



# AUDIT REPORT

DALLAS COUNTY

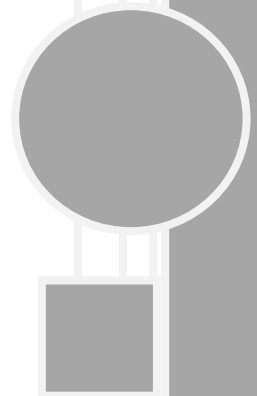
FEDERAL FORFEITURE - SHERIFF'S DEPARTMENT - FY2023

Wendwessen Stefanos, CPA

First Assistant County Auditor/Interim County Auditor

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Federal Forfeiture - Sheriff's Department - FY2023

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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 "**Federal Forfeiture - Sheriff's Department - FY2023**" 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,

*Wendwessen Stefanos*

Wendwessen Stefanos, CPA  
First Assistant County Auditor/Interim County Auditor

## **EXECUTIVE SUMMARY**

A review of the Sheriff's Office use of Federal Forfeiture funds during fiscal year 2023 was performed according to requirements contained in the Guide to Equitable Sharing for State and Local Law Enforcement Agencies (Department of Justice) and the Guide to Equitable Sharing for Foreign Countries and Federal, State, and Local Law Enforcement Agencies (Department of Treasury). The federal equitable sharing audit includes a review of the shared funds and property received from federal agencies and federal forfeiture expenditures by Dallas County agencies.

Internal Control weaknesses which need consideration by management are:

### **Summary of Significant Observations:**

- Five expenditure categories exceeded the budgeted categories by a total of \$61,740.99. This resulted in transactions being authorized which were not within the approved budget. It is essential to monitor the budgeted categories to ensure funds are available for the financial, operational, and capital plans that were developed and approved.
- Four expenditures totaling \$8,011.03 were coded to the incorrect expense account. This resulted in posting errors on the Dallas County general ledger.

### **Repeat Observations from Previous Audits:**

- Lack of management review of expenditure coding and performing regular budget reconciliations to provide reasonable assurance that transactions are authorized, reasonable, allowable, and within approved amounts.

**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, 2022 through September 30, 2023.

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****Expenses****Criteria**

Government Finance Officers Association recommends that all governments establish a formal set of processes for comparing budget to actual results to monitor financial performance. Budget monitoring should include analysis of a diverse set of indicators to best inform the analysis and facilitate evaluation of a government's overall performance.

Standard internal control procedures require that management review expenditure coding and perform regular budget reconciliations to provide reasonable assurance that transactions are authorized, reasonable, allowable, and within approved amounts.

**Review**

A review of the general ledger coding for all expenditures paid with Federal Forfeiture funds during fiscal year 2023 revealed:

- Five expenditure categories exceeded the budgeted categories by a total of \$61,740.99.
- Four expenditures totaling \$8,011.03 were coded to the incorrect expense account.

**Cause/Effect**

A lack of management oversight in reviewing expenditures and comparing them to the budget prior to payment resulted in posting errors on the Dallas County general ledger.

**Recommendation**

Expenses

Management should:

- Establish and conduct regular budget monitoring to promptly adjust for any significant variances.
- Review expenditures and transactions for sufficient authorization, accuracy, appropriate general ledger coding, consistency with the approved budget, and adequate supporting documentation.
- Perform regular budget reconciliations and review Fusion financial reports to ensure transactions are authorized, reasonable, allowable, and within approved amounts.



- Ensure sections formally document their budgetary assumptions, source information, and justifications for all planned expenditures to be charged against the Federal Forfeiture fund.

### **Management Action Plan**

Auditor's Office recommendations are noted. Escrow fund budgets are merely estimates and can vary depending on the use of it. Forecasting of expenses can go either way. More careful budgeting will be implemented going forward. Expense coding was correct at the time based on the department's judgment in selecting the account code. These expenses were related to a deputy attending a school for training with a department purchased puppy. The expenses were coded as school/recreation expenses and animal feed (food expenses for puppy).

### **Auditor's Response**

- None

cc: Darryl Martin, Commissioners Court Administrator