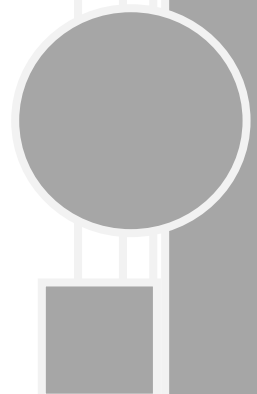




# AUDIT REPORT

DALLAS COUNTY  
Juvenile Department - FY2020

Darryl D. Thomas  
Dallas County Auditor  
ISSUED: 8/9/2022  
RELEASED: OCTOBER 24, 2022



# Juvenile Department - 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**

Mr. Darryl Beatty  
Executive Director of Juvenile Services  
Dallas, Texas

Attached is the County Auditor's final report entitled "Juvenile Department - 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

Review of Juvenile Department for fiscal year 2020 revealed the significant observations listed below:

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

- Two instances where a total amount of \$27.01 were missing from the Juvenile belongings that were stored in the Central and/or Property room.
- \$320 bills with the word replica noted on them were counted as real US currency and included as currency on the resident property sheet.
- Check payments totaling \$282,400 were not receipted and deposited in a timely manner due to department sending checks to Auditor's office via interoffice mail to be processed.

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

- None identified

**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

**National School Lunch Program**

A reconciliation of May 2020 Daily Participation Worksheets (number of meals served) and meal sign-in sheets (meals received) for all five juvenile facilities revealed 16 days of meal sign-in sheets were incomplete or not provided by the Detention Center; 11 daily participation worksheets (DPW) for dinner were missing at the Detention Center; and 10 occasions where the Detention Center's meal sign-in sheets and daily participation worksheets did not match. Letot RTC meal sheets for the month of May were not provided by department; 11 days of the daily participation worksheets for dinner were not provided by Letot RTC; Hill Center's meal sign-in sheet and daily participation worksheet did not match for any day of the month; 12 days of the Medlock Center's meal sign in sheets and daily participation worksheets for dinner did not match; and 11 days of the Youth Village's meal sign-in sheets and daily participation worksheets for dinner did not match.

All daily log meal sign-in sheets are to be verified, dated, and signed by facility staff or designee for recording after each meal is received. Accounting control procedures require reconciliation and comparison of financial and statistical calculations to supporting documentation. Lack of management oversight over the verification and reconciliation of meal counts could result in inaccurate counts for the federal program.

**Recommendation**

National School Lunch Program

Management should:

- Ensure that staff take accurate meal counts at the point of service
- Re-train staff how to properly complete sign-in and daily participation sheets to document the counts of meals served daily.
- Review and reconcile meal sign-in sheets and daily participation sheets to reflect accurate counts.

**Management Action Plan**

- In reviewing the findings, the Department has reviewed missing dinner worksheets and believe this is due to non-school days, weekends and holidays not being counted. After review of the month May 2020, all sheets were accounted for at all locations. However, there were missing sheets during upload: Hill center, information given previously was incorrect, updated sheets will be sent by the facility. Letot RTC meal sheets for May were also missed during the upload but can be provided as well. To further explain the policy for USDA, we can send the policy that notates what days to count.

**Auditors Response**

- None



### **Delayed in Receipting Contract Juvenile Beds Payment**

The Juvenile Department contracts out pre-adjudication detention beds to other Texas counties. Payments are received and the check stubs are date stamped by the department. The Juvenile Department send the payments to the Auditor's Office to be receipted and deposited in Class Wide Receipt (CWR).

A review of 58 checks received for Juvenile bed contract payments and comparing the check date received at the Juvenile Department to the date receipted by the Auditor's Office revealed that 45 checks totaling \$285,620 were receipted between four to 18 business days after being received; five check payments were not date stamped when received at the Juvenile Department; and checks are sent thru interoffice mail to Auditor's office.

All monies received should be promptly receipted and deposited consistent with Local Government, § 113.022. The lack of access to a computerized system has resulted in delayed revenue recognition and increased the potential that funds may be lost or misappropriated.

#### **Recommendation**

Delayed in Receipting Contract Juvenile Beds Payment  
Management should:

- Request access to the County Wide Receipting System (CWR) to receipt monies received by the department.
- Deliver checks directly to responsible person in the Auditor's Office.

#### **Management Action Plan**

- The Juvenile Department will review the system again and industry practice that will work best for the operations when completing checks and balances for our Contracted Bed revenue. When the system was previously reviewed, it did not provide what was needed to track operationally. However, we look forward to Oracle Fusion and if this will bring a more modern approach to the receipting system.

#### **Auditors Response**

- None

### **Capital Fixed Asset Inventory**

During a sample review of capital assets during fiscal year 2020, all seven items selected were not located at several Juvenile locations. Inquiry with the department revealed an inventory list is not maintained.



Per Dallas County Code Sec. 90-313, "it is the 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 sec. 90-471, "it is the policy of the commissioners court that all property is properly identified by property number, description and location, and that the inventory policy of this division is implemented in order to standardize procedures in instances of theft/loss of any property assigned to the various departments."

Per Juvenile Policy and Procedures regarding inventory and the handling of departmental property, the Business Manager, Program Manager or designee is responsible for maintaining an ongoing property inventory listing; for inventorying all storerooms and reporting all findings to the Superintendent at least annually; and for submitting written request to remove or replace an item if it's no longer needed by the facility, or it's determined to be obsolete or damaged beyond repair.

Due to the department not following inventory procedures and fixed asset module not being updated increases, the risk of undetected losses or misappropriation of inventory and inaccurate/incomplete financial records.

### **Recommendation**

Capital Fixed Asset Report

Management should:

- Establish and record inventory records in a timely manner.
- Perform at least yearly inventory of department's capital assets.
- Use a formal process to identify and remove obsolete items from Dallas County Fixed Asset Module.

### **Management Action Plan**

- The Juvenile Department has maintained asset recording through the Purchasing Department using the County approved vendor RCI. Per the policy stated, the County implemented a standardized process to maintain the County inventory. Updated inventory information was requested by the Department from Purchasing and the Department found the list provided during the audit had not been updated since the electronic system provided by the County. The Department will review new systems needed to prevent manual inventory processes.

### **Auditors Response**

- The Department should be aware that going forward the Juvenile department needs to maintain a separate property list. Purchasing is not maintaining assets any longer and RCI is not a vendor being used any longer.





### Juvenile Personal Property

During the inventory review and observation of the resident's valuables kept in each of the Dallas County Juvenile Department Facilities revealed one property sheet from the Medlock Center is missing the residents signature; Letot Center has in their possession a total amount of two dollars, electronics and jewelry belonging to four residents that are no longer with the facility; and Letot Center has medicine bottles in the safe that were left behind from previous residents that are no longer with the facility.

During the inventory review and observation of the resident's valuables conducted at the Detention Center revealed six resident property forms with \$10 or more recorded was not signed by a supervisor; the central control safe at the Detention Center has in their possession a total amount of \$772.03 belonging to five residents no longer with the facility; and five resident funds did not match the amount written on the property sheet for a total of \$1.17 due to monetary change from different countries were counted as United States currency, change was missing from the resident funds, and mathematical errors. Two instances where a total amount of \$27.01 were missing from the Juvenile belongings that were stored in the Central and/or Property room; one resident was missing \$6.01 from what was recorded on the property sheet and what was actually counted; and a resident property sheet noted \$21, however, the funds were not located either in the safe or in the property room by staff. **Status:** Assistant Superintendent emailed on April 04, 2020, informing Internal Audit that District Attorney has been notified and the department will be completing an Accident Claims form. **Also,** \$320 bills with the word replica noted on them were counted as real US currency and included as currency on the resident property sheet. **Status:** The Assistant Superintendent took the replica money to the resident and inform resident of the finding. The resident stated he or she was aware that money was replica. The replica money will be stored with resident clothing and be release when he leaves the facility.

Per Juvenile Department Facilities Policies and Procedure Manuals, all resident monies and valuables shall be counted by two staff members. Those two members shall sign the Property Inventory/Release Form verifying receipt. Monies over \$10 shall also be counted by the supervisor per department property sheet. For property and clothing left behind, the property clerk will notify a parent/guardian in writing, by way of certified letter, or by phone. Property items valued equal to or less than \$200 not picked up within 30 days will be given to charity. Items valued over \$200 will be stored in the Detention Center for three years. If any items are not picked up in this time period, they may be sent to Comptroller of the Public Account.

Inconsistent management oversight could potentially result in Dallas County being liable for loss of resident funds and increases the opportunity of the resident's funds to be misplaced, lost, or stolen. Clerical errors may cause inaccurate and/or misstated currency totals being listed on property sheets.

#### **Recommendation**

Juvenile Personal Property

Management should:



- Implement counterfeit detection controls to identify bills prior to being recorded as juvenile funds.
- Establish written procedures for processing claims for loss or stolen juvenile property.
- Limit access to property rooms to only supervisory personnel.
- Verify currency amount written on property sheets to actual amount on hand.
- Properly dispose of non-resident's property on a timely basis.

### **Management Action Plan**

- The Juvenile Department will review the current process/practice/policy and have updated training and/or policy change by the end of January 2023.

### **Auditors Response**

- None

## **GPS Vehicle Records**

A sample review of the August 2020 vehicle log for Detention Center against the GPS Insight Report revealed nine dates and times were missing from the vehicle logs that reflected activity on the GPS Insight Report for three vehicles; and five days could not be verified in the Detention Trip Log due to missing times and dates. Per best practices related to vehicle usage, agencies should outline what data elements are required to be logged by employees utilizing department vehicles. A lack of supervision and monitoring have increased internal control risk regarding the use of Dallas County vehicles due to inaccurate and incomplete information of vehicle logs.

### **Recommendation**

GPS Vehicle Records

Management should ensure:

- Accurate and complete written vehicle records are maintained, including but not limited to time and date of vehicle usage.
- Weekly or monthly reviews and sign offs are performed for the vehicle logs.

### **Management Action Plan**

- We are looking to streamline all facilities with one form to check in/out a department vehicle and properly track the location of the vehicle. With streamlining the process, we believe we will be able to minimize errors in documentation and tracking. We will also request access to the GPS tracking reporting system to complete checks and balances at all locations. The department should have a full review and a streamlined process by the end of November.

### **Auditors Response**

- None

**DALLAS COUNTY**



**COUNTY AUDITOR**

cc: Darryl Martin, Commissioners Court Administrator