



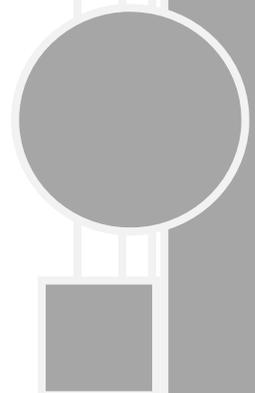
# AUDIT REPORT

DALLAS COUNTY

County Clerk Truancy 91, 92 and 94 - FY2020

Darryl D. Thomas  
Dallas County Auditor

ISSUED: 7/19/2021  
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# County Clerk Truancy 91, 92 and 94 - FY2020

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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 Truancy 91, 92 and 94 - 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 Truancy North, South and East locations for fiscal year 2020 revealed the following significant observations.

### Summary of Significant Observations

- No significant observations identified

### Repeat observations from Previous Audits:

- Odyssey adjustments/reversals performed by non-supervisory employees.
- Comments not entered for adjustments/reversals.
- Waiver backdated
- Delays in posting credit card transactions

**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

### Fee Compliance

A review of fees in compliance with statute during fiscal year 2020 revealed nine cases were not assessed in accordance with the fee schedule in effect as of January 2020. Best practices regarding fee assessments/collections indicate that court costs, fines, and fees should be assessed/collected/prorated in compliance with applicable state laws including Code of Criminal Procedure Chapter 102 and Local Government Code Chapters 133 and 134, Commissioners Court orders, and Attorney General Opinions GA-0147 and DM-250. Court costs should be assessed based on offense date and offense type. Inconsistent management oversight related to the implementation of statutory fee changes and clerical error resulted in the under-collection of statutorily required fees.

#### **Recommendation**

##### Fee Compliance

Management should:

- Ensure fee schedule is updated with correct fee amounts per statute.
- Establish written procedures for maintaining the fee schedule and assessing/collecting statutorily required fees

#### **Management Action Plan**

- Manager will establish a written process to ensure that the court costs, fines and fees are assessed per statute and updated in the Odyssey Navigator system.

#### **Auditors Response**

None

### Reversals & Adjustments

A sample review of adjustment and reversal transactions processed during fiscal year 2020 revealed one waiver transaction was backdated; two reverse charges did not have a reason noted in the Odyssey Comment field; two reverse charges were performed by a non-supervisory employee; and department processed a reverse adjustment that was not needed. **Status: A receipt was incorrectly generated in the adjustment till to correct the reverse adjustment.**

Best practices regarding fee reversals and adjustments include requiring formal approval before adjustments are processed to Odyssey. Processing of financial transactions should reflect proper segregation of duties such that users with roles/rights to receipt or void payments should be able to add additional charges, but not modify, reduce, or delete assessments. All corrections should include a complete and valid explanation in the Comment field. Inconsistent management oversight related to adjustments combined with a lack of segregation of duties has resulted in incomplete financial records and increased the potential for revenue loss to Dallas County.

#### **Recommendation**



## Reversals & Adjustments

Management should:

- Limit user roles granting rights to process adjustments and reversals. User access requirements should correspond to least rights necessary to perform core job functions.
- Establish written procedures for adjustments/reversals in order to strengthen the office's internal control. These procedures and the employees' adherence to them in the performance of their work should be periodically reviewed by the appropriate supervisory staff.

### **Management Action Plan**

- After an audit finding, the Court Manager has informed the clerical staff not to backdate in Odyssey Navigator. The Manager reiterated to the clerical staff to adhere to the Best Practices created in April 2018. The clerical staff and bookkeepers are not authorized to perform voids, adjustments, waivers and reversals. The Manager submitted the Odyssey User form to the Service Desk for modifications. (Delete the bookkeepers' Rights to complete Voids and Reversals). The Tech Analyst was unable to delete the Void and Reversal Rights in Odyssey, without removing the Bookkeeper's ability to accept payments. The Management team will perform all reversals, voids, waivers and adjustments with their personal User Names and passwords from their computer. The Court Manager established a Void/Reversal form in 2018. The Court Manager will establish a written process for Adjustments.

### **Auditors Response**

None

## Credit Card

A sample review of 20 credit card transactions and deposits from the Truancy credit card settlement reports revealed one credit card transaction was deposited two or more business days after the settlement date and one credit card transaction was posted to Odyssey 12 days after the settlement date. Specific controls related to the receipting of credit card transactions indicate that all monies received should be promptly receipted and deposited timely in accordance with Local Government Code § 113.022 and the Code of Criminal Procedure § 103.004. Credit card transactions should be recorded to Odyssey on a daily basis. Lack of supervisory oversight related to the credit card process resulted in delayed revenue recognition and inaccurate/incomplete financial records, which may result in duplicate payments from defendants or the unintentional assessment of additional fees to defendants.

### **Recommendation**

Credit Card

Management should:

- Periodically review credit card settlement reports and the corresponding Odyssey entries to ensure credit card amounts are receipted and deposited timely.

### **Management Action Plan**



- The Court Manager will periodically review the credit card settlement reports at the beginning and end of the business day. The Court Manager will implement a process for Supervisors and bookkeepers to review credit card settlement reports before close-out on a daily basis.

### **Auditors Response**

None

## Deposits

A review of all deposits during fiscal year 2020 revealed one credit card deposit in February 2020 was overstated by \$182 due to the department erroneously including the check deposit amount with the credit card deposit. **Status: Department correctly processed a separate check deposit amount for \$182 and the \$182 credit card deposit variance remains unresolved as of June 1, 2021.**

A walkthrough of the County Clerk Truancy cash handling process revealed the bookkeeper receipts all payments, reconciles tills, and prepares 98 deposits and there is no process to ensure all tills are closed/deposited daily or that all credit card transactions have been entered for the day,

Best practices related to the depositing process indicate that all monies received should be promptly receipted and deposited in accordance with Local Government Code § 113.022 and the Code of Criminal Procedure § 103.004. All tills should be reconciled daily and included in an Odyssey deposit through the Odyssey Deposit Management functionality. Inconsistent supervisory oversight, clerical error and a lack of segregation of duties related to the depositing process resulted in delayed revenue recognition and inaccurate and incomplete financial records.

### **Recommendation**

Deposits

Management should:

- Develop closeout and balancing procedures emphasizing that funds are deposited the next business day after receipt and requiring managerial review to ensure tills are closed daily.
- Periodically review system reports and daily work for accuracy and staff compliance to established policies and procedures.
- Separate the duties of receipting, reconciliation and deposit preparation.

### **Management Action Plan**

- The Court Manager will create a process to ensure that tills are closed and deposited daily. The Court Manager will ensure to follow-up with the Treasurer's department for a response regarding errors when assistance has been initiated. The Court Manager has reiterated to the clerical staff to utilize the Best Practices established in April 2018.

### **Auditors Response**

None



## Financial Set Up

A limited review of the Odyssey system financial setup and user access for County Clerk Truancy during fiscal year 2020 revealed one active till associated to a user who was no longer employed in the County Clerk Truancy department. 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. Limited management review of the user access lists 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 user’s accounts. All assigned cashier stations and tills should be de-activated when users are no longer employed in the County Clerk Truancy.
- 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**

- The Court Manager will communicate with the department Manager (Dallas County Information Technology) when the appropriate forms have been completed and submitted and the Tech Analyst are unable to or unwilling to accommodate the needs of the Truancy division.

### **Auditors Response**

None

cc: Darryl Martin, Commissioners Court Administrator