounted for separately.

Law Enforcement Officer Standards and Education Fund Account (LEOSE Funds) – Expenditures should comply with Occupations Code, § 1701.157 and be limited to continuing education purposes. LEOSE funds should be requested annually and deposited in the County treasury.

#### **Current Findings/Observations and Recommendations**

Finding templates numbered 14-DA-01-01 through 14-DA-01-09 are attached with management responses incorporated.

#### **SUMMARY**

This report is intended for the information and use of the District Attorney. While we have reviewed internal controls and financial records, this review will not necessarily disclose all matters of material weakness. It is the responsibility of the District Attorney to establish and maintain effective internal control over compliance with the requirements of laws, regulations, and contracts applicable to the department.

Highest areas of risk which need to be addressed include: stale dating aged outstanding checks and escheating in accordance with unclaimed property statutes; proper recording of time worked and leave taken; review system roles and rights for 'least privilege' access levels and authority; and, use special funds in accordance with statutes limiting to official expenses of the prosecutor's office.

Consideration of all issues and weaknesses should be incorporated by the District Attorney as a self-assessment tool. Adherence to and follow-through with recommendations should strengthen internal controls and compliance with state laws and Dallas County's policies and procedures.

cc: Darryl Martin, Commissioners Court Administrator  
Honorable Craig Watkins, former District Attorney



**Finding Number:** 14- DA-01-01  
**Date:** January 6, 2015  
**Audit:** District Attorney  
**Auditor(s) Assigned:** TB

<b>Finding:</b>	<b>Cash Counts</b> <ul style="list-style-type: none"> <li>Cash counts performed on January 5, 2015 revealed two unreceipted checks totaling \$1,720 were on hand. The earliest was dated December 19, 2014.               <ul style="list-style-type: none"> <li>One Fund 541 reimbursement check for \$153,876 dated December 22, 2014 was not presented to the auditor during the count. Check was held unprocessed until transferred to the Auditor's office on January 13, 2015.</li> </ul> </li> <li>Cash counts performed on December 12, 2014, revealed five unreceipted checks totaling \$144.71 were on hand. The oldest check was dated March 4, 2013.  <i>Response from Prior Financial Administrator: Checks were held over a weekend. Corrections have been made to prevent this occurrence in the future.</i> </li> <li>Cash counts performed on June 22, 2012, revealed five unreceipted checks, totaling \$12,611.36 were on hand. The oldest was dated April 25, 2012.               <ul style="list-style-type: none"> <li>One blank, unused customer check was found in the cashier's box at the DWI video room. Customer was to be notified by DA staff.</li> </ul> </li> </ul>
<b>Work paper Reference: (or other method by which finding was identified)</b>	Workpaper 2.1
<b>Condition: (Describe the current condition)</b>	<p>Financial Administrator signed cash count form on behalf DA Administration Section indicating all cash, cash items, money orders, departmental checks, personal checks, restitution payment and any other funds, including un-receipted items, in the possession of the department were presented to the auditor.</p> <p>All funds received are not immediately receipted.</p>
<b>Criteria: (Describe the optimal condition)</b>	<p>Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific controls related to cash handling, internal controls, and financial transactions require that:</p> <ul style="list-style-type: none"> <li>All funds, including restitution, unidentified payments, processed payments and unprocessed payments held for safekeeping, should be properly receipted</li> <li>Receipts should be promptly issued for the amount of funds tendered, correct change given to customer, all funds received properly secured, and deposited consistent with state law, Local Government Code (L.G.C.), § 113.022 and Code of Criminal Procedure (C.C.P.), § 103.004 and procedures recommended by the County Auditor</li> <li>Written procedures should be established for financial transactions and include periodic supervisory review to ensure adherence and provide clarity around roles and responsibilities. Documentation provides means to retain institutional knowledge and mitigate risks for county assets.</li> </ul> <p>Per Dallas County Code, Sec. 74-691. Receipts.          Official receipts shall be written or generated immediately for all collections made in the official capacity of the various offices of the county. Receipts may be in the form or prenumbered autographic receipts or prenumbered book bound receipts, cash register receipts or machine validated receipts issued, cash register totals, validating machine totals or other</p>





	<p>approved procedures for establishing accountability.</p> <p>Per Dallas County Code, Sec. 74-693. Deposits. Deposits are to be made intact with the county treasurer using prescribed forms and in accordance with the schedule as provided by state statutes or other schedules that may be promulgated for the various offices (e.g., daily for downtown offices, twice or thrice weekly for certain outlying offices).</p>				
<b>Cause:</b> (Describe the cause of the condition if possible)	Incomplete research of payments				
<b>Effect:</b> (Describe or quantify any adverse effects)	<p>Delayed revenue recognition and lost interest earning.</p> <p>Inherent risks for delayed receipting include non-recovery of funds, checks could be lost or stolen before being receipted.</p> <p>Liability to County for persons arrested after payment made in full.</p>				
<b>Recommendation:</b> (Describe corrective action)	All monies received should be promptly receipted and deposited consistent with state law, L.G.C., § 113.022 and C.C.P., § 103.004 and procedures recommended by the County Auditor.				
<b>Responsible Department or Organization:</b>	District Attorney				
<b>Management's Response:</b>	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b>	Cindy Stormer, DA Administrative Attorney	<b>Date:</b> 5/4/2015
<b>Comments:</b>	The District Attorney's Office will maintain an effective control environment to ensure all monies received are promptly receipted and deposited consistent with State law, local government Code, Sec. 113.022 and Criminal Procedure Art 103.004, Dallas County code, Sec. 74-691 and 74-693 and procedures recommended by the County Auditor. Corrections have been made to prevent this occurrence in the future.				
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report		<input type="checkbox"/> Oral Comment		<input type="checkbox"/> Deleted From Consideration



**Finding Number:** 14-DA-01-02a  
**Date:** December 15, 2014  
**Audit:** District Attorney  
**Auditor(s) Assigned:** NH

<b>Finding:</b>	<p><b>Returned Checks Program – Receipts, Adjustments, and Deposits</b></p> <p>A review of 50 Odyssey receipt voids and nine adjustments/reversals revealed:</p> <p><b>Voided Receipts</b></p> <ul style="list-style-type: none"> <li>• One voided receipt without a comment (reason for void) noted in Odyssey</li> <li>• Thirty-five original copies of voided receipts were not retained; reprinted copies of 23 voids were generated.</li> </ul> <p><i><b>Response from Prior Financial Administrator:</b> Our policy is to given a reason for each void and who the person was that made the void. The Checks Division staff received additional training on proper commenting and void procedures. If the person whom made the initial payment has left prior to the discovery of the erroneous payment, we no longer have access to the original receipt. Therefore, we would reprint a copy of the receipt.</i></p> <p><b>Reversals/Adjustments</b></p> <ul style="list-style-type: none"> <li>• One reversed payment without a comment (reason for reversal) noted in Odyssey</li> <li>• Five adjustments transactions were entered rather than use of the designated credit option</li> <li>• Adjustments are not made by a manager or supervisor</li> </ul> <p><i><b>Response from Prior Financial Administrator:</b> There are a myriad of reasons in which certain types of adjustments may take place. Credits are given when it is verified that payments have been made directly to the merchants. Check scanning sometimes results in errors in the amount of the check and changes will need to be made in the system so that the check amount is correct. Attorneys based on facts, agreements with parties and prosecutorial discretion may request that adjustments be made. Credit is given for time served on cases in which the defendant has served jail time. Due to the bookkeeper and office manager positions being removed by Dallas County, the Chief is the manager and supervisor and will delegate some of these duties as necessary.</i></p> <p><b>Departmental responses to the Internal Control Questionnaire (ICQ) and flowchart of cash deposit process revealed:</b></p> <ul style="list-style-type: none"> <li>• Funds are not placed in locked cash drawer during business hours; money orders are placed in a money bag kept on top of the counter clerk's desk</li> </ul> <p><i><b>Response from Prior Financial Administrator:</b> A procedural change has been made. All items received during the day will be placed in a locked box.</i></p> <ul style="list-style-type: none"> <li>• Deposits are taken directly to bank by an employee</li> </ul> <p><i><b>Response from Prior Financial Administrator:</b> There is insufficient activity to justify the expense of an armored courier pick-up. Absent an armored courier pick-up, then all deposits will be handled by an employee of Dallas County.</i></p> <ul style="list-style-type: none"> <li>• Deposits are not made on a daily basis</li> </ul> <p><i><b>Response from Prior Financial Administrator:</b> All tills shall be balanced and closed nightly and deposits prepared daily.</i></p> <p><b>Risks identified during walkthrough of the department's internal control processes revealed:</b></p> <ul style="list-style-type: none"> <li>• The counter clerk's till is used by the back-up clerk to process payments when the counter clerk is at lunch. (R01)</li> <li>• Money orders and receipts are placed in a money bag that is kept on top of the counter clerk's desk during business hours. (R02)</li> </ul>
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	<ul style="list-style-type: none"> <li>• The District Attorney's office does not log checks received through U.S. mail. (R03)</li> <li>• There is no system requirement that tills be closed and deposited daily. (R05)</li> <li>• The Odyssey Hot Check deposit and the non-check restitution deposit is placed in an envelope and taken directly to the bank. The deposits are not taken to the bank on a daily basis. (R06)</li> <li>• Deposits are not prepared daily. (R07)</li> <li>• Access to the safe containing the daily receipts is not under dual control. (R08)</li> <li>• All clerks with the exception of the counter clerk have the authority to void a payment and make adjustments in Odyssey. (R09)</li> <li>• There were several instances where the original voided receipt copy was not retained and a reprinted copy of the void was retained by the office. (R10)</li> </ul>
<b>Work paper Reference:</b> (or other method by which finding was identified)	<p>Workpaper #1.B.1, 4C, 4D., 4G.1, 4G.2 4H.1, 4H.2, and 4I</p> <p>Responses to the Internal Control Questionnaire</p> <p>Walkthrough 12/8/14 District Attorney Financial Administrator and clerks</p> <p>Bank statements</p> <p>Odyssey Transaction Listing reports and Odyssey Receipt Journal reports</p>
<b>Condition:</b> (Describe the current condition)	<p>Returned checks are filed with the DA Hot Check division by merchants, individuals, governmental entities, and other injured parties seeking prosecution and recovery through restitution. The filed returned checks are reviewed for appropriateness of prosecution and the corresponding charge level (felony, class A or B misdemeanor, or class C). Returned checks that are accepted for processing by the DA Hot Check division are recorded to the Odyssey Hot Check system under a unique check id number corresponding to the issuer of a bad check.</p> <p>DA Hot Check Fees are assessed/ posted by DA staff to the Odyssey Hot Check system based on the face amount on the check in accordance with the Code of Criminal Procedure Section 102.007.</p> <p>The customer approaches the counter to remit a money order with the PID number noted. The clerk queries Odyssey for the case using the PID number. The payment is applied to the case and two computer receipts are generated. One receipt is given to the customer and the second receipt is attached to the money order and placed in the money bag located on the clerk's desk. If the customer makes a payment using a credit/debit card, the clerk will request to driver's license along with the credit/debit card. The clerk verifies the name matches and enters the amount into the point of sale (POS) swipe card device. The credit/debit card is then swiped into the POS swipe device. If debit card is used, the customer enters their pin number using the numeric keypad; if a credit card payment, the customer signs the device receipt once printed out of the point of sale device. Once the credit/debit card point of sale process is completed; the clerk queries the case number in Odyssey and receipts payment. Two receipts are printed and one receipt is given to the customer, and the second receipt is retained by the office. If a receipt is voided, the original copy is retained by the DA's office and marked void. However, there are instances where the original voided copy is not retained and a reprinted copy of the void receipt is retained by the office.</p> <p>Returned Check funds (consisting of merchant restitution, merchant check fees, DA hot check fees, and justice of the peace court costs and fines) collected by the DA's office are balanced daily, but not deposited daily. Balanced funds are taken by a designated DA employee for deposit in the DA's non-County bank account. The DA Odyssey Hot check system is used to disburse collected funds to: merchants for restitution and merchant check fees; the DA hot check fees account Fund 538; and justice of the peace courts for court costs and/or fines.</p>
<b>Criteria:</b> (Describe the optimal condition)	<p>Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific controls related to receipt and deposit control procedures require that:</p>



	<ul style="list-style-type: none"> <li>• All monies received should be promptly receipted and deposited properly, and timely in accordance with L.G.C. § 113.022.</li> <li>• All receipts should be accounted for and properly used in order to affix responsibility, enhance cash control, and prevent assertion that monies were paid and refund due.</li> <li>• Receipts should not be altered, but properly voided and affixed (including explanation recorded to computer system) with a reason for the void with retention of all voided copies. All voids should be reviewed daily by supervisory personnel at least one level above employee that voided the payment.</li> <li>• Supervisory personnel should periodically review exception reports and transaction logs (especially with respect to receipt deletions, lowered amounts, and payment type changes) to ensure that the explanation for the change is documented and reasonable</li> <li>• Employees receipting money should verify that money tendered is accurately receipted prior to providing computer receipts to the customer.</li> <li>• Tills should be closed daily.</li> </ul> <p>COSO standards for internal control include adequate segregation of duties (separation of duties for personnel authorized to receipt payments and update assessments) so no one user has two or more business processes that could result in compromise of the integrity of the process or allow that person to commit fraud.</p> <p>Accounting and system control procedures require daily reconciliation and balancing of collected funds, including supervisory review.</p> <p>Information processing controls must be continually updated and monitored to help ensure that transactions completed through computerized applications are valid, authorized, complete, and accurate.</p> <p>Automated systems include a review of access controls against an authorization matrix that defines "least privilege" access levels and authority for an individual's role to their job function / responsibilities. Control objectives include:</p> <ul style="list-style-type: none"> <li>• Cashier stations and tills should be restricted to authorized users who receipt payments per job description. No cashier station or tills should be recycled once they are deactivated.</li> <li>• Only one default user should be associated to a till for accountability. Tills should not be established as an "unassigned" till or shared by multiple cashiers.</li> <li>• All setup related to financials should be end-dated or disabled once codes are no longer used to limit potential posting errors.</li> <li>• Management should review user access lists, periodically, to assess expected/necessary levels of control-access are valid.</li> <li>• Terminated users should be removed timely (access disabled) by comparing weekly Termination report from HR to user access lists to affirm only authorized individuals have system access.</li> </ul> <p>Written procedures should be established for financial transactions (including assessing charges, reducing assessments, and/or receipting payments) and account reconciliations in order to provide clarity around roles and responsibilities, strengthen the office's internal control and improve efficiency. These procedures and practice should be periodically reviewed by the appropriate supervisory staff for good internal control purposes.. Documentation provides means to retain institutional knowledge and mitigate risks for county assets.</p>
<b>Cause: (Describe the cause of the condition if possible)</b>	Incomplete controls over the receipting process
<b>Effect: (Describe or quantify any adverse effects)</b>	Funds may be lost, stolen, or misappropriated Prevents potential assertion that monies were paid and refunds due
<b>Recommendation: (Describe corrective)</b>	<ul style="list-style-type: none"> <li>• Computer receipts should not be altered, but properly voided and affixed with a reason for the void. Voids should require supervisory approval. No user should void their own</li> </ul>





action)	<p>issued receipt with voided receipts reviewed and initialed by a supervisor at the next level up. All copies of voided receipts should be retained (the latter of Records Retention requirements or audit completion date).</p> <ul style="list-style-type: none"> <li>• Procedures and documentation should incorporate compensating controls such as dual sign-off on voids, receipt corrections, supervisory review, testing, and validation.</li> <li>• Receipts should be verified for accuracy of amount, payment type, PID and/or case number, and payer before issuing to a customer.</li> <li>• Separate tills should be provided for each employee assisting in the receipting process.</li> <li>• At the end of the business day, the receipts should be totaled and compared to the funds on hand and system control totals. Corrections should be made such that both good internal control and audit trails are maintained. Receipt and deposit totals should be verified by a supervisor with verification evidenced by signature or initial on control documents which are retained in accordance with Records Retention guidelines. Control documents should be signed-off on by both the cashiers and the cashier's supervisor.</li> <li>• All tills should be reconciled and closed daily and included on an Odyssey deposit through the Odyssey Managing Deposit functionality.</li> <li>• All payments should be receipted and deposited in accordance with Local Government Code, § 113.022. Closeout and balancing procedures should include deposit of cash, checks, and/or money orders the next business day after receipt.</li> <li>• Management should periodically review system reports and daily work for accuracy and staff compliance to established policies and procedures.</li> <li>• Adjustments to assessments should be made that both good internal control and audit trails are maintained including compensating controls such as dual sign-off on adjustments, supervisory review and pre-approval, testing, and validation.</li> <li>• All corrections should include a complete and valid explanation in the comment field.</li> </ul> <p>Other control recommendations include:</p> <ul style="list-style-type: none"> <li>• All funds in the mail or drop box should be independently logged and compared to activity recorded to the Odyssey system by a supervisor.</li> <li>• A dual control process (more than one staff member to open) over opening the safe should be considered.</li> <li>• Written supervisory approval required prior to processing adjustments to Odyssey. The Transaction Listing Report should be generated and reviewed by management to ensure the accuracy, appropriateness, timeliness, and deposit of adjustments. Management should evidence their review or approval.</li> <li>• Daily deposit delivery to the bank by an armored courier service should be considered.</li> </ul>						
<b>Responsible Department or Organization:</b>	District Attorney						
<b>Management's Response:</b>	<table border="1"> <tr> <td data-bbox="446 1480 592 1564"><input checked="" type="checkbox"/> Agree</td> <td data-bbox="592 1480 755 1564"><input type="checkbox"/> Disagree</td> <td data-bbox="755 1480 966 1564"><b>Respondent:</b></td> <td data-bbox="966 1480 1226 1564">Cindy Stormer, DA Administrative Attorney</td> <td data-bbox="1226 1480 1347 1564"><b>Date:</b></td> <td data-bbox="1347 1480 1481 1564">5/4/2015</td> </tr> </table>	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b>	Cindy Stormer, DA Administrative Attorney	<b>Date:</b>	5/4/2015
<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b>	Cindy Stormer, DA Administrative Attorney	<b>Date:</b>	5/4/2015		
<b>Comments:</b>	<p>The District Attorney's Office will provide the Checks Division staff with additional training on proper commenting on the financial document and voiding procedures, and ensure receipts are properly voided with a reason for the void including supervisory approval. All copies of voided receipts will be retained. All payments will be receipted and deposited in accordance with local government code, Sec 113.022. All tills will be reconciled and closed daily. Outstanding checks will be in accordance with unclaimed property statutes, Property Code, Chapter 72 and 76. All system access, rights and roles will be reviewed to ensure users have only the rights necessary to perform their core job functions.</p>						
<b>Disposition:</b>	<table border="1"> <tr> <td data-bbox="446 1858 787 1892"><input checked="" type="checkbox"/> Audit Report</td> <td data-bbox="787 1858 1079 1892"><input type="checkbox"/> Oral Comment</td> <td data-bbox="1079 1858 1481 1892"><input type="checkbox"/> Deleted From Consideration</td> </tr> </table>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration			
<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration					



**Finding Number:** 14-DA-01-02b  
**Date:** December 15, 2014  
**Audit:** District Attorney  
**Auditor(s) Assigned:** NH

<b>Finding:</b>	<b>Returned Checks Program – Disbursements and Reconciliations</b>  Review of the DA's non-county bank account reconciliations revealed: <ul style="list-style-type: none"> <li>• Five monthly Returned Check funds bank account reconciliations without evidence of review by upper management during FY2013 and FY2014. Prior period reconciliations presented for the Check Division, State Supplemental, and Investigator Training funds did not consistently include evidence of/sign-off by preparer and/or supervisor review.</li> </ul> <p><i><b>Response from Prior Financial Administrator:</b> These bank reconciliations have been reviewed and signed off by upper management. These items will be handled in a more timely manner going forward.</i></p> <ul style="list-style-type: none"> <li>• Uncleared payments and deposits remain in Odyssey from prior years without an available system report of the uncleared items.</li> <li>• District Attorney's office does not maintain an outstanding check list.</li> <li>• Unclaimed Returned Check funds are not escheated to the State Comptroller, annually. As of September 30, 2014, \$496,306.56 remains in an inactive bank account with an additional \$346,342.87 balance in an active bank account used to deposit merchant restitution, merchant check fees, DA hot check fees, and justice of the peace court costs and fines.</li> </ul>
<b>Work paper Reference:</b> (or other method by which finding was identified)	Workpaper #1.B.1, 4C, 4D., 4G.1, 4G.2 4H.1, 4H.2, and 4I Walkthrough 12/8/14 and inquiry of District Attorney Financial Administrator and clerks Bank statements and reconciliations
<b>Condition:</b> (Describe the current condition)	<p>Returned checks are filed with the DA Hot Check division by merchants, individuals, governmental entities, and other injured parties seeking prosecution and recovery through restitution. The filed returned checks are reviewed for appropriateness of prosecution and the corresponding charge level (felony, class A or B misdemeanor, or class C). Returned checks that are accepted for processing by the DA Hot Check division are recorded to the Odyssey Hot Check system under a unique check id number corresponding to the issuer of a bad check.</p> <p>Returned Check funds (consisting of merchant restitution, merchant check fees, DA hot check fees, and justice of the peace court costs and fines) collected by the DA's office are balanced daily, but not deposited daily. Balanced funds are taken by a designated DA employee for deposit in the DA's non-County bank account. The DA Odyssey Hot check system is used to disburse collected funds to: merchants for restitution and merchant check fees; the DA hot check fees account Fund 538; and justice of the peace courts for court costs and/or fines.</p> <p>As part of the monthly bank reconciliation, the Financial Administrator updates the outstanding deposits/checks in Odyssey by checking off the checks and deposits processed on the monthly bank statements. Funds for checks that have not cleared (not cashed by the payee) remain in the DA's office non-county bank account and include items: reflected in Odyssey system as outstanding; not stale dated or researched for escheatment; and, no evidence of subsequent review for payee or address correction.</p> <p>Limited research of old outstanding checks and undisbursed items (as of September 30, 2014, \$496,306.56 remains in an inactive bank account with an additional \$346,342.87 balance in an active bank account used to deposit merchant restitution, merchant check fees, DA hot check fees, and justice of the peace court costs and fines) without action to escheat to the State Comptroller as unclaimed funds.</p>
<b>Criteria:</b>	Management judgment in designing, implementing and conducting internal control, and in



<b>(Describe the optimal condition)</b>	<p>assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific controls related to disbursement and reconciliation procedures require that:</p> <ul style="list-style-type: none"> <li>• All special fund checks should be accounted for, issued to the proper payee for the correct amount in a timely manner, and reference the relevant PID and/or case information.</li> <li>• All special fund disbursements and cancellations should be timely and accurately posted to the Odyssey courts system.</li> <li>• Case balances should be reviewed on a periodic basis and disbursements made to the appropriate parties in a timely manner.</li> <li>• Fund balances and subsidiary ledgers must be reconciled (review and matching of reconciling items including deposits in transit and outstanding checks) monthly against control records (bank statements) to safeguard funds and improve reporting accuracy.</li> <li>• Supervisory verification of all cash transactions (receipts or disbursements) evidenced on subsidiary reconciliations (sign-off by both preparer and supervisor).</li> </ul> <p>COSO standards for internal control include adequate segregation of duties (separation of duties for personnel authorized to receipt payments, update assessments, prepare disbursement files, and/or approve disbursement batches for printing) so no one user has two or more business processes that could result in compromise of the integrity of the process or allow that person to commit fraud.</p> <p>Inactive case balances and old stale outstanding checks should be reviewed in accordance with unclaimed property statutes, Property Code, § 72 and § 76.</p>						
<b>Cause: (Describe the cause of the condition if possible)</b>	<p>Management plan to research, reissue, and/or escheat outstanding checks has not been implemented.</p> <p>Inconsistent supervisor review of bank reconciliation</p>						
<b>Effect: (Describe or quantify any adverse effects)</b>	<p>Delayed disbursement to entities/individuals/merchants entitled to funds.</p> <p>Penalties from the State for not following escheat statutes may be assessed if not corrected.</p> <p>Risk of undetected fraudulent activity and banking errors.</p>						
<b>Recommendation: (Describe corrective action)</b>	<ul style="list-style-type: none"> <li>• Bank reconciliations evidencing management oversight should be prepared monthly with supervisory review and sign-off.</li> <li>• Outstanding checks should be stale dated and canceled on the District Attorney Odyssey Hot Check system and processed in accordance with unclaimed property statutes, Property Code, §72 and §76.</li> <li>• A management plan should be developed and implemented to periodically review uncleared payments and deposits in Odyssey and PID case balances in order to clear old items.</li> </ul>						
<b>Responsible Department or Organization:</b>	District Attorney						
<b>Management's Response:</b>	<table border="1"> <tr> <td><input checked="" type="checkbox"/> Agree</td> <td><input type="checkbox"/> Disagree</td> <td><b>Respondent:</b></td> <td>Cindy Stormer, DA Administrative Attorney</td> <td><b>Date:</b></td> <td>5/4/15</td> </tr> </table>	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b>	Cindy Stormer, DA Administrative Attorney	<b>Date:</b>	5/4/15
<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b>	Cindy Stormer, DA Administrative Attorney	<b>Date:</b>	5/4/15		
<b>Comments:</b>	<p>The District Attorney's Office will provide the check division staff with additional training on proper operating procedures, and handling monthly reconciliation preparation which is signed off and reviewed by upper management in a timelier manner going forward. Staff will escheat old outstanding checks and undisbursed items to the State Comptroller as unclaimed funds.</p>						
<b>Disposition:</b>	<table border="1"> <tr> <td><input checked="" type="checkbox"/> Audit Report</td> <td><input type="checkbox"/> Oral Comment</td> <td><input type="checkbox"/> Deleted From Consideration</td> </tr> </table>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration			
<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration					



**Finding Number:** 14-DA-01-02c  
**Date:** December 15, 2014  
**Audit:** District Attorney  
**Auditor(s) Assigned:** NH

<b>Finding:</b>	<b>Returned Checks Program – JP Case Indexing</b>  Comparison of file dates shown on the DA's Odyssey Return Check record and the related Justice of the Peace Accounting System (JPAS) for 115 random Class C Misdemeanor cases filed in FY2009 through FY2014 revealed: <ul style="list-style-type: none"> <li>• Fifteen cases not indexed in the JPAS for ten or more days from the date first established in the Odyssey Hot Check System by the DA's office.</li> <li>• Six of the 15 delayed JPAS filings occurred between five and 24 months later.</li> <li>• One DA returned check fee was over assessed by \$5.</li> </ul> <i>Response from Prior Administration: The statute of limitations on filing Class C misdemeanor IBC cases is two years and due to prosecutorial discretion, some cases are not even filed. There are no mandates as to when these cases need to be filed within the statute of limitations which is at the discretion of the District Attorney. There are 10 JP courts in which IBC cases are filed and only three employees that file the cases with those courts due to staff reduction based on Dallas County mandates. Often cases are rejected due to the facts not meeting the requirements of the statutes for filing of IBC or theft cases. Investigation times vary depending on facts which have a direct effect on case filing times. Often we need additional information from the complainant which ultimately delays the process.</i>
<b>Work paper Reference: (or other method by which finding was identified)</b>	Workpaper #1.B.1, 4C, 4D., 4G.1, 4G.2 4H.1, 4H.2, and 4I Odyssey and JPAS
<b>Condition: (Describe the current condition)</b>	<p>Returned checks are filed with the DA Hot Check division by merchants, individuals, governmental entities, and other injured parties seeking prosecution and recovery through restitution. The filed returned checks are reviewed for appropriateness of prosecution and the corresponding charge level (felony, class A or B misdemeanor, or class C). Returned checks that are accepted for processing by the DA Hot Check division are recorded to the Odyssey Hot Check system under a unique check id number corresponding to the issuer of a bad check.</p> <p>An electronic file of all related documentation for class C misdemeanor cases is scanned and made available for printing by the Justice court staff. DA Hot Check division employees index the class C misdemeanor cases in the JPAS using a separate JM case series beginning with YR-20000.</p> <p>Pre-assessed court costs are posted to the JPAS Docket screen by the Justice court staff in accordance with statutes based on the offense date. Justice courts may assess additional fees including jail book-in/book-out fees, time payment fee or warrant fees.</p>
<b>Criteria: (Describe the optimal condition)</b>	<p>Court costs, fines, and fees should be assessed / collected in compliance with applicable state laws including Code of Criminal Procedure Chapter 102 and Local Government Code Chapter 133, or Commissioners Court orders. Court costs are assessed based on existing statutes at the time of offense. DA Hot Check Fees are assessed based on the face amount of the returned check in accordance with the fee schedule listed in Code of Criminal Procedure, § 102.007 (c ).</p> <p>Standardized case indexing within the JPAS and file documentation in each JP court provide the basis for research and communication as well as support planned migration to new JP system. Indexed cases and immediate accessibility to court system afford the defendant rights guaranteed under the constitution including a speedy trial if requested.</p>
<b>Cause: (Describe the cause of the condition if possible)</b>	N/A





<b>Effect: (Describe or quantify any adverse effects)</b>	Potential for delays in defendant seeking immediate court appearances/hearings when official justice court records are not in sync with Odyssey Hot Check system.		
<b>Recommendation: (Describe corrective action)</b>	<ul style="list-style-type: none"> <li>Existing procedures should be documented as a tool for training/review for case indexing on the JPAS and electronic paperwork.</li> <li>Collaborate with the Justice courts to develop written procedures/guidelines and ensure regular updates to the collection schedules and court costs.</li> </ul>		
<b>Responsible Department or Organization:</b>	District Attorney		
<b>Management's Response:</b>	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b>
<b>Comments:</b>	<b>Date:</b>		
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration



**Finding Number:** 14-DA-01-03  
**Date:** December 16, 2014  
**Audit:** District Attorney  
**Auditor(s) Assigned:** TB

<b>Finding:</b>	<p><b>Other Receipts</b> Review of 349 DWI Video Room Countywide Receipt (CWR) receipts, 531 MOU CWR receipts, and manual receipts for non-check restitution (includes 63 voided receipts) revealed:</p> <p><b>DWI Tapes</b></p> <ul style="list-style-type: none"> <li>Funds associated with 107 of 349 (30.66%) DWI Video Room receipts issued were deposited more than five business days after the CWR receipt date. <i>Response from Prior Financial Administrator: At that time, we were closing CWR every Thursday and making the deposit on Friday. While we are unable to tell you exactly why it took so long to make the deposit, we can assure you that all money did get deposited. This issue was resolved when we stopped charging for the DWI tapes.</i></li> <li>One customer was under charged \$15 for 29 DWI tapes.</li> </ul> <p><b>MOU Program</b></p> <ul style="list-style-type: none"> <li>Funds associated with 181 out of 531 (34.09%) MOU program receipts were deposited more than five business days after CWR receipt date. <i>Response from Prior Financial Administrator: At that time, we were closing CWR every Thursday and making the deposit on Friday. While we are unable to tell you exactly why it took so long to make the deposit, we can assure you that all money did get deposited.</i></li> <li>Unable to locate replacement receipt for one \$500 payment cancelled due to wrong payment amount.</li> </ul> <p><b>Non-Check Restitution</b></p> <ul style="list-style-type: none"> <li>56 out of 63 (88.89%) voided manual receipts reviewed did not include a reason for voiding. All copies of the manual receipts were on hand.</li> </ul> <p><b>Risks identified during walkthrough of the department's internal control processes revealed:</b></p> <ul style="list-style-type: none"> <li>Deposits are not prepared nor deposited daily. (R07)</li> <li>Access to the safe containing the daily receipts is not under dual control. (R08)</li> </ul>
<b>Work Paper Reference:</b> (or other method by which finding was identified)	Workpaper 5.B.2 Workpaper 6.B.2 Workpaper 11.A Responses to the Internal Control Questionnaire Walkthrough on 12/8/14 with the District Attorney Financial Administrator and clerks CWR
<b>Condition:</b> (Describe the current condition)	<p><b>DWI Program and MOU program:</b> The counter clerk accesses County Wide Receipting (CWR) to select either the Video or MOU fee button, the clerk then enters the amount into CWR. Three computer receipts are printed. Two receipts are given to the defendant with one of the two receipts taken by the defendant back to the court to show proof of payment. The third copy of the receipt is retained at the District Attorney's office; the receipt is</p>



	<p>attached to the money order and placed in the money bag. During mid-January 2014, District Attorney stopped charging for DWI tapes; no receipts were issued after mid-January 2014.</p> <p><b>Non-Check Restitution:</b> Customers approach the counter to pay for non-check restitution cases. The customer hands the clerk the money order to be receipted. The clerk retrieves the manual receipt book and uses the next available manual receipt. The manual receipt consists of the customer's name making the payment, the case number, amount, and the name on case. The original copy of the manual receipt is given to the customer. The duplicate and triplicate copies are retained in the manual receipt book. If requested by the customer and attorney, the clerk gives the customer the original and duplicate copies of the manual receipt. Once receipted, the money order or attorney check is placed in the money bag located on the clerk's desk. At the end of business, the funds are totaled up and verified by the bookkeeper and financial administrator the next morning. The financial administrator will log the payments onto a spreadsheet and complete the deposit slip. The financial administrator will take the deposit to a non-County bank used by the DA. Prior to July 1, 2014, non-check restitution was sent by a designated DA clerk via certified mail. A copy of the money order and paperwork is retained before mailing.</p>
<p><b>Criteria:</b> (Describe the optimal condition)</p>	<p>Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific controls related to receipt and deposit control procedures require that:</p> <ul style="list-style-type: none"> <li>• All monies received should be promptly receipted and deposited properly, and timely in accordance with Local Government Code (L.G.C.) § 113.022.</li> <li>• All receipts should be accounted for and properly used in order to affix responsibility, enhance cash control, and prevent assertion that monies were paid and refund due.</li> <li>• Receipts should not be altered, but properly voided and affixed (including explanation recorded to computer system) with a reason for the void with retention of all voided copies. All voids should be reviewed daily by supervisory personnel at least one level above employee that voided the payment.</li> <li>• Employees receipting money should verify that money tendered is accurately receipted prior to providing computer receipts to the customer.</li> </ul> <p>Accounting and system control procedures require daily reconciliation and balancing of collected funds, including supervisory review.</p> <p>Written procedures should be established for financial transactions and include periodic supervisory review to ensure adherence and provide clarity around roles and responsibilities, strengthen the office's internal control and improve efficiency. Documentation provides means to retain institutional knowledge and mitigate risks for county assets.</p>
<p><b>Cause:</b> (Describe the cause of the condition if possible)</p>	<p>Incomplete controls over the receipting process</p>
<p><b>Effect:</b> (Describe or quantify any adverse effects)</p>	<p>Delay in recognizing revenue Funds may be lost, stolen, or misappropriated Prevents potential assertion that monies were paid and refunds due</p>



<b>Recommendation:</b> (Describe corrective action)	<ul style="list-style-type: none"> <li>• Receipts should be verified for accuracy of amount, payment type, PID and/or case number, and payer before issuing to a customer.</li> <li>• All payments should be receipted and deposited in accordance with L.G.C., § 113.022. Closeout and balancing procedures should include deposit of cash, checks, and/or money orders the next business day after receipt.</li> <li>• Receipts should not be altered, but properly voided and affixed with a reason for the void with retention of all voided copies</li> </ul> <p>Other control recommendations include:</p> <ul style="list-style-type: none"> <li>• A dual control process (more than one staff member to open) over opening the safe should be considered.</li> <li>• Daily deposit delivery to the bank by an armored courier service should be considered.</li> </ul>				
<b>Responsible Department or Organization:</b>	District Attorney				
<b>Management's Response:</b>	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b>	Cindy Stormer, DA Administrative Attorney	<b>Date:</b> 5/4/2015
<b>Comments:</b>	The District Attorney's Office is developing written procedures for the receipting and depositing process in accordance with Local Government Code, Sec. 113.022 and will provide the staff training to prevent delay in recognizing revenue. The charging program of DWI tapes was stopped mid Jan 2014.				
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration				





**Finding Number:** 14-DA-01-04  
**Date:** February 28, 2014  
**Audit:** District Attorney  
**Auditor(s) Assigned:** TB/FH

<b>Finding:</b>	<b>Time and Attendance</b> Comparison of Kronos time card entries and Parking Card History (Parking System) report for four months of FY2013 revealed: <ul style="list-style-type: none"> <li>• Four instances where Kronos swipe "in" time occurred before Parking System entry time for the employee by more than 6 minutes.</li> <li>• Six instances where Kronos "out" punches edited by timecard editor to reflect time after Parking System gate exit time.</li> <li>• One instance where Kronos swipe "out" time entered was later than Parking System exit time by more than 6 minutes.</li> <li>• Four instances where user did not punch "out", but punch was later added by timecard editor for times after Parking System gate exit time.</li> </ul>
<b>Work paper Reference:</b> (or other method by which finding was identified)	Review of Kronos time and attendance in October 2012, January 2013, April 2013, and July 2013 Parking Card History Reports
<b>Condition:</b> (Describe the current condition)	A Kronos timecard swipe device is located in the building which houses the District Attorney. Employees can clock in/out six minutes before/after their scheduled shift. Key card 'swipe' and time stamp functionality is used by non-exempt staff and online time entry functionality is used by exempt staff. The employee submits request to leave to supervisor for review and approval. Annual leave, sick leave, holidays, etc. taken are recorded to the Kronos system by the supervisor based on the requests and other available information. Biweekly time sign-off / approval is updated by the supervisor in accordance with official direction.
<b>Criteria:</b> (Describe the optimal condition)	<p>According to Dallas County Code, <b>Section 82.174, General provisions:</b></p> <p>(a) Employees leaving the premises during working hours for reasons other than county business shall clock out when leaving and clock in when returning to work.</p> <p>(e) Tampering, altering and/or falsifying information on an employee's own or another employee's time record shall result in disciplinary action that may include termination, as well as possible criminal charges.</p> <p><b>Sec. 82-175. - Supervisory responsibilities:</b></p> <p>(c) Supervisors are responsible for ensuring employee time records are accurate and that no abuses occur. Only supervisors have the authority to correct employee time record errors or omissions.</p> <p>(d) Supervisors are responsible for recording employee vacation and sick time and for entering time for employees who are working outside their department work area.</p> <p>(e) Supervisors are responsible for checking daily start times, meal periods, end times, vacation time, sick time, compensatory time and overtime to ensure employees are in compliance with their shift work schedule and the county's overtime policies. Supervisors are responsible for promptly documenting actions warranting discipline and for promptly reporting possible fraud to the county auditor.</p> <p><b>Sec. 82-176. Time clock utilization:</b></p> <p>(a) Employees, who are designated by their department to use time clocks to record their time and attendance, are assigned an identification card. Employees shall be given a key card by their department supervisor which serves as time clock activation. Employees shall use their key cards at the time clocks designated by their supervisor.</p> <p>(b) Employees shall use their key card upon entering their work area and when they are ready to immediately begin work. (For example, employees are not permitted to leave their cars parked outside the door to clock in and then return to park their cars.) Employees shall clock in no sooner than six minutes before their scheduled shift start time. Employees shall clock out no later than six minutes after their scheduled shift end time. Exceptions can be made to this section if the supervisor has given prior approval to work overtime. The supervisor will</p>



	make a manual override to the system to approve overtime/compensatory time. (c) Employees shall only clock in and out with their own key cards. Using another employee's key card is prohibited. Employees who violate this subsection shall be subject to disciplinary action up to and including termination.				
<b>Cause: (Describe the cause of the condition if possible)</b>	Inaccurate application of county time and attendance policies				
<b>Effect: (Describe or quantify any adverse effects)</b>	Actual times may vary from scheduled hours.				
<b>Recommendation: (Describe corrective action)</b>	<p>Actual hours worked, meal periods, vacation time, sick time, holiday time, jury duty, compensatory time, overtime, ATO, etc. should be properly and timely posted to the Kronos time attendance system in accordance with Dallas County Code and Commissioners Court orders.</p> <p>Each employee should affirm bi-weekly time paid / leave balances expended through review of pay slip on Employee Self-Service (ESS) application.</p> <p>Employees should use their key card on entering their work area and when ready to immediately begin work.</p>				
<b>Responsible Department or Organization:</b>	District Attorney				
<b>Management's Response:</b>	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b>	Cindy Stormer, DA Administrative Attorney	<b>Date:</b> 5/4/2015
<b>Comments:</b>	The District Attorney's Office has educated the employees to properly and timely record their time in accordance with Dallas County Code, Sec.87-174, Sec. 82-175, Sec. 82-176.				
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration		



**Finding Number:** 14-DA-01-05  
**Date:** December 15, 2014  
**Audit:** District Attorney  
**Auditor(s) Assigned:** NH

<b>Finding:</b>	<p><b>Time and Attendance</b>  Review of time and attendance activity revealed:</p> <ul style="list-style-type: none"> <li>Instances of employees with negative accrued balances for sick, vacation, and/or comp time leave  <i>Response from Prior Administration: Employees have been counseled and this activity will not be allowed going forward.</i></li> <li>Eight employees with five or more historical edits recorded to Kronos</li> <li>Two exempt employees did not average a 40 hour work week over a 52 week period  <i>Response from Prior Administration: One employee was unclear on County policy. The employee always worked more than 80 hours per time period. Employee merely recorded work time incorrectly. Employee has been informed of proper recording procedures and will correctly report time going forward.</i></li> </ul> <p>Review of Kronos records associated with employees noted to be absent during the December 2014 field work revealed exceptions:</p> <ul style="list-style-type: none"> <li>One exempt employee noted absent on 12-8 and 12-9 did not have LWOP postings recorded to Kronos timecard resulting in full payment of regular salary hours as if working in current job assignment while attending a new judge's training school (32 hours total). The employee's timecard included 53 sick leave hours combined with 8 vacation hours and 24 holiday hours to receive full checks for the last two pay periods in December. Kronos report for period 8/23/2014 through 12/26/2014 shows 196 hours sick leave taken without any FMLA notations.</li> <li>One exempt employee noted absent on 12-8 and 12/9 had timecard postings showing regular salary with exempt lunch for both days and "postings from schedule" (Kronos purple highlight) for the remaining three days of the work week.</li> <li>One exempt employee noted absent on 12-9 had timecard "postings from schedule" for this day and the remaining three days of the work week.</li> </ul>
<b>Work paper Reference:</b> (or other method by which finding was identified)	Review of Kronos time and attendance, Accrued Summary report, Exception report, Employee hours-All Pay Codes or by Labor Accounts report, and Audit Trail report
<b>Condition:</b> (Describe the current condition)	A Kronos timecard device is located within the building which houses the District Attorney. Employees can clock in/out six minutes before/after their scheduled shift. Key card 'swipe' and time stamp functionality is used by non-exempt staff and online time entry functionality is used by exempt staff. Annual leave, sick leave, holidays, etc. taken are recorded to the Kronos system by the supervisor based on information available to them. The employee submits request to leave to supervisor for review and approval. Biweekly time sign-off / approval is updated by supervisor in accordance with official direction.
<b>Criteria:</b> (Describe the optimal condition)	<p><b>Sec. 82-175. - Supervisory responsibilities</b>  (c) <u>Supervisors are responsible for ensuring employee time records are accurate and that no abuses occur.</u> Only supervisors have the authority to correct employee time record errors or omissions.  (d) Supervisors are responsible for recording employee vacation and sick time and for entering time for employees who are working outside their department work area.  (e) Supervisors are responsible for checking daily start times, meal periods, end times, vacation time, sick time, compensatory time and overtime to ensure employees are in compliance with their shift work schedule and the county's overtime policies. Supervisors are responsible for promptly documenting actions warranting discipline and for promptly reporting possible fraud to the county auditor.</p> <p>According to Dallas County Code, Section 82-132, <b>Work schedules:</b> Exempt employees shall report all hours worked and adhere to an established work schedule approved by the</p>



	<p>elected official/department head. Exempt employees' work schedules <u>shall average a minimum of 40 hours per week</u>, including use of accrued leave time. All time worked shall be recorded in the official time and attendance system.</p> <p>According to Dallas County Code, Section 82-134, <b>Scheduled time off:</b> Periodically, elected officials/department heads may grant administrative time off for exempt employees. Such time off must be approved by the elected official/department head. In order to approve such leave, the elected official/department head must ensure the <u>exempt employee's most current 12-month average weekly work schedule exceeds 40 hours</u>. For exempt employees whose tenure is less than 12 months, their average weekly hours worked shall be determined by the average hours worked over the number of weeks worked for the county. If this criterion is met, the elected official/department head may, at his/her discretion, approve the time off. Under no circumstances will this time be granted on an hour-for-hour basis and the <u>total amount of time granted shall not exceed 15 work days in a 12-month period except by formal approval by the commissioners court.</u></p> <p><b>Family and Medical Leave, Sec. 82-606. Requirements (provides in part).</b> <i>Supervisor's role.</i> The supervisor and employee must understand that the purpose of <b>family and medical leave</b> is to protect the job of an employee during a qualifying event. If an employee is out for more than three working days for a medical reason and has not requested <b>family and medical leave</b> by the fourth day or if an employee is periodically out for three or more working days in a three-month period for a medical reason and has not requested <b>family and medical leave</b>, the supervisor shall: (1) Immediately send the employee all necessary forms for requesting such leave; (2) Assess the medical absence in conjunction with the human resources/civil service department to determine if the employee is eligible for <b>family and medical leave</b>; the supervisor does not have to wait for a request from the employee; and (3) Follow all outlined policies and procedures related to this matter.</p>				
<b>Cause: (Describe the cause of the condition if possible)</b>	Inaccurate application of county time and attendance policies				
<b>Effect: (Describe or quantify any adverse effects)</b>	<p>Actual times may vary from scheduled hours.</p> <p>Employees paid for hours not worked.</p>				
<b>Recommendation: (Describe corrective action)</b>	<p>Actual hours worked, meal periods, vacation time, sick time, holiday time, jury duty, compensatory time, overtime, ATO, etc. should be properly and timely posted to the Kronos time attendance system in accordance with Dallas County Code and Commissioners Court orders.</p> <p>Each employee should affirm bi-weekly time paid / leave balances expended through review of pay slip on Employee Self-Service (ESS) application.</p> <p>Requests for historical edits should be submitted to the Payroll Hotline.</p>				
<b>Responsible Department or Organization:</b>	District Attorney				
<b>Management's Response:</b>	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b>	Cindy Stormer, DA Administrative Attorney	<b>Date:</b> 5/4/2015
<b>Comments:</b>	The District Attorney's Office has informed the employees to properly and timely record their time and timely submit their request and supporting document for Family and Medical Leave (FMLA) in accordance with the office policy and Dallas County Code, Sec 82-132, Sec. 82-134, Sec. 82-606 and Commissioner's Court orders.				
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration		





**Finding Number:** 14-DA-01-06  
**Date:** December 15, 2014  
**Audit:** District Attorney  
**Auditor(s) Assigned:** NH

<b>Finding:</b>	<p><b>Special Fund Account No. 538 (District Attorney {DA} Check Fee Account)</b>  A review of 22 Special Fund Account No. 538 disbursements issued between May 1, 2012 and October 31, 2014 revealed:</p> <ul style="list-style-type: none"> <li>• Two reimbursements payable to State Forfeiture Account No. 541 for: <ul style="list-style-type: none"> <li>○ \$3,000 payment to a private school for a dinner fundraiser (table of eight – attendees not listed) event for student sponsorships</li> <li>○ \$4,543.82 for legal settlement of vehicle damages to a non-County vehicle hit by the DA while driving a County vehicle purchased with forfeiture funds</li> </ul> </li> <li>• Two disbursements totaling \$1,500 for donations to non-profit organizations</li> <li>• One disbursement totaling \$2,500 for children's advocacy luncheon</li> <li>• One Dallas restaurant receipt for \$397.69 (receipt provided for the meals did not identify attorney/law enforcement purpose or persons) with meals exceeding County per diem rate including \$42 for one 16 ounce Ribeye and \$47 for one Cote de Boeuf</li> <li>• One bowling lounge receipt for \$49.80 (receipt provided for the meal/snacks did not identify attorney/law enforcement purpose or persons)</li> <li>• One \$2,500 salary advance without evidence of repayment</li> <li>• One \$1,600 bonus payment to contractor in calendar 2013 without inclusion on Internal Revenue Service Form 1099-MISC</li> <li>• One \$750 payment for a transcript in calendar year 2012 without inclusion on Internal Revenue Service Form 1099-MISC</li> </ul> <p>Budget balancing resulted in exempt Financial Administrator to be moved to a non-exempt clerical position without a change in job responsibilities. Salary difference between the two positions was funded through supplemental payments from the DA Check Fee account in years 2011 and 2012.</p> <p><i><b>Response from Prior Administration:</b> Expenditures from this fund shall be at the sole discretion of the attorney.</i></p>
<b>Work paper Reference: (or other method by which finding was identified)</b>	<p> Workpaper #12  Discover report for Fund 538  DA supporting documentation </p>
<b>Condition: (Describe the current condition)</b>	<p>Special Fund Account No. 538 consists of the DA check fees collected on filed theft by check, theft of service, or issuance of back check or similar sight order cases. Funds are used to defray the salaries, benefits, and traveling expenses of the employees in the District attorney's office.</p> <p>Data source for disbursement activity is 'Request for Payment or Reimbursement' forms with receipts or other documentation attached. Forms are submitted by requestors to the Financial Administrator and Administrative Attorney for approval and signature. To generate disbursements, the clerk II prepares and saves a special fund disbursement file to a designated computer drive on an ongoing basis, based on approved requests. The electronic file is submitted to the County Auditor for verification of funds availability and forwarded to the County Treasurer for</p>



	additional processing. Prior to check printing, a preliminary check register is submitted via email to the Financial Administrator for final approval. Once approved, the checks are printed. All address sections on the checks reference 'Return to DA' without any direct mailing to payees by the County Treasurer.
<b>Criteria:</b> (Describe the optimal condition)	<p>In accordance with Code of Criminal Procedure, Art. 102.007, Fee for Collecting and Processing Check or Similar Sight Order, (f), Fees collected under Subsection (c) of this article shall be deposited in the county treasurer in a special fund to be administered by the county attorney, district attorney, or criminal district attorney. Expenditures from this fund shall be at the sole discretion of the attorney and <u>may be used only to defray the salaries and expenses of the prosecutor's office</u>, but in no event may the district attorney supplement his or her own salary from this fund.</p> <p>In accordance with Attorney General Opinion No. GA-0475, it is the duty of the official with discretionary authority over the funds to make a determination of 'official business' in the first instance subject to judicial review for abuse of that discretion.</p> <p>Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific controls related to disbursement and reconciliation procedures require that:</p> <ul style="list-style-type: none"> <li>• All special fund checks should be accounted for, issued to the proper payee for the correct amount in a timely manner, and reference the relevant case information with supporting documentation attached.</li> <li>• Fund balances and subsidiary ledgers must be reconciled monthly against control records (bank statements and general ledger) to safeguard funds and improve reporting accuracy.</li> <li>• Supervisory verification of all cash transactions (receipts or disbursements) evidenced on subsidiary reconciliations (sign-off by both preparer and supervisor).</li> </ul> <p>COSO standards for internal control include adequate segregation of duties (separation of duties for personnel authorized to receipt payments, prepare disbursement files, and/or approve disbursement batches for printing) so no one user has two or more business processes that could result in compromise of the integrity of the process or allow that person to commit fraud.</p>
<b>Cause:</b> (Describe the cause of the condition if possible)	<p>Unknown</p> <p>'Sole discretion' interpreted as for any reason determined rather than that no other elected official, governing body, or person can require, coerce, or compel the expenditure of funds from the DA Check Fee Account.</p>
<b>Effect:</b> (Describe or quantify any adverse effects)	Non-compliance with state statutes, Internal Revenue Codes, and County policies
<b>Recommendation:</b> (Describe corrective action)	<p>Expenditures from Special Fund Account No. 538 should:</p> <ul style="list-style-type: none"> <li>• Comply with Code of Criminal Procedures Chapter 102.007</li> <li>• Relate to the official business of the office and not be prohibited by any</li> </ul>



	constitutional or statutory provision • Include supporting documentation and a listing of attendees or persons receiving meals  All disbursements from Special Fund Account No. 538 for non-employee compensation and advances not repaid should be reported to the IRS on Form 1099-MISC.  County Commissioners should consider amending the County code to restrict officials and employees who receive auto allowances from driving County vehicles.				
<b>Responsible Department or Organization:</b>	District Attorney				
<b>Management's Response:</b>	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b>	Cindy Stormer, DA Administrative Attorney	<b>Date:</b> 5/4/2015
<b>Comments:</b>	The District Attorney's Office has developed guidelines for permissive expenditures in the Special Fund Account No. 538 (Check Processing) to comply with Code of Criminal Procedure Chapter 102.007. The office will make sure the expenditures are used only to defray the salaries and expense of the prosecutor's office or other allowable expenses (per Attorney General opinions), and include supporting documentation. All disbursements for non-employee compensation and advances not repaid will be reported to the IRS on the form 1099-MISC.				
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration		



**Finding Number:** 14-DA-01-07  
**Date:** February 27, 2015  
**Audit:** District Attorney  
**Auditor(s) Assigned:** NH/TB

<b>Finding:</b>	<p><b>Non-County Bank Account (Reportedly for State Supplement Funds)</b></p> <p>A review of 26 disbursements issued in FY13 – FY14 and a sample review of bank statements dating to October 2008 revealed:</p> <p><b>Bank Statements</b></p> <ul style="list-style-type: none"> <li>• Annual supplement payments received from Texas Comptroller of Public Accounts in years 2009 through and 2014 not deposited into non-County bank account:             <ul style="list-style-type: none"> <li>○ Payments in 2009 thru 2011 and 2013 deposited directly in DA salary allocation account Fund 120 Department 4012 Account 1025 used to offset non-budgeted salaries</li> <li>○ Payments in 2012 and 2014 deposited in DA Special Fund Account No. 538 and reportedly part of transfers to DA salary allocation account Fund 120 Department 4012 Account 1025 used to offset non-budgeted salaries</li> </ul> </li> <li>• No deposit of annual supplement funds to non-County bank account dating to at least October 1, 2008 (bank account was inactive during period of October 1, 2008 thru September 30, 2011)</li> </ul> <p><b>Disbursements</b></p> <ul style="list-style-type: none"> <li>• 16 of 26 checks issued from one bank account made payable to 'Cashier's Check', 'Cash', or an employee's name and a Cashier's Check purchased at a credit union with the payee on the Cashier's Check payable to a business, restaurant, college, non-profit organization, etc.</li> <li>• One cashier's check totaling \$1,579.50 payable to an online college. The original check's memo section references a loan to a DA employee.</li> </ul> <p><b>Status: Repaid.</b></p> <ul style="list-style-type: none"> <li>• One cashier's check totaling \$706 for t-shirts without specific official purpose of the 'expenses of the office' or persons receiving t-shirts noted</li> <li>• Two cashier's checks and one check totaling \$1,500 for non-profit fundraisers without specific official purpose of the 'expenses of the office' noted</li> <li>• One cashier's check totaling \$500 for law student scholarship and awards banquet without specific official purpose of the 'expenses of the office' noted</li> <li>• Two cashier's checks totaling \$1,853.60 for Dallas County police chiefs luncheons</li> <li>• One cashier's check totaling \$402.50 for a meal which included 35 lunches without specific official purpose of the 'expenses of the office' or persons receiving meals noted</li> <li>• One check payable to 'Cash' with memo reference indicating 'food for Christmas party' in the amount of \$1,998 missing support documentation</li> <li>• Two checks totaling \$600 for sound reinforcement and DeeJay services for DA picnic and Christmas party without specific official purpose of the 'expenses of the office' noted</li> <li>• One check totaling \$2,198 for employee Christmas party meals</li> <li>• One check totaling \$500 issued to DA employee for victim witness advance without signature of witness indicating funds received (copy of Driver License only) nor subsequent accounting of funds</li> </ul>
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	<ul style="list-style-type: none"> <li>Two checks totaling \$1,676.40 for Community Prosecutor Academy meals</li> <li>One check totaling \$360 for an annual pledge scholarship brunch without specific official purpose of the 'expenses of the office' noted</li> </ul>
<b>Work paper Reference:</b> (or other method by which finding was identified)	Bank Statements DA supporting documentation
<b>Condition:</b> (Describe the current condition)	<p>Non-County bank account with unused (\$335.48 balance as of September 30, 2014) state supplement funds (reportedly) carried over from the administration prior to the Honorable Craig Watkins used for purposes other than to defray the salaries and expenses of the DA's office.</p> <p>Data source for disbursement activity is 'Request for Payment or Reimbursement' forms with receipts or other documentation attached. Requests include incomplete details without specific official purpose of the 'expenses of the office' noted. Forms are submitted by requestors to the Financial Administrator and Administrative Attorney for approval and signature. Disbursements are manually processed.</p>
<b>Criteria:</b> (Describe the optimal condition)	<p>In accordance with Government Code, Sec. 46.004. EXPENSES. (a) The state prosecuting attorney and each state prosecutor is entitled to receive not less than \$22,500 a year from the state to be used by the attorney or prosecutor to <u>help defray the salaries and expenses of the office</u>. That money may not be used to supplement the attorney's or prosecutor's salary.</p> <p>(b) The state prosecuting attorney and each state prosecutor shall submit annually to the comptroller of public accounts a sworn account showing how this money was spent during the year.</p> <p>It is the duty of the official with discretionary authority over the funds to make a determination of 'official business' in the first instance subject to judicial review for abuse of that discretion.</p> <p>Pursuant to Attorney General Opinion GA-0053, funds distributed to a district attorney under the Professional Prosecutors Act are to be deposited in the county treasury.</p> <p>Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific controls related to disbursement and reconciliation procedures require that:</p> <ul style="list-style-type: none"> <li>All special fund checks should be accounted for, issued to the proper payee for the correct amount in a timely manner, and reference relevant information with supporting documentation attached.</li> <li>Fund balances and subsidiary ledgers must be reconciled monthly against control records (bank statements) to safeguard funds and improve reporting accuracy.</li> <li>Supervisory verification of all cash transactions (receipts or disbursements) evidenced on subsidiary reconciliations (sign-off by both preparer and supervisor).</li> </ul>





	COSO standards for internal control include adequate segregation of duties (separation of duties for personnel authorized to receipt payments, prepare disbursement files, and/or approve disbursement batches for printing) so no one user has two or more business processes that could result in compromise of the integrity of the process or allow that person to commit fraud.				
<b>Cause: (Describe the cause of the condition if possible)</b>	Unknown				
<b>Effect: (Describe or quantify any adverse effects)</b>	Non-compliance with state statute Commingling of State Supplemental Funds with unrelated funds and fees.				
<b>Recommendation: (Describe corrective action)</b>	<p>Expenditures from State Supplemental Funds should:</p> <ul style="list-style-type: none"> <li>• Comply with Government Code, Section 46.004</li> <li>• Relate to the official business of the office and not be prohibited by any constitutional or statutory provision</li> <li>• Include supporting documentation and a listing of attendees or persons receiving meals</li> </ul> <p>Deposits from State Supplemental Funds should be deposited in the county treasury, expended, and accounted for separately with annual reporting to the State Comptroller of Public Accounts.</p>				
<b>Responsible Department or Organization:</b>	District Attorney				
<b>Management's Response:</b>	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b>	Cindy Stormer, DA Administrative Attorney	<b>Date:</b> 5/4/2015
<b>Comments:</b>	The District Attorney's Office agrees that all the expenditures from state supplemental fund should relate to the official business of the office and not be prohibited by any constitutional or statutory provision and include detailed supporting document to comply with Government Code, Sec. 46.004. The repayment for the employee education has been received and recorded on November 1, 2013.				
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration		



**Finding Number:** 14-DA-01-08  
**Date:** January 6, 2015  
**Audit:** District Attorney  
**Auditor(s) Assigned:** FH

**Finding:****User access and Roles/rights related to Financials**

A review of 115 active users revealed:

- System access for twenty-two former employees not disabled or end dated.
- Six generic named user ids exist.
  - One with description indicating test which is normally active in a non-Production environment.
- Twelve users were setup with multiple user ids.
  - Two individuals have 4 different user ids available for use.
  - Two individuals have 3 different user ids available for use.
  - Eight individuals have 2 different user ids available for use.
- Twelve users who are active in Odyssey could not be identified as active or former employees due to limited information entered in Odyssey.
  - For three users, only their first initial and last names were entered.

A sample review of twenty-one selected roles and certain tabs (such as Financial Codes, Financial Data, Administration, and Production Admin) under the each role revealed:

- The following fourteen active roles related to financials combined setup related to maintaining codes (such as setup with roles, assigning roles to users, and/or setup for financial codes) with adding, updating, or deleting financial/check data or merging parties: OFM-Financial, OFM - Supervisor, SYS- All Rights, SYS - User Administrator, Check - All Rights, Check - Financial, Check - Financial Supervisor Dallas, FIN - All rights, FIN - Supervisor - Dallas, Check - Financial Supervisor-Dallas, Fin-All Rights, FIN-Financial - Dallas, FIN - Supervisor Dallas, and FIN-Support Staff - Dallas.
- The following six active roles grant right to backdate check charges, backdate payment, backdate deposit, backdate check transactions, and/or backdate adjustment: OFM - All Rights, OFM - Financial, OFM - Supervisor, Check - All Rights, Check - Financial, and Check - Financial Supervisor-Dallas.
- The following four active roles allows an individual to re-open financial period: OFM - All Rights, OFM - Financial, OFM- Supervisor, and Check - Financial.
- The following four active roles allow an individual to re-open deposits: FIN- All Rights, FIN-Financial - Dallas, FIN - Supervisor-Dallas, and FIN Support Staff Dallas.
- Numerous roles do not allow segregation of duties based on rights allowed under the role.

A sample review of role assignment of twenty-six user ids to twenty-one selected roles revealed:

- Users that should have inquiry only access with the ability to add, update, or delete financial data or user access or manage setup codes.



	<ul style="list-style-type: none"> <li>Three users have the following three Financial Managers System roles that appears to overlap and disallow segregation of duties: OFM All Rights, OFM Financial, and OFM Supervisor.</li> <li>Two users were assigned to Check Manager Financial Role called 'Fin-All Rights' that allows user to add/update setup and financials. Users are assigned other Check Manager Financial Roles that overlapped the 'Fin-All Rights' role.</li> <li>Five users were assigned to Check Manager Check Role called 'Checks-All Rights' that allows user to add/update setup and financials. Users are assigned other Check Manager Check Roles that overlapped the 'Check-All Rights' role.</li> </ul> <p>Other Control Issue:</p> <ul style="list-style-type: none"> <li>Two roles assigned to generic user id "Reports" grants more access than needed for someone generating reports or running query. <ul style="list-style-type: none"> <li>Role 'Check-Reports Only' grants rights to the following three items under Financial Code tab: Maintain Check Fee Codes, Maintain Check Fee Schedules, and Maintain Fee Categories.</li> <li>Role 'View Job Queue and History' grant the right to Deploy Odyssey Assistant and Maintain All User Jobs to assigned users.</li> </ul> </li> </ul>
<b>Workpaper Reference:</b> (or other method by which finding was identified)	Workpaper #1 to 10
<b>Condition:</b> (Describe the current condition)	The District Attorney's Hot Check system is maintained in-house. No procedure exists requiring a form to request user setup.
<b>Criteria:</b> (Describe the optimal condition)	<p>Information processing controls must be continually updated and monitored to help ensure that transactions completed through computerized applications are valid, authorized, complete, and accurate.</p> <p>Best practices for internal control include adequate segregation of duties (separation of duties for personnel authorized to receipt payments, update assessments, disburse checks, or perform bank reconciliation) so no one user has two or more business processes that could result in compromise of the integrity of the process or allow that person to commit fraud.</p> <p>Automated systems include a review of access controls against an authorization matrix that defines "least privilege" access levels and authority for an individual's role to their job function / responsibilities. Control objectives include:</p> <ul style="list-style-type: none"> <li>Management should review user access lists, periodically, to assess expected/necessary levels of control-access are valid.</li> <li>Terminated users should be removed timely (access disabled) by comparing weekly Termination report from HR to user access lists to affirm only authorized individuals have system access.</li> </ul>
<b>Cause:</b> (Describe the cause of the)	<p>High level system security access matrix.</p> <p>Limited management review of the user access lists.</p>



<b>condition if possible)</b>					
<b>Effect:</b> (Describe or quantify any adverse effects)	Risks – posting errors (accidental or intended)				
<b>Recommendation:</b> (Describe corrective action)	<ul style="list-style-type: none"> <li>• A terminated user's account should be end-dated and the inactive box check-marked. All assigned cashier stations and tills should be de-activated.</li> <li>• User access for ex-employees or reassigned employees should be requested to be disabled with follow-up occurring to ensure user account was disabled.</li> <li>• The name entered on the change request to add user to Odyssey should be the name used for payroll (in Kronos and the Oracle Payroll systems).</li> <li>• Generic user ids should not be used in Production instance.</li> <li>• Any codes or user access related to training or testing should not be setup in Production but used only in a Test environment.</li> <li>• All rights and roles should be periodically reviewed to ensure users have only the rights necessary to perform their core job functions. A proper segregation of duties reduces the risk of misappropriated funds.</li> </ul>				
<b>Responsible Department or Organization:</b>	District Attorney				
<b>Management's Response:</b>	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b>	Cindy Stormer, DA Administrative Attorney	<b>Date:</b> 5/4/2015
<b>Comments:</b>	The District Attorney's Office is working with the information technology department and the Checks Division to resolve the issues to ensure terminated users' accounts will be ended, and to ensure active users have only the rights necessary to perform their core job functions in order to achieve a proper segregation of duties.				
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report		<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration	



**Finding Number:** 14-DA-01-09  
**Date:** February 27, 2015  
**Audit:** District Attorney  
**Auditor(s) Assigned:** NH/TB

<b>Finding:</b>	<p><b>Non-County Bank Account – Investigator Training (law enforcement officer standards and education fund account {LEOSE funds}) Funds</b></p> <p>A review of 11 disbursements issued in FY13 – FY14 and a sample review of bank statements during FY13 – FY14 revealed:</p> <p><b>Bank Statements</b></p> <ul style="list-style-type: none"> <li>• Annual LEOSE Funds received from Texas Comptroller of Public Accounts in 2014 deposited into non-County bank account</li> <li>• No deposit of annual LEOSE Funds to non-County bank account during FY13. Reportedly, funds were not requested from the State due to investigators not meeting required training hours.</li> </ul> <p><b>Disbursements</b></p> <ul style="list-style-type: none"> <li>• Three reimbursements totaling \$191.35 for the purchase of pizza and snacks not related to the continuing education of investigators</li> <li>• One reimbursement totaling \$295 for a covert key chain DVR HD not related to the continuing education of investigators</li> </ul>
<b>Work paper Reference: (or other method by which finding was identified)</b>	<p>Bank Statements DA supporting documentation</p>
<b>Condition: (Describe the current condition)</b>	<p>Non-County bank account for Investigator Training (law enforcement officer standards and education fund account {LEOSE funds}) Funds used for training expenses of DA investigators and for other non-training purposes.</p> <p>Data source for disbursement activity is 'Request for Payment or Reimbursement' forms with receipts or other documentation attached. Forms are submitted by requestors to the Financial Administrator and Administrative Attorney for approval and signature. Disbursements are manually processed.</p>
<b>Criteria: (Describe the optimal condition)</b>	<p>Pursuant to Occupations Code, Sec. 1701.157. MONEY ALLOCATED AND USED FOR CONTINUING EDUCATION. (a) Not later than March 1 of each calendar year, the comptroller shall allocate money deposited during the preceding calendar year in the general revenue fund to the credit of the law enforcement officer standards and education fund account for expenses related to the continuing education of persons licensed under this chapter as follows:</p> <p>(1) 20 percent of the money is allocated to all local law enforcement agencies in this state in equal shares; and</p> <p>(2) 80 percent of the money is allocated to all local law enforcement agencies in this state in a share representing a fixed amount for each position in the agency, as of January 1 of the preceding calendar year, that is reserved to a person who:</p> <p>(A) is licensed under this chapter;</p> <p>(B) works as a peace officer on the average of at least 32 hours a week; and</p> <p>(C) is compensated by a political subdivision of this state at least at the minimum wage and is entitled to all employee benefits offered to a peace officer by the political subdivision.</p> <p>(b) To provide the necessary information for an allocation of money under</p>





Subsection (a), a local law enforcement agency must report to the comptroller not later than November 1 of the preceding calendar year:

- (1) the number of agency positions described by Subsection (a)(2) authorized as of January 1 of the year the report is due;
  - (2) the number of agency positions described by Subsection (a)(2) filled as of January 1 of the year the report is due;
  - (3) the percentage of the money received by the agency under Subsection (a) pursuant to the allocation made by the comptroller on or before March 1 of the year preceding the year in which the report is due that was used by the agency before the date of the allocation made by the comptroller under Subsection (a) on or before March 1 of the year the report is due;
  - (4) the number of training hours received during the 12-month or approximately 12-month period described by Subdivision (3) that were funded by money received by the agency pursuant to the allocation made by the comptroller on or before March 1 of the year preceding the year in which the report is due; and
  - (5) that the agency has complied with the requirements of this section regarding the use of any money received by the agency pursuant to the allocation made by the comptroller on or before March 1 of the year preceding the year in which the report is due.
- (c) The head of a law enforcement agency shall maintain a complete and detailed record of money received and spent by the agency under this section. Money received under this section is subject to audit by the comptroller. Money spent under this section is subject to audit by the state auditor.
- (d) A local law enforcement agency shall use money received under Subsection (a) only as necessary to ensure the continuing education of persons licensed under this chapter or to provide necessary training, as determined by the agency head, to full-time fully paid law enforcement support personnel in the agency.
- (e) A local law enforcement agency may not use money received under Subsection (a) to replace funds that are provided to the agency by the county or municipality having jurisdiction over the agency on a recurring basis for training law enforcement officers and support personnel.

Pursuant to Attorney Opinion No. GA-0869, the county auditor has general oversight of the books and records of a county. Such authority includes oversight of funds allocated from the state law enforcement officer standards and education fund account (LEOSE funds). Accordingly, LEOSE funds must be maintained in an official county depository pursuant to chapter 116 of the Local Government Code.

Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific controls related to disbursement and reconciliation procedures require that:

- All special fund checks should be accounted for, issued to the proper payee for the correct amount in a timely manner, and reference relevant information with supporting documentation attached.
- Fund balances and subsidiary ledgers must be reconciled monthly against control records (bank statements) to safeguard funds and improve reporting accuracy.
- Supervisory verification of all cash transactions (receipts or disbursements)



	evidenced on subsidiary reconciliations (sign-off by both preparer and supervisor).				
	COSO standards for internal control include adequate segregation of duties (separation of duties for personnel authorized to receipt payments, prepare disbursement files, and/or approve disbursement batches for printing) so no one user has two or more business processes that could result in compromise of the integrity of the process or allow that person to commit fraud.				
<b>Cause: (Describe the cause of the condition if possible)</b>	Unknown				
<b>Effect: (Describe or quantify any adverse effects)</b>	Non-compliance with state statute Annual allocation not received to provide training for investigators				
<b>Recommendation: (Describe corrective action)</b>	Expenditures from LEOSE funds should: <ul style="list-style-type: none"> <li>• Comply with Occupations Code, Sec. 1701.157</li> <li>• Relate to the training of DA investigators</li> <li>• Include supporting documentation</li> </ul> LEOSE funds should be requested annually and deposited in the county treasury, expended, and accounted for separately with annual reporting to the State Comptroller of Public Accounts.				
<b>Responsible Department or Organization:</b>	District Attorney				
<b>Management's Response:</b>	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b>	Cindy Stormer, DA Administrative Attorney	<b>Date:</b> 5/4/2015
<b>Comments:</b>	The District Attorney's Office will maintain an effective control environment to ensure all expenditures from TCLEOSE funds are related to the training of District Attorney investigators and include detail supporting documentation. We will request TCLEOSE funds annually in a timely manner.				
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration		