



# AUDIT REPORT

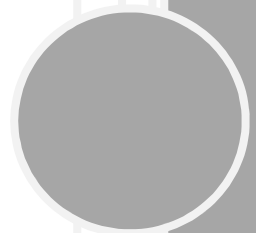
DALLAS COUNTY

FY2021- Sheriff's Photo Lab Inventory

Darryl D. Thomas  
Dallas County Auditor

ISSUED: 11/9/2021

RELEASED: JANUARY 6, 2022



# FY2021- Sheriff's Photo Lab Inventory

## TABLE OF CONTENTS

---

MANAGEMENT LETTER .....	3
EXECUTIVE SUMMARY.....	4
INTRODUCTION .....	5
DETAILS .....	6

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 "FY2021- Sheriff's 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 performed the annual physical inventory of the Sheriff's Digital Imaging (Photo) Lab located at 2121 French Settlements for Fiscal Year 2021. We solely rely on the department record 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.

### **Repeat observations from Previous Audits:**

Photo Lab job tickets are not matched to invoices and amounts collected per the general ledger

**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 requirements2. Evaluate internal controls3. Verification of accuracy and completeness of reporting4. Review controls over safeguarding of assets

This audit covered the period of October 1, 2020 through August 31, 2021.

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**

We reviewed the Photo Lab's inventory on 9/13/21 and identified:

- Item cost is not recorded so the department cannot place a total value on its inventory.
- The Photo Lab does not maintain, record and track inventory.
- 16 items with a zero count were marked obsolete, but not removed from the spreadsheet for FY2021.

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." These instances occurred because the Photo Lab only counts the number of items in inventory once a year, at the request of internal audit, and does not track its costs. As a result, the Photo Lab cannot determine the value of their inventory and track inventory changes on demand.

**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**

- Recommendation is noted. It is not practical and economical to implement perpetual inventory system. Photo Lab tries its best to keep prices of inventory items. Photo Lab is not allowed to bill Dallas County's District Attorney's Office and Dallas County's Medical Examiner's Offices per verbal instruction from former OBE Director Ryan Brown. More than 95% of Photo Lab's work is done for these 2 offices. Inventory records are updated every month by the new Photo Lab Supervisor. Training are being provided to Photo Lab staff and is now in compliance.

---

**Auditors Response**

- None

**DALLAS COUNTY**



**COUNTY AUDITOR**

cc: Darryl Martin, Commissioners Court Administrator