



# AUDIT REPORT

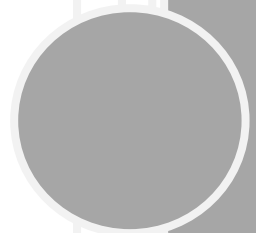
DALLAS COUNTY

SOUTHWESTERN INSTITUTE OF FORENSIC SCIENCE - FY2021

Darryl D. Thomas  
Dallas County Auditor

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# Southwestern Institute of Forensic Science - FY2021

## 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**

Dr. Jeffrey Barnard  
Director of Southwestern Institute of Forensic Sciences  
Dallas, Texas

Attached is the County Auditor's final report entitled "**Southwestern Institute of Forensic Science - FY2021**" 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 the Southwestern Institute of Forensic Sciences (SWIFS) for fiscal year 2021 revealed the following significant observations listed below:

### **Summary of Significant Observations:**

- Per the Oracle Accounts Receivable Report \$74,516.55 (5.34%) of receivables were outstanding more than 90 days.
- Per the manual billings list provided by the department \$1,650, including \$1,180 (71.52%) of receivables were outstanding more than 90 days.

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

- \$1,551.11 in unclaimed funds from fiscal year 2011 had not been transferred to the General Fund.
- Funds were not reconciled against the system receipt control total.
- Receipts were voided and refunded to the payee between two hours and one day after the original receipt was issued due to the District Attorney Civil Division and/or the presiding Justice of the Peace not authorizing the release of records, incomplete homicide requests, or fees not applicable to hospital requests.

**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, 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

**Check, Cash and Deposit Management**

A review of the department's responses to the Internal Control Questionnaire (ICQ) and inquiry of department personnel related to the processing and safeguarding of monies revealed funds were not reconciled against the system receipt control total on a daily basis.

A review of the department's responses to the Internal Control Questionnaire (ICQ) and a walk-through of processes revealed that cash and checks received for homicide records requests that have been received but not deposited were canceled and the original payment returned by mail if approval was not received from the District Attorney Civil Division and/or the presiding Justice of the Peace to release the records, or if a customer requested a refund for a report they no longer require.

Specific controls related to cash management indicate that all monies received should be promptly receipted and deposited consistent with Local Government Code, § 113.022; any unidentified overages should be deposited to the overage/shortage account daily; and funds on hand are reconciled daily to the system receipt control total with evidence of supervisory review. The lack of management oversight and written procedures related to safeguarding of funds increased the potential that money could be lost or misappropriated.

**Recommendation**

Check, Cash and Deposit Management  
Management should:

- Reconcile funds against system control totals and turn all funds on hand to management for safekeeping on a daily basis until the deposit is prepared and submitted.
- Establish written procedures for proper cash handling and reinforce procedures through employee training.
- Funds should be accepted only after approval has been received from appropriate entity.
- Add note to department website and/or cashier location that indicates that funds for homicide requests will only be accepted after approval from the appropriate entity has been granted.

**Management Action Plan**

- Maintain and update as needed written procedures for receipting and deposit management.
- Continue day-of-deposit funds reconciliation against system receipt control totals by each cashier.
- Implement day-of-receipting Drawer Balance Report generation and reconciliation with funds received that day.



- Work with the Civil Division to improve management of PIA requests and department processes in a manner that is consistent with State law and County financial policies.

### **Auditors Response**

None

## **Computer Receipt Cancellations**

A review of all 22 County Wide Receipting (CWR) computer receipts cancelled during fiscal year 2021 revealed seven receipts were cancelled between 30 minutes and two days after the original receipts were issued due to wrong tender type, incorrect amount or item selected when receipting. Additionally, 11 receipts were cancelled and refunded to the payee between two hours and one day after the original receipt was issued due to the District Attorney Civil Division and/or presiding Justice of the Peace not authorizing the release of records, incomplete homicide request or fees not applicable to a hospital request.

All monies received should be promptly receipted and deposited properly, and timely in accordance with LGC § 113.022; and receipts should be properly voided with a reason for the void recorded to the computer system. Clerical error, inconsistent management oversight, and incomplete controls over receipting payments for the released of homicide records has resulted in inaccurate financial records and increased the potential that funds may be lost or misappropriated.

### **Recommendation**

Computer Receipt Cancellations  
Management should:

- Re-train employees to review payments including tender types, amounts, and check details prior to processing a transaction.
- Ensure cancellations are processed timely.
- Not accept funds nor hold funds while approval to release records is pending. Funds should be accepted only after approval has been received from appropriate entity.
- Add note to department website and/or cashier location that indicates that funds for homicide requests will only be accepted after approval from the appropriate entity has been granted.
- Immediately deposit or return funds received through mail for homicide record requests that have not been approved.

### **Management Action Plan**

- Continue routine management monitoring of voids and review/performance of cancellations.
- Work with the Civil Division to improve management of PIA requests and department processes in a manner that is consistent with State law and County financial policies.

### **Auditors Response**

None



## Paupers Escrow

A review of the Deceased Pauper's Escrow Account as of December 2, 2022 for funds removed from persons cremated under the Dallas County Indigent and Unclaimed Disposition Program revealed there were \$1,551.11 in unclaimed funds from fiscal year 2011 that had not been transferred to the General Fund and indigent funds collected after the last deposit on June 10, 2019 have not been deposited with the County Treasurer's office.

Per Health and Safety Code Sec. 694.002, if a county discovers cash in the possession of a deceased pauper, a county may use the cash to pay the actual costs incurred by the county in disposing of the pauper's body. If any cash remains after the county has paid the costs of disposing of the body, the county shall place the cash in trust. A person having a claim to the money in trust must exercise the right to collect the money not later than the first anniversary of the date of disposition of the pauper's body. A county may create a fund to be used by the county to pay the costs incurred in disposing of the bodies of deceased paupers and administering the county's body disposition activities. If money placed in a trust is not claimed by the first anniversary of the date of disposition of the pauper's body, the county may transfer the money to the fund created under this subsection.

*SWIFS County Disposition Property Policy and Procedures* further emphasize the requirements of Health and Safety Code Sec 694.002, which indicates that any cash remaining after removal of county cremation expenses is to be released to the next kin. If there is no family, then the cash is considered unclaimed. The cash is to be held in trust for one year, if needed. If no family has been identified or family has not claimed the money after one year, the remaining cash will be transferred into the General Fund to cover costs incurred for future county cremations.

Per Local Government Code, § 113.022, a county officer or other person who receives money shall deposit the money with the county treasurer on or before the next regular business day after the date on which the money is received. If this deadline cannot be met, the officer or person must deposit the money, without exception, on or before the fifth business day after the day on which the money is received.

Non-adherence to department's written procedures as it relates to the transfer of unclaimed funds from escrow to the General Fund resulted in a delay in the utilization of funds to offset Dallas County's costs for indigent disposition. In addition, funds not deposited timely to the escrow account during the one year holding period may result in the unavailability of funds to distribute to the deceased persons family members upon request and increases the risks that funds may be lost or misappropriated.

### **Recommendation**

Paupers Escrow

Management should ensure funds are recognized and deposited to the escrow account in a timely manner and then transferred to the General Fund if unclaimed after one year.

### **Management Action Plan**

- Request for Journal Entry to transfer \$1,551.11 from 532.0.21584 to 120.3312.48120 was submitted on February 23, 2023.





- Unclaimed decedent property (including cash and coin) held since the last transfer in 2019 was released to the Purchasing Department on December 5 and 6, 2022.
- Updates to County Disposition Property Policy and Procedure underway.
- New position, Program Coordinator II (Decedent Affairs Coordinator), onboarded in August 2022 dedicated to administration of the County unclaimed decedent program.

### **Auditors Response**

None

### **Outstanding Receivables**

A review of Southwestern Institute of Forensic Sciences (SWIFS) accounts receivables as of August 4, 2022 revealed the Oracle Accounts Receivable Report had a total outstanding balance of \$1,394,295.15 including \$74,516.55 (5.34%) of receivables that were outstanding more than 90 days. The manual billings list provided by the department had an outstanding balance of \$1,650, including \$1,180 (71.52%) of receivables that were outstanding more than 90 days.

In accordance with Commissioner Court Order No. 2000-039, user departments are responsible for collecting overdue invoices. Statutory limitations associated with suspending service on delinquent accounts to collect past due receivables and changes in the interpretation of statutes related to cremation permits issued prior to 2011 have resulted in receivable balances that have been outstanding more than 90 days. This has increased the potential for losses to Dallas County for uncollectible amounts due on services already rendered.

### **Recommendation**

Outstanding Receivables

Management should:

- Develop high-level corrective action plan, assignments, and periodic follow-up to address outstanding receivables.
- Seek guidance from the District Attorney's Civil Division regarding statutory authority to write-off the uncollectible receivables.
- Continue researching old outstanding items and notifying respective customers in writing of the balances due.
- Determine threshold for referring uncollectible accounts to the District Attorney Civil Division or a third party collector.

### **Management Action Plan**

- Management has a written collection plan, assignments, and periodic follow-up to address outstanding receivables.
- Pay-in-advance required for severely delinquent funeral home customers.
- Legal and financial officer review of old/unrecoverable past due amounts is under discussion as part of the Oracle Fusion transition.

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- SWIFS management is working with IT to implement a pay-in-advance system for cremation certificate issuance. SWIFS recommends adding credit cards to the payment forms accepted by SWIFS, specifically remote payment by credit card.

**Auditors Response**

None

cc: Darryl Martin, Commissioners Court Administrator