



AUDIT REPORT

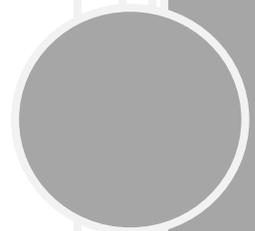
DALLAS COUNTY

MARSHAL SERVICE PROPERTY INVENTORY FY2023 (SPECIAL AUDIT)

Darryl D. Thomas
Dallas County Auditor

ISSUED: 6/14/2023

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Marshal Service Property Inventory FY2023 (Special Audit)

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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. Robert De Los Santos
Fire Marshal
Dallas, Texas

Attached is the County Auditor's final report entitled "**Marshal Service Property Inventory FY2023 (Special Audit)**" 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

A review was performed of the County Marshal Services abandoned property and evidence items. An observation of the physical inventory was completed on December 29, 2022. Internal control weaknesses which need consideration by management are:

Summary of Significant Observations:

- Complete inventory of the book-in and property room evidence, abandoned, and unclaimed property items has not been performed periodically.
- Cash totaling \$2,055.78 was found in the department that had not been deposited.
- Items observed in the property room were not listed in the Property/Evidence inventory log book.
- Property/evidence is kept in a secure Book-in room; however, the keys to access the room and lock boxes could not be located. **STATUS:** Property and Book-In rooms were rekeyed by facilities. Replacement keys were provided and secured by the Assistant Chief.

Repeat observations from Previous Audits:

- Inventory of the property room not periodically performed.
- Funds not being deposited to a non-interest bearing account pending disposition.

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 review covers the property items that were considered abandoned or as evidence in the department on December 29, 2022.

The audit procedures may include interviews with key process owners, observation of departmental processes, and review the physical count of all property considered abandoned or evidence that is stored in the department. The main system used may also be reviewed and incorporated as part of the testing of transactions



DETAILS

Property/Evidence Inventory and Control Walkthrough

An observation and review of the County Marshal's Property and Evidence Inventory revealed:

- A complete inventory of the book-In and property room evidence, abandoned and unclaimed property items has not been performed. **Status:** The Property and Book-in rooms were completely inventoried on January 4, 2023.
- Cash totaling \$2,055.78 was found in the storage room that had not been deposited. **STATUS:** Cash is held in a locked office file cabinet in the Property Room pending deposit to the Treasurer's office.
- An evidence log book stored in the book-in and property room did not include date, time, officer, supervisor, case number, defendant and description of all evidence found in possession with the Fire Marshal.
- All items observed in the property room were not listed in the Property/Evidence inventory log book.
- Property/evidence is kept in a secure room; however, the keys to access the room and lock boxes could not be located.
- Department does not maintain an issuance log to document personnel in possession of keys to the Property or Book-In rooms. **STATUS:** Property and Book-In rooms were rekeyed by facilities. Replacement keys were provided and secured by the Assistant Chief.

Risks identified during the Internal Control Walkthrough revealed:

- A log-in book for persons entering and exiting the book-in room is not maintained.
- Book-in officer provides keys to the incoming officer who relinquish abandon property or evidence.
- A lack of security cameras upon entering and exiting the book-in room.

Dallas County Code 90-373 states that all department heads and elected officials are responsible for maintaining property to their department, proper inventory records, and making appropriate reports as required. Code of Criminal Procedures as stated in, but not limited to, Article 18.17 DISPOSITION OF ABANDONED OR UNCLAIMED PROPERTY (a)-(g) and h) If the abandoned or unclaimed personal property is money, the person designated by the municipality, the county purchasing agent, or the sheriff of the county, as appropriate, may, after giving notice under Subsection (b) or (c) of this article, deposit the money in the treasury of the municipality or county giving notice without conducting the sale as required by subsection (d) of article 18.18, 18.181, and 18.183. All monies received by Constable personnel should be promptly receipted and deposited consistent with State Law and procedures recommended by the County Auditor. V.T.C.A., Local Government Code § 113.022 requires that a county officer who receives funds shall deposit the funds with the county treasurer on or before the next



regular business day after the date on which funds are received. If the deadline is not met, the officer must deposit the funds, without exception, on or before the seventh business day after the day on which the funds are received. A lack of supervisory oversight, no physical inventory performed, insufficient staff training, incomplete record keeping and inadequate internal control procedures have resulted in location and property variances, incomplete property/evidence record maintenance, and the potential for loss of property/evidence items.

Recommendation

Property/Evidence Inventory and Control Walkthrough Management should:

- Inventory all abandoned property and evidence located in the DCMS book-in and property rooms.
- Maintain accurate records of all book-in and property room items on the inventory list, including details such as the quantity, location, and serial number for each item.
- Maintain an updated disposal inventory list with the date and manner of which they have been disposed.
- Require supervisory review and approval of all abandoned property and evidence items that are logged, disposed, or returned by signature and date.
- Periodically review and update policies and procedures for inventory, chain of custody, securely storing, reviewing, and recording deposited cash.
- Train staff on DCMS policies and procedures to eliminate tracking and recordkeeping error of abandon property and evidence.
- Add security cameras to the book-in room.
- Require all property and evidence funds received to be promptly deposited in accordance with Local Government Code (L.G.C.), § 113.022 and Code of Criminal Procedure Art. 18.17. (h) DISPOSITION OF ABANDONED OR UNCLAIMED PROPERTY.

Management Action Plan

- The Marshal Service triggered the audit upon the change in command staff taking place as there were serious lapses in the way property and evidence was being handled and stored in addition to the entrusted property.
- Property and evidence procedures were immediately changed with a policy consistent with best practices from the Texas Police Chief's Association.
- There is a dire need for additional space, shelving, a refrigerator as well as a RMS system that is capable of property evidence management and these items have been identified by the Marshal Service.
- The entry log has been maintained for personnel entering and exiting the property rooms.
- All cases that occurred during this period will not be filled or dismissed in the interest of justice and only cases that have been originated after restoring the integrity of the property room will be filled.

DALLAS COUNTY



COUNTY AUDITOR

Auditors Response

- None

cc: Darryl Martin, Commissioners Court Administrator