

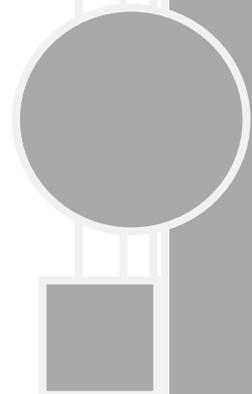


# AUDIT REPORT

DALLAS COUNTY

PROPERTY INVENTORY COUNTY CLERK - FY2019

Darryl D. Thomas  
Dallas County Auditor  
ISSUED: November 15, 2019  
RELEASED: January 21, 2020



# PROPERTY INVENTORY COUNTY CLERK - FY2019

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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**

Mr. John Warren  
Dallas County Clerk  
Dallas, Texas

Attached is the County Auditor's final report entitled "**Property Inventory County Clerk - FY2019**" 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 that reads "Darryl D. Thomas". The signature is fluid and cursive, with a long horizontal stroke at the end.

Darryl D. Thomas  
County Auditor

## **EXECUTIVE SUMMARY**

A physical inventory of capital and non-capital property assigned to the County Clerk was performed from July 24, 2019 through September 26, 2019. The review did not identify any significant observations. However, no corrections/updates have been made in response to the property memorandum entitled *Physical Inventory of Property Assigned to Department Number: 4031* issued in 2017.

### **Summary of Significant Observations**

- None identified

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

- None identified

**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 covers property that was assigned to the department as of June 24, 2019.

The audit procedures may include interviews with key process owners, observation of departmental processes, physical count of a sample of property items valued \$5,000 or more, and data analysis and sample testing of computer property items valued less than \$5,000. The main system used may also be reviewed and incorporated as part of the testing of transactions.

## DETAILS

### **Property Inventory**

A sample review of County Clerk property records revealed 12 property items were not located in room specified on the Fixed Asset Management Program (FAMP) report; one item was at a different location than listed on Oracle Fixed Asset Report; four items were not listed on FAMP report; one item was not physically located. **Status: Item that could not be physically located was traded in for a discount on a replacement item.**

Additionally, no corrections/updates have been made in response to the property memorandum entitled *Physical Inventory of Property Assigned to Department Number: 4031* issued in 2017. Dallas County Code Sec. 90.373 - All department heads and elected officials are responsible for maintaining property assigned to their department, proper inventory records, and making appropriate reports required. Inconsistent management review of processes related to property inventory resulted in incomplete/inaccurate property inventory records and increased the potential for loss or misuse of property inventory.

### **Recommendation**

#### **Inventory**

County Clerk management should:

- Contact the Purchasing Department to request FAMP be updated to reflect current property on hand.
- Contact the Financial Audit section to request Oracle Fixed Asset Module list be updated to reflect current property.
- Perform an annual inventory review and report any discrepancies to the Purchasing Department or Financial Audit.
- Review the property memorandum related to capital assets entitled *Physical Inventory of Property Assigned to Department Number: 4031* issued in 2017. Make adjustments/corrections to capital asset inventory as necessary.

### **Management Action Plan**

The 12-non Capital Property items were not located. They were traded in for new items with the vendor.

We were unable to be located the 30"-42" Monitor without a property number.

### **Auditors Response**

None

cc: Darryl Martin, Commissioners Court Administrator