

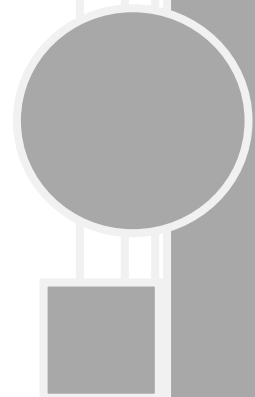


# AUDIT REPORT

DALLAS COUNTY

ROAD & BRIDGE DISTRICT #4 INVENTORY - FY2020

Darryl D. Thomas  
Dallas County Auditor  
ISSUED: September 21, 2020  
RELEASED: October 01, 2020



# ROAD & BRIDGE DISTRICT #4 INVENTORY - 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 Elba Garcia, DDS  
District 4 Commissioner  
Dallas, Texas

Attached is the County Auditor's final report entitled "**Road & Bridge District #4 Inventory - 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,

*Darryl D. Thomas*

Darryl D. Thomas  
County Auditor

## **EXECUTIVE SUMMARY**

The District 4 Road & Bridge Service Center is located at 4403 West Illinois Avenue, Dallas, Texas 75211. Principal areas of responsibility include maintenance and repair of Dallas County roads and bridges, as well as, those of other municipalities that have maintenance contracts with Dallas County. During fiscal year 2018, District 4 was responsible for maintaining 0.495 road miles, excluding the miles maintained under contract with other municipalities. Management of Road and Bridge 4 is overseen by Commissioner Elba Garcia. Staff includes two administrative assistants, a road superintendent and an office manager.

Due to the health and safety recommendations related to the Covid-19 pandemic, the Auditor's Office did not perform a physical count of the inventory of Dallas County Road and Bridge District No. 4's storeroom supplies, fuel and lube, and road materials. The attached report represents the unaudited counts provided by Road & Bridge 4 personnel. This report is intended for the information and use of management. A summary of significant observations is listed below:

### **Summary of Significant Observations**

- None identified

### **Repeat Observations from Previous Audits:**

- Work orders not issued in sequential order
- Stock card information differs from work order

**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 covered the period of August 16, 2019 through August 15, 2020. Report reflects unaudited inventory counts provided Road & Bridge 4.

The attached report represents the unaudited counts provided by Road & Bridge 4.

## **DETAILS**

### **Battery Issuance**

On August 14, 2020, Dallas County Road and Bridge District No. 4 provided the physical inventory of their storeroom supplies, diesel fuel and lube, and road materials for an inventory recorded amount of \$34,875.48. A review of the diesel, battery, and tire purchases and issuances were performed to verify those balances were fairly stated for the period.

A review of the battery issuances revealed one work order date does not match the stock card date and two work orders were not used in numerical sequence. Operational practices and review steps relevant to inventory should include procedural controls that provide reasonable assurance of accurate record-keeping for inventory purchases and usage. Inconsistent supervisory review and clerical errors have resulted in corrections to stock card records.

### **Recommendation**

#### **Battery Issuance**

Management should establish written inventory procedures that include:

- Performing periodic inventory reviews to identify variances between inventory records.
- Supervisory review evidenced by signoff and date.
- Accurate work order dates and issued in sequential order.

### **Management Action Plan**

Moving forward, the work order date will be created and assigned on the date that the work is performed (in the case noted, the date the battery is actually replaced). This Action Plan will eliminate observations noted.

### **Auditors Response**

None

cc: Darryl Martin, Commissioners Court Administrator