

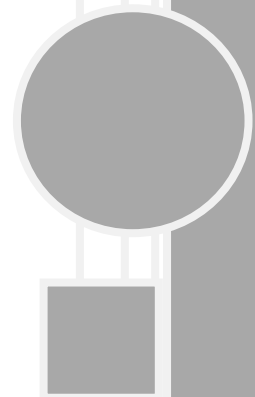


AUDIT REPORT

DALLAS COUNTY

2019 SHERIFF'S PRINT SHOP INVENTORY

Darryl D. Thomas
Dallas County Auditor
ISSUED: October 25, 2019
RELEASED: December 12, 2019



2019 SHERIFF'S PRINT SHOP 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 "**2019 Sheriff's Print Shop Inventory**" Report. In order to reduce paper usage, a hard copy will not be sent through in-house mail except to the auditee.

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,

A handwritten signature in blue ink, appearing to read "Darryl D. Thomas".

Darryl D. Thomas
County Auditor

EXECUTIVE SUMMARY

As a part of ongoing reviews of county departments and testing year end financials, we performed an inventory of the Print Shop equipment and paper on 8/8/19 and identified: the Print Shop inventory count of 7,369 units differed from the auditor's physical inventory count of 7,316 units by 53 units; the Print Shop does not record the cost of inventory and thus, we were not able to compare the auditor's physical inventory valuation calculated at \$54,240 to the Print Shop's inventory records;

Summary of Significant Observations

- None noted from testing.

Repeat observations from Previous Audits:

- The Print Shop does not record the cost of orders and track the value inventory on hand.

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, 2018 through August 31, 2019.

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 performed an inventory of the Print Shop equipment and paper on 8/8/19 and identified: the Print Shop inventory count of 7,369 units differed from the auditor's physical inventory count of 7,316 units by 53 units; the Print Shop does not record the cost of inventory and thus, we were not able to compare the auditor's physical inventory valuation calculated at \$54,240 to the Print Shop's inventory records; and the Print Shop does not maintain, record and track changes in inventory (additions and usage). 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 Print Shop only counts the number of items in inventory once a year. As a result, the Print Shop 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.

Management Action Plan

We agree with your Recommendation. A possible procurement of inventory software in the next coming budget will be considered to aid in the need to track perpetual inventory records.

Auditors Response

None

cc: Darryl Martin, Commissioners Court Administrator