



**DALLAS COUNTY
COUNTY AUDITOR**

Memorandum

To: Honorable Lupe Valdez
Dallas County Sheriff

From: Virginia Porter *Virginia Porter*
Dallas County Auditor

Subject: Review of Statutory Reporting and Compliance

Date: Issued: September 11, 2012
Released: December 31, 2012

SCOPE

A review was performed in accordance with statutory guidelines on the financial records and reports of the Sheriff's Department for Fiscal Years 2010 through 2011.

REVIEW PROCEDURES

Standard review procedures were followed to test the internal controls for cash, disbursements, revenue and other county assets. A random sampling of the total activity was selected for certain review steps based on risk, the dollar value of transactions, the volume of transactions, and noted internal control weaknesses.

A partial list of the review tests includes:

- Performed unannounced cash counts
- Traced receipted monies to deposits
- Accounted for numerical sequence of manual and computer generated receipts
- Reviewed supporting documentation of sureties and bondsman
- Examined bondsman cut off list and the list of felony bond hearings
- Reviewed detail bond list of bondsman
- Tested collections for bail bond license fees
- Tested collateral/security pledged for bonds
- Reviewed special fund checks
- Reviewed billings and collections for contract services
- Reviewed Cook-Chill records including comparing purchases to actual expenditures and associated inventory
- Reviewed assessed fees and commissions for compliance with applicable Commissioners Court orders
- Reviewed the prisoners' trust account
- Tested deposits to inmate accounts
- Reviewed fax bond and bond fee processing
- Reviewed time and attendance records for proper posting and compliance with County policies and procedures

FINDINGS

Cash Management/Fiscal Management

Cash Counts – Cash counts were performed periodically and reflected generally adequate cash controls with the exception of ten shortages totaling \$1,217.36 (Internal Services Fund used as a funding source to offset \$773.31 of the \$1,217.36), thirty-four counterfeit bills totaling \$1,765 (\$1,660 in counterfeit bills replaced by payer or credit not recorded to inmate's commissary account).

Petty Cash Funds – Petty cash funds were increased in 2006 to \$10,000 for use on fugitive travel and prisoner transportation. Petty cash funds could be reduced significantly due to efficiencies added by the Sheriff through expanded use of credit cards and limited cash advances for trips.

Receipts – A sample review of 5,364 manual receipts including 71 voided manual receipts, 7,861 Access (receipt writer using Access software developed internally to generate receipts prior to conversion to CWR) receipts including 83 voided Access receipts, and 13,703 County-Wide Receipts (CWR) including 365 cancelled/void receipts: revealed 63 voided manual receipts missing the white and pink copies and voided receipts without evidence of supervisory review/approval.

Commission Calculations – A review of commission calculations and collections on 48 writs of execution or orders of sale for compliance with Commissioners Court approved rates revealed: twelve commissions short collected \$1,544.79 due to calendar year 2010 rates used in 2011; one commission over-collected \$427.13; three commission calculation errors on property sold for less than the minimum bid; deed fees assessed for property not sold; and, multiple fees assessed for posting notices at different locations. Sheriff staff indicated commission is collected on tax warrants processed without a sale.

Commissary Accounting – Incorrect expenditure codes on requisitions for commissary purchases totaling \$449,044.88. Commissary revenue totaling \$134,717.13 deposited as an offset to expenditures.

Prisoner Trust Fund (PTF) – Unclaimed individual balances in 1187 inactive inmate PTF accounts totaling \$28,788.29 as of August 9, 2012. Periodic review is not completed for purposes of escheating funds.

Contract Management and Various Billings

Prisoner Billings – Instances of variances between information on prisoner billings and AIS data. TDC remitted \$4,353.80 less than billed for October 2010 through August 2011 billings.

Fax Bond Program – A review of the billing summaries, invoices, and receipts for 31 fax bond program statements revealed that 14 (45.16%) of payments were received after the due date (10th day after receipt of the statement per the contract). Statements reflect payable by the 15th of the month.

Bail Bond Fee Program – A review of the billing summaries, invoices, and receipts for 20 bail bond fee program statements revealed that six (30.00%) of the payments were received after the due date (10th day after receipt of the statement per the contract). Statements reflect payable by the 15th of the month.

Re-Arrest Fees – Limited billing and recovery of re-arrest fees on felony cases. A review of outstanding re-arrest fee receivables as of September 30, 2011 revealed a total of \$54,572.44 with the oldest receivable dating to September 2003. Misdemeanor cases are not billed for re-arrest fees. Payments received for re-arrest fees are deposited as a credit to expense to the Sheriff's Fugitive Section business travel rather than as revenue.

Prisoner Food Cost – A review of the Sheriff's Monthly Cost Data Reports and National School Lunch Program (NSLP) billings revealed numerous instances where the reports and NSLP billings contained incorrect utility, transportation and insurance costs, and salaries, wages, and benefits are annualized and averaged rather than actual monthly costs. Inmate food costs calculations exclude indirect costs and direct costs such as kitchen utensils and preparation supplies.

A sample review of the bid selection process revealed: instances contracts (bi-annual or weekly quotes) not awarded to the lowest bidder.

Medical Pre-Screening Fee – A review of AIS records associated with 80 inmates revealed five (6.25%) were not charged a medical pre-screening fee.

Photo Lab Receivables – \$636 in unbilled December 2010 charges due to data loss from servers preventing identification of parties owing for photo lab services. Internal Dallas County departments are not billed for services.

Processes/Reports

Bail Bond - Miscellaneous – Conversion errors from the Mainframe to AIS in 2005 between the collateral categories of CD, Property, and Cash remain uncorrected.

AIS Bail Bond Reports – Refer to memorandum released December 19, 2011.

Other

Time and Attendance – A sample review of employee's time and attendance records revealed: three out of eight exempt employees received approved time off (ATO) while not averaging a 40 hour work (one of three employees took 133.2 ATO hours, an equivalent of 16.65 days without Commissioners Court approval to exceed 15 days); instances of leave requested not recorded in Kronos or recorded as a different leave type; instances where leave request paperwork was not retained in departmental files; and increased FY2011 paid overtime costs with a reduction in earned non-paid compensatory time from FY2010 to FY2011.

RECOMMENDATIONS

Cash Management

Cash Counts/Receipts – Re-emphasize verification of receipt amount before issuing to a customer and retention of all copies of a void receipt, clearly marking "void" and affixing a reason for the void (entry of reason code for voided receipts in the CWR system). Establish separation of duties limiting cancellation/void of CWR to supervisory staff. The supervisor should, periodically, scan receipts for proper usage. A funding source should be identified for the non-recovered net cash shortages/counterfeit bills totaling \$549.05.

Petty Cash Funds – Fiscal section should analyze last twenty-four month trend on usage of petty cash funds and return amounts no longer needed to the General Fund.

Commission Calculations - The commission calculation should include the judgment, interest, and attorney fees and the approved commission percentages and hourly rates as authorized by Commissioners Court. Per assistant District Attorney's opinion, commissions should not be assessed for service of tax warrants unless a sale occurs. Deed fees should only be collected when the property is sold.

Commissary Accounting – Supervisory personnel should review all requisitions for appropriateness and accuracy including usage of correct General Ledger expenditure account codes.

Prisoner Trust Fund – Abandoned property (inactive inmate commissary accounts and outstanding checks dated three years or more as of June 30th cut-off) should follow the guidelines of V.T.C.A., Property Code Chapters 72-76.

Contract Management and Various Billings

Billings – Billing procedures should include reconciliation between AIS book-in reports and system generated contract billings with periodic review by supervisory personnel to determine accuracy and timeliness of billings. Maintain a control log to verify payments received with amounts billed. Valid current contracts should be on file with payments due in accordance with contract terms.

Re-Arrest Fees – Assess re-arrest expenses as authorized by statute and Dallas County Bail Bond Board Procedures and Rules. Submit customers identified as 120 days past due to the District Attorney – Civil Division for possible litigation.

Prisoner Food Cost – Develop a corrective action plan delineating procedures for Meal/Production/Grocery Cost reports and NSLP billings including meal counts, grocery costs, utility costs, labor, transportation costs, food preparation supplies, allocation of asset depreciation, and indirect costs. Coordinate the receipt of all utility bills from Facilities Management in a timely manner in order to include actual costs on the NSLP billings.

Update bid/quote procedures for bi-annual contracts or weekly food purchases including supervisory review prior to award. Document reason codes for not awarding bids/quotes to the lowest bidder.

Medical Pre-Screening Fee – Incorporate review by supervisory personnel to ensure all applicable fees are being assessed.

Photo Lab Receivables – Implement daily back-up of work orders processed / charges due. Invoices should be archived to a redundant server. Budget planning should include discussion to allocate charges to the internal user departments.

Processes/Reports

Bail Bond - Miscellaneous – Correct all incomplete and inaccurate collateral categories within a reasonable time.

AIS Bail Bond Reports – Document and reinforce ongoing training requirements to comply with applicable laws and regulations for necessary system and control edits to produce accurate and reliable information. Document and communicate to IT Services bond reporting requirements within AIS including reports containing detailed listings of non-discharged bonds written with statuses of NISI and final judgment. Review by supervisory personnel to determine accuracy of bonds written and remaining surety bond writing power.

Other

Time and Attendance – Exempt employees should average at a minimum a 40 hour work week with use of ATO in compliance with County policy/code. Retain leave requests FE + 3 years in accordance with Local Government Retention Schedules section 1050-54b. Emphasize supervisory review of time and attendance and Kronos postings with Kronos time card updated to; change departmental labor costs for temporary assignments; record FMLA status and other relevant codes; and leave taken properly recorded. Submit requests for Historical Edits as necessary. Develop multiple scenarios using Kronos functionality and to build master schedules to reduce overtime costs.

Current Findings/Observations/Recommendations

Detailed templates numbered 11-SH-01-01 through 11-SH-01-12 are attached.

SUMMARY

The report is intended for the information and use of the 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.

Highest areas of risk which need to be addressed include: establishing proper receipt controls including retention of all voided receipts; clearing of old Prisoner Trust Fund and Special Fund balances; coordinating development of additional AIS bond reports; and updating billing procedures.

Emphasis on outlined procedures should provide for improved departmental processes. Development of written internal procedures should be initiated to ensure compliance with recommended procedures, county policies, and state statutes.

cc. Darryl Martin
Ryan Brown, OBE



Finding Number: 11-SH-01-01
Date: 11/14/11
Audit: Sheriff's Department Audit – FY10 and FY11
Auditor(s) Assigned: BM

<p>Finding:</p>	<p>Cash Management – Cash Handling Procedures Review of cash handling procedures and cash counts during fiscal year 2010 through 2011 revealed additional items not previously reported:</p> <ul style="list-style-type: none"> • Eleven shortages totaling \$1,432.36 Status: \$773.31 reimbursed from the Internal Services Fund and \$215 receipt correction processed same day. • Thirty-four counterfeit bills totaling \$1,765 Status: \$1,660 in counterfeit bills replaced by payer or not credited against an inmate's account. • Three overages totaling \$121.66
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Phone calls or emails from the Sheriff's Fiscal Office and a memo copy to Auditor's office. Cash Counts</p>
<p>Condition: (Describe the current condition)</p>	<p>Various (Bond desk, Intake, Release, etc.) sections within the Sheriff's Department collect and receipt funds. Sheriff personnel are generally accurate in counting funds presented, receipting the correct amount, and providing correct change. Funds are receipted at a window where cashiers use separate cash drawers. Use of counterfeit bill detection pens is limited. Supervisors complete shift close out noting any shortage. The Fiscal Management section recounts and balances funds from each section prior to combining the funds and preparing a deposit for each payment type (cash/check). Automated cash counting machines used to balance shift receipts have the ability to detect counterfeit bills, but are not used at the point of receipt.</p>
<p>Criteria: (Describe the optimal condition)</p>	<ul style="list-style-type: none"> • Accounting and system control procedures require daily reconciliation and balancing of collected funds. Separate cash drawers should be maintained by all clerks receipting payments and funds should be balanced prior to combining with other receipted funds. • Receipts should be promptly issued for the amount of funds tendered, correct change given to customers, and all funds received properly secured, and deposited consistent with state law, V.T.C.A., L.G.C., § 113.022 and Vernon's Ann., C.C.P., § 103.004 and procedures recommended by the County Auditor. • Dallas County Code Section 74-692 should be followed at all times which indicates the County Auditor's Office will be notified immediately (within one day) of any out of balance conditions for purposes of identifying and substantiating any shortages which may subsequently require indemnification. • Staff should be properly trained in the detection of counterfeit bills at the point of acceptance.
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Clerical error Incomplete training and lack of written procedures regarding the detection of counterfeit bills at the point of acceptance. Occasional procedural exception.</p>
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Cash shortages are periodically reimbursed from the internal service fund. Counterfeit bills cannot be traced to a specific inmate and result in fund shortages requiring reimbursement from county self-insurance or the internal services fund.</p>
<p>Recommendation: (Describe corrective action)</p>	<p>Cash handling procedures should include:</p> <ul style="list-style-type: none"> • Cash tendered should be counted in the presence of the person prior to the generation of the receipt. The amount on the receipt should be confirmed prior to issuing the receipt to the prisoner or prisoner's family member/friend. • Develop written procedures and initiate staff training on the detection of counterfeit bills through observation, counterfeit bill detection pens, and the automated cash counting machine. • Record initial shortages related to counterfeit bills to Fund 120.0.48010 (cash over/short). • Immediately notify the Auditor's Office (within one day) of any shortages. • At the end of each shift, monies should be totaled and balanced to the funds on hand and system control totals. • Training of current cash handling procedures should be reinforced. Policy and procedures manual should be developed for cash handling responsibilities. <p>A funding source should be identified for all non-recovered shortages and counterfeit bills.</p>
<p>Responsible Department or</p>	<p>Sheriff Department</p>



Organization:					
Management's Response:	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:	Darryl Thomas, CFO	Date: 12/12/2012
Comments:	We agree with the finding and implementation of the recommendations is in process.				
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration		



Finding Number: 11-SH-01-02
Date: 11/15/11
Audit: Sheriff's Department Audit – FY10 and FY11
Auditor(s) Assigned: BM

<p>Finding:</p>	<p>Manual & Computer Receipts Review of 5,364 manual receipts issued through 09/30/2011 including a complete review of 71 (1.32%) voided manual receipts, a complete review of receipt continuity, a review of 7,861 computerized Access receipts including a complete review of 83 (1.6%) voided Access receipts, a review of 13,703 County-Wide Receipts (CWR) including a sample review of 365 (2.66%) cancelled/void receipts, testing of voiding procedures for proper accounting and internal controls, and a sample review of Daily Receipts Log <u>revealed material compliance with proper receipting procedures except:</u></p> <p><u>Manual Receipts</u></p> <ul style="list-style-type: none"> • 45 (63.38%) of voided manual receipts without a reason /explanation for void • 63 (88.73%) voided manual receipts missing the pink and white copies • 71 (100.00%) voided manual receipts without evidence of supervisory review/approval • 1 (1.41%) voided manual receipt is blank <p><u>Computer Receipts</u></p> <ul style="list-style-type: none"> • 83 (100%) voided computer receipts (Access system) were not reviewed and approved by immediate supervisor or by other independent personnel. • 365 (100%) voided/cancelled County Wide Receipts without evidence of supervisory review/approval.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>E.1, E.2, E.3 Observation</p>
<p>Condition: (Describe the current condition)</p>	<p>On September 15, 2010, the Sheriff's office started issuing computer receipts on the County Wide Receipting (CWR) system for various sections (Fiscal, Bonds, Bonds Administration, and Sterrett) interfacing with the business management system. Authorized Sheriff employees select a predefined fee description code, the payment of check or cash is chosen, the amount is entered, and the payment is receipted. Receipts are printed only when necessary as transaction history is retained within the receipt system. The receipts are single copies. When the authorized Sheriff employee needs to void a receipt, a prompt appears and a reason must be entered. If the authorized Sheriff employee exits out of the receipt before entering any type of information, the prompt to give a reason for cancellation may not appear. Each Sheriff section except the Civil section receipts directly to CWR. At the end of the day, funds are balanced and sent to the Fiscal section. The Fiscal section verifies the funds received, a deposit form is generated, signed and submitted to the County Treasurer's Office for deposit. The Sheriff Civil section issues a receipt of record (ROR) via a mobile receipt printer when collecting funds in the field. The ROR and funds collected are given to Fiscal section. The Fiscal section receipts the funds to CWR referencing the ROR. A deposit form is then generated, signed and submitted to the County Treasurer's Office for deposit.</p> <p>Manual receipts are used only when the CWR system is down. Manual void procedures include 'void' written on the receipt with reference to the replacement receipt number, if applicable. The Fiscal section should review the voided receipt for appropriateness. Once CWR is functioning, the manual receipts are entered into the CWR system. Numeric receipt</p>



<p>Criteria: (Describe the optimal condition)</p>	<p>sequence is county wide not department specific.</p> <p>Recommended best practices for internal control include that:</p> <ul style="list-style-type: none"> • All manual receipts are accounted for and properly used, kept in numerical order, have the corresponding computer receipts attached, and are posted and deposited properly and timely in accordance with V.T.C.A., L.G.C. 113.022 and Vernon's Ann., C.C.P., 103.004. • Receipts are not altered, but properly voided and affixed with a reason for the void with retention of all voided receipt copies • Immediate supervisor and/or Sheriff Fiscal section staff should periodically review the exception reports (especially with respect to receipt deletions, lowered amounts and payment type changes) to ensure that the explanation for the deletions is documented and reasonable.
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Incomplete training, lack of written procedures, and clerical error. No evidence of supervisory review.</p>
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Potential revenue loss to Dallas County.</p>
<p>Recommendation: (Describe corrective action)</p>	<p>Continue existing manual process incorporating:</p> <ul style="list-style-type: none"> • <u>All</u> copies of a void receipt retained, clearly marked "void" and affixed with a reason for the void. Prevents potential assertion that monies were received and deposited. • The supervisor reviews the manual receipt books for proper usage including the accuracy of amount received. • A manual receipt issuance log. • The numeric and written amounts on a receipt agree. • All receipts used in a sequential order. <p>Continue existing computer receipt process incorporating:</p> <ul style="list-style-type: none"> • All copies of a void receipt retained and clearly marked 'void'. • System entry of reason code for voided receipts. • Separation of duties limiting cancellation/voiding to supervisory staff. • Procedures for preparing the daily recap sheets, producing computer receipts, and completing the deposit. <p>All monies received should be promptly receipted and deposited consistent with state law, V.T.C.A., L.G.C. 113.022 and Vernon's Ann., C.C.P., 103.004 and procedures recommended by the County Auditor.</p>
<p>Responsible Department or Organization:</p>	<p>Sheriff's Department</p>
<p>Management's Response:</p>	<p><input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree Respondent: Darryl Thomas, CFO Date: 12/12/2012</p>
<p>Comments:</p>	<p>All Countywide receipts currently have the reasons and an indication of supervisor review.</p>
<p>Disposition:</p>	<p><input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration</p>



Finding Number: 11-SH-01-03
Date: 11/16/11
Audit: Sheriff's Department Audit – FY10 and FY11
Auditor(s) Assigned: BM

<p>Finding:</p>	<p>Jail Management – AIS System Processing Review of Adult Information System (AIS) reports, the accuracy of inmate information in the system and comparison of billings to and receipts from the U.S. Marshall, Texas Department of Corrections (TDC) and DART revealed:</p> <p>FY 2010</p> <ul style="list-style-type: none"> • U.S. Marshall billed for three prisoners not entered into AIS • TDC billed for one prisoners not entered into AIS • One prisoner with transfer date on TDC billing as 6/4/2010 and on AIS as 6/5/2010 <p>FY 2011</p> <ul style="list-style-type: none"> • One prisoner on TDC paperwork with AIS number listed as the SID number • One DART prisoner billed with an incorrect date of birth • TDC payments \$4,353.80 less than billed for October 2010 through August 2011. TDC payments remitted without details or supporting documentation for adjustments.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>AIS and prisoner billings Workpapers: H.3-11 FY2010, H.3-11 FY2011, H.14-15 FY2010, H.14-15 FY2011</p>
<p>Condition: (Describe the current condition)</p>	<p>Individuals that are incarcerated may have agency holds placed on them at the point of arrest or subsequently. Once the individual's other cases are resolved, the agency that placed the hold on the inmate is responsible for reimbursement of subsequent housing charges.</p> <p>Individuals present identification at book-in, which is entered into AIS by clerks. Individuals are also fingerprinted to confirm identification.</p> <p>A clerk in the Fiscal section runs a monthly report from AIS data for prisoner housing to generate the monthly billing for inmates (on agency hold) for the "agency". The backup for the billings contain the prisoner name, dates housed applicable to the billing agency, etc. The total days housed is used to prepare a summary billing sheet to submit with the backup. The summary billing sheet and backup is faxed over to the "agency" service for payment. The Fiscal section does not test the accuracy of the agency assignment for prisoners listed on the backup.</p> <p>A roster of prisoners from AIS to be transferred from County jail facilities to State jail facilities is sent to TDC for pre-clearance/approval. Once approved by TDC, prisoners are scheduled for transfer. After prisoners are physically transferred by Sheriff deputies to TDC, a bill for transportation costs is prepared by the Fiscal section and sent to TDC for payment. Remittances from TDC are consistently less than billings without explanation provided.</p> <p>The "agency" reviews the backup, but does not consistently advise the Sheriff when prisoners on the listing do not belong to their agency. Subsequently, the "agency" does not include those prisoner days in the remittance to Dallas County. The "agency" payments are wired into the Dallas County 882 Pass Through Account with the County Treasurer preparing a deposit for inclusion as US Marshal prisoner housing revenue.</p>



	While a control log is maintained for monthly billings, a follow-up comparison of amounts billed and payments received does not occur in the Fiscal section.		
Criteria: (Describe the optimal condition)	Accounting and system control procedures require monthly reconciliation of system reports, invoices, and collected funds to test for billing and receivable accuracy. Information processing controls provide that transactions completed through computerized applications are valid, properly authorized, and completely and accurately processed and reported		
Cause: (Describe the cause of the condition if possible)	Clerical error Lack of supervisory oversight/review		
Effect: (Describe or quantify any adverse effects)	Inaccurate/incomplete prisoner information Potential for loss of revenue Erroneous prisoner billings		
Recommendation: (Describe corrective action)	<ul style="list-style-type: none"> • Document and reinforce ongoing training requirements to comply with applicable laws, contracts, and regulations for necessary system and control edits to produce accurate and reliable information. • Document and communicate (necessary programming updates/enhancements) billing requirements for housing of outside agency prisoners within AIS to IT Services. • Continue corrective action plan monitoring AIS data. <p>Billing procedures should include:</p> <ul style="list-style-type: none"> • Reconciliation between AIS book-in reports and system generated prisoner contract billings. • Maintain a corresponding control log of payments received reconciling/verifying amounts received to the amount billed. • Follow-up with agencies regarding invoiced amounts not paid. • Periodic review by supervisory personnel to determine accuracy and timeliness of billing amounts, payments received and/or if follow-up is necessary. 		
Responsible Department or Organization:	Sheriff's Department		
Management's Response:	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent: Darryl Thomas, CFO Date: 12/12/2012
Comments:	Recommendations have been implemented. We still have a problem with TDC billing adjustments. We are working in DMU for more accurate data entry to allow for more accurate billings		
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration



Finding Number: 11-SH-01-04
Date: 11/17/11
Audit: Sheriff's Department Audit – FY10 and FY11
Auditor(s) Assigned: BM, RL

<p>Finding:</p>	<p>Orders of Sale and Writs of Execution – Fees and Commission Calculations Review of Sheriff Civil section commission calculations and collections on 48 orders of sale or writs of execution for compliance with Commissioners Court approved rates revealed:</p> <ul style="list-style-type: none"> • 16 (33.33%) errors out of 48 commission calculations (excluding pulled sales and property struck off to entities) <ul style="list-style-type: none"> ○ 12 twelve commission calculation errors resulting in short collection of \$1,544.79 due to calendar year 2010 rates used in calendar year 2011. ○ One commission calculation error resulting in an over collection of \$427.13 with the reason not determinable. ○ One commission calculation error for property 'sold' at less than the minimum bid amount with an over posting to commission of \$183.66. Commission amount used by Civil was based on full collection. ○ Two commission calculation errors for properties 'sold' at less than the minimum bid amount with an under posting of \$304.28 with the reason not determinable. • Multiple fees are assessed on one court case/writ for posting notices at different locations. • Deed fees are assessed for property <u>not</u> sold.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>I.3FY2010, I.3 FY2011, I.4 FY2010, I.4 FY2011 Oracle</p>
<p>Condition: (Describe the current condition)</p>	<p>A commission calculation worksheet is prepared by the writ officer based on collection with or without a sale including the calculation of any post judgment interest. The defendant is served and advised of the amount required to be paid to satisfy the judgment and commission. If payment is received satisfying the judgment, a sale will not occur. If payment is not received, the officer identifies statutorily eligible real property and/or personal property that can be seized and sold. Notice of a sale for real property is published in the Daily Commercial Record newspaper and notices are posted in different locations, thereafter; a sale is conducted. A \$20 fee is assessed for each location where a notice is posted.</p> <p>Real property is sold at the George Allen Courts Building. Commissions on sales are calculated at twice the rate as without a sale. Sheriff commission calculations do <u>not</u> reflect the increase from 1% to 2.5% for amounts over \$10,000 effective January 1, 2011. The writ officer accepts valid bids from anyone present and records bidder information and each bid by bidder on bid data sheets for each item being sold. The successful bidder is required to pay by cash, cashiers check, and/or money order. The writ officer issues a receipt of payment to the successful bidder. The writ officer issues the required bill of sale to the successful bidder and completes other legally required documentation. The bid sheets, commission calculation sheet, copy of the writ, and copies of other documentation are maintained by the writ officer at the Sheriff's office in individual folders. Buyers are assessed a fee for filing of the deed, however, the deputy is not filing the deed with the County Clerk.</p> <p>Commission is collected on tax warrants without a sale.</p>
<p>Criteria:</p>	<p>Sheriff commissions calculated in accordance using rates approved by the Commissioner's</p>



<p>(Describe the optimal condition)</p>	<p>Court.</p> <p>Sheriff commission calculation worksheet should list all variables including, but not limited to judgment amount, judgment date, attorney fees, and interest rate, court costs, indication of sale or execution without a sale and date, applicable commission percentages, and deputy hours spent and be subject to review.</p> <p>According to Dallas County court orders 2007-1897, 2008-1821, 2009-1802 and 2010-1626 "Commissions calculations should include judgment, interest, and attorney fees collected while <u>excluding any court costs.</u>"</p> <p>Tax Code, Sec. 34.02. DISTRIBUTION OF PROCEEDS. (a) The proceeds of a tax sale under Section 33.94 or 34.01 shall be applied in the order prescribed by Subsection (b). The amount included under each subdivision of Subsection (b) must be fully paid before any of the proceeds may be applied to the amount included under a subsequent subdivision.</p> <p>(b) The proceeds shall be applied to:</p> <ol style="list-style-type: none"> (1) the costs of advertising the tax sale; (2) any fees ordered by the judgment to be paid to an appointed attorney ad litem; (3) the original court costs payable to the clerk of the court; (4) the fees and commissions payable to the officer conducting the sale; (5) the expenses incurred by a taxing unit in determining necessary parties and in procuring necessary legal descriptions of the property if those expenses were awarded to the taxing unit by the judgment under Section 33.48(a)(4); (6) the taxes, penalties, interest, and attorney's fees that are due under the judgment; and (7) any other amount awarded to a taxing unit under the judgment. <p>(c) If the proceeds are not sufficient to pay the total amount included under any subdivision of Subsection (b), each participant in the amount included under that subdivision is entitled to a share of the proceeds in an amount equal to the proportion its entitlement bears to the total amount included under that subdivision.</p> <p>(d) The officer conducting a sale under Section 33.94 or 34.01 shall pay any excess proceeds after payment of all amounts due all participants in the sale as specified by Subsection (b) to the clerk of the court issuing the warrant or order of sale.</p> <p>(e) In this section, "taxes" includes a charge, fee, or expense that is expressly authorized by Section 32.06 or 32.065.</p> <p>According to Rule of Civil Procedure, Rule 647, NOTICE OF SALE OF REAL ESTATE, the officer shall post such notice in writing in three public places in the county if no newspaper will publish the notice of sale for the compensation herein fixed.</p> <p>According to Rule of Civil Procedure, Rule 656, EXECUTION DOCKET, the clerk of each court shall keep an execution docket in which he shall enter a statement of all executions as they are issued by him, specifying the names of the parties, the amount of the judgment, the amount due thereon, the rate of interest when it exceeds six percent.....Any clerk who shall fail to keep said execution docket and index thereto, or shall neglect to make entries therein , shall be liable upon his official bond to any person injured for the amount of damages sustained by such neglect.</p> <p>According to Dallas County Assistant District Attorney opinion, commissions should not be assessed for service of tax warrants unless a sale occurs in accordance with Tax Code, Section 33.25(f).</p>
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Cause: (Describe the cause of the condition if possible)	Commission calculation sheets not updated for fee increases. Writ deputy errors on worksheets.			
Effect: (Describe or quantify any adverse effects)	Commission revenue over (under) collected. Costs for posting notices in additional locations.			
Recommendation: (Describe corrective action)	The commission calculation should include the judgment, interest, and attorney fees and the approved commission percentages and hourly rates as authorized by Commissioners Court. Deed fees should only be collected when the property is sold. Officer should file the deed with the County Clerk when the filing fee is collected from the buyer on a property sale. One notice fee per posted sale (per writ) should be assessed in accordance with Commissioner's court orders unless parties to the sale request additional locations not required by statute or the Rules of Civil Procedure.			
Responsible Department or Organization:	Sheriff's Department			
Management's Response:	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent: Darryl Thomas, CFO	Date: 12/12/2012
Comments:	The clerks are being trained to prevent calculation errors. The Deed fees are being collected and sent to the County Clerk for payment for the buyer. We were not able to find a property sold below minimum bid.			
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration	



Finding Number: 11-SH-01-05
Date: 11/14/11
Audit: Sheriff's Department Audit - FY10 and FY11
Auditor(s) Assigned: BM, RL

<p>Finding:</p>	<p>Accounting - Commissary Account Review of the quarterly revenue and expenditures of the commissary account, general ledger reports, and review of the billing processes and procedures of the operations account revealed:</p> <ul style="list-style-type: none"> • Requisitions submitted with incorrect expenditure account codes <ul style="list-style-type: none"> ○ FY10 expenditures totaling \$216,839.64 requiring journal entries to correct coding errors ○ FY11 expenditures totaling \$232,205.24 requiring journal entries to correct coding errors ○ Inadequate supervisory review of expenditure codes on requisition prior to submission to Purchasing • FY10 deposits for commissary revenue totaling \$134,717.13 incorrectly deposited as a credit to expense
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Review of commissary expenditures and invoices. Preparation of commissary quarterly report and journal entries. Commissary revenue reports for FY10 & FY11.</p>
<p>Condition: (Describe the current condition)</p>	<p>Commissary funds are used to fund, staff, and equip inmate programs, supply inmates with clothing, writing materials, and hygiene supplies, etc. Sheriff CFO identifies eligible items for possible purchase/funding from the Commissary account with final pre-approval by the Sheriff who has exclusive control of the commissary funds. A formal budget is not required to be presented to or approved by Commissioners Court. Ongoing adjustments are made to budgetary line items as needed.</p> <p>Sheriff Department Fiscal section clerical employees prepare requisitions for eligible purchases from commissary funds. Expenditure account codes are frequently entered incorrectly on requisitions in Oracle and submitted systemically to the Purchasing Department without sufficient supervisory review of account codes.</p> <p>Purchase orders are issued for requisitions that pass available funds check for Commissary project number 91046. An encumbrance is established holding funds against the recorded expenditure account. After receipt of the items ordered, the Sheriff Department will prepare a record of materials received (RMR) and submit to Accounts Payable for payment of the invoice. When the invoice is paid, the encumbrance will be released and expenditure will be recorded against the expenditure line item to the General Ledger (GL).</p> <p>As part of the quarterly commissary report preparation, audit staff will review invoices processed. Identified expenditure code errors are reported to the Sheriff Fiscal section and corrected by processing a journal entry through the GL.</p>
<p>Criteria: (Describe the optimal)</p>	<p>Requisitions should denote accurate account code in accordance with Dallas County Code Section. 94-71 and 94-151 identifying the supplies, materials, equipment or services needed.</p>



<p>condition)</p>	<p>Supervisory personnel should review electronic requisitions for appropriateness including the correctness of the expenditure account codes entered by clerks prior to transmission of the requisition to the Purchasing Department.</p> <p>Local Government Code, Sec. 351.0415. COMMISSARY OPERATION BY SHERIFF OR PRIVATE VENDOR.</p> <p>(a) The sheriff of a county or the sheriff's designee, including a private vendor operating a detention facility under contract with the county, may operate, or contract with another person to operate, a commissary for the use of the inmates committed to the county jail or to a detention facility operated by the private vendor, as appropriate. The commissary must be operated in accordance with rules adopted by the Commission on Jail Standards.</p> <p>(b) The sheriff or the sheriff's designee:</p> <ol style="list-style-type: none"> (1) has exclusive control of the commissary funds; (2) shall maintain commissary accounts showing the amount of proceeds from the commissary operation and the amount and purpose of disbursements made from the proceeds; and (3) shall accept new bids to renew contracts of commissary suppliers every five years. <p>(c) The sheriff or the sheriff's designee may use commissary proceeds only to:</p> <ol style="list-style-type: none"> (1) fund, staff, and equip a program addressing the social needs of the inmates, including an educational or recreational program and religious or rehabilitative counseling; (2) supply inmates with clothing, writing materials, and hygiene supplies; (3) establish, staff, and equip the commissary operation and fund the salaries of staff responsible for managing the inmates' commissary accounts; (4) fund, staff, and equip both an educational and a law library for the educational use of inmates; or (5) fund physical plant improvements, technology, equipment, programs, services, and activities that provide for the well-being, health, safety, and security of the inmates and the facility. <p>(d) For a jail under the supervision of the sheriff, at least once each county fiscal year, or more often if the commissioners court desires, the auditor shall, without advance notice, fully examine the jail commissary accounts. The auditor shall verify the correctness of the accounts and report the findings of the examination to the commissioners court of the county at its next term beginning after the date the audit is completed.</p> <p>(e) A private vendor operating a detention facility under contract with the county shall ensure that the facility commissary accounts are annually examined by an independent auditor.</p> <p>(f) When entering into a contract under Subsection (a), the sheriff or the sheriff's designee shall consider the following:</p> <ol style="list-style-type: none"> (1) whether the contract should provide for a fixed rate of return combined with a sales growth incentive; (2) the menu items offered by the provider and the price of those items; (3) the value, as measured by a best value standard, and benefits to inmates and the commissary, as offered by the provider; (4) safety and security procedures to be performed by the provider; and (5) the performance record of the provider, including service availability, reliability, and efficiency. <p>(g) Commissary proceeds may be used only for the purposes described in Subsection (c). A</p>
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	commissioners court may not use commissary proceeds to fund the budgetary operating expenses of a county jail.		
Cause: (Describe the cause of the condition if possible)	Clerical error Lack of supervisory review		
Effect: (Describe or quantify any adverse effects)	Expenditure categories incorrectly reported. Potential for incorrect analysis of expenditures for forecasting.		
Recommendation: (Describe corrective action)	Proper accounting controls include: <ul style="list-style-type: none"> • Procedures are established to identify and record correct GL account codes on requisitions. Annual training is provided to staff in order to reinforce proper procedures. • Requisitions, purchase orders, invoices, and deposits are monitored to ensure that expenditures and revenues are recorded on the GL to the correct account, departments, projects, and funds. • Supervisory personnel review all requisitions for appropriateness and accuracy. • Commissary accounts must reflect amount of proceeds from commissary operations and the amount and purpose of disbursements made from the proceeds. 		
Responsible Department or Organization:	Sheriff Department		
Management's Response:	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent: Darryl Thomas, CFO Date: 12/12/2012
Comments:	The purchasing clerk is being trained on coding these expenses to the proper code. It would be helpful in training if we received copies of correcting journal entries.		
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration



Finding Number: 11-SH-01-06
Date: 02/03/2012
Audit: Sheriff's Department Audit – FY10 and FY11
Auditor(s) Assigned: BM, RL

<p>Finding:</p>	<p>Bank of America Account 515 Prisoner Inmate Trust Fund – Abandoned Property</p> <ul style="list-style-type: none"> • FY 2011 – Disbursements/checks from the Inmate Trust Fund account remain un-cashed. As of September 30, 2011, reportedly eighteen (18) check totaling \$114,569.47 issued prior to September 30, 2011 (with the oldest check dating back to 11/03/2010 totaling \$188.33) remain outstanding. <p>Prisoner Inmate Trust Fund – Verification/Authorization</p> <ul style="list-style-type: none"> • FY 2010 – 4 out of 10 (40%) of initial inmate deposits did not have signature verification • FY 2011 – Sheriff's Department Fiscal section no longer receives a physical copy of the bank statements. Reportedly, Sheriff did not have online access to download a PDF file of the monthly statements nor access check archives until late FY2011. <ul style="list-style-type: none"> ○ Unable to verify if checks contained authorized signatures. ○ Unable to verify if daily bank activity corresponds to Sheriff monthly control totals.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>K.5</p>
<p>Condition: (Describe the current condition)</p>	<p>Unclaimed individual balances are in the prisoner trust accounts (1187 inactive inmate accounts totaling \$28,788.29 as of 8/9/2012). Periodic review is not completed for purposes of escheating funds.</p> <p>Policy provides disbursement by cash on discharge or check to TDCJ for transfer. Disbursement amount determined by available balance in the prisoner's account within the commissary system. Cash is released by Sheriff personnel with the Jail-Vault section.</p> <p>Prisoner Trust Fund (PTF) checks should contain the Sheriff's signature (encrypted electronic digitized signature printed on the PTF checks at point of issuance) and an authorized designee's signature (Sheriff's Chief Financial Officer or Bond Section manager).</p> <p>Prisoner Trust Fund checks are printed on security paper that does not produce a carbon copy. Issued check registers are not available from the commissary vendor's system. Fiscal maintains a binder with copies of checks issued and voided.</p> <p>PTF bank reconciliations are prepared monthly by a Sheriff accounting clerk and timely reviewed by a supervisor. An outstanding check register is produced from the commissary vendor's system as part of the monthly bank reconciliations. An electronic copy of the reconciliation is now provided to Financial Audit and Internal Audit.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>Escheat statutes should be followed including remittance of unclaimed funds to the State Comptroller or County Treasurer as applicable. Escheat analysis and stale dating should be managed in accordance with unclaimed property statutes, V.T.C.A., Property Code, § 72 and § 76. (see website: http://www.window.state.tx.us/up/forms.html)</p> <p>Per Local Government Code, § 351.0415, COMMISSARY OPERATION BY SHERIFF OR</p>



	<p>PRIVATE VENDOR, (a) The sheriff of a county or the sheriff 's designee, including a private vendor operating a detention facility under contract with the county, may operate, or contract with another person to operate, a commissary for the use of the inmates committed to the county jail or to a detention facility operated by the private vendor, as appropriate. The commissary must be operated in accordance with rules adopted by the Commission on Jail Standards.</p> <p>(b) The sheriff or the sheriff 's designee:</p> <p>(1) has exclusive control of the commissary funds;</p> <p>(2) shall maintain commissary accounts showing the amount of proceeds from the commissary operation and the amount and purpose of disbursements made from the proceeds;</p> <p>Best practices for internal control require separation of assigned duties regarding cash controls with two authorized signature on every check and written evidence of delegated authority to sign checks consistent with bank signature cards.</p> <p>Financial controls require timely reconciliation of bank statements to include review, research, and matching of reconciling items by account. Bank reconciliations are reviewed by supervisors for accuracy and completion with reconciling items clearing, periodically.</p>
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Control procedures are not documented and training may be incomplete. Carbonless checks and lack of system to generate or produce check register. PDF file of bank statements were not downloaded.</p>
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Non-compliance with Property Code Chapters 72 through 76.</p>
<p>Recommendation: (Describe corrective action)</p>	<p>Escheat analysis and stale dating should be managed in accordance with unclaimed property statutes, V.T.C.A., Property Code, § 72 and § 76. (see website: http://www.window.state.tx.us/up/forms.html). A management plan should be developed and implemented to periodically review the Prisoner Trust Fund Account and outstanding check list in order to clear old items.</p> <p>Prisoner Trust Fund Account procedures should include:</p> <ul style="list-style-type: none"> ▪ A proper segregation of duty to reduce the risk of misappropriated funds. Compensating processes such as dual sign-off by authorized staff on checks, supervisory review, testing, and validation should be applied. <p>Update and review documented bank reconciliations procedures annually. Procedures should include at a minimum:</p> <ul style="list-style-type: none"> ▪ Bank reconciliations are prepared accurately and timely (45 days after month end). ▪ All bank reconciliations should include evidence of supervisory review and should clear all outstanding reconciling items over ninety (90) days. <p>Document and communicate to the commissary vendor a business requirement for an issued check register.</p>
<p>Responsible Department or Organization:</p>	<p>Sheriff's Department</p>
<p>Management's Response:</p>	<p><input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree Respondent: Darryl Thomas, CFO Date: 12/12/2012</p>
<p>Comments:</p>	<p>We are working on the old Prisoner Trust Fund outstanding items. We did have bank statements for proper bank reconciliations each month.</p>
<p>Disposition:</p>	<p><input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration</p>

County Auditor



Dallas County, Texas

Finding Number: 11-SH-01-07
Date: 02/03/2012
Audit: Sheriff's Department Audit – FY2010 and FY2011
Auditor(s) Assigned: BM, RL

<p>Finding:</p>	<p>Bail Bond - Miscellaneous A sample review of various bondsman and attorney accounts in AIS revealed:</p> <ul style="list-style-type: none"> • One out of 27 (3.7%) bondsman folders could not be located in the Sheriff Bond Administration section to verify amount returned / executed against and surety signature for withdrawal (either by bondsman request or by writ of execution to satisfy a judgment) of collateral. Status: Resolved. Folder presented for review on 12/10/2012. • Two (2) out of ten bail bond companies without a current bail bond license on file (application fee was paid) Status: Resolved. Information presented for review on 12/10/2012. • 14 out of 40 (35%) bond amounts were not posted to J166 by the court clerks • Four out 60 (6.67%) felony bonds missing from the case jacket / not scanned to Onbase (all over \$5,000) • One out of 163 (.61%) accounts with bonds issued exceeding available bond writing / authorized limit. (Negative surety account balance on closed account after executions in 2008 against collateral to pay final judgments). AIS system controls properly prevented any additional bonds from being issued.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Review, observation Workpaper O.6, O.8 and O.12</p>
<p>Condition: (Describe the current condition)</p>	<p>Attorneys and/or bonding companies obtain the release of clients from jail via executing a bail bond in an amount set by the court of jurisdiction or magistrate. Documents are sent to the Release desk for signatures and then sent back to the bond area. At the end of each shift, the bonds are sorted by type (magistrate, misdemeanor, and felony) and given to the respective clerks for signature verification. Bail bonds are consistently sent to the appropriate courts/clerks by the Sheriff Department. District Clerk staff file bail bonds in the corresponding case jackets. Requests are sometimes made by non-court personnel to review case jackets.</p> <p>When defendants do not appear for required court appearances, the bail bond that secured their release from jail is subject to forfeiture. If final judgment occurs and motions for new trial or bills of review are not filed, the surety has 30 days to pay before being placed on the cut-off list by the District Clerk or County Clerk with issuance of execution against the bondsman's collateral. On notice from the clerk, the Sheriff Bail Bond section deactivates the surety's account on AIS which prevents issuance/recording of new bonds on AIS for the deactivated account. Once the judgment is paid or otherwise resolved through a granted Motion for New Trial or Bill of Review, the surety's account can be reactivated allowing the issuance of new bonds on AIS. Executions against surety collateral may result in account balances going below the minimum required ratio of collateral to writing limit. As this occurs, the Sheriff bond administrative personnel review the surety balances within the AIS Bond Company Maintenance or Attorney Maintenance screens for appropriate action including notification to sureties of additional collateral requirements. Sureties desiring to</p>



	<p>issue additional bonds will be required to provide additional collateral or pay the judgment before their account is reactivated.</p> <p>Sureties are required to place one of three (property, CD, and/or cash) forms of collateral in order to write bonds. Attorneys are not allowed to use property as collateral. Collateral category conversion errors from the Mainframe to AIS between property, cash, and CD have not been resolved. While combined collateral balances are correct by surety, some collateral category balances are overstated or understated.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>All bail bonds and case jackets should be properly filed and secured. Document control procedures require custodian oversight of records, tracking of case files and documents through acknowledgment of receipt and sign-out log sheets, and release to authorized persons.</p> <p>Bail bonds should only be issued within the authorized limit in accordance with V.T.C.A., Occupations Code Title 10 § 1704.203(a) "Except as provided by Subsection (d) (which provides license holder opportunity for additional security), a license holder who holds a license originally issued before September 1, 1999, may not execute, and a person may not accept from the license holder, a bail bond that, in the aggregate with other bail bonds executed by the license holder in that county, results in a total that exceeds 10 times the value of the security deposited or executed by the license holder under Section 1704.160."</p> <p>Bail bonds should be issued within limits on the properly completed General Power of Attorney form as stated:</p> <ul style="list-style-type: none"> • Per AG Opinion letter 96-019, "Any corporation which acts as a surety shall, before executing any bail bond, first file in the office of the county clerk of the county where such bail bond is given a power of attorney designating and authorizing the named agent of such corporation to execute such bail bonds by such agent. This power of attorney shall be a valid and binding obligation of the corporation. A separate license is required for each agent operating under a corporate power of attorney." • In accordance with V.T.C.A., Occupations Code Title 10 § 1704.160(h), "The certificate of authority to do business in this state issued under Article 8.20, Insurance Code, to an applicant that is a corporation is conclusive evidence of : (1) the sufficiency of the applicant's security and (2) the applicant's solvency and credits." • Dallas County Bail Bond Board (DCBBB) must adhere to section 1704.162 (c) of the Bail Bond Act. A renewal application shall comply with the requirement for an original license application under section 1704.154. <p>In accordance with Code of Criminal Procedure, Art. 17.09. DURATION; ORIGINAL AND SUBSEQUENT PROCEEDINGS; NEW BAIL, Sec. 1. Where a defendant, in the course of a criminal action, gives bail before any court or person authorized by law to take same, for his personal appearance before a court or magistrate, to answer a charge against him, the said bond shall be valid and binding upon the defendant and his sureties, if any, thereon, for the defendant's personal appearance before the court or magistrate designated therein, as well as before any other court to which same may be transferred, and for any and all subsequent proceedings had relative to the charge, and each such bond shall be so conditioned except as hereinafter provided</p> <p>In accordance with Rules of Civil Procedure, SECTION 3. EXECUTIONS, RULE 621. ENFORCEMENT OF JUDGMENT, "The judgments of the district, county, and justice courts shall be enforced by execution or other appropriate process. Such execution or other</p>



	<p>process shall be returnable in thirty, sixty, or ninety days as requested by the plaintiff, his agent or attorney.”</p> <p>In accordance with Rules of Civil Procedure, RULE 627. TIME FOR ISSUANCE, “If no supersedeas bond or notice of appeal, as required of agencies exempt from filing bonds, has been filed and approved, the clerk of the court or justice of the peace shall issue the execution upon such judgment upon application of the successful party or his attorney after the expiration of thirty days from the time a final judgment is signed. If a timely motion for new trial or in arrest of judgment is filed, the clerk shall issue the execution upon the judgment on application of the party or his attorney after the expiration of thirty days from the time the order overruling the motion is signed or from the time the motion is overruled by operation of law.”</p> <p>Accounting best practice requires a quality control process for preventative and detective reporting anomalies. Information processing controls should be developed and monitored to help ensure that transactions completed through computerized applications are valid, properly authorized, and completely and accurately processed and reported.</p>
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Unknown Executions on final judgments reducing authorized limits below amount of bonds already written.</p>
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Potential revenue loss for Dallas County if bonds are subsequently forfeited when bondsman’s available authorized limits are less than the account balances. Over (under) stated collateral categories (net variance zero). Inability to proceed to final forfeiture judgment when bonds are missing.</p>
<p>Recommendation: (Describe corrective action)</p>	<p>Reinforce training procedures regarding bond activity to include:</p> <ul style="list-style-type: none"> • Review and follow-up by supervisory personnel. • Document control procedures. • Timely notification to the County and District Clerk bond forfeiture sections of closed/inactive accounts to ensure priority processing of writs of execution against available collateral. • Verify that approved licenses are on file and are complete before bond issuance. <p>Continue corrective plan monitoring AIS data and processing updates.</p>
<p>Responsible Department or Organization:</p>	<p>Sheriff’s Department and/or District Clerk/County Clerk</p>
<p>Management’s Response:</p>	<p><input type="checkbox"/> Agree <input checked="" type="checkbox"/> Disagree Respondent: Darryl Thomas, CFO Date: 12/12/2012</p>
<p>Comments:</p>	<p>This finding was cleared in a follow-up visit.</p>
<p>Disposition:</p>	<p><input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration</p>



Finding Number: 11-SH-01-08a
Date: 02/03/2012
Audit: Sheriff's Department Audit – FY10 and FY11
Auditor(s) Assigned: BM, RL

<p>Finding:</p>	<p>Bail Bond - Fax Fee Bond Program Review of the billing summaries, invoices and receipts for 31 fax bond program statements revealed the following:</p> <ul style="list-style-type: none"> • 14 (45.16%) were paid after the due date (payments are due by the 10th day after receipt of the statement per contract.) Statements have “payable by 15th of month printed on the front”. <p>\$20 (delinquent since 2008) in outstanding receivables as of 09/30/2011 aged greater than 90 days. Status: Receivable was cleared in FY2012.</p>
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>O.15 a-e Receipts and statements Dallas County Sheriff's Dept Accounts Receivable Aging Report – Detail Report as of 9/30/11</p>
<p>Condition: (Describe the current condition)</p>	<p>In order to expedite the release of clients from jail, attorneys and/or bonding companies request to participate in the fax fee bond program. Program participants are obligated through a limited term contract signed/completed by both the Sheriff's Bond section and the participant themselves. <u>Program participants are required to file a security deposit.</u> The security deposit remains on deposit in Fund 532 Account 21441.</p> <p>When a contract is cancelled for non-payment of the outstanding fax fees, the Sheriff's office will submit a request for payment to Accounts Payable in order to withdraw funds on deposit from the liability account and apply to the delinquent outstanding charges in accordance with contract provisions. In the event the participant submits written notice to the Sheriff's Bail Bond section requesting closure of their account and cancellation of the contract, the Sheriff's office will submit a request for payment to Accounts Payable to refund the security deposit to the participant if no fax fees are outstanding (a separate request for payment may be required if fax fees are outstanding reducing the amount of security deposit to be refunded).</p> <p>A \$10 fee (\$25 if person in custody outside of Dallas County) is charged to the program participant for each bond faxed to the Sheriff's Bond section file desk. Data for faxed bonds is exported by a Bond Admin accounting clerk II from AIS into Business Works based on a field checked by the Sheriff's Bond section in AIS. Billing statements are sent out monthly by the Bond Admin accounting clerk II to program participants with activity, but are not paid timely. Payments received are recorded against the receivable in Business Works and receipted in CWR by the Bond Admin accounting clerk II. Revenue is recorded to Fund 120 Account 46260.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>Monthly statements should be paid within ten days in accordance with contract provisions.</p> <p>Per Court Order 2000-2103, October 17, 2000, the Service Agreement for Electronic Transmission of Bail Bonds <u>requires a security deposit in the amount of \$500</u> for surety's with a three month average of 25 bail bonds or less per month and a security deposit of</p>



	<p>\$1,000 for surety's with a three month average exceeding 25 bail bonds per month; and whereas The Service Agreement for Electronic Transmission of Bail Bonds also requires a surety to pay a fee of \$10 for each bail bond sent to the Sheriff for persons in custody in Dallas County and \$25 for each bail bond sent to the Sheriff for persons in custody outside of Dallas County.</p> <p>According to the Constitution, counties may not provide service without payment. Contractual clauses regarding dates, responsibilities, and limits are evidenced in properly executed contracts and supported by sufficient security deposits.</p>
Cause: (Describe the cause of the condition if possible)	<p>Limited supervisory review Procedures are not documented and date tracking systems have not been updated.</p>
Effect: (Describe or quantify any adverse effects)	<p>Potential revenue or interest earnings loss to Dallas County.</p>
Recommendation: (Describe corrective action)	<p>Reinforce training procedures regarding control review and train staff regarding the fax fee bond program. Fax fee bond agreement procedures should include:</p> <ul style="list-style-type: none"> • Supervisory review of file documents and processes including contractual requirements • Record and update information on AIS accurately and timely, file documents and processes. • Retain original properly executed contracts (renew as needed) • Obtain necessary security deposits <p>Develop a corrective action plan delineating procedures for billings, follow-up, monitoring the receivable and reevaluating the security deposit based on payment history/amounts due. Pursue collection of unpaid bond fees with assistance through the District Attorney.</p>
Responsible Department or Organization:	Sheriff's Department
Management's Response:	<input type="checkbox"/> Agree <input checked="" type="checkbox"/> Disagree Respondent: Darryl Thomas, CFO Date: 12/12/2012
Comments:	<p>From an accounting review, these accounts were current within 30 days. Also, these are paid in advance..... they can't be delinquent.</p>
Disposition:	<input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration



Finding Number: 11-SH-01-08b
Date: 02/03/2012
Audit: Sheriff's Department Audit – FY10 and FY11
Auditor(s) Assigned: BM, RL

<p>Finding:</p>	<p>Bail Bond – Bond Fee Program Review of the billing summaries, invoices and receipts for 20 bond fee statements revealed the following:</p> <ul style="list-style-type: none"> • Six (30%) statements were paid after the due date (payments are due by the 10th day after receipt of the statement per contract.) Statements have “payable by 15th of month printed on the front”. <p>\$75 (delinquent since 2008) in outstanding receivables as of 09/30/2011 aged greater than 90 days. Status: Receivable was cleared in FY2012.</p>
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>O.16 a-e Invoices receipts, and statements Dallas County Sheriff's Dept Accounts Receivable Aging Report – Detail Report as of 9/30/11</p>
<p>Condition: (Describe the current condition)</p>	<p>A bond fee is assessed on bonds (excluding personal or cash bonds) filed by sureties. A monthly billing program was implemented by the Sheriff's Bond section which allows the surety to be billed versus paying each time a bond is filed. Attorneys and/or bonding companies request to participate in the bond fee program. Program participants are obligated through a limited term contract signed/completed by both the Sheriff's Bond section and the participant themselves. Program participants are required to file a security deposit. The security deposit remains on deposit in Fund 532 Account 21441.</p> <p>Data for surety bonds (of program participants) is exported by the Bond Admin accounting clerk II from AIS into Business Works to produce statements based on a field checked by the Sheriff's Bond section in AIS. A \$15 fee is charged for each surety bond filed by the program participant with a not to exceed of \$30 for all bail bonds posted at one time for an individual. Billing statements are sent out monthly to program participants with activity, but may not be paid in a timely manner. Payments received are recorded against the receivable in Business Works and receipted in CWR by the Bond Admin accounting clerk II. Payments are deposited to Fund 166 Account 23247 and disbursed to the State Comptroller on a quarterly basis by the County Treasurer.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>Monthly statements should be paid within ten days in accordance with contract provisions.</p> <p>Government Code 41.458 requires the collection of a bond fee in order to supplement the felony prosecutor fund. Per Government Code 41.258 (b) “A court, judge, magistrate, peace office, or other officer taking a bail bond for an offense other than a misdemeanor punishable by a fine only under Chapter 17, Code of Criminal Procedure, shall require the payment of a \$15 cost by each surety posting the bail bond provided the cost does not exceed \$30 for all bail bonds posted at that time for an individual and the cost is not required on the posting of a personal or cash bond.”</p> <p>Per Dallas County Authorization Form For Bail Bond Cost Deposit, surety is a licensed bail bond company authorized to post bail bonds by the Dallas County Bail Bond Board and/or an attorney authorized to post bail bonds with the Dallas County Sheriff's Department, having placed on deposit with the Sheriff sufficient collateral which provides security for the posting</p>



	<p>of bail bonds. Sureties are allowed to make advance deposits with the Sheriff to pay for the "bail bond cost" when the bail bonds are posted by the surety. Placing funds on deposit in advance will allow the Surety to post bail bonds in a more timely manner.</p> <p>Best practices require that all bondsmen should have the proper paperwork in place before using the bond fee account otherwise payment of the fee at time of bond issuance is required.</p>
Cause: (Describe the cause of the condition if possible)	Limited supervisory review Procedures are not documented and date tracking systems have not been updated.
Effect: (Describe or quantify any adverse effects)	Potential interest earnings loss to Dallas County
Recommendation: (Describe corrective action)	<p>Develop a corrective action plan delineating procedures for billings, follow-up, monitoring the receivable and reevaluating the security deposit based on payment history/amounts due. Establish procedures in compliance with Government Code 41.258. Pursue collection of unpaid bond fees with assistance through the District Attorney.</p> <p>Reinforce training procedures regarding control review and train staff regarding the bond fee program.</p> <p>Bond fee agreement procedures should include:</p> <ul style="list-style-type: none"> • Supervisory review of file documents and processes including contractual requirements • Record and update information on AIS accurately and timely, file documents and processes • Retain original properly executed contracts (renew as needed) • Obtain necessary security deposits • Payment o required fees prior to service
Responsible Department or Organization:	Sheriff's Department
Management's Response:	<input type="checkbox"/> Agree <input checked="" type="checkbox"/> Disagree Respondent: Darryl Thomas, CFO Date: 12/12/2012
Comments:	An accounting review indicated these accounts were current within 30 days.
Disposition:	<input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration



Finding Number: 11-SH-01-09
Date: 02/03/2012
Audit: Sheriff's Department Audit – FY10 and FY11
Auditor(s) Assigned: BM, RL

<p>Finding:</p>	<p>Bail Bond – Re-Arrest Fee A review performed to verify that sureties are properly billed and pay the correct amount of re-arrest fees revealed:</p> <ul style="list-style-type: none"> • Re-arrest fees totaling \$54,572.44 with the oldest receivable dating to September 2003. All receivables were aged greater than 90 days. • Re-arrest fees are not billed on misdemeanor cases. • Limited billing and recovery of re-arrest fees on felony cases. • Payments received for re-arrest fees are incorrectly deposited as a credit to expense against Sheriff Fugitive section business travel.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>O.17 Dallas County Sheriff – Accounts Receivable Open Invoice Report As of 09/30/11 General Ledger</p>
<p>Condition: (Describe the current condition)</p>	<p>Defendants that do not appear in court, as required by the conditions of the bail bond, are subject to forfeiture of bond and re-arrest. Forfeiture proceedings are initiated and a fugitive apprehension warrant is issued by the County court clerk or District court clerk. The warrant is then input into the system by the clerks. When the defendant is re-arrested after entry of final bond forfeiture judgment, costs related to the re-arrest are inconsistently (no data is provided for misdemeanor re-arrests) provided to the Sheriff Fiscal section. Invoices are prepared by the Fiscal section and submitted to the surety for payment when data is provided. Payments are incorrectly received to CWR by the Sheriff Fiscal section as a credit to expense.</p> <p>Billing procedures are not documented.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>Code of Criminal Procedure, Art. 17.08 (6) states “The bond shall also be conditioned that the principal and sureties, if any, <u>will pay all necessary and reasonable expenses incurred by any and all sheriffs or other peace officers in re-arresting the principal</u> in the event he fails to appear before the court or magistrate named in the bond at the time stated therein. The amount of such expense shall be in addition to the principal amount specified in the bond.”</p> <p>Code of Criminal Procedure, Art. 22.13. CAUSES WHICH WILL EXONERATE. (a) The following causes, and no other, will exonerate the defendant and his sureties, if any, from liability upon the forfeiture taken:</p> <ol style="list-style-type: none"> 1. That the bond is, for any cause, not a valid and binding undertaking in law. If it be valid and binding as to the principal, and one or more of his sureties, if any, they shall not be exonerated from liability because of its being invalid and not binding as to another surety or sureties, if any. If it be invalid and not binding as to the principal, each of the sureties, if any, shall be exonerated from liability. If it be valid and binding as to the principal, but not so as to the sureties, if any, the principal shall not be exonerated, but the sureties, if any, shall be. 2. The death of the principal before the forfeiture was taken. 3. The sickness of the principal or some uncontrollable circumstance which prevented his appearance at court, and it must, in every such case, be shown that his failure to appear arose from no fault on his part. The causes mentioned in this subdivision shall not be deemed sufficient to exonerate the principal and his sureties, if any, unless such principal appear



before final judgment on the bond to answer the accusation against him, or show sufficient cause for not so appearing. 4. Failure to present an indictment or information at the first term of the court which may be held after the principal has been admitted to bail, in case where the party was bound over before indictment or information, and the prosecution has not been continued by order of the court.

5. The incarceration of the principal in any jurisdiction in the United States:

(A) in the case of a misdemeanor, at the time of or not later than the 180th day after the date of the principal's failure to appear in court; or

(B) in the case of a felony, at the time of or not later than the 270th day after the date of the principal's failure to appear in court.

(b) A surety exonerated under Subdivision 5, Subsection (a), **remains obligated to pay costs of court, any reasonable and necessary costs incurred by a county to secure the return of the principal,** and interest accrued on the bond amount from the date of the judgment nisi to the date of the principal's incarceration.

Code of Criminal Procedure, Art. 22.16. REMITTITUR AFTER FORFEITURE. (a) After forfeiture of a bond and before entry of a final judgment, the court shall, on written motion, remit to the surety the amount of the bond, **after deducting** the costs of court and **any reasonable and necessary costs to the county for the return of the principal,** and the interest accrued on the bond amount as provided by Subsection (c) if the principal is released on new bail in the case or the case for which bond was given is dismissed.

(b) For other good cause shown and before the entry of a final judgment against the bond, the court in its discretion may remit to the surety all or part of the amount of the bond **after deducting** the costs of court and **any reasonable and necessary costs to the county for the return of the principal,** and the interest accrued on the bond amount as provided by Subsection (c).

(c) For the purposes of this article, interest accrues on the bond amount from the date of forfeiture in the same manner and at the same rate as provided for the accrual of prejudgment interest in civil cases.

Code of Criminal Procedure, Art. 22.17. SPECIAL BILL OF REVIEW. (a) Not later than two years after the date a final judgment is entered in a bond forfeiture proceeding, the surety on the bond may file with the court a special bill of review. A special bill of review may include a request, on equitable grounds, that the final judgment be reformed and that all or part of the bond amount be remitted to the surety, **after deducting** the costs of court, **any reasonable costs to the county for the return of the principal,** and the interest accrued on the bond amount from the date of forfeiture. The court in its discretion may grant or deny the bill in whole or in part.

Dallas County Bail Bond Board Procedures & Rules Manual rule number 11 specifies "All sureties on bail bonds are responsible for and shall pay all necessary and reasonable expenses incurred by the Sheriff's Department relating to the re-arrest of any principal whose bail bond has been forfeited or whose surety has filed an affidavit to surrender the principal."

Texas Attorney General Opinion H-208 states in part "A county is entitled to reimbursement from sureties for the reasonable and necessary costs of re-arrest after a bond forfeiture or an affidavit of surrender under Article 17.19, Vernon's Texas Code of Criminal Procedure. The expenses may be recovered in a scire facias proceeding or in a separate civil action."

Local Government Code § 113.902 states: "The county treasurer shall direct prosecution for the recovery of any debt owed to the county, as provided by law, and shall supervise the



	collection of the debt."		
Cause: (Describe the cause of the condition if possible)	Re-arrest fees are not consistently tracked and available for invoicing. Control procedures are not documented. Supervisor review is not evidenced. Training may be incomplete.		
Effect: (Describe or quantify any adverse effects)	Potential revenue loss (cost recovery) to Dallas County.		
Recommendation: (Describe corrective action)	<p>The Financial section, together with the Bond and Fugitive sections, should develop procedures for handling re-arrest fees and past due accounts that include:</p> <ul style="list-style-type: none"> • Train staff regarding eligible re-arrest expenses. • Assess re-arrest expenses as authorized by statute and DCBBB Procedures and Rules and update systems. • Review and comparison of Sheriff Fugitive section transportation expenditures to re-arrest billings by supervisory staff, periodically. • Develop and update standard re-arrest hourly fee recovery schedules for staff time. • Consider standardization of flat fees for in county and adjoining county re-arrests. • Send past due notices to customers 60 days past due while continuing review of postings for accuracy. • Send a final past due notice for customers identified as 90 days past due if "proof of re-arrest" is documented. • Submit customers identified as 120 days past due to the District Attorney - Civil Division for possible litigation. • Deposit collected funds as revenue not credit to expenditure. 		
Responsible Department or Organization:	Sheriff's Department		
Management's Response:	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent: Darryl Thomas, CFO Date: 12/12/2012
Comments:	Re-arrest fees are currently being billed on a monthly basis. We currently do not have legal authority to collect these fees. A Bond Task Force is working on obtaining collection authority with a court order for reimbursement of this cost.		
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration



Finding Number: 11-SH-01-10(a)
Date: 02/03/2012
Audit: Sheriff's Department Audit – FY10 and FY11
Auditor(s) Assigned: BM, RL

<p>Finding:</p>	<p>Food Costs – NSLP Reports Review of Monthly Cost Data Reports for the period of FY10 – FY11 revealed:</p> <ul style="list-style-type: none"> • Salaries, wages, and benefits are annualized and averaged rather than actual monthly costs • Monthly insurance costs used were a flat rate of \$500 for FY 2010 and FY 2011 per employee (FY2011 budget was \$658 per employee) • Transportation costs for mileage allocated to Juvenile was calculated using five (5) different rates during FY 2010 and FY 2011 (30 cents, 61 cents, \$1.26, \$1.01 and \$2.31 per mile); the Internal Revenue Service (IRS) used three (3) different standard mileage rates during this period (50 cents, 51 cents and 55.5 cents per mile). <ul style="list-style-type: none"> ○ the 30 cent per mile not a full allocation of costs including insurance, gas, oil, maintenance, and vehicle depreciation ○ all other rates used to calculate Juvenile Transportation costs during this time period over-allocate costs including insurance, gas, oil, maintenance, and vehicle depreciation. • One instance where water costs reflected for the same amount as the prior month • One instance where water costs grossly lower than for other months • One instance where water costs grossly overstated (used electric costs in error) <p>Review of Cook Chill Average Meal Cost reports revealed:</p> <ul style="list-style-type: none"> • The reported <u>beginning</u> inventory value for August 2010 was \$224,109.34 less than the reported July 2010 <u>ending</u> inventory value. <ul style="list-style-type: none"> ○ Detailed inventory sheets provided by Cook Chill approximate reported July 2010 values. Several item total value errors were noted. ○ Reported ending inventory value for July 2010 was \$200,000 or more than ending inventory values for ten other months in FY2010. • Sheriff Response: Extra purchases made since two officers were going on two week vacations. <ul style="list-style-type: none"> ○ 'Groceries Per Meal Cost' understated due to inventory balance error. • Inmate food costs calculations exclude indirect costs and direct costs such as kitchen utensils and preparation supplies.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Monthly Cost Data Reports R-2(a) Average Meal Cost R-2(f) NSLP reports Oracle Payroll and General Ledger</p>
<p>Condition: (Describe the current condition)</p>	<p>For NSLP billings, utilities, including electric, natural gas, and water are added together to in an effort to calculate overhead. Currently, if a utility bill is not received from Facilities, Cook Chill uses the previous month's utility bill to calculate overhead. A portion of the overhead is charged to the Juvenile Department by calculating a percentage of meals delivered to the juvenile department and multiplying this percentage by several variables, including utility costs. The Juvenile Department uses the NSLP reports in submitting claims for breakfast and school lunch reimbursement.</p> <p>For inmates, monthly grocery cost is calculated by subtracting the beginning value of grocery</p>



	inventory from the ending value of grocery inventory and adding purchases for a particular month. An average meal cost is then calculated by dividing the monthly grocery cost by the total meals served. In addition, a percentage of meals served to the juvenile department is calculated by dividing the number of meals served to the juvenile department by the total meals served. This percentage is used to develop a billing for the juvenile department by multiplying several variables, including grocery cost, by the percentage.				
Criteria: (Describe the optimal condition)	NSLP is a federal program with inflexible guidelines/requirements for reporting with exceptions subject to questioned costs. Accounting control procedures require reconciliation and comparison of financial and statistical calculations to supporting documentation. NSLP reports and Meal Production/Grocery Cost Reports are accurately and timely completed.				
Cause: (Describe the cause of the condition if possible)	Delay in receiving utility bills Compilation errors and lack of supervisory review				
Effect: (Describe or quantify any adverse effects)	Unreliable data reported for average meal costs.				
Recommendation: (Describe corrective action)	<ul style="list-style-type: none"> • Develop a corrective action plan delineating procedures for Meal/Production/Grocery Cost Reports and NSLP billings including meal counts, grocery costs, utility costs, labor, and transportation costs. • Establish review by supervisory personnel of the monthly Meal Production/Grocery Cost Reports and NSLP billings prior to distribution to other departments. • Coordinate the receipt of all utility bills from Facilities Management in a timely manner in order to include actual costs on the NSLP billings. • Update estimated transportation costs for NSLP billings at least annually. • Reduce juvenile meal delivery overages through planning and coordination with the various juvenile facilities. • Allocate Juvenile Transportation costs including gas, oil, maintenance, and vehicle depreciation at the IRS standard mileage rates. 				
Responsible Department or Organization:	Sheriff's Department				
Management's Response:	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:	Darryl Thomas, CFO	Date: 12/12/2012
Comments:	We are working on using a 12 month moving average to compensate for the utility bill delay. We will use the IRS standard mileage rates for transportation cost.				
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration		



Finding Number: 11-SH-01-10(b)
Date: 02/03/2012
Audit: Sheriff's Department Audit – FY10 and FY11
Auditor(s) Assigned: BM, RL

<p>Finding:</p>	<p>Food Costs - Purchases Review of bids on grocery contracts for 343 items awarded by Sheriff Cook-Chill buyers for the period February 2010 through July 2011 revealed:</p> <ul style="list-style-type: none"> • 27 of 343 items not awarded to the lowest bidder. Reasons noted include: <ul style="list-style-type: none"> ○ comparable size/quantity not considered ○ bids not rounded to the same number of decimal places ○ bidder not included on summary of submitted bids • Sheriff's department only solicits bids from current vendors. • No process is in place to ensure bid evaluators / procurement officers have submitted 'disclosure of outside income' forms to the County Administrator prior to participating in the procurement process. <p>Three out of 271 grocery invoices sampled incorrectly coded as expenditure account number 2545 (utensils).</p>
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Grocery bids for contracts awarded February 2010-July 2011 Workpaper R - Grocery/Lunchmeat/Frozen</p>
<p>Condition: (Describe the current condition)</p>	<p>Every six months (weekly quotes if perishable items) the Sheriff's department solicits bids from current vendors via an email containing a bid sheet of requested items. If any non-current vendor calls requesting bid information, a bid sheet is emailed to that vendor. Except for produce, vendors are given two weeks to send their bids back to Cook-Chill. On Monday mornings, Cook-Chill solicit bids for produce with a response due by noon same day. Vendors fill out a paper copy of the bid sheet and return it to the Sheriff's Cook-Chill office. Some vendors return non-conforming bids that offer products in quantities/sizes other than requested. When non-conforming bids are offered, the Sheriff's office does <u>not</u> convert to comparable prices based on the quantity/size offered, but compiles for comparison with inaccurate data. All bids received during the bid period are organized on an Excel spreadsheet by vendor and the price offered for each item. Vendor's bid sheets present prices per unit in varying degrees of decimal places, which are <u>not</u> rounded for comparison. Occasionally, the manual process of transferring prices from the bid sheets to the excel sheets for comparison results in the incidental exclusion of bids or transcription of incorrect prices.</p> <p>Using lowest cost (as determined by the Cook-Chill buyer) as the deciding factor, bids are awarded on a per item basis. Once the bids are awarded, the Sheriff's Office places orders on an as needed basis by the two Cook-Chill buyers. Requisitions are submitted to Purchasing for approval and issuance of Purchase Orders. The low cost per item approach results in the use of multiple vendors.</p> <p>Upon delivery of goods, Sheriff personnel compare inventory received to inventory amounts on the bill of lading, notating any differences in quantity. Sheriff personnel and the vendor's delivery person sign the bill of lading and each keep a copy. Sheriff personnel add the new inventory to a master inventory spreadsheet, which is updated daily. Sheriff Cook Chill staff complete an inventory of food items on hand at the end of each month.</p>



<p>Criteria: (Describe the optimal condition)</p>	<p>Best practice for competitive and comparison bids require: All bid items will be converted into comparable size/quantity and unit price determine the lowest bid price. All conforming bids submitted included in the bid decision. The bid process invites and includes non-current vendors.</p> <p>V.T.C.A., L.G.C., Sec. 262.024. DISCRETIONARY EXEMPTION. (a) A contract for the purchase of any of the following items is exempt from the requirement established by Section 262.023 if the commissioners court by order grants the exemption: (8) an item of food; (d) The exemption granted under Subsection (a)(8) of this section shall apply only to the sealed competitive bidding requirements on food purchases. Counties shall solicit at least three bids for purchases of food items by telephone or written quotation at intervals specified by the commissioners court. Counties shall award food purchase contracts to the responsible bidder who submits the lowest and best bid or shall reject all bids and repeat the bidding process, as provided by this subsection. The purchasing officer taking telephone or written bids under this subsection shall maintain, on a form approved by the commissioners court, a record of all bids solicited and the vendors contacted. This record shall be kept in the purchasing office for a period</p> <p>Per Attorney General Opinion JM-783, Article 2368a.5, V.T.C.S (re-codified under V.T.C.A., L.G.C., § 262.024), is applicable to the sheriff in making purchases for the operation of the county jail. Commissioners Court Order No. 2007-2249 exempts food purchases from the sealed competitive bid process.</p> <p>V.T.C.A., L.G.C., Sec. 351.010. SANITATION AND HEALTH REQUIREMENTS. A county jail must be: (3) provided with food prepared and served in a palatable and sanitary manner according to good dietary practices and of sufficient quality to maintain good health; and</p> <p>V.T.C.A., Sec. 351.034. ADMINISTRATOR. (a) The sheriff of the county in which the jail is located shall serve as administrator of the jail.</p> <p>Best practices regarding purchase policies of large government operations include:</p> <ul style="list-style-type: none"> • Tracking the quality, service and price performance of vendors. • Receiving ongoing training and supervision, the necessary analytical, business knowledge, and negotiation skills for the procurement officers. • Developing an annual cost reduction plan for significant contracts. • Utilizing computer system to handle tasks and automate the price analysis process. • Conducting negotiation with vendors considering market opportunity, volume, payment terms, and reliability. <p>Comprehensive grocery purchasing policies and procedures exist to promote internal controls and transparency in every aspect of the procurement process.</p>
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Bidders proposed items in a size/quantity other than the size/quantity requested in the bid. Unit price decimal points rounded/truncated on some bid items. Use of manual process. Lack of updated written departmental procurement policies/procedures.</p>
<p>Effect:</p>	<p>Lowest bid not selected. Higher grocery costs paid – unable to determine if other cost offsets.</p>



(Describe or quantify any adverse effects)	Inventory control total errors. Potential conflicts of interest may be undetected.		
Recommendation: (Describe corrective action)	<ul style="list-style-type: none"> • Convert all bids into comparable size/quantity and round to the same number of decimal places to determine the lowest bid price. • Count inventory upon receipt and compare to purchase order and the bill of lading. Only items received are included in inventory control totals and submitted for payment on Records of Material Received forms. • Pursue an automated process/system for bid selection. Vendors submit bid prices/quantities to a system that converts all bids into comparable prices/quantities and decimal places. The system would then indicate the lowest bid price. • Open the bid process to all vendors to increase costs savings. • Confirm with County Administrator that bid/quote evaluators / procurement officers have submitted 'disclosure of outside income' forms. 		
Responsible Department or Organization:	Sheriff's Department		
Management's Response:	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent: Darryl Thomas, CFO Date: 12/12/2012
Comments:	The Food Service Staff is reviewing software for an automated system which would help with this process.		
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration



Finding Number: 11-SH-01-11
Date: 02/08/2012
Audit: Sheriff's Department Audit – FY10 and FY11
Auditor(s) Assigned: BM, RL

Finding:	<p>Time & Attendance A sample review of selected (per section) employee's time and attendance records for requests for leave and overtime/compensatory time in FY12 and a review of overtime paid for the following sections revealed:</p> <p>Three out of eight exempt employees received approved time off (ATO) while not recording an average 40 hour work week during fiscal year 2010.</p> <ul style="list-style-type: none"> • One of the three employees took 133.2 ATO hours (an equivalent of 16.65 days without Commissioners Court approval to exceed 15 days) • One of the three employees took 119.5 ATO hours <p><u>Fiscal Administration</u></p> <ul style="list-style-type: none"> • Two (2) instances of leave requested (3 hours sick leave and 1 hour compensatory time) not recorded in Kronos <p><u>Criminal Investigation Department (CID)</u></p> <ul style="list-style-type: none"> • One (1) instance of leave requested (2 hours compensatory time) not recorded in Kronos <p>CID Department 3134 – Change in Overtime Earned or Paid FY10 & FY11. Source: Time Analysis Reports</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Rate</th> <th>Hours</th> <th>Pd Amt</th> <th>Year</th> <th>Rate</th> <th>Hours</th> <th>Pd Amt</th> <th>% Hrs +/- 10/11</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>1.0</td> <td>171.30</td> <td>N/A</td> <td>2011</td> <td>1.0</td> <td>562.3</td> <td>N/A</td> <td>228.25%</td> </tr> <tr> <td>2010</td> <td>1.5</td> <td>732.15</td> <td>N/A</td> <td>2011</td> <td>1.5</td> <td>785.7</td> <td>N/A</td> <td>7.31%</td> </tr> <tr> <td>2010</td> <td>Paid</td> <td>508.00</td> <td>21,295.02*</td> <td>2011</td> <td>Paid</td> <td>1692.20</td> <td>70,151.44**</td> <td>233.11%</td> </tr> </tbody> </table> <p>* = General Ledger amount \$15,989.50 adjusted for overtime charge transfers to Grant departments & accruals. ** = General Ledger amount \$48,552.82 adjusted for overtime charge transfers to Grant departments & accruals.</p> <p><u>Bailiff</u></p> <ul style="list-style-type: none"> • One (1) instance of ten hours vacation leave requested recorded in Kronos as sick leave. • One (1) instance of vacation leave requested not recorded in Kronos (Start time recorded by time clock punch. End of day time recorded by supervisor entry.) <p>Bailiff Department 3129 – Change in Overtime Earned or Paid FY10 & FY11. Source: Time Analysis Reports</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Rate</th> <th>Hours</th> <th>Pd Amt</th> <th>Year</th> <th>Rate</th> <th>Hours</th> <th>Pd Amt</th> <th>10 to 11 Hours</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>1.0</td> <td>1511.7</td> <td>N/A</td> <td>2011</td> <td>1.0</td> <td>1327.2</td> <td>N/A</td> <td>-12.20%</td> </tr> <tr> <td>2010</td> <td>1.5</td> <td>2532.9</td> <td>N/A</td> <td>2011</td> <td>1.5</td> <td>1306.0</td> <td>N/A</td> <td>-48.44%</td> </tr> <tr> <td>2010</td> <td>Paid</td> <td>843.7</td> <td>34,610.07</td> <td>2011</td> <td>Paid</td> <td>1389.0</td> <td>56,152.04</td> <td>64.63%</td> </tr> </tbody> </table> <p><u>Warrants</u></p> <ul style="list-style-type: none"> • Three (3) instances where leave type requested by employee was not the leave type recorded in Kronos by the supervisor. (One employee's vacation accrual balance was at the maximum resulting in a net loss of time after the bi-weekly accrual was posted since the leave taken was recorded in Kronos as compensatory time taken) <p>Warrants Department 3130 – Change in Overtime Earned or Paid FY10 & FY11. Source: Time Analysis Reports</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Rate</th> <th>Hours</th> <th>Pd Amt</th> <th>Year</th> <th>Rate</th> <th>Hours</th> <th>Pd Amt</th> <th>10 to 11 Hours</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>1.0</td> <td>1180.8</td> <td>N/A</td> <td>2011</td> <td>1.0</td> <td>1154.0</td> <td>N/A</td> <td>-2.27%</td> </tr> <tr> <td>2010</td> <td>1.5</td> <td>2790.9</td> <td>N/A</td> <td>2011</td> <td>1.5</td> <td>1698.7</td> <td>N/A</td> <td>-39.13%</td> </tr> <tr> <td>2010</td> <td>Paid</td> <td>2808.6</td> <td>108,253.44^</td> <td>2011</td> <td>Paid</td> <td>2024.1</td> <td>82,065.85^^</td> <td>-27.93%</td> </tr> </tbody> </table>	Year	Rate	Hours	Pd Amt	Year	Rate	Hours	Pd Amt	% Hrs +/- 10/11	2010	1.0	171.30	N/A	2011	1.0	562.3	N/A	228.25%	2010	1.5	732.15	N/A	2011	1.5	785.7	N/A	7.31%	2010	Paid	508.00	21,295.02*	2011	Paid	1692.20	70,151.44**	233.11%	Year	Rate	Hours	Pd Amt	Year	Rate	Hours	Pd Amt	10 to 11 Hours	2010	1.0	1511.7	N/A	2011	1.0	1327.2	N/A	-12.20%	2010	1.5	2532.9	N/A	2011	1.5	1306.0	N/A	-48.44%	2010	Paid	843.7	34,610.07	2011	Paid	1389.0	56,152.04	64.63%	Year	Rate	Hours	Pd Amt	Year	Rate	Hours	Pd Amt	10 to 11 Hours	2010	1.0	1180.8	N/A	2011	1.0	1154.0	N/A	-2.27%	2010	1.5	2790.9	N/A	2011	1.5	1698.7	N/A	-39.13%	2010	Paid	2808.6	108,253.44^	2011	Paid	2024.1	82,065.85^^	-27.93%
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2010	1.0	1511.7	N/A	2011	1.0	1327.2	N/A	-12.20%																																																																																																					
2010	1.5	2532.9	N/A	2011	1.5	1306.0	N/A	-48.44%																																																																																																					
2010	Paid	843.7	34,610.07	2011	Paid	1389.0	56,152.04	64.63%																																																																																																					
Year	Rate	Hours	Pd Amt	Year	Rate	Hours	Pd Amt	10 to 11 Hours																																																																																																					
2010	1.0	1180.8	N/A	2011	1.0	1154.0	N/A	-2.27%																																																																																																					
2010	1.5	2790.9	N/A	2011	1.5	1698.7	N/A	-39.13%																																																																																																					
2010	Paid	2808.6	108,253.44^	2011	Paid	2024.1	82,065.85^^	-27.93%																																																																																																					



^ = General Ledger amount \$10,374.77 adjusted for overtime charge transfers to Grant departments & accruals.
 ^^ = General Ledger amount \$46,727.63 adjusted for overtime charge transfers to Grant departments & accruals.

South Tower

- One (1) instance where leave type requested (2.2 hours vacation) by employee was not the leave type recorded (sick leave) in Kronos by the supervisor.
- One (1) instance of sick leave requested recorded in Kronos for less time (1.25 hours) than requested. (Start time recorded by time clock punch. Early out time recorded by supervisor entry.)
- Twenty (20) instances where no paperwork was in unit files.
Response: Per the administrative Sergeant, the request and authorization leave forms are returned to employees at the end of every month and not retained.

South Tower Department 3148 – Change in Overtime Earned or Paid FY10 & FY11. Source: Time Analysis Reports

Year	Rate	Hours	Pd Amt	Year	Rate	Hours	Pd Amt	10 to 11 Hours
2010	1.0	4629.8	N/A	2011	1.0	2783.8	N/A	-39.87%
2010	1.5	23451.75	N/A	2011	1.5	8780.5	N/A	-62.56%
2010	Paid	24618.6	651,923.49	2011	Paid	18803.2	513,051.78	-23.62%

North Tower

North Tower Department 3141 – Change in Overtime Earned or Paid FY10 & FY11. Source: Time Analysis Reports

Year	Rate	Hours	Pd Amt	Year	Rate	Hours	Pd Amt	10 to 11 Hours
2010	1.0	7958.27	N/A	2011	1.0	4138.9	N/A	-47.99%
2010	1.5	35,830.2	N/A	2011	1.5	16489.27	N/A	-53.98%
2010	Paid	22504.77	618,380.78	2011	Paid	29233.63	799,880.16	29.90%

Work paper Reference:
(or other method by which finding was identified)

Work Papers No. S-5 and S-7
Kronos reports

Condition:
(Describe the current condition)

- Per Sheriff's Office, General Orders:
Request and Authorization for Leave of Absence form (Sher/Per/100)
- The Sher/Per/100 form will be filled out by employees who are requesting personal time off.
 - The employee will indicate which type of leave is being requested by checking the appropriate box in the center of the request form.
 - With the exception of sick leave, the Sher/Per/100 form will be completed by the employee prior to the time requested off and submitted to his/her immediate available supervisor, who will indicate whether or not the requested time off is approved or disapproved by checking the appropriate box at the bottom of the request form and then signing and dating the form in the appropriate spaces.
 - If the employee's request for leave is denied and the employee takes the time off anyway, the action is considered insubordination and is subject to appropriate disciplinary action.
 - When an employee misses work due to illness, the employee will submit a completed Sher/Per/100 form to his/her immediate supervisor promptly upon returning to work.
- Sick Leave**
- Employees shall be authorized sick leave for personal illness or illness in his/her immediate family,
 - An employee that has expended all sick leave, may be authorized LWOP by the Bureau Commander. If LWOP is not authorized, the employee will be given a letter stating that he or she is out of time and he/she will be terminated if he/she fails to show for work, unless the employee is on authorized Family and Medical Leave.
 - If the employee has expended all leave and is unable to come to work, he or she may put in a request for a leave of absence according to Dallas County Code Section 82-471.
 - Employees who are absent from work for more than three days are required to present a written doctors excuse to his/her supervisor immediately upon returning to work.
 - Supervisors that neglect to remind the employee about obtaining a written doctor's excuse are



	<p>subject to disciplinary action for failing to follow this policy.</p> <p>Sheriff employees using Kronos time clock punches includes: jailers, regular patrol, and most nonexempt employees. Manual entry by the secretary of time includes: employees who call/write-in work schedules, outlying patrols, and exempt management.</p> <p>HR clerks review exceptions and enter historical edits totaling about 30 per pay period.</p> <p>Supervisors of each section have access to review and approve time for their employees. Bi-weekly pay period is signed off, but Kronos time cards are not marked with 'approval' by the immediate supervisor or other management personnel.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>In order to provide management oversight and ensure staffing levels are consistently met, requests for leave/overtime forms should be utilized.</p> <p>Texas Commission on Jail Standards requires:</p> <ul style="list-style-type: none"> • 1:48 (guard to inmate) ratio per floor • Food Service/Sanitation/Transportation staffing outside of 1:48 requirements <p>Internal Sheriff policy:</p> <ul style="list-style-type: none"> • Leave must be formally requested two weeks in advance • Forecast scheduling incorporates planned leave • Call lists developed for contacting DSO's as unscheduled leave occurs. • Adequate rest periods provided between each eight hour shift <p>According to Dallas County Code Sec. 82-175, Supervisory responsibilities:</p> <p>(b) Supervisors shall educate their employees about how to use the time entry method they are assigned and about the time and attendance policies for their department.</p> <p>(c) Supervisors are responsible for ensuring employee time records are accurate and that no abuses occur</p> <p>(e) Supervisors are responsible for checking daily start times, meal periods, end times, vacation time, sick time, compensatory time and overtime to ensure employees are in compliance with their shift work schedule and the county's overtime policies....</p> <p>According to Dallas County Code, Section 82-132, Work schedules: Exempt employees shall report all hours worked and adhere to an established work schedule approved by the elected official/department head. Exempt employees' work schedules shall average a minimum of 40 hours per week, including use of accrued leave time. All time worked shall be recorded in the official time and attendance system.</p> <p>According to Dallas County Code, Section 82-134, Scheduled time off: Periodically, elected officials/department heads may grant administrative time off for exempt employees. Such time off must be approved by the elected official/department head. In order to approve such leave, the elected official/department head must ensure the exempt employee's most current 12-month average weekly work schedule exceeds 40 hours. For exempt employees whose tenure is less than 12 months, their average weekly hours worked shall be determined by the average hours worked over the number of weeks worked for the county. If this criterion is met, the elected official/department head may, at his/her discretion, approve the time off. Under no circumstances will this time be granted on an hour-for-hour basis and the total amount of time granted shall not exceed 15 work days in a 12-month period except by formal approval by the commissioners court.</p> <p>According to Dallas County Code, Section 82-84, Maintenance of time and attendance records, "Each department shall keep a record of each employee's hours worked in a manner approved by the commissioner's court and administered by the county auditor's office."</p> <p>Local Government Retention Schedule section 1050-54b, "Requests and authorizations for vacation, compensatory, sick, FMLA, and other types of authorized leave. FE + 3 years".</p> <p>Local Government Retention Schedule section 1050-57, "Requests and authorizations for overtime. Time trading, and other actions that affect normal work time except leave requests. 2 years".</p>



Cause: (Describe the cause of the condition if possible)	Timekeeper data entry error or oversight. Departmental and County time and attendance policies are not enforced. Incomplete training and lack of supervisory review. Complexity of developing jail staff ratios due to absenteeism, unfilled positions, and requirements to meet jail staffing standards.			
Effect: (Describe or quantify any adverse effects)	Potential accrual balances not accurate on the Kronos system. Employees overcompensated. Inefficient overtime scheduling. Excessive overtime costs.			
Recommendation: (Describe corrective action)	All start times, meal periods, end times, vacation time, sick time, holiday time, jury duty, compensatory time, overtime, ATO, etc. should be properly and timely posted to the Kronos time and attendance system in accordance with the Dallas County Code and Commissioners Court orders. Each employee should affirm bi-weekly time paid / leave balances expended through review of pay slip on Employee Self-Service (ESS) application. Emphasize supervisory review of time and attendance and Kronos postings with Kronos time card updated to reflect 'approval' by supervisor or management. Any supervisory changes to employee time records and overtime/compensatory authorization records should be accurate and properly documented. Train and update staff on county leave policies. All employee personnel files must be complete and retained in a secure area in accordance with Records Retention Schedules. Historical edits should be completed for use of ATO inconsistent with County policy. Multiple shift scenarios should be developed using Kronos functionality to build master schedules with forecasting and pre-planning for absenteeism to incorporate: 2 hour versus full shift holdover; and call lists of less tenured employees. Absences should be updated in Kronos (FMLA and vacation) as approved.			
Responsible Department or Organization:	Sheriff's Department			
Management's Response:	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent: Darryl Thomas, CFO	Date: 12/12/2012
Comments:	All time keepers are being trained to follow these recommendations.			
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration	



Finding Number: 11-SH-01-12
Date: 11/17/11
Audit: Sheriff's Department Audit – FY10 and FY11
Auditor(s) Assigned: BM, RL

<p>Finding:</p>	<p>Billings / Receivables A review of billing and receivable procedures revealed:</p> <ul style="list-style-type: none"> \$635.84 in unbilled December 2010 charges for the Photo lab due to data loss from Dallas County servers. The invoices cannot be reproduced to identify parties owing Dallas County Photo Lab charges. (See FY11 inventory report released December 16, 2011) <p>Status Prior Year Finding: Valid \$50,979 September 2002 billing for Sunnyvale patrol costs remains unpaid.</p>
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>I.1A. FY2010, I.1A. FY2011, I.2A-C FY2010, I.2A-C FY2011 Oracle</p>
<p>Condition: (Describe the current condition)</p>	<p>The Sheriff Department charges other departments and agencies for the use of Sheriff services or facilities (ie. Gun Range, Sunnyvale Patrol).</p> <p>The Sheriff's Department has contracted with Sunnyvale to provide patrol services. Sunnyvale is billed monthly by Fiscal for these services.</p> <p>Entities using the Gun Range fill out paperwork on-site for the materials needed (ie. targets, ammunition). This paperwork is forwarded to the Fiscal department, which produces and sends invoice to the requesting entity.</p> <p>Police Department/Agency contacts Photo Lab requesting to have photos processed. Agency directed to Photo Lab website: https://dcdmds.dallascounty.org (Photo Lab request that only one person in organization be authorized to submit photos for processing.) Authorized personnel register as a new user. Photo Lab reviews application and turns on user's access to Photo Lab system. Police Department photographs crime scene. Case file created. Case filed at original Police Department and case file number sent to DA's Office. DA's Office requests all evidence from Police Department for Case 12345. Authorized police personnel log on to Photo Lab website: https://dcdmds.dallascounty.org and upload images. Non-photo evidence is sent to DA's Office. Police personnel fill out online order form for size and # of images. Once order is submitted, automatic email confirmation sent to requestor and a carbon copied to the Photo Lab secretary. Photo lab personnel match number of images requested with number of images uploaded. Images are adjusted and resized as necessary. Images are printed and requesting agency notified status. Finished prints are placed in the rack for DA Courier.</p> <p>The printing cost for other Dallas County departments is absorbed by the Sheriff's Department.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>Per Texas Constitution, Article 3, Section 52, 52. COUNTIES, CITIES OR OTHER POLITICAL CORPORATIONS OR SUBDIVISIONS; LENDING CREDIT; GRANTS; BONDS. (a) Except as otherwise provided by this section, the Legislature shall have no power to authorize any county, city, town or other political corporation or subdivision of the State to lend its credit or to grant public money or thing of value in aid of, or to any individual, association or corporation whatsoever, or to become a stockholder in such</p>



	<p>corporation, association or company.</p> <p>Accounting and system control procedures require monthly reconciliation of system reports, invoices, and collected funds to test for billing and receivable accuracy. Efficient billing processes include:</p> <ul style="list-style-type: none"> • Dallas County departments charged an allocation of expenses based on usage of the Dallas County Sheriff's Photo Lab. • External entities billed for use of the Photo lab and collections timely received. • Dallas County collects receivables due from all entities, timely. • Integrated financial systems with daily back-up of data to a redundant server.
Cause: (Describe the cause of the condition if possible)	<p>Inadequate bookkeeping procedures. Inadequate back-up procedures for servers used to process Photo Lab billings. Reconciliation procedures are not assigned to the contract billing section nor the financial services section.</p>
Effect: (Describe or quantify any adverse effects)	<p>Potential loss of revenue</p>
Recommendation: (Describe corrective action)	<p>Billing procedures should include:</p> <ul style="list-style-type: none"> • Maintain a corresponding control log of payments received reconciling/verifying amounts received to the amount billed. • Periodic review by supervisory personnel to determine accuracy and timeliness of billing amounts, payments received and/or follow-up is necessary. • Daily back-up of work orders processed / charges due. Invoices generated are archived to a redundant server. • Document policies including justification / authorization of work orders. <p>Budget planning should include discussions to allocate charges to the internal user departments.</p>
Responsible Department or Organization:	Sheriff's Department
Management's Response:	<input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree Respondent: Darryl Thomas, CFO Date: 12/12/2012
Comments:	Recommendations are being implemented.
Disposition:	<input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration