



AUDIT REPORT

DALLAS COUNTY

JUVENILE DEPARTMENT - FY 2022

Wendwessen Stefanos, CPA
First Assistant County Auditor

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Juvenile Department - FY 2022

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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

Darryl Beatty
Executive Director of Juvenile Services
Dallas, Texas

Attached is the County Auditor's final report entitled "**Juvenile Department - FY 2022**" Report. In order to reduce paper usage, a hard copy will not be sent through in-house mail.

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,

wessen Stefanos

Wendwessen Stefanos, CPA
First Assistant County Auditor

EXECUTIVE SUMMARY

Review of the Juvenile Department for fiscal year 2022 revealed the significant observations listed below:

Summary of Significant Observations:

- **Juvenile Personal Property:**
 - A total amount of \$268 in funds was missing from the residents' belongings that were stored in the central control safe. There is an increased risk of funds being misplaced, lost, or stolen resulting in Dallas County being liable for lost property.

Repeat Observations from Previous Audits:

- **Collection/Billings- Juvenile Bed Contract:**
 - Check payments totaling \$162,908 were receipted between six to 10 business days after being received.
- **National School Lunch Program:**
 - The days on the meal sign-in sheets and the daily participation worksheets did not match.
- **Juvenile Personal Property:**
 - Funds on hand did not match the amount written on the property sheet.
 - The department had property in their possession belonging to residents no longer with the facility.
 - Residents' property forms were not signed by a supervisor consistently.

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, 2021 through September 30, 2022.

The audit procedures may have included interviews with key process owners, observation of transactions processing, data analysis and sample testing of transactions. The main system used may have been reviewed and incorporated as part of the testing of transactions.

**DETAILS****National School Lunch Program****Criteria**

Per the Juvenile Department's procedures related to the National School Lunch Program:

- Support service staff submit the completed Daily Participation Worksheets to the business manager or designee for recording after each meal.
- Meal sign-in sheets are counted and signed by facility staff where an actual head count of the residents shall be determined at the time meal is received.

Standard internal control procedures require that 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.

Review

A comparison of the month of September 2022 Daily Participation Worksheets (number of meals served) to the daily meal sign-in sheets (meals received) for all five juvenile facilities revealed:

Letot RTC

- Five days of the meal sign-in sheets and daily participation worksheets for breakfast and dinner did not match.
- Four days of the meal sign-in sheets and daily participation worksheets for lunch did not match.

Letot Center

- One day of the meal sign-in sheets and daily participation worksheets for lunch did not match.
- Three days of the meal sign-in sheets and daily participation worksheets for dinner did not match.

The meal sign-in sheets and the daily participation worksheets related to the Detention Center, Hill Center and Post Programs meal sheets were not reviewed. The department did not provide the following requested documentation:

- Meal sign-in sheets for the month of September 2022.
- Daily participation worksheet for the month of September 2022.



- The National School Lunch Program's Reimbursement Summary report for the month of September 2022.

Cause/Effect

This was due to inconsistent management oversight and training related to the verification and reconciliation of the meal count worksheets.

This has resulted in inaccurate counts being recorded on the daily participation worksheets.

Recommendation

National School Lunch Program

- Management should review and reconcile meal sign-in and daily participation sheets to reflect accurate counts.

Management Action Plan

- In response to the findings:
 - Letot plans to implement the meal sheets currently used by Detention (generated by JCMS) with some requested modifications for Residential Services operations. It is essential to ensure that any changes to these documents are approved to maintain compliance with USDA standards.
 - The documents from Detention/Hill Center and the Post program have been prepared and delivered for the scheduled in-person audit review earlier this year. These documents remain available for in-person review only.

Auditor's Response

- None

Collection/Billings- Juvenile Bed Contract

Criteria

Per Local Government, §113.022, all monies received should be promptly receipted and deposited 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 money must be deposited without exception on or before the fifth business day after the day on which the money is received.

Review

A review of all 58 checks totaling \$490,832 received in FY2022 for juvenile bed contract payments from 13 counties and compared to the date the checks were received at the Juvenile Department and the date the checks were receipted by the Auditor's Office revealed:



- 21 checks totaling \$162,908 were receipted between six to 10 business days after being received.

Status: As of February 2023, the Juvenile Department has access to county-wide receipting (CWR) and has started receipting their own payments.

Cause/Effect

This was due to the department not having access to CWR.

This has resulted in delayed revenue recognition and increases the risk that funds may be lost or misappropriated.

Recommendation

Collection/Billings- Juvenile Bed Contract

Management should:

- Establish written policies and procedures for the receipting and depositing of funds.
- Ensure funds are deposited timely.

Management Action Plan

- The department agrees with the status update on this finding.

Auditor's Response

- None

Juvenile Personal Property

Criteria

The Juvenile Department's policies and procedures manual states:

- All monies and valuables shall be counted by two staff members. Those two staff members shall sign the Property Inventory/Release Form verifying receipt.
- For property and clothing left behind, the property clerk will notify a parent/guardian in writing, by way of a 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 the Comptroller of the Public Account Unclaimed Property section.



Per the Property Inventory/Release Form, monies over \$10 shall also be counted by the supervisor.

Review

An inventory review of all 58 bags of the residents' valuables stored in the safe at the juvenile detention centers revealed:

Youth Village

- One resident's funds totaling \$141.61 were located at the Detention/Post Program while their other belongings were located at the Youth Village Center.

Henry Wade Juvenile Justice Detention/Post Program

- One property sheet is missing the resident's and supervisor's signatures.
- Four residents' property forms with \$10 or more recorded were not signed by a supervisor.
- The central control safe at the Detention Center contains \$644.73 in funds associated with 12 residents no longer at the facility.
- The central control safe contained \$19 in found money associated with unidentified residents.
- Six residents' funds did not match the amount written on the property sheets for a total variance of \$369.14 due to:
 - Money being missing from the residents' belongings.
 - Mathematical errors when the staff added funds.
- A total of \$268 in funds was missing from the residents' belongings that were stored in the central control safe during the audit visit conducted on January 18, 2024.
 - One resident's property sheet noted \$96.00. However, the funds were not located.
 - The funds on hand for one resident was missing \$133 less than the amount that was recorded on the property sheet.
 - One resident's property sheet noted \$39.00. However, the funds were not located.

Status: The Detention Center staff located the funds on January 19, 2024 in the central control safe.

A review of responses to the internal control questionnaire provided by the Detention Center staff revealed:



- There have been mysterious disappearances of assets or theft during the last three years.
 - On May 12, 2023, the assistant superintendent discovered that all property located in the central control safe was missing.

Status: Per email from department, the incident was reported to Dallas County Marshal's Office and an investigation was completed.

Cause/Effect

This was due to inconsistent management oversight and clerical errors made by staff. As a result, resident's funds are being misplaced, lost, or stolen which increases the risk for Dallas County to be liable for the lost property.

Recommendation

Juvenile Personal Property

Management should:

- Establish written procedures for processing claims for loss or stolen juvenile property.
- Limit access to property rooms and safes to only supervisory personnel.
- Periodically, verify currency amount written on property sheets to actual amount on hand.
- Update the property sheets in accordance with the policies and procedures that are currently in place.
- Properly dispose of nonresidents' property on a timely basis.

Management Action Plan

- In 2023, several incidents were reported and investigated by the Dallas County Marshal's office. Due to these reports, the department's Budget Office initiated a process improvement workshop using Lean Six Sigma methods at all locations to determine the cause and identify solutions. Several solutions emerged from these workshops, including a rewrite of the property policy, the introduction of a Property unit, and updated security measures across all locations. The project has been ongoing since August 2023.

Auditor's Response

- None

cc: Darryl Martin, Commissioners Court Administrator