



AUDIT REPORT

DALLAS COUNTY

COUNTY CLERK PROPERTY INVENTORY - FY2023

Wessen B. Stefanos

First Assistant County Auditor

ISSUED: 7/18/2023

RELEASED: SEPTEMBER 6, 2023

County Clerk Property Inventory - FY2023

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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 Property Inventory - FY2023**" 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,

A handwritten signature in black ink, appearing to read "Wessen B. Stefanos".

Wessen B. Stefanos
First Assistant County Auditor

EXECUTIVE SUMMARY

A physical inventory of capital property assigned to the County Clerk was performed on June 7, 2023. The review did not identify any significant observations.

Summary of Significant Observations:

- None identified

Repeat Observations from Previous Audits:

- Property inventory could not be determined.
- Property inventory is located at a different location than what is listed on the Fixed Asset Report.
- Department did not have written procedures for property inventory.

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 covers property that was assigned to the department as of June 5, 2023.

The audit procedures may include interviews with key process owners, observation of departmental processes, physical count of a sample of property items valued \$5,000 or more, and data analysis and sample testing of computer property items valued less than \$5,000. The main system used may also be reviewed and incorporated as part of the testing of transactions.

**DETAILS****Asset Inventory and Internal Control Review**

A review of the Oracle Fixed Asset Report for fiscal year 2023 and inquiry of County Clerk personnel revealed three property items totaling \$63,773.25 were listed on the report with the incorrect location, this includes two items totaling \$40,273.25 which could not be determined to be the property items listed on the report. A review of the Internal Control Questionnaire (ICQ) dated June 12, 2023, revealed assets assigned to the department are not accounted for and included on any separate log that is maintained by the department; the department does not have written procedures to accurately account for Dallas County property and equipment items when moving them within the department; the department does not investigate un-located assets, document findings, or take appropriate action; and physical assets are not protected from theft.

Per Dallas County Code Section 90-313 (6), it is the sole responsibility of the elected official/department head to which property is assigned to maintain a proper accounting of all property through proper inventory records. Per Dallas County Code Section 90.373, all department heads and elected officials are responsible for maintaining property assigned to their department, proper inventory records, and making appropriate reports as required. Lack of management review of processes related to property inventory tracking, including the lack of submission of P280 forms for assets retired or no longer in the department, and no written property and equipment procedures have resulted in incomplete/inaccurate property inventory records, loss of accounting trail, and increased potential for misuse of property inventory.

Recommendation

Asset Inventory Review

County Clerk management should:

- Contact the Financial Audit section to update the Oracle Fixed Asset Inventory list to reflect current property.
- Perform an annual inventory review and report any discrepancies to Financial Audit.
- Maintain an accurate property inventory list.
- Develop and implement written property inventory procedures that include check points for theft and updates.
- Submit a request for Commissioners Court approval to delete items that cannot be located.



Management Action Plan

- The Office Manager will contact the Financial Audit section to update the Oracle Fixed Asset Module list to reflect current property.
- Perform an annual inventory review and report any discrepancies to Financial Audit.
- Maintain an accurate property inventory list.
- Develop and implement written property inventory procedures that include check points for theft and updates.

Auditors Response

- None

cc: Darryl Martin, Commissioners Court Administrator