

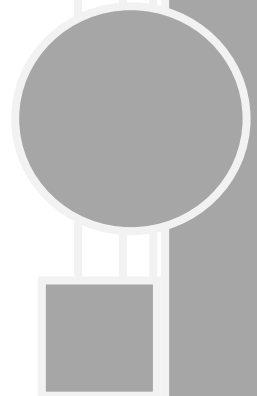


# AUDIT REPORT

DALLAS COUNTY  
DISTRICT CLERK JUVENILE - FY 2022

Darryl D. Thomas  
Dallas County Auditor

ISSUED: 5/3/2023  
RELEASED: JULY 6, 2023



# District Clerk Juvenile - FY 2022

## TABLE OF CONTENTS

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MANAGEMENT LETTER .....	3
EXECUTIVE SUMMARY.....	4
INTRODUCTION .....	5
DETAILS .....	6

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



**DALLAS COUNTY**  
COUNTY AUDITOR

**MANAGEMENT LETTER**

Honorable Felicia Pitre  
District Clerk  
Dallas, Texas

Attached is the County Auditor's final report entitled "**District Clerk Juvenile - FY 2022**" Report. In order to reduce paper usage, a hard copy will not be sent through in house mail except to the auditee.

In 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,

*Darryl D. Thomas*

Darryl D. Thomas  
County Auditor

## **EXECUTIVE SUMMARY**

Review of District Clerk Juvenile for fiscal year 2022 revealed no significant observations.

### **Summary of Significant Observations**

- None identified

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

- Delay in voiding computer receipts.
- Delay in depositing tills.
- Delay in depositing credit card transactions in Odyssey.

**Only those weaknesses which have come to our attention as a result of the audit have been reported. It is the responsibility of the department management to establish and maintain effective internal control over compliance with the requirement of laws, regulations, and contracts applicable to the department.**

## **INTRODUCTION**

**Dallas County Auditor's Office mission is to provide responsible, progressive leadership by accomplishing the following:**

- Comply with applicable laws and regulations
- Safeguard and monitor the assets of the County utilizing sound fiscal policies
- Assess risk and establish and administer adequate internal controls
- Accurately record and report financial transactions of the County
- Ensure accurate and timely processing of amounts due to County employees and vendors
- Set an example of honesty, fairness and professionalism for Dallas County government
- Provide services with integrity
- Work in partnership with all departments to resolve all issues of the County
- Strive to utilize the latest efficient and effective technology in the performance of tasks
- Provide technical support and training in the development, implementation, and maintenance of information systems
- Hold ourselves accountable to the citizens of the County at all times
- Be responsive to the elected officials and department heads of Dallas County

The objectives of this audit are to:

1. Ensure compliance with statutory requirements
2. Evaluate internal controls
3. Verification of accuracy and completeness of reporting
4. Review controls over safeguarding of assets

This audit covered the period of October 1, 2021 through September 30, 2022.

The audit procedures will include interviews with key process owners, observation of transactions processing, data analysis and sample testing of transactions. The main system used will also be reviewed and incorporated as part of the testing of transactions.



## DETAILS

### Mail Log

A sample review of transactions for the mail log maintained during fiscal year 2022 revealed one money order totaling \$262.00 was receipted in Odyssey two business days after the entry dated on the mail log.

All monies received including mail payments should be promptly receipted and deposited consistent with Local Government Code, § 113.022. A lack of management oversight has resulted in delayed revenue recognition and increased the risks that funds could be lost or misappropriated.

### Recommendation

Mail Log

Management should:

- Ensure the mail is checked daily and all checks are promptly receipted to Odyssey.

### Management Action Plan

- Our current processes involved mail being checked daily and receipted in the Odyssey system within the 48- hour turnaround.

### Auditors Response

- None

### Computer and Manual Receipts

A review of all District Clerk Juvenile manual receipts posted to Odyssey during fiscal year 2022 revealed four out of 69 manual receipt numbers were not noted in the comment field in Odyssey.

A review of all District Clerk Juvenile computer receipts voided during fiscal year 2022 revealed two computer receipts were voided between one day after original transaction; five computer receipts were voided one or more hours after the original transaction; and seven voids were processed by same user who processed original receipt.

A review of all District Clerk Juvenile deposits during fiscal year 2022 revealed five tills were deposited between four or more business days after the initial system entry date.

Internal control procedures indicate all manual receipts are 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 numbers are entered into the Odyssey Comment field. All monies received should be promptly receipted and deposited consistent with Local Government Code, § 113.022. Receipts are properly voided with a reason for the void recorded to the computer system and retention of all voided copies. Processing of financial transactions should reflect proper segregation of duties such as same user receipting should not be able to void their own receipt.



All voids should be reviewed daily by supervisory personnel at least one level above employee that voided the payment. All tills should be reconciled daily and included in an Odyssey deposit through the Odyssey Deposit Management functionality. Inconsistent management oversight, and incomplete controls over the receipting and depositing have resulted in delays in revenue recognition and increased the potential that funds may be misappropriated. In addition, a lack of consistent supervisory review and clerical oversight over manual receipt control procedures has resulted in incomplete financial records.

**Recommendation**

Computer Receipts and Manual Receipts  
Management should:

- Enter manual receipt numbers into the comment field in Odyssey.
- Periodically perform supervisory review of receipts to verify adherence to manual and computer procedures
- Review voided computer receipts to verify appropriateness, such as the same person who receipted should not be the same person to void the receipt.
- Ensure all tills are closed and deposited daily

**Management Action Plan**

- When a clerk fails to input the manual receipt number in the comment (we created an event), an event is created in Odyssey and the manual receipt is documented. We need to take the time to include before printing a receipt. Staff did a few manual postings for collections and the manual receipt was not documented in the comment field. Two computer receipts were voided one day after original transaction. (Receipt 01055-2022-DCJUV) JD-44442. On April 11, 2022, the clerk used the wrong payment method and notified us the next day of the issue due to credit card payment. A void was processed on April 12, 2022. The customer brought a replacement payment on April 15, 2022. (Receipt 01430-2022-DCJUV) JD-22-00367. On May 13, 2022 (Friday) customer paid with a card at the window. On May 16, 2022, (Monday) Staff calls stating we did not get the money and voids the transaction. He made a note in the comment filed on the void "Funds not received". Supervisor posted and voided the listed payments. This has never been an issue on prior audits when the supervisor posting both transactions on a case. Trust Department balances this till daily and submits for deposit.

**Auditors Response**

- None

**Credit Card and E-File Transactions**

A sample review of 20 credit card transactions during fiscal year 2022 revealed 15 credit card transactions totaling \$7,702 were deposited between three and four days after tills were closed. All credit cards should be deposited in accordance with Local Government Code, § 113.022 and 113.021. Accounting and system control procedures require daily reconciliation and balancing of collected funds, including supervisory review. Online credit card transactions should be receipted the next business day after the credit card settlement report indicates that the transaction successfully processed. Inconsistent management oversight in credit card processing has resulted in delayed revenue recognition.

A sample review of daily e-file submissions during fiscal year 2022 revealed three e-file deposits totaling \$1,955 were deposited between four and five business days after the submission date. All monies received should be promptly receipted and deposited in accordance with Local Government Code, § 113.022. E filing tills should be reconciled against e-file daily reports, closed, and added to the appropriate deposit daily with a separate deposit form 98 submitted to the County Treasurer. Inconsistent management oversight has resulted in delayed revenue recognition.

**Recommendation**

Credit Card and E-File Transactions  
Management Should:

- Establish written procedures for processing online credit card transactions in accordance with the local government code and Dallas County policies.
- Provide supervisory review of the daily credit card settlement reports and posting of Odyssey credit card activity for timeliness of processing.
- Ensure staff compliance to established credit card processing policies and procedures.
- Develop written procedures for e-filing responsibilities, which emphasize that e-file revenues are to be deposited in the accounting period in which the filing is accepted.
- Periodically review the daily e-file financial activity, posting of Odyssey e-filing activity, e-filing tills, and the District Clerk's e-Pay bank accuracy, timelines of processing, and staff compliance to establish policies and procedures.

**Management Action Plan**

- We are sending the deposit the same day we receive the Bank of America Statement for that till. It may take three to five days to submit the deposit from acceptance date due to waiting for the funds to be deposited into the Bank of America account from Chase. We need to update our guideline policy to reflect three to five days.

**Auditors Response**

- None



**DALLAS COUNTY**



**COUNTY AUDITOR**

cc: Darryl Martin, Commissioners Court Administrator