

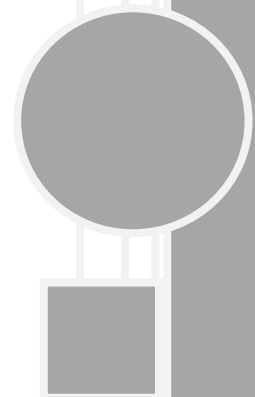


# AUDIT REPORT

DALLAS COUNTY

ASC TIRES - SHERIFF'S TRAFFIC DIVISION'S

Darryl D. Thomas  
Dallas County Auditor  
ISSUED: February 21, 2018  
RELEASED: March 20, 2018



# ASC TIRES - SHERIFF'S TRAFFIC DIVISION'S

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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**

Dallas, Texas

Attached is the County Auditor's final report entitled "**ASC Tires - Sheriff's Traffic Division's**" Report. In order to reduce paper usage, a hard copy will not be sent through in-house mail except to the auditee.

If 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 blue ink that reads "Darryl D. Thomas". The signature is written in a cursive style with a long horizontal flourish at the end.

Darryl D. Thomas  
County Auditor

## **EXECUTIVE SUMMARY**

On November 2, 2017 the fiscal year 2017 Automotive Service Center (ASC) Inventory Report was released to the department; citing that 348 tires totaling \$36,306.45 were charged to Sheriff Patrol code (FD000) without allocation to a specific vehicle. These tires are issued to the Sheriff's Traffic Division in bulk and stored at 7201 S. Polk Street.

A follow up review was performed on the internal controls and procedures for assigning and storing tires at the Sheriff's Traffic Division as of February 2, 2018. Bulk tires were last issued to the Sheriff Traffic Division under patrol code FD000 on October 18, 2017. Since this date the division implemented a new procedure, at the recommendation of internal audit, where deputies document each flat tire incident and receipt of a replacement tire on an ASC Service Request form. The Service Request form lists the date, driver name, vehicle number, part description, quantity, driver signature acknowledging receipt of replacement parts from inventory, and the signature of from the inventory control personnel at ASC. This procedure was observed in practice during fieldwork; however, additional operational findings were identified.

The report is intended for the information and use of the department. While we have reviewed internal controls and procedures, 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 and regulations applicable to the department.

Consideration of all issues and weaknesses should be incorporated as a self-assessment tool. Adherence to and follow-through with the recommendations should improve internal control and compliance with Dallas County policies and procedures and state statutes.

## 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. Review controls over safeguarding of assets

Review procedures included but were not limited to:

- Examination of Dallas County Policies and the ASC Driver's Handbook
- A walk-through of the Sheriff's Traffic Division and ASC's flat tire procedures and work flow.
- Inquiry with ASC, Sheriff Fiscal, and Sheriff Traffic division personnel.
- Observation and assessment of tire inventory with the Sheriff's Traffic Division and ASC.
- Review of tires issued to vehicle FD000 since October 1, 2017 in ASC's Faster Inventory System.

## DETAILS

### **Physical Access**

The Conex shipping crate, where spare tires are stored, is left unlocked at all times despite the presence of a combination lock hanging from on the crate door. Access to the crate is unrestricted and unsupervised. The risk associated with operating open and unsecured storerooms is that anyone can take an item without recourse; leading to a misappropriation of assets, shrinkage, and the expensive replacement for tires. It was observed that Conex shipping crate is located inside the Sheriff Office Traffic Division parking lot, surrounded by high razor wire fencing and accessible by law enforcement personnel (including Constable Pct. 1 deputies) with key card access to the gate.

### **Recommendation**

#### **New Recommendation**

The Conex shipping crate should be locked at all times. Access to the shipping crate should be restricted by a lock with a key in the custody of the shift supervisor or assigned designee. It is incumbent on Sheriff's Office staff to ensure that adequate controls exist over the tire stock to prevent the loss of county property.

### **Management Action Plan**

We agree that the unit should be secured. However, we do want to note our feasible means of addressing this issue and also provide you with feedback on how the full recommendation can hinder our operations as well. A combination lock for the assigned Deputies and Supervisors at the Hill Station should suffice in keeping the Conex shipping crate secure. If proper procedures are being followed and a down sheet is being filled out with each flat tire then there should not be a need to have a supervisor report to the Hill each time a Deputy needs to switch out a flat tire.

### **Auditors Response**

None

### **No written Spare Tire SOP**

There is not a written spare tire SOP for obtaining, assigning, recording, and managing tire inventories.

### **Recommendation**

#### **Create a Spare Tire SOP**

Management should create a spare tire SOP that documents the procedures for storing, assigning, and managing spare tire inventories in possession of the division. The SOP should clearly describe staff responsibilities and duties. It should also indicate when staff should request a tire from the Conex shipping crate and when staff should go to ASC for a replacement tire. The department should strive to ensure all current and new staff consistently follow the SOP by periodically reviewing its success and communicating following up in incidents of non-compliance.

### **Management Action Plan**

We agree with your Recommendation.

**Auditors Response**

None

**Security Monitoring**

Activities in the Sheriff Traffic Division parking lot are not monitored.

**Recommendation**

**Surveillance System**

Consider installing a surveillance system positioned to record and store surveillance of the parking lot, the gate, and the Conex shipping crate. The use of cameras may deter personnel from misappropriating assets and also detect such occurrences. Also, create security camera procedures to identify who is responsible for maintaining the security systems.

**Management Action Plan**

We agree with your Recommendation. This will be considered during budgetary review.

**Auditors Response**

None

**No Management Review**

Deputies swap out flat tires for new tires stored in the Conex shipping crate, but management does not review the Service Request form before it and the flat tire are transported to ASC for replacement. Without a formal review process management may not know when each flat occurs, how each flat occurred, and who received a new spare tire.

**Recommendation**

**Document Management Review**

Management should be review and sign each Service Request form before they are forwarded with the flat tire to ASC for replacement. This ensures that management knows which employees report flat tires, how the flat occurred, and the frequency that flats occur. Management should consider these factors and other key performance indicators from GPS and Fleet Inventory reports to reduce the occurrence of flats and promote safe driving.

**Management Action Plan**

We agree with your recommendation that tighter review and controls should be in place in monitoring the property. However, please note that the Radio room is notified when a squad car has a mechanical problem and/or flat tire because the squad is unable to respond to calls at that time. Other means of control will be explored to further enhance maintaining this property.

**Auditors Response**

None

cc: Darryl Martin, Commissioners Court Administrator