




**DALLAS COUNTY
COUNTY AUDITOR**

Memorandum

TO: Honorable Lupe Valdez
Dallas County Sheriff

FROM: Virginia A. Porter 
Dallas County Auditor

SUBJECT: Digital Imaging (Photo) Lab Inventory –FY 2012

DATE: Issued: December 20, 2012
Released: March 14, 2013

SCOPE

As a part of ongoing reviews of county departments and testing year end financials, we performed a physical inventory on August 22, 2012 of the Dallas County Digital Imaging (Photo) Lab located at 2121 French Settlement for Fiscal Year ended 2012.

BACKGROUND

The Dallas County Digital Imaging (Photo) Lab is operated by the Sheriff's Office and supported by Dallas County IT Services. The lab is managed and staffed by civilian employees. The lab is responsible for providing most of the digital imaging (photographic) needs of Dallas County and other outside law enforcement agencies.

PROCEDURE

Review procedures included but were not limited to:

- Physical count
- Compare unit prices per inventory spreadsheet to price lists and invoices
- Review revenue and expense amounts per general ledger
- Performed a walk-through and flowcharted the Sheriff's Photo Lab online software program.

ACCOUNT ANALYSIS

Exhibit A: Revenues vs. Expenses

Exhibit D: Inventory Count

FINDINGS

1. Product inventory is ordered on an as needed basis. Obsolete or damaged items are not periodically destroyed: 51 obsolete items totaling \$279.60 of the inventory value remains on the stockroom shelves. (List attached-exhibit D)

2. Users log on to the Photo Lab website, complete an online order form specifying the size and number of images, and upload the digital images for processing.
3. Photo Lab consistently experiences technical issues with its server and data retrieval. Invoices could not be reproduced by Sheriff's staff to identify parties owing digital imaging charges and/or internal charges resulting in a scope limitation (invoices and production summary reports for the year not available). While a prior year audit response indicated the Photo Lab had a control procedure in place where an office assistance and Fiscal were emailed copies of invoices, invoices were not provided to audit staff after multiple requests.
4. Photo Lab revenues recorded (October 2011 through August 2012) to the General Ledger totaled \$496.05 (billable receivables are unknown) while expenses totaled \$250,857. (Spreadsheet attached –exhibit A) Historically, external charges/revenue is limited with most photo imaging services provided internally to County user departments.

Disclosure:

1. The Sheriff's Photo Lab online software program was initially built in 2005 at a cost of \$12,597. The program in its current form results from a Doctera Enterprise Version 3.53 software upgrade in 2009 costing \$3,000. Website <https://dcmds.dallascounty.org>
2. Support and Maintenance is provided by Unlimi –Tech Software Inc. at an annual cost of \$1,599.80 and is paid through April 13, 2013.
3. Amounts calculated on the Monthly Production Reports for Sheriff and other County Departments represent billable revenue and non-billable inter-departmental charges. The non-billable inter-departmental charges are absorbed by the Sheriff's Photo Lab budget.

RECOMMENDATIONS

1. Management should maintain a current record of total items in inventory as well as all unused and obsolete items. Obsolete and expired items should be identified and sent to surplus for auction and/or disposal and removed from the inventory value in a timely manner.
2. Formalized accounts receivable process should be developed and documented. Options include a summary Excel file, an e-file (stored on a shared drive) or a paper file with copies forwarded to the Fiscal Department.
3. The production report should be modified to produce reports based on the submission and completion dates. Invoices should be reconciled to the production report by the staff of the digital imaging lab. A copy of all invoices should be sent to the Sheriff's Fiscal Division and reconciled to payments received. An electronic copy file of all invoice billings should be retained and archived to a secure and accessible back-up system.
4. Work order authorization forms should be updated to include code evidencing county benefit/need and authorized signature should be tested against controls.
5. Fiscal Year 2014 Budget planning should include discussions to allocate charges to the user internal departments. Policies should be documented including justification/authorization of work orders and excluding non-county work.

6. Accuracy of production reports should be verified by the Sheriff department on a monthly basis. Data should be available for review by Fiscal and audit.
7. Department should consider bringing operation of Photo Lab servers and support and maintenance under the management of Dallas County IT Services.

SUMMARY

This report is intended for the information and use of the department. Although we reviewed internal controls and financial records, this review will not necessarily disclose all matters of 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. Adherence to and follow-through with recommendations should strengthen internal controls and compliance with Dallas County's policies and procedures.

cc: Darryl Martin, Commissioners Court Administrator
Ryan Brown, Director of OBE

DALLAS COUNTY
SHERIFF DEPT. DIGITAL IMAGING LAB
REVENUES VS. EXPENSES

Exhibit A

	2009	2010	2011	2012	Variances 2011 vs 2012
Revenue per GL on 08/31 Cash Receipts (120.3126.46180)	\$ 2,498.58	\$ 1,204.89	\$ 831.13	\$ 496.05	\$ (335.08)
Billable Charges - Production Report Revenue (Oct - Aug)	\$ 8,640.18	\$ 208.79	\$ 1,666.27	(h)	
Total Production Report Revenue	\$ 8,640.18	\$ 208.79	\$ 1,666.27		\$ -
Inventory value (08/19/11)	\$ 34,485.83 (a), (b)	\$ 32,603.39 (c), (d)	\$ 28,941.55 (e), (f)	\$ 25,858.60 (h)	\$ (3,082.95)
Expenses per GL on 08/31 Photo Supplies (120.3126.02930)	\$ 19,967.74	\$ 21,221.60	\$ 17,856.15	\$ 9,718.00	\$ (8,138.15)
Expenses per G/L on 08/31 Photo Lab Payroll Expenses (120.2126.01020) - (120.3126.01190)	\$ 187,904.19	\$ 193,011.62	\$ 163,817.61	\$ 205,516.15	\$ 41,698.54
Other Miscellaneous Expense (120.3126-2160,2640,2720,3095&7020)	\$ 4,785.14 (g)	\$ 11,687.75	\$ 2,252.78	\$ 35,622.85	\$ 33,370.07
Total Expense Charge to Photo Lab	\$ 212,657.07	\$ 225,920.97	\$ 183,926.54	\$ 250,857.00	\$ 66,930.46
Cash Receipts Over/(Under) Total Expenses	\$ (210,158.49)	\$ (224,716.08)	\$ (183,095.41)	\$ (250,360.95)	\$ (67,265.54)
Billable Revenue Over/(Under) Total Expenses	\$ (204,016.89)	\$ (225,712.18)	\$ (182,260.27)		
Non-Billable Internal/Inter-Departmental Charges (per Production Report)	\$ 181,804.33	\$ 207,480.70	\$ 226,775.85	(h)	
Non-Allocated Charges	\$ (22,212.56)	\$ (18,231.48)	\$ 44,515.58	\$ -	

- (a) Adjusted inventory value for obsolete items at 10% equals \$23,852.91
- (b) Does not include approximately \$4,321.80 in Grant purchased supplies
- (c) Adjusted inventory value for obsolete items at 10% equals \$30,294.31
- (d) Does not include approximately \$2,068.50 in Grant purchased supplies
- (e) Adjusted inventory value for obsolete items at 10% equals \$26,665.80
- (f) Does not include approximately \$2,628.15 in Grant purchased supplies
- (g) Unlimi Tech support and maintenance fee charged to Photo Supplies account in 2009 and 2010
- (h) Production reports and invoices not provided by Department

DALLAS COUNTY
SHERIFF DEPT. DIGITAL IMAGING LAB
INVENTORY COUNT 08/22/12

Exhibit D

LOCATION	DESCRIPTION	UNIT	PREVIOUS RATE	CURRENT RATE	ITEMS COUNTED FY 11	ITEMS COUNTED FY 12	CHANGE OF COUNTED ITEMS FY11 to FY12	2012 VALUE	2012 REMARKS	INITIAL	OBSOLETE/ UNUSED (Y/N)
Front Supply Room	CD-RW Verbatim	each	\$ 0.84	\$ 0.84	50	50	0	\$ 42.05			N
	CD-R TDK	each	\$ 0.15	\$ 0.11	1,900	1,450	450	\$ 165.30			N
	DVD-R TDK	each	\$ 0.17		1	250	(249)	\$ 42.50			N
	DVD+R Spindle	each	\$ 0.39	\$ 0.39		50		\$ 19.50			N
	5x8 Index Box Snap-n-box	each	\$ 1.58		5	3	2	\$ 4.74			N
	Tuck Flap Envelopes office depot (50 per box)	box	\$ 6.41		44	3	41	\$ 19.23			N
	Address Labels - Dymo	box	\$ 11.95	\$ 6.75	15	15	0	\$ 101.25			N
	3M Magic Tape (3/4 x 2592 in)	rolls		\$ 3.70		21	(21)	\$ 77.63			N
	3M Magic Tape (1 x 2592in)	rolls		\$ 4.50		13	(13)	\$ 58.50			N
	Office Depot - Professional Photo Paper - Semi Gloss 10.5 Mil; 72 lb., 50 sheets each	packet		\$ 29.99		3	(3)	\$ 89.97			N
	Staples - CD/DVD Envelopes (5in x 5in; 50/box)	box		\$ 3.01		8	(8)	\$ 24.08			N
	Office Depot - 1 1/2 inch black - lock rounding view binder	each		\$ 7.53		4	(4)	\$ 30.12			N
	Lexar Platinum II 512MB 80X Speed - Compact Flash	each		\$ 14.90		3	(3)	\$ 44.70			N
	Office Depot - 3.5 inch 2HD Diskettes (10/box)	box		\$ -		2	(2)	\$ -			N
	HP Ink Cartridge - 96 Black	each		\$ 28.61		4	(4)	\$ 118.44			N
	Lexmark Linea Print Cartridge (140196A)	each		\$ 88.00		2	(2)	\$ 176.00			N
STUDIO	BATTERY: "AA" Rechargeable 1.5v. Varta; Rayovac; Millineum or Equal	each	\$ 2.09		40	36	4	\$ 75.24			N
STOREROOM IN CHEM MIX ROOM	CHEMICALS: Fuji Film CP-48S P1 Start up Chemical Bleach Developer Part A & B Product # 03013700	box	\$ 96.25		4	4	0	\$ 385.00			N
STOREROOM IN CHEM MIX ROOM	CHEMICALS: Fuji Film CP-48S P2 Start up Chemical Bleach Fix Part A & B Product #03013705	box	\$ 139.50		4	4	0	\$ 558.00			N
REFRIGERATOR	BATTERY: Varta V 625 U 1.5v alkaline and Kodak KA625 or equal	each	\$ 1.26		5	5	0	\$ 6.30			N
REFRIGERATOR	BATTERY: Varta V 28 PX or Kodak K28L or equal 6v. KS28	each	\$ 2.95		13	15	(2)	\$ 44.25			N
REFRIGERATOR	BATTERY: Energizer EPX27 5.6v	each	\$ 2.99		1	1	0	\$ 2.99			N
REFRIGERATOR	BATTERY: 510v. #497 EVEREADY	each	\$ 52.00		5	5	0	\$ 260.00			N
REFRIDGERATOR	BATTERY: Panasonic Lithium Battery CR123APA1B (& Energizer Lithium 123 3.0v) &	each	\$ 1.85		41	41	0	\$ 75.85			N

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WALK-IN FREEZER	PAPER: Ektamax RA Professional	roll	\$ 65.00		2	1	1	\$ 65.00			Y
FREEZER IN	Matte B/W 3 1/2" x 275'										
CHEM MIX ROOM	Kodak # 195 8305										
WALK-IN FREEZER IN	PAPER: Color LUSTER 832017	roll	\$ 77.33	\$ 50.84	2.5	3	(1)	\$ 152.52			N
CHEM.MIX ROOM	F/H# 830835 (2r/s/cs) (5"x6'10") Type II										
	Paper: Luster 5" x 575 832306	roll	\$ 167.70		2	2	0	\$ 335.40			N
	(2r/s/cs) Type PD II										
	PAPER: Luster 8"x295' 380-666	case	\$ 40.00	\$ 40.00	27	58	(31)	\$ 2,320.00	100 invoiced 3/7/12, 100 invoiced 10/4/2011, and 100 invoiced 4/20/11 for \$40, and 100 invoiced 11/15/10 for \$40.		N
	FUJIFILM (2r/s/cs) Type PD II										
	PAPER: Luster 8"x275' 832312	case	\$ 128.34		1	1	0	\$ 128.34			N
	(2r/s/cs) Type PD II 995-084										
	PAPER: Color Matte 10"x275' 832029	case	\$ 69.86		17.0	17	0	\$ 1,187.62			N
	F/H# 830856 (2r/s/cs) 831856 Type II										
	PAPER: Glossy 10"x275' 832027	case	\$ 69.86		3	3	0	\$ 209.58			N
	F/H# 831854 (2r/s/cs) Type II										
	PAPER: Epsom Premium Luster Photo Paper	roll	\$ 90.00	\$ 90.00	6	3	3	\$ 270.00	Six invoiced on 3/7/2011 for \$90		N
	24 x 100 S042081										
	PAPER: Epsom Premium Luster Photo Paper	roll	\$ 63.80	\$ 68.00	4	3	1	\$ 204.00			N
	16 x 100 S042079										
	PAPER: Epsom Premium Luster Photo Paper	roll	\$ 155.00	\$ 155.00	7	6	1	\$ 930.00	Four invoiced on 3/7/2011 for \$155		N
	44 x 100 S042083										
	PAPER: Epsom Premium Glossy Photo	roll	\$ 159.60		6	5	1	\$ 798.00	Grant Item		N
	Roll Paper (250) 44" x 100' S041640										
ROOM NEXT TO BREAKROOM	Paper: 44" x 100" Epsom Matte paper #S041597	roll	\$ 159.60		3	4	(1)	\$ 638.40	Grant Item		N
	Film: Fujifilm 6 x 575 Glossy Type 1 # 710-110	roll	\$ 93.00		5	3	2	\$ 279.00			N
	Film: Fujifilm 6 x 575 Matte Type 1 # 707-505	roll	\$ 93.00		32	16	16	\$ 1,488.00			N
	LAMP: PH / 212 120v.-150w.	each	\$ 2.25		1	0	1	\$ -	Could not locate; possibly being used		Y
	LAMP: MP4 Tungsten Light 20w.; T12; Optima 32 (For MP4)	each	\$ 1.00		5	5	0	\$ 5.00			N
	FLUORESCENT LAMP: F15-T8 Spectra Light	each	\$ 2.00		1	1	0	\$ 2.00			N
	FLUORESCENT LAMP: 32w	each	\$ 2.00		3	0	3	\$ -	Out of stock		N

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					FY 11	FY 12	FY 11 to FY 12					
	F32-T8 SP65											
	FLUORESCENT LAMP: 40w F40 CW Cool White	each	\$ 2.00		4	4	0	\$	8.00			N
	INDICATOR LAMPS 12-7 1/2 S/C/R (RED)	each	\$ 1.00		10	9	1	\$	9.00			Y
	HALO POWER TRACE halo - 2 L1735MPY	each	\$ 1.00		6	6	0	\$	6.00			Y
	Epson Replacement Ink Maintenance Tank #C12C890071; new #C12C890191	each	\$ 36.00		4	2	2	\$	72.00			N
	Webril Handi Pads	each	\$ 20.00		12	10	2	\$	200.00			N
	8 foot spill sock	box	\$ 18.00		1	1	0	\$	18.00			N
	4 foot spill sock	box	\$ 9.00		1	1	0	\$	9.00			N
some in studio	Photo Mat Board: 4'x8'x3/16 Black or White Gatorboard	sheet	\$ 49.08		13	11	2	\$	539.88			N
some in studio	Photo Mat Board: 4'x8'x1/2 Black or White Gatorboard	sheet	\$ 81.90		9	7.5	2	\$	614.25			N
	Photo Mat Board: Smooth Finish 16"x20" 100/box RPS # S 15404	ea	\$ 1.08		444	418	26	\$	451.44	no new purchases		N
	Photo Mat Board: 8"x10"x100/box RPS# 15401	ea	\$ 0.50		69	97	(28)	\$	48.50			N
some in studio	Photo Mat Board: 11"x14"x100/box RPS# 15402- \$150/10 boxes	ea	\$ 0.99		3,675	3,543	132	\$	3,507.57	no new purchases		N
some in studio	Photo Mat Board: 20"x24"x50/box RPS# 15405	ea	\$ 2.16		325	144	181	\$	311.04	no new purchases		N
	Photo Mat Board: 20"x24" 1/8 15/box RPS	ea	\$ 3.17		10	10	0	\$	31.70			N
some in studio	Photo Mat Board: 30"x40"x25/box; Black RPS# 15406	ea	\$ 7.04	\$ 7.04	38	36	2	\$	253.44	B&H Photo, one box of 25 purchased 6/20/2011		N
	32"x40"x3/16" Black Foam Core Board	ea	\$ 16.95	\$ 16.95	0	0	0	\$	-			N
some in studio	Positionable Mounting Adhesive: 16"x50" roll; 3M 568 PMA 70071152907	roll	\$ 55.00		6	6	0	\$	330.00			N
some in studio	Positionable Mounting Adhesive: 24"x50" roll; 5568 3M 70070059434	roll	\$ 88.70		9	4	5	\$	354.80	no new purchases		N
	Dulling Spray; Krylon 1310/11 Matte Finish Rubber Aprons	each	\$ 14.00		1	11	(10)	\$	154.00			N
	Chemical/WATER Filters; 9 1/4"x 2 1/4"	each	\$ 16.35		3	6	(3)	\$	98.10			Y
		each	\$ 3.50		31	29	2	\$	101.50			Y

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	Dia.; Johnson #PAC-P-7; or Photo-Klear #9											
	Chemical Mixing Gloves	pair	\$ 2.40		4.5	3.0	2	\$ 7.20			N	
	Respirator Cartridges; P-100 Series Lab Safety #38232 2 pair per bx	box	\$ 38.00		4.0	4.0	0	\$ 152.00			N	
	Epson auto cutter Spare Blade	each	\$ 50.00		4	4	0	\$ 200.00			N	
	Fuji Rinse Filter - FRSS - 10 cartridge	each	\$ 45.00		1	1	0	\$ 45.00	currently in use		N	
	Fuji Frontier SuperConditioning Tablets (100 tab/bot.) F/H# 819 034	bottle	\$ 7.49	\$ 7.00	7	24	(17)	\$ 168.00			N	
	Fuji Frontier Projector Lamps #36V400W Ushio "EVD"	each	\$ 30.00		1	1	0	\$ 30.00			N	
	Fuji Frontier Circulation Filters #06091053 10 per/pkg	each	\$ 1.20	\$ 1.15	70	0	70	\$ -	Out of stock; Per Mr. Shippy they go through 6-8 filters per month		N	
	Fuji Frontier Backprinter Ribbons #F1025	each	\$ 17.10		10	8	2	\$ 136.80			N	
	Fuji Frontier Reflector #602S0001	each	\$ 134.76		2	2	0	\$ 269.52			N	
	Fuji Frontier Exposure Section Air Filter #374D890141A	each	\$ 4.25		7	7	0	\$ 29.75			N	
PROCESSING ROOM	CHEMICAL: Fuji Frontier Replenish Cartridges (2per/bx) CP48-S F/H# 819 843 replaced with #819868	box	\$ 99.95	\$ 82.00	11.0	5	(10)	\$ 410.00	Six CP48LR PC Cartridge FH#819868 invoiced 3/7/12 and Four invoiced 10/4/11 for \$82. Sixteen CP48S FH#819863 4/20/11 for \$82. Four CP48S FH#819863 11/15/10 for \$82. Received 8 boxes or 16 more on 8/16/12 at the new rate.		N	
BACK ROOM Next to breakroom	Cartridge : Epson Photo Black Ink #T544100	each	\$ 40.95	\$ 83.30	4	4	0	\$ 333.20	Grant Item		N	
	Cartridge : Epson Cyan Ink #T54420	each	\$ 40.95	\$ 83.30	4	4	0	\$ 333.20	Grant Item		N	
	Cartridge : Epson Magenta Ink #T544300	each	\$ 40.95	\$ 83.30	4	4	0	\$ 333.20	Grant Item		N	
	Cartridge : Epson Yellow Ink #T544400	each	\$ 40.95	\$ 83.30	3	3	0	\$ 249.90	Grant Item		N	
	Cartridge : Epson Light Cyan Ink #T544500	each	\$ 40.95	\$ 83.30	3	3	0	\$ 249.90	Grant Item		N	
	Cartridge : Epson Photo Light Magenta Ink #T544600	each	\$ 83.30	\$ 83.30	4	2	2	\$ 166.60			N	
	Cartridge : Epson Photo Light Black Ink #T544700	each	\$ 40.95	\$ 83.30	1	0	1	\$ -			N	
		\$	\$ 40.95	\$ 83.30	3	3	0	\$ 249.90	Grant Item		N	

