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Honorable Felicia Pitre
District Clerk
Dallas, Texas

RE: FINAL AUDIT REPORT **District Clerk Civil and Family - FY 2025**

The Dallas County Auditor's Office Internal Audit Division performed procedures for the period October 1, 2024, through September 30, 2025.

The objectives of the engagement were to:

1. Ensure all funds were accounted for at the time of the unannounced cash count.
2. Ensure all funds collected were receipted and deposited accurately, timely, and in compliance with statutory requirements.
3. Ensure court costs, fines, and fees were accurately assessed and recorded in compliance with statutory requirements.
4. Evaluate internal controls over financial transactions.

Overall Results

A review of District Clerk Civil and Family identified an estimated $2,383,674 in unbilled Attorney General IV-D charges, and $30,853 in un-receipted checks received from the Texas State Comptroller in December 2025. Computer receipts totaling $38,911 were voided four or more hours after the original transaction. Additionally, tills totaling $419,173 were deposited six or more business days after the till creation date.

We appreciate the cooperation of the department and the staff during our review. If you prefer that released reports be emailed to a different (or additional) recipient, please inform me of the name and the change will be made.

Respectfully,

Timothy J. Hicks, CPA

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ISSUED: 5/18/2026
RELEASED: JUNE 12, 2026

REPORTABLE FINDINGS

ISS.26-IA-DC-8.01.01 District Attorney General IV Billing:

Risk Rating: High

Inquiry of District Clerk Trust personnel as to the status of previously reported unbilled charges for child support cases confirmed that a report error introduced during an Odyssey system update, which prevented the charges from being properly generated and submitted for reimbursement, has not been corrected. As a result, an estimated $2,383,674 in Attorney General IV-D charges for years 2022 through 2025 were never billed.

Suggested Actions

- Determine whether a systematic or manual workaround exists that would allow the department to bill the Texas Attorney General for reimbursement for IV-D activity.
- Work with the vendor to correct the Odyssey system so it can reliably generate accurate monthly billings going forward.

Management Action Plan and Target Date
Target Date: 07/01/2027

Progress has been made working with Tyler Technologies and Dallas County IT, and we look forward to billing OAG within the next few months.

Auditor's Response
The department did not provide a target date. The Auditor's Office expected target date is July 1, 2027.

ISS.26-IA-DC-8.01.02 Registered Mail:

Risk Rating: High

A review of all 14 requests for process service by registered mail recorded on the department mail log identified that the required $65 service fee was not assessed for each case, and for five cases the process service was submitted to the post office more than 18 days after the initial request, including one which was submitted after 73 days. Additionally, payments for the cost of registered mail postage for 11 of the cases were not receipted in Odyssey until 11 to 118 days after request.

Suggested Actions

- Create clear written procedures for cash handling and registered mail processing, requiring receipts for all payments.
- Perform periodic management review to monitor the timeliness and accuracy of processing and financial record entry.

- Train staff on the required fees for serving citations by registered mail to ensure consistent and compliant fee assessment.

Management Action Plan and Target Date
Target Date: 07/01/2027

The department currently maintains written procedures governing registered mail processing, cash handling, receipting, and Odyssey payment entry. Staff have been trained on these procedures, and management oversight is performed on an ongoing basis. To further improve compliance and reduce the risk of processing delays, the department will enhance its existing monitoring and documentation controls.

Corrective actions include:

- Reinforcing existing procedures and expectations regarding the timely assessment of service fees, receipting of payments, and processing of registered mail requests.
- Implementing additional tracking and documentation measures to better monitor registered mail transactions from receipt through completion.
- Conducting periodic management reviews of registered mail logs and related Odyssey transactions to verify timely processing, fee assessment, and payment posting.
- Strengthening documentation of management review activities to ensure accountability and provide evidence of compliance with established procedures.

These enhancements are intended to improve timeliness, accuracy, and documentation while building upon the procedures, training, and oversight practices already in place.

Auditor's Response
The department did not provide a target date. The Auditor's Office expected target date is July 1, 2027.

ISS.26-IA-DC-8.01.03 Cash Management and Un-receipted Checks:

Risk Rating: Medium

Cash counts performed March 16 -18, 2026, identified two unreceipted Texas State Comptroller checks totaling $30,853 postmarked December 31, 2025, $77 in unreceipted customer change/overages stored in envelopes in the vault, and an additional $13 in personal funds.

Additionally, cash counts performed on District Clerk Civil and Family deposits received at the Treasurer's Office identified five deposits containing checks totaling $20,856 that were

improperly accepted and receipted by the department for payment; the checks were altered, missing customer and banking information, or not receipted for the legal amount.

Suggested Actions

- Ensure all funds are receipted in the Odyssey system and deposited with the Treasurer's Office in compliance with LGC § 113.022
- Deposit Texas State Comptroller checks into the Unclaimed Property account until the correct cases are identified.
- Ensure checks are not altered, contain all required customer/banking information and signatures are and are receipted for the legal, written amount.
- Deposit any overages into the Dallas County overage account.

Maintain personal funds completely separate from County funds.

Management Action Plan and Target Date
Target Date: 12/10/2026

We finally received instructions on May 12, 2026 from the Dallas County Auditor's Office to deliver the Comptroller checks directly to the Auditor's Office and did so on May 13, 2026.

In the case of three of the five deposits referenced, the checks in question were corrected and deposited in a timely manner. The checks in question on the other two deposits were not correctable, and replacement checks could not be procured in a timely manner, so the subject payments were reversed, and the deposits were made in a timely manner.

Auditor's Response
None

ISS.26-IA-DC-8.01.04 Computer Receipt Voids and Deposits:

Risk Rating: Medium

A review identified that 130 of 304 voided Civil and Family receipts totaling $38,911 were voided four or more hours after issuance. Additionally, 36 Odyssey tills totaling $419,173 were deposited six or more days after the till creation date.

Suggested Actions

- Periodically, verify receipt accuracy and staff compliance with cash-handling procedures.
- Close and deposit tills daily.
- Submit all collected funds to the County Treasurer the next business day in compliance with LGC § 113.022.

REPORTABLE FINDINGS

Management Action Plan and Target Date
Target Date: 07/01/2027

As stated in response to previous audits, the need to void a transaction is often not perceived until the till is reconciled. For tills assigned to a single individual, this traditionally occurs at the end of the business day or at the beginning of the next business day. In the case of tills segregated for eFile or point-of-sale transactions, this never occurs prior to the next business day.

As stated in response to previous audits, errors in eFile processing can result in a transaction posting to Odyssey on a date subsequent to receipt of funds, necessitating that those days be combined in a single deposit. Not infrequently, that can be repeated in a manner that requires several days to be combined. Point-of-sale refunds can also require that multiple business days be combined in a single deposit. However, this does **not** result in delayed revenue recognition as it does not affect the timing of ACH deposits to the Dallas County depository.

Auditor's Response
Revenue is not recognized in the County's financial statements until the department closes out the tills and completes the deposit process with the Treasurer's Office. The department did not provide a target date. The Auditor's Office expected target date is July 1, 2027.

cc: Darryl Martin, County Administrator

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