



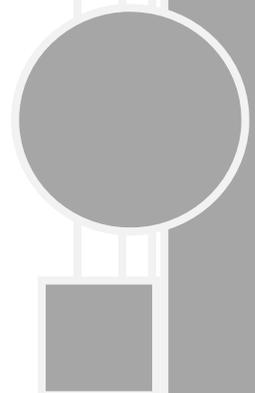
AUDIT REPORT

DALLAS COUNTY

County Clerk Vitals - FY2020 (April 1 - September 30)

Darryl D. Thomas
Dallas County Auditor

ISSUED: 7/12/2021
RELEASED: JULY 12, 2021



County Clerk Vitals - FY2020 (April 1 - September 30)

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 Vitals - FY2020 (April 1 - September 30)" 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 Vitals for fiscal year 2020 (April 1 - September 30) revealed the significant observations listed below:

Summary of Significant Observations

- Cash count identified a \$133 shortage in department's change fund.
 - Management refused to sign cash count form identifying the shortage.

Repeat Observations from Previous Audits

- Deposits received at the Treasurer's Office not matching the system control total
- Non-supervisory employees processing receipt adjustments

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 April 1, 2020 through September 30, 2021.

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

Birth Certificates

A sample review of birth certificates transactions processed during fiscal year 2020 (April-September) revealed one birth certificate search listed twice on the Bureau of Vitals Statistics (BVS) was receipted for one certificate in the Vanguard system; detailed information related to three birth certificates were not listed on the birth log provided by the department; one birth certificate listed on the BVS report one time was receipted for three copies in the Vanguard system; one name listed on the BVS report was not listed on the Birth certificate log or receipted in the Vanguard system. Specific controls related to the issuance of birth certificates indicated that customers are charged for all birth certificate record searches. Employees receipting money should verify that money tendered is accurately receipted prior to providing computer receipts to the customer. Birth certificates searched multiple times due to clerical error may result in a potential loss of \$1.83 per search if amounts are not charged to customers.

Recommendation

Birth Certificates

Management should periodically review employee compliance with established procedures for the issuance of birth certificates.

Management Action Plan

- The state was contacted to remove one record from the list.
- We have reiterated that the manual certificate log is a document of record for birth certificates issued. Although there is a system log, a manual log will continue to be utilized. The supervisor will check manual logs daily/weekly to ensure all certificate paper is captured manually as well as systematically.

Auditors Response

None

Computer Adjustment

A sample review of 15 adjustment transactions processed during fiscal year 2020 (April-September) revealed five adjustments were not performed by supervisory employees. Specific controls related to financial transactions indicate that processing should reflect proper segregation of duties and transaction adjustments should be processed by supervisory employees. A lack of management oversight and incomplete controls over the adjustment process increases the potential that funds could be misappropriated.

Recommendation

Computer Adjustment

Management should:

- Perform adjustments.



DALLAS COUNTY

COUNTY AUDITOR

- Determine the feasibility of establishing roles that prevent non-supervisory personnel from adjusting receipts.
- Establish business processes or system enforced roles that prevents an employee from having the ability to enter and adjust a receipt.

Management Action Plan

No change. The existing process allows for the correction of data entry which has no risk to financial assets.

Auditors Response

None

Cash Management

A cash count completed at the Vitals department on March 15, 2021 revealed the cash change fund of \$500 located in safe is short \$133 and management refused to sign the cash count form which identified the shortage. At the request of the department, the Vitals change fund was increased to \$500 on January 2018 due to the Vitals and Recording sections separating financial duties. However, the staff is unaware of the purpose for the money (change fund) in the safe. A review of cash counts of County Clerk Vitals deposits received at the Treasurer's Office during fiscal year 2020 revealed one deposit totaling \$62 less than the system control total due to check receipted for the numeric amount instead of the legal written amount. **Status:** Customer brought in replacement check to correct the deposit. All monies 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 and checks are receipted for the legal written amount. Lack of management oversight, clerical errors, and inconsistent training related to cash management have resulted in a cash shortage and delays in revenue recognition. This may also result in financial losses to Dallas County for unrecoverable amounts paid for services already rendered.

Recommendation

Cash Management

Management should:

- Establish written procedures for proper cash handling, which emphasize that checks are to be receipted for the written legal amount
- 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.
- Train staff on the purpose, location and amount of the change fund.
- Verify the change funds daily.
- Identify a funding source to reimburse the Vitals change fund for the \$133 cash shortage.



Management Action Plan

Management is in the process of having an "over/short" button set up to allow cashiers to account for any overage or shortage and for funds to be properly accounted for in the new Vanguard system. Management will request that the Vanguard set-up for cashiers in Vitals allow starting funds as part of the reconciliation process to accurately reflect cash on hand for each cashier. Once the Vanguard set-up is complete and tested, Management will make a special deposit to turn over the excess funds to the Treasurer's Office. Management is committed to ensuring that all funds are accurately reported and accounted for.

Auditors Response

None

cc: Darryl Martin, Commissioners Court Administrator