

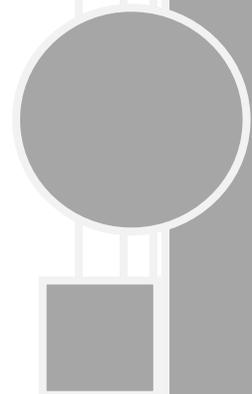


AUDIT REPORT

DALLAS COUNTY

PROPERTY INVENTORY COUNTY CLERK - FY2020

Darryl D. Thomas
Dallas County Auditor
ISSUED: November 11, 2020
RELEASED: December 29, 2020



PROPERTY INVENTORY COUNTY CLERK - FY2020

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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

Honorable John Warren
County Clerk
Dallas, Texas

Attached is the County Auditor's final report entitled "**Property Inventory County Clerk - FY2020**" 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 fluid and cursive.

Darryl D. Thomas
County Auditor

EXECUTIVE SUMMARY

A physical inventory of capital and non-capital property assigned to the County Clerk was performed from September 17, 2020 through September 24, 2020. The review did not identify any significant observations.

Summary of Significant Observations

- None identified

Repeat observations from Previous Audits:

- Property inventory could not be located
- Department did not have written procedures for property inventory

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 covers property that was assigned to the department as of July 29, 2020.

The audit procedures may include interviews with key process owners, observation of departmental processes, physical count of a sample of property items valued \$5,000 or more, and data analysis and sample testing of computer property items valued less than \$5,000. The main system used may also be reviewed and incorporated as part of the testing of transactions.

DETAILS

Property Inventory

A sample review of the Fixed Asset Management Program (FAMP) report and the Oracle Fixed Asset Report for fiscal year 2020 and inquiry of County Clerk personnel revealed six property items totaling \$55,038 that were listed on the Oracle Fixed Asset Report were not physically located; one item listed on the Fixed Asset Management Program report was not physically located; and the department did not have written procedures.

Per Dallas County Code Section 90-313 (6), it is the sole responsibility of the elected official/department head to which property is assigned to maintain a proper accounting of all property through proper inventory records. Per Dallas County Code Section 90.373, all department heads and elected officials are responsible for maintaining property assigned to their department, proper inventory records, and making appropriate reports as required. Inconsistent management review of processes related to property inventory resulted in incomplete/inaccurate property inventory records and increased the potential for loss or misuse of property inventory.

Recommendation

Property Inventory

County Clerk management should:

- Contact the Purchasing Department to update the FAMP reports to reflect current property on hand.
- Contact the Financial Audit section to update the Oracle Fixed Asset Module list to reflect current property.
- Perform an annual inventory review and report any discrepancies to the Purchasing Department or Financial Audit.
- Maintain a property inventory list.
- Submit a request for Commissioners Court approval to delete items that cannot be located from the County Clerk Oracle record.

Management Action Plan

- The items noted were left at the Records Building prior to the County move to the Renaissance Tower. The Business Manager will discuss the Recommendations with the County Clerk.

Auditors Response

None

cc: Darryl Martin, Commissioners Court Administrator