



AUDIT REPORT

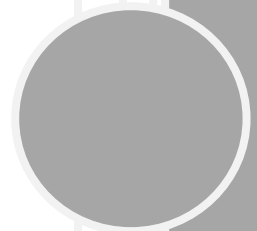
DALLAS COUNTY

District Clerk Property Inventory - FY2022

Darryl D. Thomas
Dallas County Auditor

ISSUED: 11/22/2022

RELEASED: JANUARY 6, 2023



District Clerk Property Inventory - FY2022

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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
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MANAGEMENT LETTER

Honorable Felicia Pitre
District Clerk
Dallas, Texas

Attached is the County Auditor's final report entitled "District Clerk Property Inventory - FY2022" 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 physical inventory of capital and non-capital property assigned to the District Clerk was performed on September 20, 2022. The review did not identify any significant observations

Summary of Significant Observations

- None identified

Repeat observations from Previous Audits

- None identified

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 September 30, 2022.

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

District Clerk Inventory

A review of all District Clerk capital fixed assets for fiscal year 2022 revealed five capital assets from the Oracle Fixed Asset Report valued at \$66,113.09 were not physically located. Dallas County Code Sec. 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. (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. Limited management review of processes related to property inventory resulted in inaccurate property records and increased the potential for loss or misuse of property inventory.

Recommendation

District Clerk Inventory

District Clerk Management should:

- Contact the Financial Audit section of the County Auditor's Office to request Oracle Fixed Asset Module list be updated to reflect current property.
- Perform an annual inventory review and report any discrepancies to Financial Audit.

Management Action Plan

Canon Scanner/Microfiler: This item was purchased on 9/20/2002 and surplused by Pat Briscoe on 8/23/2013. The item was noted by the Auditor in the FY 2017 Audit. Following that audit, the item appears to have been removed from the fixed asset report as it was not cited in the FY 2021 audit. Staff will revisit the issue with Purchasing to ensure that it is permanently removed from the report.

FC4 DISK ARRAY ENCLOSURE FOR CX3-20,CX3-40, CX3-80 DELL FC4: The Auditor has improperly duplicated these items in the Audit report. Funding for the purchase of the equipment was split between the District and County Clerk's RMF. The second incidence is marked "4031" on the asset report and therefore applies to that portion assigned to the County Clerk. If the audit locates equipment based on the funding source, and cites the funding department accordingly, then this second entry should appear on the County Clerk's Audit for FY 22.

POWEREDGE W/CHASSIS FOR UP TO SIX 3.5-INCH HD: On the draft FY 22 Audit, the Auditor has improperly cut and paste the above disk array enclosure equipment on the attached table for the last two entries. They should actually be the chassis equipment. Again, these items were only funded by the clerk's office RMF, but delivered to Dallas County I.T. Services.

Auditors Response

Since our Financial Audit Section has control over the Fixed Asset System, we asked them for clarification as to who should be listed as the custodian of the items noted by the District Clerk that

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were purchased with District and County Clerk Records Management funds and are in the possession of County IT.

cc: Darryl Martin, Commissioners Court Administrator