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Honorable Marian Brown
Dallas County Sheriff
Dallas, Texas

RE: FINAL AUDIT REPORT Sheriff Department - FY 2023 and FY2024

The Dallas County Auditor's Office Internal Audit Division performed procedures for the period October 1, 2022, through September 30, 2024.

The objectives of the engagement were to:

1. Ensure compliance with statutory requirements
2. Evaluate internal controls
3. Verify accuracy and completeness of reporting
4. Review controls over safeguarding of assets

Overall Results

Internal controls related to cash management were inconsistent: funds totaling \$136,070 were deposited after the statutory deadline indicated in LGC 113.022(a) due to check errors not identified by the department prior to transmittal to the Treasurer's Office. Additionally, petty cash funds were improperly established by issuing checks payable to "Cash" from various expense accounts, and manual receipt books could not be located.

We appreciate the cooperation of the department and the staff during our review. If you prefer that released reports be emailed to a different (or additional) recipient, please inform me of the name and the change will be made.

Respectfully,

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ISSUED: 11/6/2025
RELEASED: NOVEMBER 6, 2025

REPORTABLE FINDINGS

ISS.25-SHF-32.02-01 Fee Compliance:

A sample review of 141 fees assessed and collected by various divisions of the Sheriff's Department was performed. The review identified 12 (8.51%) instances in which the Estray division assessed and collected fee amounts that differed from the amounts approved by Commissioners Court resulting in underpayments totaling \$737 and overpayments totaling \$8. Additionally, there was no segregation of duties in the Estray section; the same person was responsible for performing Estray duties, preparing the Estray records, and collecting all related fees.

Suggested Actions

- Assess and collect fees in accordance with Commissioners Court orders.
- Segregate duties to ensure proper checks and balances.
- Examine the feasibility of adding an additional employee to segregate duties and meet statutory reporting deadlines.

Management Action Plan

Estray division is in a remote area and is managed by one deputy and that's all we are allowed to use. We have asked to put more details on receipts but those come to the Fiscal Office only whenever the deputy comes downtown. This may continue to happen until a 2nd employee is added to the division which may be difficult under the tight county budget. The charges audit staff calculated and how the deputy calculated may be in different ways. He may have been keeping animals only for a few hours and charge based on the hours and not by days.

Auditor's Response

None

ISS 25-SHF-32.02-02 Cash Count:

Cash counts performed at 11 divisions of the Sheriff Department between January 27, 2025 and February 7, 2025 identified that the department established three petty cash funds without the approval of the County Auditor. The department issued checks payable to "Cash" from the Dues and Subscriptions and Office Supplies expense accounts instead of the designated Petty Cash account. Additionally, a shortage of \$176 was identified in the book-out cash drawer in the vault safe.

Status: As of June 2, 2025, funds in the book-out cash drawer were replenished.

Suggested Actions

- Ensure all petty cash funds are established using the proper Petty Cash account in accordance with Local Government Code 130.

REPORTABLE FINDINGS

- Review and strengthen cash handling and reconciliation procedures to prevent future discrepancies.

Management Action Plan

All established petty cash were briefed at Commissioners' Court at the time of establishment of those accounts. Also, all petty cash accounts have been reported to the Auditor's Office at time of close of each financial year.

Auditor's Response

None

ISS.25-SHF-32.02-03 Manual Receipts:

A review of a random sample of 168 manual receipts for continuity and to determine if amounts collected were properly posted to County Wide Receipting (CWR) or QuickBooks identified delays in posting and depositing funds. Thirty-three cash manual receipts totaling \$5,346 were posted between six and 18 business days after the original receipt date. The funds associated with one manual receipt were deposited in the Amegy bank account eight days after the initial transaction. An additional delay of eight days occurred between the deposit of the funds and the recording of the deposit in QuickBooks. Additionally, four manual receipt books, containing 600 unused receipts, could not be located for review.

Suggested Actions

- Ensure manual receipts are entered into the CWR or QuickBooks system timely.
- Receipted funds are sent to the Treasurer's Office or Amegy bank in compliance with Local Government Code Sec. 113.022(a).
- Implement procedures to ensure all manual receipt books are properly tracked, securely stored, and readily accessible for review.

Management Action Plan

- It is not the department's policy to keep cash more than three days in the safe. We try to deposit the money usually on the next day, if possible. If funds were kept in the safe for more than three days, then there must be justifiable reasons. If the funds received do not match documentation, then staff may wait till they get cleared and that wait can extend to holidays and weekends. We do not want to deposit erroneous or short deposits.

Auditor's Response

- As relate to the delays, the department noted that the funds are given to them weekly from the different sections which contributes to the timing delays.

REPORTABLE FINDINGS

ISS.25-SHF-32.02-04 Computer Receipts:

A review of all computer receipts issued, voided, and deposited during fiscal years 2023 and 2024 identified four deposits totaling \$136,070 were deposited after the statutory deadline indicated in LGC 113.022(a) due to check errors not identified by the department prior to transmittal to the Treasurer's Office.

Suggested Actions

- Send receipted funds to the Treasurer's Office as indicated in Local Government Code, § 113.022.
- Verify checks received for amount, signature, payee name, and date prior to receipting.

Management Action Plan

- It is not the department's policy to keep cash more than three days in safe. We try to deposit the money usually on the next day, if possible. If funds were kept in the safe for more than three days, then there must be justifiable reasons. If the funds received do not match documentation, then staff may wait till it get cleared and that wait can extend to holidays and weekends. We do not want to deposit erroneous or short deposits.

Auditor's Response

None

cc: Darryl Martin, County Administrator