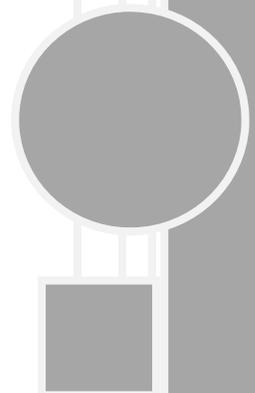




AUDIT REPORT

DALLAS COUNTY
County Clerk Probate - FY2020

Darryl D. Thomas
Dallas County Auditor
ISSUED: 8/17/2021
RELEASED: AUGUST 17, 2021



County Clerk Probate - FY2020

TABLE OF CONTENTS

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 John Warren
County Clerk
Dallas, Texas

Attached is the County Auditor's final report entitled "County Clerk Probate - FY2020" 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

A review of County Clerk Probate for fiscal year 2020 revealed the significant observations listed below:

Summary of Significant Observations

- None identified

Repeat Observations from Previous Audits:

- Active tills remain for persons no longer employed in the Probate Civil section.
- Funds on hand for deposits received at the Treasurer's Office were less than the system control total.
- Computer receipts voided and re-issued more than 30 minutes after original transaction.

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, 2019 through September 30, 2020.

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



DETAILS

Reverse Charges Posting Errors

1. A sample review of reverse charges for Probate cases processed during fiscal year 2020 revealed one case did not have a reason noted in the Odyssey Comment field. All corrections should include a complete and valid explanation in the Comment field. Due to clerical error, the financial record for the reverse charge transaction explanation was incomplete.

Recommendation

Reverse Charges Posting Errors

Management should verify employees adhere to maintaining good internal controls such as:

- Reverse charge include a complete and valid explanation in the comments field in Odyssey

Management Action Plan

- Management will reinforce training requiring all corrections to include a complete and valid explanation in the comment field.

Auditors Response

None

Cash Count and Deposits

A cash count of County Clerk Probate deposits received in the Treasurer's Office during fiscal year 2020 revealed a deposit was \$2 less than the system control total due to the check being receipted for the numeric amount instead of the legal written amount.

A sample review of tills, closeouts, and deposits during fiscal year 2020 revealed amounts associated with five transaction dates totaling \$23,477 were deposited in Odyssey two or more days after the initial receipt date; seven tills were deposited with the Treasurer's Office between five and 33 days after being closed in Odyssey; eight tills were closed and re-opened after the original close in Odyssey including four tills with deposit date before the closed date in Odyssey; four tills have not been deposited as of June 2, 2020 including one till that was closed in Odyssey 21 days after the initial transaction date; and transactions totaling \$312,373.96 associated with 33 days were deposited four or more days after the receipt date.

All monies, including E-filing and Legal Ease submissions received should be promptly receipted and deposited consistent with Local Government Code, § 113.022. Receipts should be verified for accuracy of amount, payment type, case number, and payer before issuing to a customer. Checks should be receipted for the legal written amount. Lack of consistent management oversight and clerical errors have resulted in delays in revenue recognition, inaccurate case balances, and incomplete financial records.

Recommendation

Cash Count and Deposits



Management should:

- Emphasize that staff total and balance the funds on hand to the system receipt control totals at the end of each business day. Receipt tapes for check totals should be calculated using the written legal amount and verified against the receipt control total. Receipt and deposit totals should be verified by supervisory personnel.
- Generate the Odyssey Till Balance Report daily for each cashier to ensure each till has been closed timely and included in the deposit.

Management Action Plan

- Supervisor will generate Odyssey Till Balance Report daily for each cashier to ensure each till has been closed timely and included in the deposit.

Auditors Response

None

Computer Receipt Voids

A review of all 37 County Clerk Probate computer receipts voided during fiscal year 2020 revealed eight computer receipts totaling \$464 were voided more than 30 minutes after the original transaction and three voided computer receipts were re-issued between nine and 34 days after the transaction was voided. Best practices regarding the receipt process indicate that all voids should be reviewed daily by supervisory personnel at least one level above employee that voided the payment. All monies received should be promptly receipted and deposited properly and timely in accordance with Local Government Code (L.G.C.), § 113.022. Incomplete controls over the receipting and voiding process combined with clerical errors resulted in delayed revenue recognition and increased the potential that funds could be misappropriated.

Recommendation

Computer Receipt Voids

Management should:

- Develop procedures and documentation incorporating controls such as dual sign-off on voids, receipt corrections, supervisory review.
- Periodically review system reports and daily work for accuracy and staff compliance with established policies and procedures.
- Train staff to review payments including tender types, amounts and check details prior to processing a transaction. Staff should review the case management system to ensure payments tendered for the correct amount and associated to the correct case.
- Ensure voids are processed timely.

Management Action Plan

- Management will provide additional training to reinforce the review of tender types, amounts and check details prior to processing a transaction, and ensure necessary voids are processed timely.



Auditors Response

None

Verifone Credit Card Processing

A sample review of VeriFone credit card deposits processed during fiscal year 2020 revealed nine VeriFone credit card deposits totaling \$1,657 were not processed the next business day. All credit card transactions should be deposited the next business day in accordance with Local Government Codes 113.022 and 113.021. Accounting and system control procedures require daily reconciliation and balancing of collected funds, including supervisory review. Inconsistent management oversight of the credit card process has resulted in delayed revenue recognition.

Recommendation

Verifone Credit Card Processing

Management should develop detailed procedures that include:

- Ensuring that VeriFone credit card transactions are deposited the next business day in accordance with Local Government Codes, § 113.022 and 113.02.

Management Action Plan

- Management will review process for any needed changes to improve effectiveness.

Auditors Response

None

E-Filing Transactions

A sample review of 20 daily e-file submissions during fiscal year 2020 revealed three submissions with filing fees totaling \$707 were receipted four or more business days after the case acceptance date.

A sample review of six e-file deposits revealed transactions totaling \$4,002 were deposited 76 business days after the e-file acceptance 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 the eFileTexas.gov reports, closed, and added to the appropriate deposit daily with a separate deposit form 98 submitted to the County Treasurer. Inconsistent management review have resulted in a negative impact on e-file funds deposit and delays revenue recognition.

Recommendation

E-Filing Transactions

Management should implement the following E-file control:



- Periodically review the daily efileTexas.gov financial activity and to ensure timely posting of Odyssey e-filing activity and e-file tills for accuracy

Management Action Plan

- Management will review process for any needed changes to improve effectiveness.

Auditors Response

None

Financial Set-Up

A limited review of the Odyssey Case Management System financial setup and user access for County Clerk Probate during fiscal year 2020 revealed two active tills associated to a user who is no longer an employee in the County Clerk Probate section. Best practices indicate all set-up related to financial systems should be end-dated or disabled once codes are no longer used to limit potential posting errors. Inconsistent management review of the user access list may lead to limited accountability for the posting of financial transactions to accounts belonging to terminated/transferred employees and increased the risk that funds may be misappropriated.

Recommendation

Financial Set-up

Management should:

- End-date and check mark the inactive box to terminate Odyssey users' accounts.
- All assigned cashier stations and tills should be de-activated when users are no longer employed in the Probate Civil section.
- Request user access for ex-employees or reassigned employees be disabled with follow-up occurring to ensure user account was disabled.
- Periodically perform review of accounts to confirm timely deactivation for separated/transferred employees.

Management Action Plan

- Management will periodically perform a review of accounts to confirm timely deactivation for separated/transferred employees.

Auditors Response

None

DALLAS COUNTY



COUNTY AUDITOR

cc: Darryl Martin, Commissioners Court Administrator