

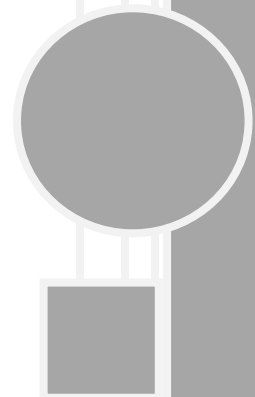


AUDIT REPORT

DALLAS COUNTY

2020 SHERIFF'S PRINT SHOP INVENTORY

Darryl D. Thomas
Dallas County Auditor
ISSUED: November 11, 2020
RELEASED: January 08, 2021



2020 SHERIFF'S PRINT SHOP INVENTORY

TABLE OF CONTENTS

MANAGEMENT LETTER.....	3
EXECUTIVE SUMMARY	4
INTRODUCTION	5
DETAILS.....	6
Inventory Count.....	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 "**2020 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 black ink, appearing to read "Darryl D. Thomas".

Darryl D. Thomas
County Auditor

EXECUTIVE SUMMARY

We did not performed the annual physical inventory of the Sheriff's Print Shop due to work place social distancing mandated by the State of Texas for FY 2020. We solely rely on the department record and physical count to evaluate and report the financial record of Sheriff's Print Shop.

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, 2019 through September 30, 2020.

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 inventory of the Print Shop equipment and paper on 8/13/20 and identified:

- The Print Shop does not record the cost of inventory and thus, we were not able to compare the 2020 auditor's inventory valuation calculated at \$54,379.38 to the Print Shop's inventory records.
- 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

- Findings are noted and will look into improving the current practice

Auditors Response

None

cc: Darryl Martin, Commissioners Court Administrator