AUDIT REPORT

DALLAS COUNTY

DEPARTMENT OF UNINCORPORATED SERVICES

Darryl D. Thomas
Dallas County Auditor

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DEPARTMENT OF UNINCORPORATED SERVICES

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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

Michael Grace
Director of Unincorporated Services
Dallas, Texas

Attached is the County Auditor's final report entitled "**Department of Unincorporated Services**" 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,

Darryl D. Thomas
County Auditor

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EXECUTIVE SUMMARY

Review of the Department of Unincorporated Services current internal controls for processing receipts for applications and proposed processes for collecting payments on behalf of the Fire Marshal revealed the significant observation below:

Summary of Significant Observations

- The money lock box is secured in a room that only one person has the ability to access.

Repeat Observations from Previous Audits:

- None

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. Evaluate internal controls
2. Review controls over safeguarding of assets

This internal control walk-through covered the processes established during fiscal year 2018.

The audit procedures will include interviews with key process owners and observation of processes.

DETAILS

Department of Unincorporated Services Internal Controls Walk-through

The Department of Unincorporated Area Services (DUAS) facilitates and monitors activities through the administration of applicable regulations and services within unincorporated areas of Dallas County. DUAS works with surrounding municipalities, Dallas County's Fire Marshal and the Sheriff's Offices, and through partnerships with the Environmental Protection Agency, the Texas Commission on Environmental Quality and other stakeholders. Currently, fees for various building permits and applications are submitted to a number of different entities for processing. DUAS is seeking to consolidate this process and become the single point-of-contact for processing various permits for Dallas County. To achieve this, the department would need the ability to collect payments on behalf of the Dallas County Fire Marshal. As a result, a review of DUAS current and proposed procedures as it relates to receipting, depositing, and processing applications was conducted.

DUAS has proposed accepting Fire Marshal application and permit payments directly from customers and delaying acceptance of payment until the application has been reviewed and approved by the Fire Marshal. Once the application is approved, DUAS contacts the Fire Marshal to provide an invoice of fees to be collected from the customer. The amount charged is calculated by the Fire Marshal based on the various types of permits or inspections requested in the application. After DUAS receives the invoice, the customer is notified of the amount due. The customer remits payment to DUAS and three copies of the receipt are produced. One copy is given to the customer; DUAS retains a copy of the receipt with the application file; and one copy is sent to the Fire Marshal's Office.

Based on our review, DUAS has established adequate internal controls for processing application and permit payments on behalf of the Fire Marshal with one noted exception; the money lock box is secured in a room that only the Director has the ability to access. Best practices indicate that the safe/money lockbox should be under dual control. Due to a limitation on the availability of secure areas at the DUAS office and the limited staff size, deposits may not be properly secured or deposited timely when the Director is absent or otherwise unavailable.

Recommendation

Department of Unincorporated Services Internal Controls Walk-through

Management should consider having the money lock box accessible to authorized staff in order for authorized staff to secure funds and make deposits timely.

Management Action Plan

At all times, the lockbox is now accessible to both the Development Coordinator and Director.

Auditors Response

None

cc: Darryl Martin, Commissioners Court Administrator