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Lynn Hadnot
Executive Director of Juvenile Services
Dallas, Texas

RE: FINAL AUDIT REPORT Juvenile Department - FY2024

The Dallas County Auditor's Office Internal Audit Division performed procedures for the period of October 1, 2023, through September 30, 2024.

The objectives of the engagement were to determine whether:

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

Overall Results

A review of the Juvenile Department for fiscal year 2024 revealed the department is not in compliance with Texas Property Codes 72, 74, and 76 as it relates to personal property that remains after a resident's release date. Additionally, more safeguards are needed to secure personal property.

We appreciate the cooperation of the department and the staff during our review. 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,

Timothy Hicks

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ISSUED: 4/28/2025
RELEASED: MAY 21, 2025

REPORTABLE FINDINGS

ISS.25-Juvenile-43.01 Collection/Billings- Juvenile Bed Contract:

A review of all checks for juvenile beds received in fiscal year 2024 revealed one check totaling \$12,000 (13.3%) was receipted eight business days after being received.

Suggested Actions

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

Management Action Plan

As of May 2025, the department has issued instructions stating all checks received by another division within the department through the mail must be promptly forwarded to the Juvenile Budget Division to ensure proper handling and accurate processing of payments.

ISS.25-Juvenile-43.02 Juvenile Personal Property:

A review of all bags containing residents' personal property revealed \$808 remained in the safe between 105 and 634 days after the residents' release dates. The department did not send certified letters to the parents/guardians notifying them of the property. In addition, a personal property log was not maintained to track the property, including currency, stored inside the safe.

Status: The department created a binder with property sheets to match the current contents of the safe.

Suggested Actions

- Deposit any funds that remain after a resident's release date.
- Escheat all eligible funds and personal property to the Texas State Comptroller's Office per the Texas Property Code.
- Establish written procedures that comply with Texas Property Codes 72, 74, and 76.
- Maintain a property log for the items in the safe. Periodically verify contents in the safe match what is listed on property log.

Management Action Plan

The department is currently implementing the following changes to the Property Unit:

- Centralized Property Storage: To improve accountability, resident property from all detention centers, except one facility, will be centralized at one of the detention centers. However, the one facility will follow the same procedures and have the same oversight as

REPORTABLE FINDINGS

established at the centralized Property Unit. The centralized property storage room will be reconfigured to properly store all items, with development of enhanced security protocols.

- **Unclaimed Property Transfer:** All residential facilities must log and transfer unclaimed property to the centralized Property Unit. Also, under the supervision of the Compliance Division, the Property Unit will ensure all items are properly recorded, parents are appropriately notified regarding unclaimed property, and all transfers are conducted in accordance with the Texas State Code.
- **Compliance Division Oversight:** The Compliance Division has assumed oversight of the Property Unit. This responsibility will include, but not limited to, developing and revising policies and procedures, conducting monthly audits, ensuring accurate entry of items into County system, developing a new system page to assist in streamlining documentation of property intake and release in addition to property reports, and enforcing proper handling and communication of property and unclaimed items in accordance with the Texas State Code.

cc: Darryl Martin, Commissioners Court Administration