



DALLAS COUNTY COUNTY AUDITOR

Memorandum

To: Honorable Felicia Pitre
District Clerk

From: Darryl D. Thomas 
County Auditor

Subject: Civil and Family - Review for Fiscal Year 2013 thru December 2013

Date: Issued December 30, 2014
Released April 1, 2015

Scope

A review was performed in accordance with statutory guidelines on the financial records, reports, and internal controls of the District Clerk Civil and Family for fiscal year 2013 thru December 2013 with an internal control procedures walkthrough completed in 2014 during the term of the Honorable Gary Fitzsimmons. *Refer to report issued January 15, 2014 for certain steps completed through July 2013 with findings reported at that time.*

Review Procedures

Standard review procedures were followed to test the internal controls for cash, revenue, and other County assets. A random sampling of the total activity was selected for certain steps based on risk, dollar value of transactions, volume of transactions, and noted internal control weaknesses. Testing involved a review of the Odyssey Case Management system.

A partial list of the review tests include:

- Performed unannounced cash counts
- Accounted for numerical sequence of manual and computer generated receipts
- Traced amounts recorded on the receipts to the bank deposits
- Reviewed assessed fees for compliance with applicable state laws and Commissioners Court orders
- Reviewed credits, charge reductions, and adjustments
- Examined special and trust fund disbursements to determine if sufficient funds were collected, proper payees paid, and if posting to Odyssey had occurred
- Reviewed trust investments and other registry activity
- Submitted Internal Control Questionnaire (ICQ) and evaluated responses
- Evaluated internal control procedures
- Reviewed certified copies, marriage licenses, and passports for proper fee assessments
- Reviewed credit card activity for accurate and timely posting to Odyssey
- Examined cost billing procedures
- Reviewed time and attendance records for compliance with county policies
- Examined Odyssey case activity reports
- Reviewed non-sufficient fund (NSF) activity

FINDINGS

Cash Management

Financial Set-Up/System Controls - A limited review of the Odyssey Case Management financial setup for District Clerk users and a sample review of user's access revealed: unresolved prior report audit findings; twenty-five cashier stations and twenty-nine tills at District Clerk node(s) for former County employees are not end dated; two cashier stations and five tills at District Clerk node(s) for employees transferred to other County departments or other District Clerk sections are not end dated; five cashier stations and one till at District Clerk node(s) related to vendor support, training, and testing; Mainframe till still active (the till should have been closed after District Clerk go-live in October 2005 and not used by District Clerk staff); tender method called "NCO Collections" active (but not used); system access for seven former employees not disabled or end dated; and, a credit specifically for 'affidavit of inability to pay' has not been established within Odyssey.

Odyssey Case Management system does not prompt users to change their passwords, periodically, for example every 60 days. **Status:** Resolved January 2015.

Receipts – Manual/Computer – A review of manual receipts and manual receipt procedures revealed manual receipts numbers are not entered in the comment section in Odyssey once receipted to the system.

A review of computer receipts and deposit/closeout procedures including a review of 424 voided receipts revealed: 61 computer receipts (during the one month sample period) numbers skipped in sequence and not located within Odyssey; instances of non-descriptive explanations for voided computer receipts; 297 of 424 voided computer receipts without retention of the hardcopy receipt including 79 voided cash receipts totaling \$7,129; five computer receipts backdated (during the one month sample period) with the receipt date prior to the create date; and, delays in issuance of replacement computer receipts for voided computer receipts.

As of December 16, 2014, the District Clerk had eight roles that allowed backdating of charges, payments, credits, and charge reductions with 144 (including four Information Technology employees) active employees with system rights to one of these roles. In addition, seven terminated employees and one generic user role named 'TUSER' for 'test user' also have access to one of the roles.

A sample review of tills, closeouts, and deposits revealed: two cashier tills created between 12/18/08 and 11/11/10 are open and not closed; twenty-seven tills (17 of the 27 tills with E-file transactions) closed between 11/20/13 and 2/14/14 without an Odyssey deposit date as of 2/20/2014 (**Status:** 22 of 27 tills processed with a deposit date as of April 30, 2014); checks are not deposited the following business date after receipt, but are included in the subsequent day's deposit; and, numerous deposits with delays between the Odyssey transaction receipt date and the Oracle deposit date including twenty-six delays of seven to 27 business days with the majority related to credit card transactions.

A sample review of adjustment transactions for reverse void, reverse payment, adjustment, reverse miscellaneous payment, and/or reverse adjustment revealed: seven adjustment transactions without a reason entered in the Odyssey comment field; all adjustments processed by clerks and not supervisors; and, one instance where an employee used another employee's adjustment till.

Fee Assessments – A sample review of manual overrides, initial filing fees/other county charges, reversed charges, charge reductions, and credit revealed: charge reductions or reversed charges consistently used to record adjustments against case assessments rather than recommended credits when parties to a suit file an affidavit of inability to pay; 246 manual system overrides on Family cases with eight manual overrides used rather the correct fee code and one manual override processed incorrectly on a counterclaim without assessment of required fees; 21 of 60 charge assessments backdated; one intervention filing without assessment of a required fee; instances of 'Additional Court Ordered Costs' (ADD) recorded to only clerk

fees without assessment of all standard case filing fees on IV-D Family cases filed by the Attorney General with the respondent ordered to pay court costs; instances of non-descriptive explanations for adjustments; and, most adjustments processed by clerks and not supervisors.

As of December 16, 2014, nine active Case Manager Roles at the District Court node in Odyssey allowed manual distribution.

Responses to the ICQ, inquiry of District Clerk staff, and completion of a cash receipts walkthrough revealed: inadequate separation of duties regarding employees with Odyssey system rights to receipt payments and reduce or reverse assessments; supervisory approval is not required to post charge reductions, charge reversals, or credits; and, a formalized quality assurance process is not in place to verify the accuracy of the fee assessments or adjustments entered on the Odyssey system.

E-Filing – A review of E-filing transactions revealed: E-filing transactions are not receipted or deposited timely; and, E-filing cashier tills are not closed out nor deposited daily.

NSF Checks – A review of NSF procedures, receipts related to NSF items, and department's NSF check list revealed: receipted payments returned unpaid by the bank as NSF items are not reversed in Odyssey and NSF fees are not assessed to the party in Odyssey; and a formal coordinated process is not in place between the District Clerk's office and the Treasurer Department to handle and process NSF items and credit card chargebacks adequately, completely, and timely.

Disbursements - Special Fund – A sample review of 40 special fund disbursements revealed: two cases without special fund disbursements posted. **Status:** One of the two checks was posted on December 12, 2014.

Processing/Reporting

Collection/Billing – A sample review of 30 cases with balances due, various Odyssey system queries, and procedures for collection/ billing revealed: thirteen (43.3%) of cases with balances due in error including five cases with affidavits of inability to pay filed and court costs were not waived (**Status:** *Credit waivers recorded*) and seven cases with assessment of the 'Additional Court Ordered Costs' (ADD) recorded to only clerk fees without assessment of all standard case filing fees on IV-D Family cases filed by the Attorney General where the respondent was ordered to pay court costs

Case Assignments – A review of the systemic sequential assignment of cases within the Odyssey case management system and Odyssey Case Index reports revealed: nine missing Civil case numbers; two missing Family case numbers; and, three cases without the standardized case format of a separating dash (-) between 'DC' or 'DF' and the year.

Other/Miscellaneous

Certified Copies – A limited review revealed on fax request was not charged to a customer's account. *Refer to report issued January 15, 2014 for details related to an expanded review.*

Passport and Marriage License (Central, East, and North) – A sample review of manual and computer receipts for all three passport/marriage license locations revealed: 148 of 762 voided computer receipts without retention of the original and all copies; 61 of 762 voided computer receipts without an explanation for void indicated; four voided computer receipts were not marked "void"; four marriage license deposit totals \$388 less cash than daily marriage license computer receipt control totals. Employees shared username logins (including one of an employee transferred to another County department) and passwords to perform the daily close and issue receipts (**Response:** *On June 19, 2014, the employees received unique usernames from IT Services*).

Time and Attendance – A review of time and attendance records revealed: one employee on a ten hour shift with a holiday posted as 2 hours holiday and 8 hours vacation; and; employees take 50 minutes for lunch with no breaks (lunch is recorded as 30 minutes in KRONOS)

RECOMMENDATIONS

Cash Management

Financial Set-Up/System Controls – A terminated user's account should be end-dated and the inactive box check-marked with all assigned cashier stations and tills de-activated. Generic usernames and tills, which are no longer necessary as part of day to day operations, should be de-activated in Odyssey. Any codes or user access related to training or testing should be used only in a non-production Test environment. All rights and roles should be periodically reviewed to ensure users have only the rights necessary to perform their core job functions. Passwords should be secured and not shared with resets required no less than every 60 days with minimum password lengths/strengths in accordance with information technology security standards.

Receipting / Depositing – All monies received should be promptly receipted and deposited timely in accordance with Local Government Code, § 113.022. All receipts should be logged, accurately completed, and maintained in order to affix responsibility, enhance cash control, and prevent assertion that monies were paid and refund due. Receipts should never 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 in accordance with Records Retention requirements. All voids should be reviewed daily by supervisory personnel at least one level above employee that voided the payment. 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. All tills should be reconciled and closed daily and included on an Odyssey deposit. Assigned duties for cash control should be adequately separated for both physical and systemic processing. Rights allowing backdating of payments should be removed. Rights allowing backdating of charges should be restricted to limited users if necessitated by a business need.

Assessments – Monitor assessment and collection of court costs and fees in compliance with applicable state laws and Commissioners Court orders. Processing of financial transactions should reflect proper segregation of duties (e.g. users with roles/rights to receipt or void payments should be able to add additional charges, but not modify, reduce, or delete assessments). Non-monetary payments (such as affidavit of inability to pay) should be properly recorded with a credit, and a standardized method of affirming indigency should be documented within the Odyssey system. All corrections should include a complete and valid explanation in the comment field. 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, and validation. Management should periodically review system reports including the Transaction Listing Report and daily work for accuracy, appropriateness, timeliness, and staff compliance to established policies and procedures. User roles granted to process manual overrides, charge reductions, credits, and charge reversals should be limited.

E-Filing – The eFileTexas.gov inbox should be reviewed daily to accept or reject submitted filings. All e-filing submissions should be promptly receipted and deposited timely in accordance with Local Government Code, § 113.022. E-filing tills should be reconciled against eFileTexas.gov daily reports, closed, and added to the appropriate deposit daily with a separate Form 98 deposit submitted to the County Treasurer.

NSF Checks – A non-docket event and NSF flag should be added to the case once the department is notified of an NSF item by the County Treasurer. Original payment transaction for non-registry funds returned as NSF, stop payment, or account closed should be reversed and applied to Fund 501 overpayment escrow within 30 days after notification if not paid in full with a \$30 NSF fee assessment added. Original payment transactions for Registry/Trust (including Restricted Deposits) funds returned as

NSF, stop payment, or account closed should be remitted immediately to the NSF Fund 170 account on notification from the County Treasurer. Registry/Trust (including Restricted Deposits) funds should not be invested or disbursed until "good" funds are available. Departmental NSF tracking list should include all relevant information including applicable case number.

Disbursements - Special Fund – All checks issued, canceled, and/or stale dated should be posted accurately and timely to the Odyssey system. Disbursements should be issued to the proper payee for the correct amount in a timely manner in accordance with state statutes including Local Government Code, § 117. Supervisory personnel should review disbursement postings and other disbursement activity for appropriate postings to Odyssey. Case balances should be reviewed on a periodic basis and disbursements made to the appropriate parties in a timely manner. Fund balances and subsidiary ledgers should be reconciled against control records (GL and bank statements) to safeguard funds and improve reporting accuracy.

Processing/Reporting

Collection/Billing – Established billing procedures should include: supervisory review; bill all receivables due Dallas County; staff follow-up on requested case jackets; and, process assessments, credits, and charge reductions in accordance with statutory authority including orders of the court, Rules of Civil and Family Procedure, etc. Programming changes needed in order to use Odyssey billing/collection functionality without issues should be documented and communicated to IT Services.

Case Assignments – All case numbers should be timely, accurately, and sequentially assigned based on random court assignment. All case numbers should be accounted for, with reason codes for missing numbers, deleted numbers, or numbers issued out of sequence, and timely documented. System roles which allow modification to file dates or overriding of assigned judge assignments or system generated case numbers should be restricted to limited users if necessitated by a business need.

Other/Miscellaneous

Time and Attendance – Actual time 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.

CURRENT FINDINGS/OBSERVATION AND RECOMMENDATIONS

Findings template numbered 13.DC.01.01 thru 13.DC.01.13 are attached. Management responses are incorporated within the templates.

SUMMARY

The report is intended for the information and use of the department. While internal controls and financial reports were reviewed, all matters of a material weakness may not have been identified. It is the responsibility of the department to establish and maintain effective internal control over compliance with the requirements of laws, regulations, and contracts applicable to the department.

Highest areas of risk which need to be addressed include voiding of receipts; posting of charge reductions, credit waivers, and charge reversals; retaining receipts including voided receipts in accordance with Records Retention requirements; timely processing, receipting, and depositing of e-filing transactions; and, proper separation of duties.

Emphasis on outlined procedures should provide for improved departmental processes. Consideration of all issues and weaknesses should be incorporated by the Clerk as a self-assessment tool. Adherence to and follow-through with the recommendations should strengthen internal control and compliance with Dallas County policies and procedures.

cc: Darryl Martin, Commissioners Court Administrator



Finding Number: 13.DC.01.01
Date: June 20, 2014
Audit: District Clerk Civil/Family Review
Auditor(s) Assigned: JG

Finding:	Cash Counts: Review of cash handling procedures, cash counts, and inquiry of staff revealed: • Passport North: One teller's drawer was short \$10 due to recording an extra charge for a photo fee when no photo was taken. Status: On 12/18/13, receipt 1936 was voided and receipt 1969 generated to correct the teller's error. • Passport East: Teller's drawers were over by \$17.29 total due to one customer leaving \$7.29 change on the counter and another customer not receiving \$10 in change. Status: Overages totaling \$17.29 were included in the overage account on the deposit form 98 dated 12/23/13.
Workpaper Reference: (or other method by which finding was identified)	Workpaper 2-3 Cash Counts
Condition: (Describe the current condition)	The District Clerk is authorized to accept passport applications from U.S. citizens. Customers come to the District Clerk passport office to submit their passport applications and/or obtain a passport photo. The District Clerk is authorized by the U.S. Department of State to charge a non-refundable \$25 acceptance fee for each passport application. If a photo is taken at passport office, the customer pays an additional \$10 fee (amount set by County). The passport application fee (fee varies by type of request) is separately paid by the customer and remitted to the U.S. Department of State with the application and other related documents by the District Clerk.
Criteria: (Describe the optimal condition)	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 control procedures require that: • Receipts should be promptly issued for the amount of funds tendered, correct change given to customers, and all funds received properly secured, and deposited consistent with state law, Local Government Code, § 113.022 and procedures recommended by the County Auditor. • All computer receipts should be accounted for and properly used in order to affix responsibility, enhance case control and prevent potential assertion that monies were paid and refund due. • Corrections are reviewed and approved by supervisory personnel. • The number of individuals authorized to receipt payments and handle cash is properly segregated and limited. Standard accounting and system control procedures require daily reconciliation and



	balancing of collected funds with receipts promptly issued for the amount of funds tendered. Separate cash drawers should be maintained by all passport clerks receipting payments and funds should be balanced prior to combining with other receipted funds. Daily collections and change funds should be recounted by supervisory personnel with review evidenced by initial or signature on deposit forms.				
Cause: (Describe the cause of the condition if possible)	Clerical errors				
Effect: (Describe or quantify any adverse effects)	Prevents potential assertion that monies were paid and refunds due.				
Recommendation: (Describe corrective action)	• All monies received should be promptly and accurately receipted and deposited consistent with state law, Local Government Code, § 113.022 and procedures recommended by the County Auditor. • At the end of each business day, receipts should be totaled and balanced to the funds on hand and system control totals. Corrections made such that both good internal control and audit trails are maintained. Receipt and deposit totals verified by supervisory personnel. • Cash handling office policy should be formalized where employees are liable for cash shortages or inappropriate changes to receipts. • Receipts should be verified for accuracy of amount (application and/or acceptance fees), payment type, and payer before issuing a receipted to a customer.				
Responsible Department or Organization:	District Clerk				
Management's Response:	☐ Agree	☐ Disagree	Respondent:		Date:
Comments:					
Disposition:	☒ Audit Report ☐ Oral Comment ☐ Deleted From Consideration				



Finding Number: 13.DC.01.02
Date: June 20, 2014
Audit: District Clerk Civil/Family Review
Auditor(s) Assigned: JG

Finding:	Manual Receipts A sample review of 150 manual receipts issued or skipped including 13 voided manual receipts and a review of 20 manual receipts for proper posting to the Odyssey Courts System (Odyssey) during fiscal year 2013 and fiscal year 2014 (thru December 2013) revealed: • Eighteen of the 20 manual receipts sampled for posting to Odyssey lacked entry of a manual receipt number to the comment section in Odyssey. • Five manual receipt numbers were skipped in sequence, but later voided.
Workpaper Reference: (or other method by which finding was identified)	Workpapers: 4A.1-2, 4A.3, 4A.4, 8.A.3 Conversation with District Clerk Civil & Family Supervisor District Clerk Civil/Family Responses to Internal Control Questionnaire dated 4/21/14
Condition: (Describe the current condition)	When the Odyssey case management system is not operational, manual receipts (three part form) are issued by the Trust/Accounting section. The manual receipt books are located in the safe, except during business hours they are kept at the cashier's desk. Each cashier has their own manual receipt book. The original manual receipt is issued to the customer. Once Odyssey is functional again, the manual receipt payments are entered into Odyssey and one computer receipt is generated. The cashier attaches a copy of the computer receipt to the yellow copy and pink copy. Manual receipts are also used to collect funds for hot checks; however, these manual receipts are not posted to Odyssey by Trust/Accounting. They are taken to the County Treasurer's office for processing and deposit via Countywide Receipting (CWR). Trust/Accounting keeps a binder with all the hot checks receipted. If a manual receipt is voided, the cashier writes "void" on the receipt. All three copies of the manual receipt remain attached in the manual receipt book.
Criteria: (Describe the optimal condition)	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 control procedures require that: • Receipts should be written for all money received. This includes any return checks or associated fees, whether received in person or through the mail. No money should ever be accepted without immediately issuing an official county receipt. • Manual receipts should be written only during system downtime reflecting the appropriate case number and amount paid. Once the system is restored, the payments are posted to the system and the manual receipt number is entered into the comment field. One copy of the manual receipt is attached to the computer receipt. • All manual receipts should be accounted for and properly used, include supervisory



	review, kept in numeric order, have the corresponding computer receipt attached, and are posted and deposited daily, and timely in accordance with Local Government Code, § 113.022.				
Cause: (Describe the cause of the condition if possible)	Clerical error				
Effect: (Describe or quantify any adverse effects)	Prevents potential assertion that monies were paid and refunds due.				
Recommendation: (Describe corrective action)	Receipt control procedures should include: • Receipts are not be altered, but properly voided and affixed with a reason for the void with retention of all voided copies. • Funds received by court personnel are receipted with a computer generated receipt or a manual receipt if the Odyssey system is "down". Once Odyssey is operational, any money receipted on manual receipts should be posted in full. In order to readily verify that the posting has been made, a computer generated receipt should be attached to the triplicate copy of the manual receipt (which is retained in numeric sequence). The manual receipt number should be noted in the comment field of the computer receipt in Odyssey. • Written procedures for the receipting function are reviewed at least annually and updated as needed.				
Responsible Department or Organization:	District Clerk				
Management's Response:	☐ Agree	☐ Disagree	Respondent:	Honorable Gary Fitzsimmons, former District Clerk	Date: 3/23/2015
Comments:	The District Clerk concurs that management of the financial receipting process has been inadequate, and inconsistent with statute and best practices. Currently receipting for the Civil/Family and Accounting sections is processed independently. The Clerk has ordered management of both sections to draft written procedures documenting the following: 1.) The process by which receipts are logged; 2.) Identification of the specific information that must be included on each receipt; 3.) The method by which receipt copies are maintained either physically on paper or electronically; 4.) The process by which a receipt is voided, including: - a.) The process by which a receipt is affixed to Odyssey; - b.) The way management will ensure that the reason for the void is clearly and adequately documented; - c.) The manner in which copies of voided receipts are conserved;				



	d.) Documentation of the retention schedule for voided receipts and the manner in which those receipts are destroyed; e.) The process by which supervisors review each void on a daily basis whether individually or in bulk; how they document that the review has taken place; and specifically how they verify the following to ensure they are reasonable and adequately documented: 1.) Receipt deletions 2.) Lowered amounts 3.) Payment type changes 5.) A monthly review of the previous month's transaction logs and a report to the District Clerk by the Manager of the Trust/Accounting department with specific attention paid to the number of voids substantiating that they are reasonable and adequately documented.		
Disposition:	☒ Audit Report	☐ Oral Comment	☐ Deleted From Consideration



Finding Number: 13.DC.01.03
Date: June 20, 2014
Audit: District Clerk Civil/Family Review
Auditor(s) Assigned: JG

Finding:	Computer Receipts & Closeout/Deposit A review of tills opened/not closed and closed/not recorded with an Odyssey deposit date, delays between computer receipt date and Odyssey deposit date, and 424 voided computer receipts, and a sample review of computer receipts issued during fiscal year 2013 thru December 2013 revealed: Tills - Two cashier tills created between 12/18/2008 and 11/11/2010 are open and not closed as of 2/20/14. - One (1) till, the till code A4 (Auditor 4), was reused rather than end-dated. It includes transactions from 4/22/13 to 2/20/14. The till was originally used by Audit staff during pre-implementation and should have never been used in Production. - Twenty-seven cashier tills closed between 11/20/2013 and 2/14/2014 without an Odyssey deposit date as of 2/20/2014. (Excludes seven additional tills without an Odyssey deposit date reported on prior audit): - Seventeen of the tills have E-file transactions in DC TexFile Till per data query. Status: Twenty-two of the twenty-seven cashier tills (and one reported on the prior audit report) have been processed with a deposit date. - Seven (7) cashier tills remain open or were not included on an Odyssey deposit form: - Two (2) from the current audit period - Four (4) for former County employees reported on the prior audit - One (1) for vendor support (usually active in a non-Production environment) Computer Receipts 61 computer receipts numbers skipped in sequence (during one month sample period) and not located within Odyssey. - Five (5) payments backdated (during one month sample period) with the receipt date prior to the create date. - As of 12/16/2014, District Clerk has eight (8) Case Manager roles that allow the backdating of charges and the backdating of payments, credits, and charge reductions. They are DCLRK ACCTING, DCLRK ACCTING MGR, DCLRK Cashier, DCLRK Cashier MGR, DCLRK Cashier Trust-ACCT, DCLRK COLL Cashier, DCLRK OAG and Linebarger File, and DC Backdate Civil and Family. - As of 12/16/2014, there were 144 (including four Information Technology employee usually active in a non-Production environment) active employees with access to one of the roles allowing backdating of charges, credits, and payments. These employees do not have the role RestrictCM that would deny them the ability to backdate charges and payments. In addition, seven (7)
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terminated employees and one (1) generic user role named 'TUSER' for 'test user' also have access to one of the roles allowing backdating of charges, credits, and payments.

- Review of 424 computer receipts voided during the period of 8/1/2013 through 12/31/2013 revealed:
 - One of 424 voided computer receipts without an explanation entered in the Odyssey comment field.
 - 297 of 424 voided computer receipts without retention of the hardcopy receipt.
 - 79 of the 297 voided computer receipts without retention of the hardcopy receipt were cash receipts totaling \$7,129:
 - 61 of the 79 cash receipts were replaced for \$2,125 cash (17 receipts) and \$3,830 checks, money orders, etc. (44 receipts).
 - 24 of 424 voided computer receipts with delays between the date the original receipt was voided and the date a replacement receipt was issued.
 - 49 of 424 voided computer receipts with non-descriptive explanations (e.g., "Error")

Odyssey Deposit Dates and Approved DMS 98 deposits

A review of all deposits revealed numerous delays between the Odyssey transaction receipt date and the Oracle deposit date:

- Majority of longest delays relate to credit card transactions.
- There were 80 delays of four to five business days from the Odyssey transaction date to the deposit date in Oracle.
- There were 26 delays of seven to 27 business days from the Odyssey transaction date to deposit date in Oracle.
- Five credit card deposits with the Oracle creation date for the deposit occurring before the Odyssey deposit date.

A sample review of four Odyssey deposits revealed that receipted funds are not deposited the following day:

- 3/7/13 deposit of \$36,442.00 included 74 receipts (totaling \$6,440) with a delay of two business days after date of receipt until Odyssey deposit date.
- 5/15/13 deposit of \$119,681.51 included 49 receipts (totaling \$8,677) with a delay of two business days after date of receipt until Odyssey deposit date.
- 7/22/13 deposit of \$42,260.00 included 56 receipts (totaling \$7,202) with a delay of two business days after date of receipt until Odyssey deposit date.
- 12/18/12 deposit of \$43,713.23 included 42 receipts (totaling \$6,710) with a delay of two business days after date of receipt until Odyssey deposit date.

A sample review of five dates from the armored courier book revealed:

- Amount written in the armored courier book does not include amounts for notary fees that are included in the deposit totals.
- One instance noted where the armored courier book with a different deposit amount



than the actual amount deposited due to a transposition error.

- One delay of four days from the date (9/24/2013, Tuesday) of receipt in Odyssey to date (9/30/2013, Monday) deposit recorded in Oracle {armored courier pick-up date 9/27/2013, Friday}.

A review of cash counts related to District Clerk's deposit overages and shortages revealed:

- One form 98 deposit dated 8/29/2014 included a check where the legal amount was \$200 and the numeric amount was \$285. Payment was receipted on the case using the numeric amount rather than the legal amount accepted/used by the bank.

Status: District Clerk voided the receipt and decreased the form 98 deposit by \$285 resubmitting to the County Treasurer. Plaintiff remitted \$85 two months later leaving a \$200 balance due on the initial filing fee.

- One form 98 deposit dated 12/5/2014 included a check where the legal amount was \$25 and the numeric amount was \$25,000. Payment was receipted on the case using the numeric amount rather than the legal amount accepted/used by the bank.

Status: District Clerk staff contacted the party on the case and a replacement check for \$25,000 was received. Replacement check was submitted to the County Treasurer for processing.

Adjustments

A sample review of thirty transactions (reverse void, reverse payment, adjustment, reverse miscellaneous payment, and/or reverse adjustment) out of 4,583 adjustments processed during the period of 8/1/2013 through 12/31/2013 revealed:

- Seven adjustment transactions without a reason entered to the Odyssey comment field.
- 30 (100%) adjustments processed by clerks and not supervisors.
- One employee used another employee's adjustment till.
- Two adjustments were processed without reversal of the associated charges resulting in a balance due on the cases.

Departmental responses to the Internal Control Questionnaire (ICQ) and inquiry of District Clerk staff revealed:

- Adjustment tills are not closed for the Trust Accounting Collections Manager or the Trust Supervisor.
- All File Desk and eight Trust Accounting Collections employees have rights to backdate charges to reflect the actual judgment date.
- Collections cashiers have system access rights to: assess charges; receipt payments; reverse charges; and, enter credits.
- Non-supervisory Accounting employees have system access rights to make adjustments.
- All copies of a voided computer receipt are clearly marked "void" along with an explanation as to why the receipt is being voided. However, based on sample testing, voided computer receipts are not retained and do not consistently contain a reason for the void in the Odyssey comment field.
- Voiding of computer receipts is not restricted to supervisory personnel.



	• The safe combination is changed when persons having knowledge of the combination leave employment with the County. However, after a review of a log maintained by the District Clerk secretary and inquiry of staff, it was noted that the safe combination was not changed during the review period. (R08) Risks identified during walkthrough of department's internal control processes revealed: <u>District Clerk Civil/Family section</u> • Designated roles contain user rights within Odyssey that allow the backdating of transactions. (R01) • A lockbox is not utilized for U.S. mail deposits. (R02) • The opening till balance of the supervisor is not recounted or verified for accuracy. (R04) • Tills are closed at staggered intervals from 2:00 p.m. to 4:30 p.m. at the File Desk (R05) • Odyssey Manage till screen is not reviewed by supervisor regularly to identify tills that have been open longer than a day. (R06) • Access to the safe containing daily deposits is not under dual control. (R07) • Checklists are not used to document the timely and accurate completion of significant or key daily/weekly/monthly tasks. (R09) • A formal written process of receipt voids is not in place. System access to void computer receipts does not require secondary approval. (R10) • The District Clerk Civil/Family office does not log checks received through the U.S. mail or drop box. (R11) <u>District Clerk Trust/Accounting/Collections section</u> • Checks are not deposited the following business day after receipt, but are included in the subsequent days' deposit (e.g. receipted on Monday, deposited on Wednesday) (R07) • Access to the safe containing daily deposits is not under dual control. (R08) • Voided computer receipts are retained in Collections. (R10) • Verbal approval is the only requirement to post adjustments to cases in Odyssey. No evidence (written documentation or through system) of authorization or review of adjustments exist. (R11) • The "Payment (mail)" type in Odyssey is not used for payments received in the mail. (R16) • The deposit is not prepared in order of transactions received/processed, but rather when transactions are reconciled to Odyssey. (R04) • Odyssey receipt journal reports by deposit date do not remain static. (R05) • There is no system requirement that tills be closed and deposited daily. (R12)
Workpaper Reference: (or other method by which finding was identified)	Workpapers 4B.1AB, 4B.1A.1, 4B.1C, 4B.2, 4B.3, & 4B.4 Query of tills from Dallas County IT department (dated 2/20/14) Query of Odyssey setup from Dallas County IT department (dated 12/23/2013 & 12/16/2014)



	Odyssey Transaction Listing report Odyssey Receipt Journal report Responses to Internal Control Questionnaire Walkthrough 3/25/14 & 4/4/14 with District Clerk Civil and Family Staff Walkthrough 3/21/14 & 3/24/14 with District Clerk Trust/Accounting/Collections
Condition: (Describe the current condition)	The District Clerk Civil/Family file desk accepts case filings which involve civil lawsuits and family cases. Payments processed by the file desk are made in-person, by mail, or online (if the document is filed through Texas.gov). For in-person payments, the attorney or customer will approach the file desk counter to file a case or request additional case action. For new filings, the file desk clerk will determine the type of case and index the case in Odyssey with the standard filing fees automatically assessed to the case. The file desk clerk will inform the attorney/customer of the amount due. The attorney or customer will give the file desk clerk cash, check, or money order. The file desk clerk will verify the amount presented and receipt the amount collected to the case in Odyssey. One computer receipt is generated; the computer receipt and any change due are given to the customer. Receipt numbers are automatically generated in Odyssey. The file desk clerk will process all documents and scan into Odyssey. Computer receipts voided by the file desk are retained by supervisor. Reasons for voiding computer receipts are consistently entered in the comment field in Odyssey. Between 2:00 PM to 4:00 PM, each file desk cashier will reconcile their till and balance the day's funds to the Odyssey Till Balance and Transaction report. The individual file desk cashier tills are verified by the file desk supervisor (FDS) prior to being included as a deposit. The FDS or lead clerk will open a deposit in Odyssey under Managing Deposit screen. The FDS or lead clerk will run a Till Balance and Transaction report for all Cashiers and reconcile the funds to the report, but the FDS will not verify the change fund balances on hand. The review is evidenced by the FDS or lead clerk with a check mark indicated on the Till Balance and Transaction report. Balanced funds are held in the safe overnight for safekeeping. The Civil/Family file desk section takes their monies to Trust/Accounting section the next business day. The monies and reports are delivered to the Trust Clerk each morning at approximately 9:30 AM. The funds are reviewed for accuracy and recounted by the Trust Clerk. If there is a discrepancy in the file desk deposit, the Trust Clerk will contact the FDS to recheck and make any necessary corrections. Initially, electronic filings are processed as if pleadings were received over the counter, but with an added benefit not available at the counter. Once the electronic pleading has been officially accepted, an envelope ID number (tracking #) is assigned to the submission and the file marked image is stored directly in Odyssey. To make a payment utilizing the online site, the customer must enter the applicable case number and their debit/credit card number. An account is set up along with a pre-authorized payment with their debit/credit card. The filing fee codes are already indicated on the site. An on-line confirmation is generated for the customer from e-FileTexas.gov. The FD is assigned four e-File Texas queues to review daily and the FDS has assigned six staff persons to process them. The e-file clerks sign into the site to accept or reject the e-



file documents submitted by the filer. A filing can be rejected due to incorrect formatting, document restriction such as vacation letter, security level issue, or cannot be processed completely through the process. The accepted e-file debit/credit card payments are automatically transmitted to an Odyssey e-filing till by case number because they are preauthorized.

On occasion, there are formatting issues with certain filings that do not completely generate fees to Odyssey and have to be manually inputted by the FDS or Lead Clerks. The FDS or the Lead Clerks receive an email that lists the unposted e-files transactions from the Accounting Supervisor in Trust/Accounting/Collections daily. This list usually includes the case number, envelop ID number, courts fee amount, submitted date (customer e-file date), accepted date (date FD accepted filing), and the capture date (date hit bank and Odyssey). The list includes e-filings mainly for restricted and sealed cases, duplicate payment issues, and items where the fees didn't process all the way thru the site. Once the unposted items are located and resolved, the FDS or the Lead Clerks manually posts the fees to Odyssey using a regular till that includes transactions only related to e-file. The FDS or a Lead Clerk opens up a regular till for the manual e-file items' and adds the transactions to the till in Odyssey to be processed on the e-file 98 in the District Clerk Accounting, Trust, & Collections section. This is now occurring daily in order to be timely in reconciling and aid in the completion of the e-file 98 deposit. The e-file 98 is completed in the District Clerk Trust/Account/Collections department by the Accounting Clerk III after being reconciled by the Accounting Supervisor. Difficulty in reconciling e-file transactions to the clearing account activity, vendor emailed reports, and Odyssey system reports contributed to ongoing significant delays in remitting the e-file form 98 deposit to the County Treasurer in FY2014.

The Trust/Accounting section also processes payments. Collections cashiers receipt payments for registry accounts, cash bonds, court costs, and copies of records. Computer receipts that are voided are being retained as of November 26, 2013. Prior to the end of each day, the Collections cashiers will reconcile their individual till and balance the day's funds to the Odyssey Till Balance and Transaction report. The collection cashiers will provide collected funds and the Odyssey Till Balance and Transaction report to the Collections Supervisor for verification. The Collections Supervisor will reconcile funds presented to the till reports and verify change fund balances. Balanced funds and change funds are held in the safe overnight for safekeeping. The Collections Supervisor will deliver the receipted monies and reports to the Trust Clerk each morning at approximately 9:00 AM. The funds are reviewed for accuracy and recounted by the Trust Clerk. If there is a discrepancy, the Trust Clerk will contact the Collections Supervisor to recheck and make any necessary corrections.

The Trust/Accounting department combines all funds and makes one deposit for both the File Desk and Trust sections. Clerks and supervisors verify funds match the deposit. Once verified, the funds are sealed in separate tamper proof bags. The prior business day's receipted cash will be available for deposit, but checks will be held one additional business day due to additional steps completed by the Trust Clerk in recording check information to



	an Excel file. Loomis will pick up the deposits each day and deliver to the Treasurer's office. Balancing reports and adding machine tapes are discarded by the Trust Clerk after confirmation of the deposit by the County Treasurer.
Criteria: (Describe the optimal condition)	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 control procedures require that: • All monies received should be promptly receipted and deposited properly, and timely in accordance with Local Government Code, § 113.022. • 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. • 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. • 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. • Employees receipting money should verify that money tendered is accurately receipted prior to providing computer receipts to the customer. • Tills should be closed, daily. 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. Accounting and system control procedures require daily reconciliation and balancing of collected funds, including supervisory review. Information processing controls must be continually updated and monitored to help ensure that transactions completed through computerized applications are valid, authorized, complete, and accurate. 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: • 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. • 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.



	• All setup related to financials should be end-dated or disabled once codes are no longer used to limit potential posting errors. • Management should review user access lists, periodically, to assess expected/necessary levels of control-access are valid. • 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. Written procedures should be established for all the responsibilities of District Clerk's financial personnel in order to 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.
Cause: (Describe the cause of the condition if possible)	Rights granted to allow users the ability to backdate payments. Incomplete controls over the receipting process. High level system security access matrix. Limited management review of the user access lists.
Effect: (Describe or quantify any adverse effects)	Prevents potential assertion that monies were paid and refunds due and/or misappropriation of funds Risks – posting errors (accidental or intended) Delay in recognizing revenue
Recommendation: (Describe corrective action)	• 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 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). • Procedures and documentation should incorporate compensating controls such as dual sign-off on voids, receipt corrections, supervisory review, testing, and validation. Receipts should be verified for accuracy of amount, payment type, case number, and payer before issuing to a customer. • Posting errors should be corrected on a timely basis. Court personnel should make such corrections to the fullest extent possible so that the revenues are accurately posted. • 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 presented to the Trust Clerk should be signed-off on by both the cashiers and the cashier's supervisor. • All tills should be reconciled and closed daily and included on an Odyssey deposit through the Odyssey Managing Deposit functionality. Adjustment tills may remain open until the till can be added to a deposit form 98 without causing a negative fund balance. • All payments should be receipted and deposited in accordance with Local Government Code, § 113.022. Closeout and balancing procedures should include deposit of checks



	the next business day after receipt. • Rights allowing backdating of charges and payments should not be granted to users. • District Clerk should request that IT remove the ability to backdate payments from users. • Management should periodically review system reports and daily work for accuracy and staff compliance to established policies and procedures. Other control recommendations include: • All funds in the mail or drop box should be independently logged and compared to activity recorded to the Odyssey system by a supervisor. • A dual control process (more than one staff member to open) over opening the safe should be considered. • 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. • 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. • User access for ex-employees or reassigned employees should be requested to be disabled with follow-up occurring to ensure user account was disabled. • The ability to re-assign tills to other users when opening a till instance should be restricted to ensure the one-to-one relationship between a till and a cashier. Only a supervisor should have the rights to open or sign on to another user's till. • Any codes or user access related to training or testing should not be setup in Production but used only in a Test environment. • 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.				
Responsible Department or Organization:	District Clerk				
Management's Response:	☐ Agree	☐ Disagree	Respondent:	Honorable Gary Fitzsimmons, former District Clerk	Date: 3/23/2015
Comments:	<u>Receipting:</u> The District Clerk concurs that management of the financial receipting process has been inadequate, and inconsistent with statute and best practices. Currently receipting for the Civil/Family and Accounting sections is processed independently. The Clerk has ordered management of both sections to draft written procedures documenting the following: 1.) The process by which receipts are logged; 2.) Identification of the specific information that must be included				



- on each receipt;
- 3.) The method by which receipt copies are maintained either physically on paper or electronically;
 - 4.) The process by which a receipt is voided, including:
 - a.) The process by which a receipt is affixed to Odyssey;
 - b.) The way management will ensure that the reason for the void is clearly and adequately documented;
 - c.) The manner in which copies of voided receipts are conserved;
 - d.) Documentation of the retention schedule for voided receipts and the manner in which those receipts are destroyed;
 - e.) The process by which supervisors review each void on a daily basis whether individually or in bulk; how they document that the review has taken place; and specifically how they verify the following to ensure they are reasonable and adequately documented:
 - 1.) Receipt deletions
 - 2.) Lowered amounts
 - 3.) Payment type changes
 - 5.) A monthly review of the previous month's transaction logs and a report to the District Clerk by the Manager of the Trust/Accounting department with specific attention paid to the number of voids substantiating that they are reasonable and adequately documented.

Roles:

Management:

- 1.) Has requested I.T. Services to provide a comprehensive listing of Odyssey UserIDs for review by the office.
- 2.) Will on receipt of the listing, the office will identify defunct UserIDs for deletion; eliminate 'generic' UserIDs; and verify the necessity of backdating rights for those users holding the same.
- 3.) Work with I.T. services to develop a plan:
 - a.) for verifying active UserIDs and the assignment of rights and roles on a quarterly basis by June 1st, 2015;
 - b.) Develop a system of immutable Odyssey User Profiles;
 - c.) Eliminate the practice of assigning additional rights and roles not otherwise connected to an existing profile;
 - d.) Reviewing and tightening the Odyssey UserID approval process to ensure compliance with governance rules.

Tills and Closeouts:

The District Clerk has instructed management to develop a plan to ensure all tills are properly closed and end dated after the separation



	of an employee (see above). The Texas Supreme Court mandated electronic filing for all civil and family cases in Dallas County beginning January 1st, 2014. Three months prior to the implementation of the mandate, a new vendor selected by the Office of Court Administration assumed the contract managing the statewide eFiling portal. In addition, the Court ordered new technology filing standards coincident with the mandate's start date. Every county in the first tier of the mandate which included Dallas County experienced multiple deficiencies in the initial deployment of the system. Interruption of service and other deficiencies were expected for the first six months of the deployment. Most deficiencies were abated after the first three months with the exception financial accounting. Persistent financial reporting errors required manual reconciliation of deposits and financial accounting. Those reporting errors, which affected individual days at random, were not fully resolved until 3rd quarter 2014. During this period many daily deposits were delayed until system errors affecting their reconciliation were rectified. Virtually all of the deficiencies were related to customer credit card use because the state's eFiling portal only accepts those transactions. Deposits of checks and other tender are not typically made same-day since they are transferred to the financial services institution via armored car pick-up and thus coincide with the vendor's schedule. The clerk recognizes that same-day deposit is a best practice but believes the armored car pick-up to be safer and more reliable than employee drop-off. The clerk retains funds in two fully operational commercial vaults both of which have interior safes. <u>Adjustments</u> The District Clerk concurs that any adjustments made require a specific reason included in the Odyssey comment field by the clerk making the adjustment. The clerk has instructed management to rectify the deficiency immediately and has instructed Quality Assurance to review all adjustments for compliance by June 1st, 2015. The District Clerk has instructed management to develop a plan for ensuring supervisory review of all adjustments made by clerks and to document the same by June 1st, 2015 and to take appropriate disciplinary action against employees who violate the county's electronic resource use policy by using another employee's dedicated resources.		
Disposition:	☒ Audit Report	☐ Oral Comment	☐ Deleted From Consideration



Finding Number: 13.DC.01.04
Date: 6/10/14
Audit: District Clerk Civil/Family Review
Auditor(s) Assigned: JG

Finding:	Initial Filing Fees A sample review of initial filing fees/other county charges, reversed charges and charge reductions, and credits during fiscal year 2013 and fiscal year 2014 (thru December 2013) revealed: <u>Manual Overrides</u> District Clerk performed 246 manual system overrides on Family cases. A sample review of 35 manual overrides revealed: • Eight manual overrides processed rather than using the correct fee code. • One manual override processed changing the fee amount incorrectly on a counterclaim filing. ○ \$5 Indigency Fee–After Filing Fee changed to a \$20 Indigency Fee – After Filing Fee. Other fees were not assessed including: \$20 State Electronic Filing Fee; \$10 Records Management & Preservation Fee; \$15 Clerk Fee; and, \$10 District Clerk Technology/Archive Fee. <u>Initial Filing Fees and Other Assessments</u> A sample review of 30 Civil and 30 Family cases revealed: • Twenty-one cases with the charge assessments backdated. • One intervention filing without assessment of the \$10 Records Management & Preservation Fee authorized under Government Code, § 51.317 (b)(4) and § 51.317 (c)(1) and (c)(2). A sample review of assessments in December 2013 revealed eleven cases with the ‘ADD’ fee code (Additional Court Ordered Costs) paid by respondents on IV-D family cases without assessing all standard case filing fees. <u>Reversed Charges, Reversed Charge Reductions, and Charge Reductions</u> A sample review of 40 ‘Charge Balance/Reductions’ or ‘Reversed Charges’ revealed: • One (2.5%) adjustment without an explanation in the Odyssey comment field. • Two (5%) cases with ‘Charge/Balance Reductions’ used to record adjustments against case assessments rather than recommended credits when parties file affidavits of inability to pay. • Thirty-nine (97.5%) case corrections were not made by the supervisor or manager. • Five (12.5%) reverse charge explanations are non-descriptive. <u>Credits – Credit (Waiver)</u> A sample review of 23 ‘Credit’ transactions and five (5) events of “affidavit of inability to pay” revealed: • Two (8.7%) cases with a charge reduction used to record the offsetting adjustment to
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	assessments when affidavits of inability to pay are filed rather than 'Credit – Affidavit of Inability to Pay'. - Two (8.7%) civil cases had the event of "affidavit of inability to pay", but court costs were not credited. As of 12/16/2014, there were nine active Case Manager roles at District Court node in Odyssey allowing 'Civil Manual Distribution', 'Family Manual Distribution', and 'Manual Distribution – Miscellaneous'. They are as follow: DCLRK Accting, DCLRK Accting Mgr, DCLRK Coll Cashier, DCLRK Coll Cashier Mgr, DCLRK Court Mgr Family, DCLRK Process, DCLRK Process Mgr, DCLRK Records Tracking, and DCLRK Registry Cashier. <u>Other Control Points</u> - A formalized quality assurance process is not in place to verify the accuracy of fee assessments or adjustments entered on the Odyssey system. Departmental responses to the Internal Control Questionnaire (ICQ) and inquiry of District Clerk Civil and Family staff revealed: - Eleven employees have system access rights to reverse charges.
Workpaper Reference: (or other method by which finding was identified)	Workpapers 5A, 5B, 5C, and 5D Query from Dallas County IT of manual overrides and manual distribution in Odyssey system Responses to Internal Control Questionnaire Walkthrough 3/25/14 & 4/4/14 with District Clerk Civil and Family Staff
Condition: (Describe the current condition)	The District Clerk Civil/Family file desk accepts case filings which involve civil lawsuits and family cases. Payments processed by the file desk are made in-person, by mail, or online (if the document is filed through eFileTexas.gov). For in-person payments, the attorney or customer will approach the file desk counter to file a case or request additional case action. For new filings, the file desk clerk will determine the type of case and index the case in Odyssey with the standard filing fees automatically assessed to the case based on the appropriate filing fee schedule. For requests after initial case filings, the file desk clerk will determine if an additional fee is required for the action and process transactions to Odyssey by adding new case assessments based on Odyssey fee schedules and rules defined for District Civil and Family cases. The file desk clerk will inform the attorney/customer of the amount due. The attorney or customer will give the file desk clerk cash, check, or money order. The file desk clerk will verify the amount presented and receipt the amount collected to the case in Odyssey. One computer receipt is generated; the computer receipt and any change due are given to the customer. The file desk clerk will process all documents and scan into Odyssey. Other case filings are electronically filed by the Attorney General or law firms representing governmental entities in delinquent property tax suits. Court costs are not required to be paid at the time of filing for these case types.



	Customers may file an affidavit of inability to pay if they are indigent and do not have the resources to afford costs. The defendant or the clerk may contest an affidavit of inability to pay. If contested, the judge will grant or deny the request. If granted or not contested, the clerks consistently reduce the filing fees on the financial tab using a credit waiver or charge reduction and an affidavit of inability to pay comment is entered on the event tab. If a citation, notice, or other process is issued on a case and is to be served by a Dallas County law enforcement agency, the file desk clerk will enter an assessment on Odyssey and post a payment with financial credit given to the intended serving agency. If papers are transferred to another agency, an adjustment is inconsistently made in Odyssey to move the assessment and financial credit to the agency that ultimately serves the process. Adjustments (including charge reductions, reversed charges, and credits) are entered against existing assessments in Odyssey without formal approval or supervisory review required. Charge reductions and credits are not consistently used as designed. 'ADD' fee code is frequently used by the District Clerk when the judge orders court costs assessed against the respondent on cases filed by the Attorney General on IV-D family cases. The 'ADD' amount is recorded as Clerk Fees rather than prorated or fully applied to all filing fees. Odyssey has a configuration fee table of court costs and fees. Systemic assessment of court costs are based on predefined tables within Odyssey established by file or service request date. Updates to the tables require a Change Management document to be signed by the District Clerk and provided to IT Services Odyssey support team. Changes are implemented in Production after testing in the Test environment by clerk staff. Manual override of standard fee schedules occurs when process service fees are not timely updated. Formal approval and supervisory review is not in place to review manual overrides for appropriateness.
Criteria: (Describe the optimal condition)	Best practices regarding internal control, segregation of duties, technical security and other require that: • Court costs and fees should be assessed in compliance with statute and Commissioners Court orders. • Fee and fee schedule tables should be updated each time a legislative change or a Commissioners Court change is made affecting fees • A credit titled "inability to pay" should be used in Odyssey to record the waived assessments for valid uncontested affidavits of inability to pay. The inability to pay credit should automatically post to the Events tab. • The fee assessment process should be automated as much as possible with manual overrides restricted in use. • Formal approval should be required before adjustments are processed to Odyssey. • Supervisory personnel should periodically review exception reports and transaction logs (especially with respect to adjustments, credits, and manual overrides) to ensure that explanation for the change is documented and reasonable.



- Assigned duties for payment processing and assessment reductions are adequately separated.

Written procedures should be established for all the responsibilities of District Clerk's personnel in order to strengthen the office's internal control and improve efficiency. (This is especially critical for those responsible for financial activities such as assessing charges, reducing assessments, and/or receipting payments.) These procedures and the employees' adherence to them in the performance of their work should be periodically reviewed by the appropriate supervisory staff in order to effectively maintain good internal control.

According to Rules of Civil Procedure, Rule 145. Affidavit of Indigency

(a) *Affidavit*. In lieu of paying or giving security for costs of an original action, a party who is unable to afford costs must file an affidavit as herein described. A "party who is unable to afford costs" is defined as a person who is presently receiving a governmental entitlement based on indigency or any other person who has no ability to pay costs. Upon the filing of the affidavit, the clerk must docket the action, issue citation and provide such other customary services as are provided any party.

(b) *Contents of the Affidavit*. The affidavit must contain complete information as to the party's identity, nature and amount of governmental entitlement income, nature and amount of employment income, other income, (interest, dividends, et.), spouse's income if available to the party, property owned (other than homestead), cash or checking account, dependents, debts, and monthly expenses. The affidavit shall contain the following statements: "I am unable to pay court costs. I verify that the statements made in this affidavit are true and correct." The affidavit shall be sworn before a notary public or other officer authorized to administer oaths. If the party is represented by an attorney on a contingent fee basis, due to the party's indigency, the attorney may file a statement to that effect to assist the court in understanding the financial condition of the party.

(c) *IOLTA Certificate*. If the party is represented by an attorney who is providing free legal services, without contingency, because of the party's indigency and the attorney is providing services either directly or by referral from a program funded by the Interest on Lawyers Trust Accounts (IOLTA) program, the attorney may file an IOLTA certificate confirming that the IOLTA funded program screened the party for income eligibility under the IOLTA income guidelines. A party's affidavit of inability accompanied by an attorney's IOLTA certificate may not be contested.

(d) *Contest*. The defendant or the clerk may contest an affidavit that is not accompanied by an IOLTA certificate by filing a written contest giving notice to all parties and, in an appeal under Texas Government Code, Section 28.052, notice to both the small claims court and the county clerk. A party's affidavit of inability that attests to receipt of government entitlement based on indigency may be contested only with respect to the veracity of the attestation. Temporary hearings will not be continued pending the filing of the contest. If the court finds at the first regular hearing in the course of the action that the party (other than a party receiving a governmental entitlement based on indigency) is able to afford costs, the party must pay the costs of the action. Reasons for such a finding must be contained in an order. Except with leave of court, no further steps in the action will be taken by a party who is found able to afford costs until payment is made. If the party's



	action results in monetary award, and the court finds sufficient evidence monetary award to reimburse costs, the party must pay the costs of the action. If the court finds that another party to the suit can pay the costs of the action, the other party must pay the costs of the action. (e) <i>Attorney's Fees and Costs</i>. Nothing herein will prejudice any existing right to recover attorney's fees, expenses or costs from any other party.
Cause: (Describe the cause of the condition if possible)	Incomplete controls over the assessment process Inadequate segregation of duties Method of using charge reductions, manual overrides, and 'ADD' fee codes
Effect: (Describe or quantify any adverse effects)	Potential revenue loss for Dallas County and the State of Texas Assessments and non-monetary credits understated inhibiting accurate receivable analysis.
Recommendation: (Describe corrective action)	• Court costs and fees should be properly assessed, collected, and timely deposited on all cases based on state laws and Commissioners Court orders. • 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. • District Clerk should submit a request to IT Services for expanding the payment type setup to include a credit for inability to pay. The designated credit should be used to reduce the case balance when there is a valid affidavit of inability to pay filed in accordance with Rule 145. • Discontinuance of the 'ADD' fee code without assessing all standard case filing fees should be initiated absent legal opinion authorizing exclusion of standard case filing fees. • Processing of financial transactions should reflect proper segregation of duties (e.g. users with roles/rights to receipt or void payments should be able to add additional charges, but not modify, reduce, or delete assessments). • User roles grant rights to process manual overrides, charge reductions, credits, and charge reversals should be limited. User access requirements should correspond to least rights necessary to perform core job functions. • All corrections should include a complete and valid explanation in the comment field. • Policy and procedures manual should be developed for assessment responsibilities and training reinforced. • Management should periodically review system reports including the Transaction Listing Report and daily work for accuracy, appropriateness, timeliness, and staff compliance to established policies and procedures. Management should evidence their review or approval. Fee schedule tables • Fee schedule tables should be updated each time a legislative change or a Commissioners Court order affects court costs and/or fees. • District Clerk staff should continue to document and communicate to the IT Services Odyssey support team updates and corrections needed to the configuration tables in accordance with Change Management procedures.



	The cost benefit of implementing system modifications to further automate the fee assessment process should be considered.				
Responsible Department or Organization:	District Clerk				
Management's Response:	☐ Agree	☐ Disagree	Respondent:	Honorable Gary Fitzsimmons, former District Clerk	Date: 3/23/2015
Comments:	Reversals and Credit Waivers: The District Clerk has instructed management to develop a feasibility plan for the use of a credit tender line item for the handling of fees associated with the filing of an affidavit of inability to pay. The use of such a line item may if feasible significantly reduce the incidence of charge reversals and manual overrides. The error rate associated with manual overrides detailed above is 3.25%. The District Clerk believes that error rate should be no more than 2%. The clerk has instructed management to develop a re-training schedule for all file desk and document production employees to accomplish the maximum error rate goal by the end of FY 2015. The District Clerk concurs that developing a credit line item in Odyssey financials to document the amount of filing fees waived under an Affidavit is a best practice. Current practice is to assess fees even if the plaintiff is filing by affidavit. Those fees are later reversed by the district clerk's accounting department after final judgment if the clerk did not a.) file a contest of the affidavit; or, b.) if the court found for the plaintiff in a contest. The reason for the reversal is noted in a comment section. After cases are disposed, they are reviewed by Collections for billing purposes. The use of a credit tender would allow the clerk's office to avoid the reversal of charges and apply an assessment only in the event the court so orders. The clerk has instructed management to study the business process between the Civil/Family and Trust/Accounting sections to determine the feasibility of substituting its current 'reversal' process for a credit/assessment process. Management will report its findings to district clerk administration by June 1st, 2015. The District Clerk concurs that additional monitoring and better supervision is required to ensure the additional errors identified above are abated. The clerk has instructed management to produce guidelines and procedures for verifying the following by June 1st, 2015: 1.) Develop a quarterly report documenting the appropriate assessment and collection of court costs by analyzing a sample				



	with a report to the District Clerk; 2.) Prepare a feasibility plan to segregate duties such that users with roles/rights to receipt or void payments and add additional charges are not able to modify, reduce, or delete assessments and vice-versa; 3.) Develop a plan to use a credit tender connected with the filing of an affidavit of inability to pay; 4.) Produce a procedure statement documenting the method management uses to determine whether an affidavit should be contested and if possible the condition that precipitated the contest in Odyssey; 5.) Ensure all corrections a complete and valid explanation in the comment field; 6.) Ensuring that when adjustments to assessments are made appropriate supervisory review is made and documented in Odyssey; 7.) Review of system reports including the Transaction Listing Report and daily work for accuracy, appropriateness, timeliness, and staff compliance to established policies and procedures and report findings to the District Clerk quarterly; 8.) Management will analyze current Odyssey user roles to process manual overrides, charge reductions, credits, and charge reversals and reduce access to those roles. <u>Case Manager Roles:</u> Management will review the assignment of roles to ensure that the assigned functionality is reasonable and necessary for the performance of user's job duties. <u>ICQ and Walkthrough:</u> The District Clerk concurs that insufficient internal controls exist and are poorly documented. Management will provide a remedial plan by June 1st, 2015 as indicated above.		
Disposition:	☒ Audit Report	☐ Oral Comment	☐ Deleted From Consideration



Finding Number: 13.DC.01.05
Date: June 20, 2014
Audit: District Clerk Civil/Family Review
Auditor(s) Assigned: JG

Finding:	E-Filing and Credit Card Transactions A review of e-filing and credit card transactions during fiscal year 2013 and fiscal year 2014 (thru December 2013) revealed: E-Filing A review of all 186 failed e-filing credit card transactions revealed: • 129 failed transactions (69.4%) receipted 21 or more business days later. • 103 failed transactions (55.4%) deposited three or more business days after receipted with none over 5 business days. • Two (1.1%) cases have an incorrect trace number noted on Odyssey. A review of a 24 sampled successful e-filing credit card 98 deposits and 20 sampled successful e-filing credit card transactions revealed: • 30 (68.2%) of 44 transactions with a delay between e-filing submission and process dates to Odyssey receipt dates of three or more business days • 22 (91.7%) of 24 transactions deposited three or more business days after receipted. • Four e-file deposits were combined for two days. • One transaction had the wrong case number indicated on the e-file transaction report. Credit Cards A sample review of eight settled credit card deposits in FY2013 revealed: • Seven (87.5%) settled credit card transactions deposited three or more business days after the date of the settlement report. A sample review of 11 credit card settlement errors in FY2013 revealed: • Five (45.5%) credit card errors were corrected 11 or more business days after receipted. Two were corrected one year after receipted. Risks identified during walkthrough of department's internal control processes revealed: • There are currently no controls in place in the section to ensure that credit card transactions are entered into Odyssey on a timely basis. (R03) • The DMS 98 is not prepared in order of Tex-file transactions received but rather when the transactions are reconciled to Odyssey. Revenue is understated for e-file transactions that have been accepted in Odyssey, but not reported via deposit form 98. (R04) • Receipt journals by deposit date related to Tex-file transactions do not remain static. Funds are not matched in the proper accounting period. (R05)
Workpaper Reference: (or other method by	Workpapers 6C, 6D, 6F, 7B Download of e-filing transactions



which finding was identified)	Review of credit card settlement reconciliations Walkthrough on 3/25/14 and 4/4/14 with District Clerk Trust/Accounting/Collection group (includes manager and Supervisor)
Condition: (Describe the current condition)	Documents related to new and existing cases can be filed by a customer via E-file (E-FILE TEXAS.GOV). The filer's credit card is typically pre-authorized for the total amount due (filing fees, convenience fee). The State's contract vendor manages the portal, authorization and card collections/settlement activity. These funds are guaranteed for settlement with Dallas County. An on-line confirmation is generated for the customer from e-FileTexas.gov. Once filing petition is accepted, an envelope ID number (tracking #) is assigned to the submission and the file marked image is stored directly in Odyssey. Odyssey automatically creates case and charged fees according to what is on the state management system. The filer's credit card information and amount entered at filing is submitted for processing through the banks. The FD is assigned four e-File Texas queues to review daily and the FDS has assigned six staff persons to process them. The e-file clerks sign into the site to accept or reject the e-file documents submitted by the filer. A filing can be rejected due to incorrect formatting, document restriction such as vacation letter, security level issue, or cannot be processed completely though the process. The accepted e-file debit/credit card payments are automatically transmitted to an Odyssey e-filing till by case number because they are preauthorized On occasion, there are formatting issues with certain filings that that do not completely generate fees to Odyssey and have to be manually inputted by the FDS or Lead Clerks. The FDS or the Lead Clerks receive an email that lists the unposted e-files transactions from the Accounting Supervisor in Trust/Accounting/Collections daily. This list usually includes the case number, envelop ID number, courts fee amount, submitted date (customer e-file date), accepted date (date FD accepted filing), and the capture date (date hit bank and Odyssey). The list includes e-filings mainly for restricted and sealed cases, duplicate payment issues, and items where the fees didn't process all the way thru the site. Once the unposted items are located and resolved, the FDS or the Lead Clerks manually posts the fees to Odyssey using a regular till that includes transactions only related to e-file. The FDS or a Lead Clerk opens up a regular till for the manual e-file items' and adds the transactions to the till in Odyssey to be processed on the e-file 98 in the District Clerk Accounting, Trust, & Collections section. This is now occurring daily in order to be timely in reconciling and aid in the completion of the e-file 98 deposit. The e-file 98 is completed in the District Clerk Trust/Account/Collections department by the Accounting Clerk III after being reconciled by the Accounting Supervisor. Difficulty in reconciling e-file transactions to the clearing account activity, vendor emailed reports, and Odyssey system reports contributed to ongoing significant delays in remitting the e-file form 98 deposit to the County Treasurer in FY2014. The Trust department will create a separate Form 98 deposit for the e-filing transactions. Receipts and deposits for e-filing transaction are not consistently processed or closed out daily.



	The Trust/Accounting section also processes credit card payments. Credit card payment can be made online or in person. A confirmation page is printed out and given as receipt to the customer. A credit card settlement report is printed daily from the Dallas County settlement reports. A cashier will post the payments and associated trace reference number to the Odyssey case. A separate deposit form 98 is generated referencing the depository account number.
Criteria: (Describe the optimal condition)	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 cash controls related to internal controls, system security, and statutes regarding e-file control procedures require that: • All monies received should be promptly receipted and deposited properly, and timely in accordance with Local Government Code, § 113.022. • Accounting and system control procedures require daily reconciliation and balancing of collected funds, including supervisory review. • Separate e-filing tills are maintained by the cashiers receipting e-filing payments. Tills are closed, daily. • Failed e-filing transactions should be receipted within three business days after 'good' funds are deposited at the depository bank. • E-Commerce requires information processing controls to test that transactions completed through computerized applications are valid and properly authorized, completely, accurately, and timely processed, and reported. • Fees or other money belonging to a County shall be deposited with the Treasurer by the office who collects the money (Local Government Code, § 113.021). • Credit card transactions should be receipted within three business days after 'good' funds are deposited at the depository bank. • The transactions should be accounted for according to Dallas County's e-file Recommended Interim Procedures (RIP) for credit card transactions of recognizing revenue.
Cause: (Describe the cause of the condition if possible)	Inconsistent management oversight and/or training. Receipts and deposits not processed timely for e-filing and credit card transactions. Non-integrated financial systems for e-commerce requiring manual processing.
Effect: (Describe or quantify any adverse effects)	Additional staff time to research and resolve unprocessed activity. Delays in posting settled credit card amounts misstate case balances and may result in duplicate payments. Delays in depositing credit card funds negatively impact credit card reconciliation and revenue recognition.
Recommendation: (Describe corrective action)	• All e-filing submissions and credit card transaction should be receipted and deposited timely in accordance with Local Government Code, § 113.022 and 113.021. • E-filing tills should be reconciled, closed, and added to the appropriate deposit daily with a separate Form 98 deposit submitted to the County Treasurer.



	• Policy and procedures manual should be developed for e-filing handling responsibilities and training of current procedures reinforced. Detailed procedures should ensure that e-file revenues are matched in the proper accounting period and balanced timely. • Management should periodically review emailed daily eFileTexas.gov files with envelopes and financial activity, postings of Odyssey e-filing activity, e-filing tills, and the District Clerk's e-Pay bank account for accuracy, timeliness of processing, and staff compliance to established policies and procedures.				
Responsible Department or Organization:	District Clerk				
Management's Response:	☐ Agree	☐ Disagree	Respondent:	Honorable Gary Fitzsimmons, former District Clerk	Date: 3/23/2015
Comments:	The Texas Supreme Court mandated electronic filing for all civil and family cases in Dallas County beginning January 1st, 2014. Three months prior to the implementation of the mandate, a new vendor selected by the Office of Court Administration assumed the contract managing the statewide eFiling portal. In addition, the Court ordered new technology filing standards coincident with the mandate's start date. Every county in the first tier of the mandate which included Dallas county experienced multiple deficiencies in the initial deployment of the system. Interruption of service and other deficiencies were expected for the first six months of the deployment. Most deficiencies were abated after the first three months with the exception financial accounting. Persistent financial reporting errors required manual reconciliation of deposits and financial accounting. Those reporting errors, which affected individual days at random, were not fully resolved until 3rd quarter 2014. During this period many daily deposits were delayed until system errors affecting their reconciliation were rectified. Virtually all of the deficiencies were related to customer credit card use because the state's eFiling portal only accepts those transactions. Deficiency was secondary to eFiling mandate implementation as discussed above and has since been rectified.				
Disposition:	☒ Audit Report ☐ Oral Comment ☐ Deleted From Consideration				



Finding Number: 13.DC.01.06
Date: June 20, 2014
Audit: District Clerk Civil/Family Review
Auditor(s) Assigned: JG

Finding:	NSF A review of procedures related to NSF items and receipts related to NSF items during fiscal year 2013 and fiscal year 2014 (thru December 2013) revealed (deposit types include checks, money orders, or credit cards): A sample review of six cases in Odyssey and one case in the mainframe with receipted payments returned unpaid (non-sufficient funds {NSF}, account closed, etc.) by the bank revealed: • Six (100%) cases with the original receipt transaction for NSF check items <u>not</u> reversed in Odyssey including one civil bond for \$75. • All six (100%) cases sampled did not have a \$30 NSF fee assessed on the financial tab of the responsible party in Odyssey. Other • A formal coordinated process is not in place between the District Clerk's office and the Treasurer Department to handle and process NSF items and credit card chargebacks adequately, completely, and timely Risks identified during walkthrough of the department's internal control processes: • Original receipt transactions for NSF check items are <u>not</u> reversed in Odyssey. Revenue is overstated by recording funds that have not and may never be collected. (R15)
Workpaper Reference: (or other method by which finding was identified)	Workpapers: 8A Treasurer NSF check list Odyssey adjustment tills Walkthrough on 3/25/14 & 4/4/14 with District Clerk Accounting Supervisor
Condition: (Describe the current condition)	All NSF checks for the District Clerk's office are returned to the Trust & Accounting section by the Treasurer's department. The Supervisor in the Trust & Accounting section records: the name, the check date, and amount on the Hot Check List to an Excel spreadsheet used to monitor the status of NSF checks. The Supervisor notifies all sections via email to add an NSF issuer to the Hot Check List that is referenced by each section when accepting checks. The case should be flagged in Odyssey indicating that an NSF check is outstanding on the case, but neither the \$30 fee nor payment reversal are recorded to the business management system. If an NSF check or credit card chargeback is related to a Criminal case, the case is not flagged in the Mainframe CR Criminal system due to the lack of a flagging mechanism. The Supervisor sends a notification letter to the NSF check issuer as soon as the NSF check is received in Trust & Accounting. The notification letter advises the issuer to pay the NSF check plus a \$30 NSF fee with cash, cashier's check or money order. The Supervisor will setup a payment plan of 60 days and up to 90 days for larger amounts. The payment plan process is established at the <u>purview</u> of the District Clerk's office to improve collections on NSF items. The payment plan is not maintained in Odyssey; it is maintained manually in an Excel spreadsheet. If payment has not been received in 30 days, a second notification letter is sent requesting payment. If payment is not received within 15 days of the second letter, a third and final letter is sent advising the issuer that if payment is not received, the District Attorney will pursue collection in court. If no payment is received, the NSF check along with any correspondence, collection notes, and complaint form is sent to the District Attorney for collection.



	As the original payment made with the NSF check or credit card chargeback is not reversed on business management system, when a payment is received, a pre-numbered three-part manual receipt is prepared with the white copy given to the issuer and the NSF log is updated reflecting that the NSF has been paid. The pink copy goes to the Supervisor while the yellow copy stays in the receipt book. The payment and a copy of the manual receipt are taken to the Treasurer's department. The Treasurer's department issues a receipt acknowledging the funds. The receipt from the Treasurer's department is filed in Trust & Accounting by the Supervisor in a binder. Funds receipted by the Treasurer for NSF items are included on a deposit form 98 and deposited to Fund 170. The Trust & Accounting Supervisor is notified by the Treasurer department when credit card chargebacks are received. Most credit card chargebacks are related to DC - Criminal and the Trust & Accounting Supervisor is not notified until a 503 check is requested to reimburse the 669 bank account. The Treasurer's office notifies DC Criminal of the chargeback. The chargebacks are investigated by the Supervisor who then sends a Chargeback Reimbursement Request form to the section that receipted the original credit card payment. The Chargeback Reimbursement Request is completed by the Supervisor in the section that processed the credit card payment and it is approved by the Manager of the section. If a receipt containing the customer's signature is located, the receipt and any related documentation are returned for disputing the chargeback to the credit card company that issued the chargeback. If documentation cannot be located on a timely basis, the payment made with the credit card is reversed in Odyssey (or the Mainframe Criminal CR system) by the Supervisor. Reversed payments are transferred to the special fund (escrow) allowing a check to be disbursed to reimburse the chargeback account and a \$30 fee is assessed.
Criteria: (Describe the optimal condition)	Best practices regarding NSF check control procedures require that: • Collection efforts should occur to obtain reimbursement of NSF items. • Case management financial reports are available to track outstanding NSF items. • Registry deposits returned as NSF items should not be invested nor disbursed unless the NSF check is immediately repaid. Cases with outstanding NSF should be flagged with a NSF comment and an event added to the case. \$30 NSF fee should be assessed on Odyssey to the appropriate party's financial tab. Original receipt should be reversed and applied to Fund 503 overpayment fee code in a separate Till if the NSF item is not recovered. The adjustment till should be included with other tills as part of the daily deposit when the adjustments will not result in a negative fund balance. A Fund 503 check should be issued to Fund 170 (or the credit card chargeback account if a credit card item at the direction of the County Treasurer).
Cause: (Describe the cause of the condition if possible)	Incomplete application of control procedures Reliance on Excel files without complete details including related case number.
Effect: (Describe or quantify any adverse effects)	Revenue is overstated and uncollected funds remitted to the State. Case balances inaccurately reflect financial assessments as paid.
Recommendation: (Describe corrective action)	- A non-docketable event and NSF flag should be added to the case on Odyssey once the department is notified of NSF item by the County Treasurer. The flag should remain until funds are collected. - \$30 NSF fee assessment should be added to the appropriate party's Odyssey financial tab.



	- Non-registry funds returned as NSF, stop payment, or account closed should be reversed within 30 days after notification if not paid in full. - Payments returned as NSF, stop payment, or account closed for Registry/Trust funds should be reversed immediately on notification from the County Treasurer. Registry/Trust funds should not be invested or disbursed until "good" funds are available. - Department NSF list should be reconciled to the Treasurer's outstanding NSF outstanding list. All discrepancies should be resolved. - Departmental NSF tracking list should include all relevant information including applicable case number. - All financial adjustment transactions related to previously deposited payments, such as return checks, should be associated to a specific till not designated for routine daily transactions with appropriate information in the comment field. The adjustment fill should be included with other tills as part of the daily deposit when the adjustments will not result in a negative fund balance. Document and consider working with IT Services to define necessary Odyssey system modifications / procedures to use the case management system for tracking and reporting of outstanding NSF items.				
Responsible Department or Organization:	District Clerk				
Management's Response:	☐ Agree	☐ Disagree	Respondent:	Honorable Gary Fitzsimmons, former District Clerk	Date: 3/23/2015
Comments:	The District Clerk concurs that Trust/Accounting management is not properly handling NSF items and not sufficiently following up to ensure that items returned NSF are documented in the financial system and that the office has assessed the chargeback fees to the party responsible for the NSF. The clerk has instructed Management to prepare a procedure to properly receipt and assess chargeback fees in each case where a NSF has occurred that must contain the following: 1.) A non-docket event and NSF flag should be added to the case once the department is notified of an NSF item by the County Treasurer; 2.) Original payment transaction for non-registry funds returned as NSF, stop payment, or account closed should be reversed and applied to Fund 501 overpayment escrow within 30 days after notification; 3.) If not paid in full with a \$30 NSF fee assessment added; 4.) Original payment transactions for Registry/Trust (including Restricted Deposits) funds returned as NSF, stop payment, or account closed should be remitted immediately to the NSF Fund 170 account on notification from the County Treasurer; 5.) Registry/Trust (including Restricted Deposits) funds should not be invested or disbursed until "good" funds are available. Departmental; 6.) NSF tracking list should include all relevant information including applicable case number.				



	The clerk has instructed management to prepare the procedure for implementation no later than April 30, 2015. The clerk has instructed management to document in writing the process by which chargebacks handled between the clerk's and treasurer's office and to further document appropriate and mutually agreed upon standards for the timely handling of the same. This documentation will be produced by June 1st, 2015.
Disposition:	☒ Audit Report ☐ Oral Comment ☐ Deleted From Consideration



Finding Number: 13.DC.01.07
Date: June 20, 2014
Audit: District Clerk Civil/Family Review
Auditor(s) Assigned: JG

Finding:	Special Fund A sample review of 40 special fund 503 disbursements during fiscal year 2013 and fiscal year 2014 (thru December 2013) revealed: Two (5%) cases without the special fund disbursement posted to Odyssey. <i>Status: District Clerk contacted the Dallas County IT department for assistance with inability to post. One of the two checks was posted on December 12, 2014.</i>
Workpaper Reference: (or other method by which finding was identified)	Workpapers 9.AB Discoverer reports Odyssey Case Management System
Condition: (Describe the current condition)	Fund 503 (Special Fund) Disbursement: When a court related overpayment is receipted, cashiers create an assessment for an overpayment fee code in Odyssey (assessment required so that payment can be receipted to the appropriate fee codes - includes the overpayment fee code). If the payment is receipted at the file desk, a refund request will be completed and reviewed by the file desk supervisor. If valid, the supervisor includes refund information in an email to Trust & Accounting to process the refund. District Clerk Trust & Accounting Department includes the required refund information on the Fund 503 pre-disbursement file. Once the file is approved, a check is generated through Oracle to the approved payee. Trust & Accounting will receive a final disbursement file from the County Treasurer. Designated staff within Trust & Accounting will post the disbursed checks to the appropriate cases in Odyssey. Other Special Fund checks issued on civil and family cases include credit card chargebacks or refunds of previously receipted payments. The payment in Odyssey will be reversed by Trust & Accounting and the payment will be reapplied to a refund fee code in Odyssey. The adjusting transactions will be processed in a designated adjustment till. District Clerk Trust & Accounting Department includes the required refund information on the Fund 503 pre-disbursement file. Once the file is approved, a check is generated through Oracle to the approved payee. Trust & Accounting will receive a final disbursement file from the County Treasurer. Designated staff within Trust & Accounting will post the disbursed checks to the appropriate cases in Odyssey. District Clerk's office does not reconcile Special Fund activity to the general ledger nor to the bank. The District Clerk's office relies on the County Treasurer for bank reconciliations. No standard procedures are established to conduct annual review of case balances and resolve as appropriate.
Criteria: (Describe the optimal condition)	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 procedures require that: • All special/trust 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. • All special/trust fund disbursements and cancellations should be timely and accurately posted to the Odyssey courts system. • Automated process should be developed where possible to limit manual/duplicate data entry. • Case balances should be reviewed on a periodic basis and disbursements made to the appropriate parties in a timely manner. • Fund balances and subsidiary ledgers must be reconciled against control records (GL and bank statements) to safeguard funds and improve reporting accuracy. • Supervisory verification of all cash transactions (receipts or disbursements) evidenced on subsidiary reconciliations. 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. In accordance with V.T.C.A., L.G.C., Sec. 117.121. DISBURSEMENT OF FUNDS. (a) Money may be paid from the registry fund only on checks or drafts signed by a clerk on the written order of the court with proper jurisdiction, except that the clerk may make a payment without court order for unpaid court costs from a cash bond deposited in connection with an appeal after the appellate court issues its mandate in the appeal if the costs remain unpaid for 45 days after the mandate is issued. (b) All checks or drafts issued for the disbursement of the registry fund must be submitted to the county auditor for the auditor's countersignature before delivery or payment. The county auditor may countersign the checks only on written evidence of the order of the judge of the court in which the funds have been deposited, authorizing the disbursement of the funds. (c) Notwithstanding Subsections (a) and (b), a disbursement under an order of a court in which registry funds have been deposited may be made by electronic transfer if: (1) the designated recipient of the money submits to a clerk a written request for the transfer; (2) the clerk gives written approval for the transfer; and (3) a county auditor countersigns the approval. (d) A clerk may charge a reasonable fee, subject to the approval of the recipient of the money, for an electronic transfer of a disbursement from a registry fund.
Cause: (Describe the cause of the condition if possible)	Clerical error Odyssey technical issue Non-integrated financial systems
Effect: (Describe or quantify)	Incorrect disbursement information reflected on cases Financial records are not accurately stated



any adverse effects)	Potential for duplicate payments and/or lost monies Limited reconciliation: • Undetected posting errors resulting in potential for overpayment or duplicate payment and unrecoverable losses. • Additional staff time to research and correct posting errors.				
Recommendation: (Describe corrective action)	• Segregation of responsibilities should be established as relates to receipting, depositing, and disbursing. • All checks issued, canceled, or stale dated posted accurately and timely to the Odyssey case management system to maintain accurate financial balances. • Disbursements issued in accordance with Local Government Code, § 117. • Verification of available funds prior to processing disbursement requests. • Supervisor review of disbursement postings and other disbursement activity. A management plan including reconciling GL and bank account should be developed and implemented.				
Responsible Department or Organization:	District Clerk				
Management's Response:	☐ Agree	☐ Disagree	Respondent:	Honorable Gary Fitzsimmons, former District Clerk	Date: 3/23/2015
Comments:	The District Clerk concurs that checks issued, canceled, and/or stale dated should be posted accurately and timely to the Odyssey system, to the proper payee for the correct amount and in a timely manner. The clerk has instructed management to identify and assign supervisory personnel to review disbursement postings and other disbursement activity for appropriate postings to Odyssey ensuring that: 1.) Case balances are posted accurately; 2.) Disbursements made are to the appropriate parties in a timely manner; 3.) Fund balances and subsidiary ledgers are reconciled against control records (GL and bank statements) to safeguard funds and improve reporting accuracy. Management will identify such supervisory personnel and document the review process and frequency by April 15th, 2015.				
Disposition:	☒ Audit Report ☐ Oral Comment ☐ Deleted From Consideration				



Finding Number: 13.DC.01.08
Date: June 20, 2014
Audit: District Clerk Civil/Family Review
Auditor(s) Assigned: JG

Finding:	Certified Copies A review of certified copy procedures, 10 requests for certified copies, and five fax request work order forms for fiscal year 2013 and fiscal year 2014 (thru December 2013) revealed: • One fax request was not charged to a customer's account. • Six fax request account balances fell below \$100 during the review period, however, this service was discontinued on December 31, 2013.
Workpaper Reference: (or other method by which finding was identified)	Workpaper 11D
Condition: (Describe the current condition)	Customers desiring copies of court records are directed to the window of the Records section. Records clerk will give the customer a request for court records form to complete. The customer will complete the form and return to the Records section window. Records clerk will look up the requested information and inform the customer how many copies and the amount that will be due. If the customer agrees, the Records clerks will complete a work order. The customer will be given the work order and directed to go to the Collections section across the hallway to pay for the copies. Upon receiving the work order and payment from the customer, the Collections cashier will receipt the miscellaneous payment in Odyssey. Two Odyssey computer receipts are printed (three for credit card payments). One receipt is for the customer and the other receipt is for the Records section and is attached to the work order. The customer returns to the Records section and provides the paid computer receipt attached to the work order in order to obtain their copies. The Records section clerk will give the copies to the customer. As of December 31, 2013, fax work order requests are no longer accepted. All the accounts were closed with refunds due customers.
Criteria: (Describe the optimal condition)	Best practices regarding certified copies control procedures require that: • All monies received should be promptly receipted and deposited properly, and timely in accordance with Local Government Code, § 113.022. • All receipts and work orders 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. • Receipts and work orders 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 or work order. • Accounts should be updated promptly and accurately.
Cause: (Describe the cause of the condition if possible)	Clerical oversight Customer accounts not monitored



Effect: (Describe or quantify any adverse effects)	Potential loss of revenue for Dallas County.				
Recommendation: (Describe corrective action)	• All payments should be receipted and deposited in accordance with V.T.C.A., L.G.C. § 113.022. • Accounts should be monitored closely and updated correctly when charges are incurred.				
Responsible Department or Organization:	District Clerk				
Management's Response:	☐ Agree	☐ Disagree	Respondent:		Date:
Comments:					
Disposition:	☒ Audit Report	☐ Oral Comment	☐ Deleted From Consideration		



Finding Number: 13.DC.01.09
Date: June 20, 2014
Audit: District Clerk – Passport/Marriage License Review
Auditor(s) Assigned: JG

Finding:	Passport and Marriage License (Central, East, and North) A sample review of manual and computer receipts for all three passport/marriage license locations during fiscal year 2013 and fiscal year 2014 (thru December 2013) revealed: • Sixty-one (8.0%) out of 762 voided Passport computer receipts without an explanation for void indicated. • Four (0.5%) out of 762 voided Passport computer receipts were not marked "void". • 148 (19.4%) out of 762 voided computer receipts without all copies attached. • Ten manual Passport receipts were not posted to FORVUS. Status: No computer receipt was issued, but amounts were deposited. • Two transmittal totals did not match the daily journal report totals. Status: Transactions were subsequently reconciled as part of standard processes and all funds were included in the deposit. • Four deposit totals \$388 less cash than daily marriage license computer receipt control totals. Response: Two variances were due to register malfunction errors and one variance was related to a data entry error. • Passport supervisor used a clerk's Forvus log-on to run daily reports and perform the daily close. Response: Forvus log-on of supervisor had been assigned to another location only and could not be used at the other two locations due to mainframe system limitations. Request was submitted to IT Services to create three separate accounts. Status: On June 19, 2014, the employee received two additional usernames for the other locations. • Three employees used a former District Clerk employee's username to process computer receipts. Status: On June 19, 2014, the employees received unique usernames.
Workpaper Reference: (or other method by which finding was identified)	Workpapers: 14B&C, 14D, 14E Inquiry with District Clerk employees
Condition: (Describe the current condition)	When the mainframe (FORVUS) computer system is down or there is a Passport fair, manual receipts (three part form) are used. The manual receipt books are located in the safe, except during business hours they are kept at the cashier's desk. Each cashier has their own manual receipt book. The original manual receipt is issued to the customer. Once the mainframe is functional again, the manual receipt payments are entered into the Passport application on the mainframe and one computer receipt is generated. The cashier attaches the computer receipt to the yellow and pink manual copies in the receipt book. The County Clerk has cross deputized Passport clerks for issuance of marriage licenses. When applicants come to the Passport office for <u>marriage licenses</u>, they are directed to apply for the license on the Kiosk computer located in the hallway. Once the applicant fills out the application online and receives a reference number, the applicant will give the reference number to the deputized clerk. The clerk will search the AiLis computer system for the reference number and print a copy of the application for the applicants to verify the correctness of the information. Payment for the required marriage license fee (payment tender type should be cash or money order) is processed by the Passport clerk. The Passport clerk



	verifies the fee corresponds to the type of marriage license. A receipt is generated from the AiLis computer system. The marriage license is printed from the AiLis computer system on special paper for marriage licenses and a gold County seal is embossed on the license. The original receipt, any change due, and license are provided to the requestor. Deposit account information is prepared by the Passport clerks and transmitted on manual deposit forms. Funds and manual deposit forms are submitted to the County Treasurer via an armored courier for processing. County Treasurer staff key in manual deposit information to the Deposit Management System (DMS) for posting revenue to the identified general ledger and bank accounts.
Criteria: (Describe the optimal condition)	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 control procedures require that: • All manual receipts are accounted for and properly used, kept in numeric order, have the corresponding computer receipt attached or noted, and are posted and deposited properly, and timely in accordance with Local Government Code, § 113.022. • Accounting and system control procedures require daily reconciliation and balancing of collected funds, including supervisory review. • Manual receipts should be stored in a secure location and used in sequential order. The supervisor should periodically review manual receipt books to ensure all issued manual receipts have corresponding valid computer receipt numbers attached. • Receipts should be written for all money received. This includes any return checks or associated fees, whether received in person or through the mail. No money should ever be accepted without immediately issuing an official county receipt. • Passwords should be strictly guarded with access designed for separation of duties. In accordance with Dallas County Code, Chapter 74, Section 1018, Network and Internet/Intranet, sharing of usernames and/or passwords is not permitted. Passport applications are processed in accordance U.S. Department of State guidelines. According to Texas Administrative Code, RULE §181.25: a) The bureau shall furnish application forms for a marriage license to each county clerk in the format as prescribed by the State Registrar. (b) The application form shall contain at a minimum the items and information prescribed in the Texas Family Code, §2.004. (c) When reproduced locally by the county clerk, the form shall be identical in content, format, and size as prescribed by the bureau.
Cause: (Describe the cause of the condition if possible)	Clerical error Lack of management oversight and/or training Sharing of user system access
Effect: (Describe or quantify any adverse effects)	Prevents potential assertion that monies were paid and refunds due Inability to verify if funds were paid / received Mainframe system does not accurately reflect payments submitted by customers.
Recommendation: (Describe corrective)	• Receipts should not be altered, but properly voided and affixed with a reason for the void with retention of all voided copies.



action)	• Receipts should be verified for accuracy of amount, payment type, application number, and payer before issuing to a customer. • All payments should be receipted and deposited in accordance with Local Government Code, § 113.022. • Funds received by Passport personnel should be receipted with a computer generated receipt or a manual receipt if the Mainframe system is "down". Once the Mainframe is operational, any money receipted on manual receipts should be posted in full. In order to readily verify that the posting has been made, a computer generated receipt should be attached to the triplicate copy of the manual receipt (which is retained in numeric sequence). • 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, accounting, 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. Deposit Form 98's should be signed-off on by both the Passport clerk and the supervisor. • Written procedures should be updated for the receipting and depositing functions. The procedures should be reviewed at least annually and updated as needed. Passwords should be secured and not shared with resets required no less than every 60 days with minimum password lengths/strength in accordance with technology security standards.				
Responsible Department or Organization:	District Clerk Passport/Marriage section				
Management's Response:	☐ Agree	☐ Disagree	Respondent:	Honorable Gary Fitzsimmons, former District Clerk	Date: 3/23/2015
Comments:	The District Clerk has instructed Passport office management to document cash handling procedures and produce documentation demonstrating that staff is: 1.) Retaining original copies of voided computer receipts; 2.) Indicating the reason for the void on every receipt; 3.) Clearly inscribing the word "void" on all voided receipts; 4.) Reconciling marriage license fund deposits with the computer receipt control totals; Prior to this audit, passport staff did not have unique UserIDs. That has since been remediated.				
Disposition:	☒ Audit Report ☐ Oral Comment ☐ Deleted From Consideration				



Finding Number: 13.DC.01.10
Date: June 24, 2014
Audit: District Clerk Civil/Family Review
Auditor(s) Assigned: JG

Finding:	Collection/Billing A sample review of 30 cases with balances due, various queries from Dallas County Information Technology (IT) department, and procedures for collection/billing in place during fiscal year 2013 and fiscal year 2014 (thru December 2013) revealed: - Thirteen (43.3%) of 30 cases with balances due in error: - Five cases (including one case without assessment of the \$15 family protection fee) with affidavits of inability to pay filed and court costs not credited. Status: Corrected, credit waivers recorded. - One state forfeiture case filed under Code of Criminal Procedure, Chapter 59 with court costs assessed even though the judgment was \$2,500 or less. Status: 'Charge Balance/Reduction' used to record adjustment against case assessments. - Seven cases with assessment of the 'ADD' fee code (Additional Court Ordered Costs) against the respondents on IV-D family cases without assessing all standard case filing fees. - One case with the 'reverse charge' adjustment backdated. Departmental responses to the Internal Control Questionnaire (ICQ) and inquiry of District Clerk staff revealed: - Employees assigned to billing/collections with roles/rights to receipt payments.
Workpaper Reference: (or other method by which finding was identified)	Workpapers: 15B and 15C Odyssey ECR Collections Outstanding Balance Due report (from 10/02/2012 to 9/30/2013) Dallas County IT query of cases with balances and no due date (received 2/20/14) Dallas County IT query of cases with balances and case event for affidavit of inability to pay (received 2/20/14) Conversation with District Clerk Trust
Condition: (Describe the current condition)	When a case is closed, the court clerks are responsible for adding the event "collection-financial" to the case. The Accounting section runs a daily report that shows the cases that have the event "collection-financial" added. If the courts do not add the event "collection-financial" to the case, no collection efforts are initiated for that case. Customers may file an affidavit of inability to pay if they are indigent and do not have the resources to afford costs. The defendant or the clerk may contest an affidavit of inability to pay. If contested, the judge will grant or deny the request. If granted or not contested, the Accounting section inconsistently reduces the filing fees on the financial tab using a charge reduction ('Charge Balance/Reductions'). If the affidavit of inability to pay is denied by the judge, collection efforts start and the customer is billed. Trust & Accounting uses an Access database (ARData) to enter case/billing information and generate invoices.



	'ADD' fee code is frequently used by the District Clerk when the judge orders court costs assessed against the respondent on cases filed by the Attorney General on IV-D family cases. The 'ADD' amount is recorded as Clerk Fees rather than prorated or fully applied to all filing fees. In-house developed billing functionality in Odyssey continues (since 2012) to be tested by Trust & Accounting, but has not worked to an acceptable level for user sign-off to occur. Issues have not been resolved with bulk billing on the 15th of each month.
Criteria: (Describe the optimal condition)	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 billing procedures, collection efforts, and account controls require that: • Case number(s), amount(s) due, and due date are prominently displayed • Invoices include an accurate breakdown of fees assessed (e.g. filing fees and/or services fees) • All available payment options/methods are listed • Invoices are mailed timely (emailed if email address is available) • Automated phone calls (or live call scripts) and delinquent notice mailings (standard collection letters) • Contact information for billing personnel • Accounts receivable sub-ledger is reconciled monthly. Reconciliation is reviewed by management and evidence of review is maintained. • Monitoring the age of receivables (run an aged receivable report on a weekly or monthly basis), and systemically follow-up on any accounts that are past due more than a predetermined number of days. • Use skip tracing or available address search engines. • Referral of uncollected receivables for delinquent collection assistance in a timely manner. • Collection efforts initiated on all closed cases with balances pending. • Secondary review of <u>all</u> closed cases for unbilled outstanding charges. A credit titled "inability to pay" should be used in Odyssey to record the waived assessments for valid uncontested affidavits of inability to pay at the time of filing in accordance with Rules of Civil Procedure, Rule 145. The inability to pay credit should automatically post to the Events tab. Information processing controls must be continually updated and monitored to help ensure that transactions completed through computerized applications are valid, authorized, complete, and accurate. COSO standards for internal control include adequate segregation of duties (separation of duties for personnel authorized to receipt payments, reduce or waive assessments, and/or bill customers) 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.

According to Rules of Civil Procedure, Rule 145. Affidavit of Indigency

(a) *Affidavit*. In lieu of paying or giving security for costs of an original action, a party who is unable to afford costs must file an affidavit as herein described. A "party who is unable to afford costs" is defined as a person who is presently receiving a governmental entitlement based on indigency or any other person who has no ability to pay costs. Upon the filing of the affidavit, the clerk must docket the action, issue citation and provide such other customary services as are provided any party.

(b) *Contents of the Affidavit*. The affidavit must contain complete information as to the party's identity, nature and amount of governmental entitlement income, nature and amount of employment income, other income, (interest, dividends, et.), spouse's income if available to the party, property owned (other than homestead), cash or checking account, dependents, debts, and monthly expenses. The affidavit shall contain the following statements: "I am unable to pay court costs. I verify that the statements made in this affidavit are true and correct." The affidavit shall be sworn before a notary public or other officer authorized to administer oaths. If the party is represented by an attorney on a contingent fee basis, due to the party's indigency, the attorney may file a statement to that effect to assist the court in understanding the financial condition of the party.

(c) *IOLTA Certificate*. If the party is represented by an attorney who is providing free legal services, without contingency, because of the party's indigency and the attorney is providing services either directly or by referral from a program funded by the Interest on Lawyers Trust Accounts (IOLTA) program, the attorney may file an IOLTA certificate confirming that the IOLTA funded program screened the party for income eligibility under the IOLTA income guidelines. A party's affidavit of inability accompanied by an attorney's IOLTA certificate may not be contested.

(d) *Contest*. The defendant or the clerk may contest an affidavit that is not accompanied by an IOLTA certificate by filing a written contest giving notice to all parties and, in an appeal under Texas Government Code, Section 28.052, notice to both the small claims court and the county clerk. A party's affidavit of inability that attests to receipt of government entitlement based on indigency may be contested only with respect to the veracity of the attestation. Temporary hearings will not be continued pending the filing of the contest. If the court finds at the first regular hearing in the course of the action that the party (other than a party receiving a governmental entitlement based on indigency) is able to afford costs, the party must pay the costs of the action. Reasons for such a finding must be contained in an order. Except with leave of court, no further steps in the action will be taken by a party who is found able to afford costs until payment is made. If the party's action results in monetary award, and the court finds sufficient evidence monetary award to reimburse costs, the party must pay the costs of the action. If the court finds that another party to the suit can pay the costs of the action, the other party must pay the costs of the action.

Per Code of Criminal Procedure, § 59.05 (f), **on forfeiture to the state of an amount greater than \$2,500, the clerk of the court in which the forfeiture proceeding was held is entitled to court costs** in that proceeding as in other civil proceedings unless the forfeiture violates federal requirements for multijurisdictional task force cases authorized



	under Chapter 362, Local Government Code. The procedure for collecting the costs is the procedure established under Subsections (a) and (c), Article 59.06.				
	Court costs and fees should be assessed in compliance with statute and Commissioners Court orders				
Cause: (Describe the cause of the condition if possible)	Incomplete controls over the billing and assessment process Method of using charge reductions				
Effect: (Describe or quantify any adverse effects)	Potential revenue loss for the State of Texas and Dallas County Individuals not billed Overstated receivables Assessments and non-monetary credits understated inhibiting accurate receivable analysis.				
Recommendation: (Describe corrective action)	• Flag cases (including adding due dates) in Odyssey with unpaid balances and generate bills on a predetermined basis taking into consideration credits and court orders. • Courts should verify the event "collection-financial" is added to all cases with balances due. A secondary verification of all closed cases should occur. • Collection efforts should be initiated on all cases with a balance due or balance reconciled and cleared. • Adjustments to assessments should be made reflecting both good internal control and audit trails maintained including compensating controls such as dual sign-off on adjustments, supervisory review and pre-approval, testing, and validation. • Discontinuance of the 'ADD' fee code without assessing all standard case filing fees should be initiated absent legal opinion authorizing exclusion of standard case filing fees. • A request to IT Services to expand the payment type setup to include a credit for inability to pay. The designated credit should be used to reduce the case balance when there is a valid affidavit of inability to pay filed in accordance with Rule 145. • Processing of financial transactions should reflect strong segregation of duties (e.g. users with roles/rights to receipt or void payments should be able to add additional charges, but not modify, reduce, or delete assessments). • User roles granting rights to process manual overrides, charge reductions, credits, and charge reversals should be limited. User access requirements should correspond to least rights necessary to perform core job functions. • Policy and procedures manual should be developed for billing responsibilities with training reinforced. • Continue to pursue billing functionality within Odyssey to provide for tracking, invoicing, and aging receivables.				
Responsible Department or Organization:	District Clerk				
Management's Response:	☐ Agree	☐ Disagree	Respondent:	Honorable Gary Fitzsimmons, former District Clerk	Date: 3/23/2015
Comments:	The District Clerk concurs that deficiencies exist in the handling of collection and billing of accounts due. The clerk has instructed management to review collection and billing procedures by April 15 th ,				



	2015 to ensure that: 1.) The process is reviewed by the supervisor with appropriate follow-up by management to ensure review is completed; 2.) ALL receivables due Dallas County are billed; 3.) All process assessments, credits, and charge reductions are made in accordance with statutory authority including the orders and rules of court. By March 30th, 2015, Management will itemize a comprehensive list of issues with Odyssey financial tab functionality; that a service ticket to I.T. Services has been issued; and that Management can demonstrate periodic follow-up to IT Services for full resolution no later than April 30th, 2015.			
Disposition:	<table border="1"><tr><td>☒ Audit Report</td><td>☐ Oral Comment</td><td>☐ Deleted From Consideration</td></tr></table>	☒ Audit Report	☐ Oral Comment	☐ Deleted From Consideration
☒ Audit Report	☐ Oral Comment	☐ Deleted From Consideration		



Finding Number: 13.DC.01.11
Date: June 24, 2014
Audit: District Clerk Civil/Family Review
Auditor(s) Assigned: JG

Finding:	Case Index Reports A review of the systemic sequential assignment of cases within the Odyssey case management system and Odyssey Case Index reports for FY2013 revealed: Multiple Odyssey user roles (clerks and supervisor positions) including DCLRK CASHIER with rights to: • Modify case file dates • Override system assigned judge assignments • Override system generated case numbers Civil – ‘DC’ • Nine missing FY2013 ‘DC’ case numbers <i>Status: List maintained by File Desk Supervisor contained complete, incomplete, or no explanation for missing numbers.</i> • Three “DC” case numbers without standardized format of including prefix ‘DC’. • Instances of ‘DC’ Odyssey ‘Filed’ dates back-dated. Tax – ‘TX’ • Instances of ‘TX’ Odyssey ‘Filed’ dates back-dated. Family – ‘DF’ • Instances of ‘DF’ Odyssey ‘Filed’ dates back-dated. • Two missing FY2013 ‘DF’ case numbers <i>Status: List maintained by File Desk Supervisor contained complete, incomplete, or no explanations noted for case missing numbers.</i>
Workpaper Reference: (or other method by which finding was identified)	Workpaper 16A1-3 and 1D.1 Odyssey Case Index reports File Desk Supervisor electronic log of voided cases Production Query of roles/right dated 12/23/13
Condition: (Describe the current condition)	System parameters include random case assignments including tax cases. System processing controls include algorithms for random court assignment. Exceptions/manual overrides are allowed for downtime or end of the month/year processing (e.g. file stamped on September 30th but not entered to Odyssey until October). Supervisor approval not required for overrides. While the File Desk Supervisor maintains a log of most voided cases, unexplained anomalies occur and may go undetected without ongoing department reviews due to various system rights granted to multiple users. While delinquent tax cases are randomly assigned to courts, the cases are heard by the designated judge for the tax court.



Criteria: (Describe the optimal condition)	Local Rules of the Civil and Family courts of Dallas County require: • All Civil cases are filed in random order (Rule 1.01) • All Family cases are docketed numerically in order of filing and assigned in random order (Rule 1.01). Design of system processing controls established with algorithms for random court assignment and proper system configuration to assign case numbers sequentially; security restrictions to prevent unauthorized skips in sequence and case deletions; and complete audit trails of all changes and manual case assignments. Best practices for internal control include adequate segregation of duties for override of system judicial assignments so no one user has two or more business processes that could result in compromise of the integrity of the process. 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.				
Cause: (Describe the cause of the condition if possible)	Incomplete system rights matrix Incomplete monitoring of case deletions and incomplete / undocumented reasons for deletions. Missing dashes – data entry error				
Effect: (Describe or quantify any adverse effects)	Unused case numbers. Potential for non-compliance with Local Rules. Cases may be improperly deleted. Users with more rights than needed. Inability to determine appropriateness of case deletions.				
Recommendation: (Describe corrective action)	• All case numbers should be timely, accurately, and sequentially assigned based on random court assignment. • Supervisory personnel should test for accurate, proper, and complete assignment of case numbers based on Local Rules and established departmental procedures. • All case numbers should be accounted for, with reason codes for missing numbers, deleted numbers, or numbers issued out of sequence, and timely documented. • Management should submit written authorization to IT Services to correct improperly configured case numbers. • All rights and roles should be periodically reviewed to ensure users have only the rights necessary to perform their core job functions.				
Responsible Department or Organization:	District Clerk				
Management's Response:	☐ Agree	☐ Disagree	Respondent:	Honorable Gary Fitzsimmons, District Clerk	Date: 3/23/2015
Comments:	The District Clerk recognizes that missing cause numbers create inconvenience for the courts in spite of the very small number of errors. The clerk has instructed management to run a spreadsheet report on an annual basis and review for number errors.				

County Auditor



Dallas County, Texas

Disposition:	☒ Audit Report	☐ Oral Comment	☐ Deleted From Consideration



Finding Number: 13.DC.01.12
Date: June 24, 2014
Audit: District Clerk Civil/Family Review
Auditor(s) Assigned: JG

Finding:	Time/Attendance A review of time and attendance during fiscal year 2013 and fiscal year 2014 (thru December 2013) revealed: • One employee on a ten hour shift with a holiday recorded as 2 hours holiday and 8 hours vacation rather than 2 hours vacation and 8 hours holiday. • Full-time regular employees take 50 minutes for lunch with no breaks. Lunch defaults to 30 minutes on the KRONOS time and attendance system based on employee's scheduled hours.
Workpaper Reference: (or other method by which finding was identified)	Workpapers 16B1
Condition: (Describe the current condition)	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 / approvals are updated by the supervisor in accordance with official direction.
Criteria: (Describe the optimal condition)	Sec. 82-741. - Designated holidays. Each year during the budget process, the county commissioners court reviews and adopt holidays for the employees of the county. Employees of the county will observe the holidays designated by official action of the county commissioners court Sec. 82-742 – Observance. Employees in regular, full-time positions are eligible to receive eight hours of pay for a holiday. Regular, full-time employees working ten-hour shifts must use another form of accrued leave to be paid for the additional two hours. Part-time, temporary, extra help and seasonal employees are not eligible for paid holidays. Holidays will be observed as follows: (1)Holidays that fall on Saturday will be observed on the Friday preceding the holiday; (2)Holidays that fall on Sunday will be observed on the Monday following the holiday; and (3)If an employee's regular day off falls on a holiday, the employee will be given another day off as soon as possible to compensate for the missed holiday. Those accrued holiday hours shall be entered into the county's official time and attendance system. Sec. 82-175. - Supervisory responsibilities (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. (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. According to Dallas County Code, Section 82.32, Work hours scheduling: (c) Breaks and lunch periods. An elected official/department head may also establish breaks and lunch periods for their employees. Employees may be granted one break of ten minutes for each four hours worked. Employees are paid while on break. A lunch period may be 30 minutes or an hour depending on the work schedule approved by the elected/appointed official/department head. <u>Lunch periods are in addition to the regular eight-hour work period and shall not be combined with breaks.</u> Employees are not paid during their lunch period; therefore, they should be completely relieved of all duties and be free to leave their post of duty.				
Cause: (Describe the cause of the condition if possible)	Inaccurate application of county time and attendance policies				
Effect: (Describe or quantify any adverse effects)	Vacation leave balance is understated				
Recommendation: (Describe corrective action)	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. Each employee should affirm bi-weekly time paid / leave balances expended through review of pay slip on Employee Self-Service (ESS) application. Historical edits should be completed to correct of holiday/vacation time.				
Responsible Department or Organization:	District Clerk Civil/Family				
Management's Response:	☐ Agree	☐ Disagree	Respondent:	Honorable Gary Fitzsimmons, former District Clerk	Date: 3/23/2015
Comments:	The District Clerk is including in her 2016 budget a request for the creation of a departmental H.R. position in order to improve the office's compliance with County policy. Historically, the district clerk has exercised his/her statutory authority to allow deputies to augment their 30 minute lunch with their two 10 minute breaks for a total of 50 minutes. The clerk believes this is advantageous for morale and preferred by staff.				
Disposition:	☒ Audit Report ☐ Oral Comment ☐ Deleted From Consideration				

County Auditor



Dallas County, Texas



Finding Number: 13.DC.01.13
Date: June 24, 2014
Audit: District Clerk Civil/Family Review FY13 thru December 2013
Auditor(s) Assigned: TR

Finding:	Financial related Setup/System Controls A limited review of Odyssey Case Management System financial setup for District Clerk users and a sample review of user's access revealed: <u>Cashier Stations active in the Production instance at the District Clerk node(s):</u> • Twenty-five cashier stations for former County employees are not end dated. • Two cashier stations for County employees transferred to the Criminal section are not end dated. • Three cashier stations with descriptions indicating for vendor support which are normally active in a non-Production environment. • Two cashier stations with descriptions indicating for training which are normally active in a non-Production environment. • Twelve generic named cashier stations. <u>Tills active in the Production instance at the District Clerk node(s):</u> • Twenty-nine tills for former County employees are not end dated. • Five tills associated to County employees transferred to other County departments or the other District Clerk sections. • One till with description indicating for vendor support which is normally active in a non-Production environment. • One open till is a Mainframe till. The till should have been closed after District Clerk go-live in October 2005 and not used by District Clerk staff. • One till with Odyssey 'uCode Description' referencing terminated employee name; however, login reflects an active employee's name. • Two generic named tills, however, login reflects terminated employees' names. • One till with Odyssey 'uCode Description' referencing word 'obsolete'. Tender method called "NCO Collections" active (but not used) and accessible by District Clerk staff. (Contract for external delinquent case collection was terminated during fiscal year 2011). System access for seven former employees not disabled or end dated. Odyssey Case Management system does <u>not</u> prompt users to change their passwords, periodically, for example every 60 days. <i>Response: We have inquired about this feature with IT Services. Clerks have been instructed to properly log off Odyssey upon taking breaks and leaving for the day.</i>
Workpaper Reference: (or other method by	Workpaper 1D.1 IT query of Payment Transaction Type, Cashier Station, Tender Method, and Tills as of



which finding was identified)	December 23, 2013 and December 16, 2014 Responses to Internal Control Questionnaire (Civil/Family & Trust/Accounting) Discussions with District Clerk staff Kronos and Oracle Payroll system
Condition: (Describe the current condition)	The District Clerk submits change requests to the County Information Technology (IT) department when updates to Odyssey setup are needed which impact financial transactions. Changes to Production are consistently tested in a separate non-Production environment. However, test transactions are infrequently entered to the Production system. District Clerk management sign-off on a change management document prior to updates moved to Production by IT. Supervisors and District Clerk management submit signed access requests to IT when a new employee is hired or when a promoted/transferred employee needs access / additional access rights to Odyssey. Once the appropriate rights / roles are determined (some users were granted rights in excess of job function description requirements), a new User Name is created in Odyssey and a temporary password is assigned to the user. The new user is required to sign-on to Odyssey to create a new password. The system is incapable of enforcing password duration policies for minimum or maximum age to restrict users from changing passwords too frequently and/or to force users to change passwords regularly. When an employee separates from employment, management remits a notice of separation (NOS) form to Human Resources and Payroll. The form indicates all system access that should be terminated. Payroll forwards a copy of the NOS to IT Services. User access to Odyssey for separated employees is disabled when the Odyssey system administrator team is notified of the NOS.
Criteria: (Describe the optimal condition)	Information processing controls must be continually updated and monitored to help ensure that transactions completed through computerized applications are valid, authorized, complete, and accurate. Best practices 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. 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: • 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. • 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. • All setup related to financials should be end-dated or disabled once codes are no longer used to limit potential posting errors.



	• Management should review user access lists, periodically, to assess expected/necessary levels of control-access are valid. • 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. • System functionality/setup (and departmental policy) should include mandatory password changes, periodically, at least every 60 days, with minimum eight character length including alpha, numeric, and special characters/symbols.				
Cause: (Describe the cause of the condition if possible)	High level system security access matrix. Limited management review of the user access lists.				
Effect: (Describe or quantify any adverse effects)	Risks – posting errors (accidental or intended)				
Recommendation: (Describe corrective action)	• 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. • User access for ex-employees or reassigned employees should be requested to be disabled with follow-up occurring to ensure user account was disabled. • The ability to re-assign tills to other users when opening a till instance should be restricted to ensure the one-to-one relationship between a till and a cashier. Only a supervisor should have the rights to open or sign on to another user's till. • Code(s) related to financial transactions that are no longer necessary as part of day to day operations should be de-activated in Odyssey and unavailable to users. • 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). • Any codes or user access related to training or testing should not be setup in Production but used only in a Test environment. • 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. • Passwords should be secured and not shared with resets required no less than every 60 days with minimum password lengths/strength in accordance with information technology security standards.				
Responsible Department or Organization:	District Clerk				
Management's Response:	☐ Agree	☐ Disagree	Respondent:	Honorable Gary Fitzsimmons, former District Clerk	Date: 3/23/2015
Comments:	Management sends notices of employee separation to the appropriate responsible parties whose duty it is in part to terminate that employee's access to the county's electronic resources. Per this audit, management reviewed the process and determined that the notice does 'close' the cashier station or till but a separate service ticket sent				



to Dallas County I.T. Services is necessary in order to affix an 'end date' thus completely removing the station or till from the system. Management also determined that Odyssey functionality does permit staff viewing rights to a list of active and closed tills so that the office can verify that a station or till has been removed from the system.

Management has:

- 1.) sent the appropriate service tickets to end-date all closed stations and tills;
- 2.) sent the appropriate service tickets to and to close and end date all open vendor related stations and tills held over from Odyssey go-live in October 2005;
- 3.) sent the appropriate service tickets to close all remaining FORVUS tills;
- 4.) sent the appropriate service tickets to remove tender method "NCO Collections";
- 5.) has requested and will work with I.T. Services to review current active Odyssey UserIDs. The Quality Assurance Manager will develop a procedure to verify the suspension and close-out of separated employee UserIDs by June 1st, 2015.

Passwords:

As of January 1st, 2015, access to the Odyssey application is now tied to the network ID and password of the user and conforms to county's electronic resources security policy.

Disposition:

☒ Audit Report

☐ Oral Comment

☐ Deleted From Consideration