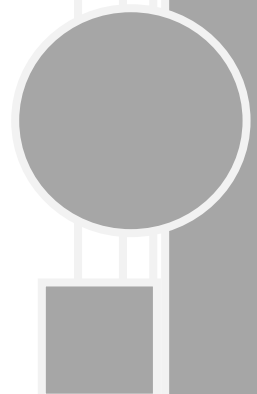




AUDIT REPORT

DALLAS COUNTY
FY2022 - Sheriff Photo Lab Inventory

Darryl D. Thomas
Dallas County Auditor
ISSUED: 10/24/2022
RELEASED: DECEMBER 7, 2022



FY2022 - Sheriff Photo Lab Inventory

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This report is intended for the information and use of the agency/department. While we have reviewed internal controls and financial reports, this review will not necessarily disclose all matters of a material weakness. It is the responsibility of the department to establish and maintain effective internal control over compliance with the requirements of laws, regulations, and contracts applicable to the department



DALLAS COUNTY
COUNTY AUDITOR

MANAGEMENT LETTER

Honorable Marian Brown
Dallas County Sheriff
Dallas, Texas

Attached is the County Auditor's final report entitled "FY2022 - Sheriff Photo Lab Inventory" Report. In order to reduce paper usage, a hard copy will not be sent through in house mail except to the auditee.

In you prefer that released reports be emailed to a different (or additional) recipient, please inform me of the name and the change will be made.

Respectfully,

Darryl D. Thomas

Darryl D. Thomas
County Auditor

EXECUTIVE SUMMARY

We did not perform the annual physical inventory of the Sheriff's Digital Imaging (Photo) Lab located at 2121 French Settlements for Fiscal Year 2022. We relied solely on the department records and physical count to evaluate and report the financial record of Sheriff's Photo Lab. 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.

Summary of Significant Observations

None identified

Repeat observations from Previous Audits:

The Photo Lab did not consistently maintain, record and track changes in inventory

Only those weaknesses which have come to our attention as a result of the audit have been reported. It is the responsibility of the department management to establish and maintain effective internal control over compliance with the requirement of laws, regulations, and contracts applicable to the department.

INTRODUCTION

Dallas County Auditor's Office mission is to provide responsible, progressive leadership by accomplishing the following:

- Comply with applicable laws and regulations
- Safeguard and monitor the assets of the County utilizing sound fiscal policies
- Assess risk and establish and administer adequate internal controls
- Accurately record and report financial transactions of the County
- Ensure accurate and timely processing of amounts due to County employees and vendors
- Set an example of honesty, fairness and professionalism for Dallas County government
- Provide services with integrity
- Work in partnership with all departments to resolve all issues of the County
- Strive to utilize the latest efficient and effective technology in the performance of tasks
- Provide technical support and training in the development, implementation, and maintenance of information systems
- Hold ourselves accountable to the citizens of the County at all times
- Be responsive to the elected officials and department heads of Dallas County

The objectives of this audit are to: 1. Ensure compliance with statutory requirements 2. Evaluate internal controls 3. Verification of accuracy and completeness of reporting 4. Review controls over safeguarding of assets

This audit covered the period of October 1, 2021 through August 31, 2022.

The audit procedures will include interviews with key process owners, observation of transactions processing, data analysis and sample testing of transactions. The main system used will also be reviewed and incorporated as part of the testing of transactions.



DETAILS

Inventory Count

A review of the Photo Lab's inventory as reported August 8, 2022 revealed since the department does not record item costs, the total value of inventory cannot be determined; the department does not maintain, record or track changes in inventory; a physical inventory count is only conducted on an annual basis; and 14 items with a zero count were marked obsolete, but not removed from the spreadsheet for FY2022. According to Dallas County policy Section 90-371(6), "it is the sole responsibility of the elected official/department head to which property is assigned to maintain a proper accounting of all property through proper inventory records." Infrequent physical inventory counts combined with a lack of inventory control procedures resulted in an inability to determine the total value of Photo Lab inventory.

Recommendation

Inventory Count

Perpetual inventory records should be established to allow for immediate tracking of inventory levels, point in time inventory value, sales, and expenses. This system should detail: item descriptions, unit prices, quantities received, quantities issued, quantities on hand, a consistent unit of measurement for inventory, and financial values of each item and total inventory value. Records should be updated timely and accurately as new purchases occur and inventory is used. The department should track and record item costs to determine the value of all items in inventory, control for cost overruns, compare expenses, and provide transparency with an audit trail. Management should also provide Microsoft excel training to personnel who use the software to track inventory.

Management Action Plan

- Audit report's recommendations are noted. The Photo Lab doesn't have employees with accounting background to keep up with accounting numbers. Besides the lab is currently producing pictures, videos etc. for mainly to Dallas County District Attorney's & Medical Examiner's Offices without billing them. We are not allowed to bill these entities per OBE's instructions; hence no revenues are coming into this operation. So, adding an accountant or accounting clerk is not cost-efficient for the unit. But there are ways to find cost of what's on supply inventory from Fiscal Office. Photo Lab doesn't keep invoices for the supplies they receive but keeps good count of what they have.

Auditors Response

- None

cc: Darryl Martin, Commissioners Court Administrator