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**Office of the City Auditor**

**Audit Report**

**AUDIT OF REDUCTION IN FORCE EMPLOYEE  
PROCESSING CONTROLS**  
(Report No. A10-013)

**June 25, 2010**

**City Auditor**

Craig D. Kinton

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## Executive Summary

The City of Dallas (City) processed terminating and transferring employees affected by the Reduction in Force (RIF) in a decentralized manner which reduced accountability and increased risks.

The Department of Human Resources' (HR) policies, procedures, and forms do not adequately clarify departmental roles and responsibilities to help ensure that departments process terminating and transferring employees consistently and appropriately. The HR has made an effort to assist City departments by placing documents and instructions, such as the Termination Checklist, on the HR intranet site; however, audit test results showed City departments may not have had a clear understanding of their roles and responsibilities related to terminating and transferring employees. Additionally, no one department had the responsibility to monitor whether the processes for terminating and transferring employees were consistently followed.

As a result, the employees affected by the RIF were processed inconsistently by the five departments with primary responsibilities for processing terminating and transferring employees: (1) Department of Communication and Information Services (CIS); (2) City Controller's Office (CCO); (3) Human Resources (HR); (4) Department of Equipment and Building Services (EBS); and, (5) Department of Business Development and Procurement Services (BDPS). The employees' departments also processed the employees that were terminated and/or transferred inconsistently. For example:

### Reduction in Force

To address the Fiscal Year (FY) 2010 budget shortfall, the City of Dallas (City) initiated several actions to reduce expenditures. To reduce salary and related expenditures, the City identified 812 employees to be terminated through a Reduction in Force (RIF) effective September 30, 2009.

The City rescinded the RIF notification for 53 employees. The City rehired 358, or 47 percent, of these employees to fill job vacancies available in various departments. The other 401 employees were terminated. One hundred and eighty-six of the 401 terminated employees, or 46 percent, were employees of the Department of Park and Recreation (PKR). The majority of these 186 employees were hired by Dallas Zoo Management, Inc. which took over management and operations of the Dallas Zoo effective October 1, 2009.

### Information Technology

- With the exception of mainframe access for terminating employees, computer access for employees affected by the RIF was not deactivated timely. In addition, the deactivation process was inefficient. There was also no evidence of CIS supervisory review and monitoring of employee computer access deactivations. As a result, CIS cannot easily verify and

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ensure that a terminating or transferring employee's computer access to all systems and applications was deactivated completely and timely.

Physical Security

- Physical access controls over City buildings and parking garages are not well designed or operating effectively. City policies, procedures, and practices for processing terminating and transferring employees are sometimes inconsistent. For example, HR policies and procedures instruct departments to collect identification (ID) badges and parking decals from terminating employees and submit these items to HR. According to EBS personnel, however, EBS instructs employees to turn in the parking decals personally so that the employee can sign a form authorizing EBS to stop the employees' automated parking decal payments.

The EBS must rely on HR and other departments for notification that employees are terminating or transferring. The form of this notification is also inconsistent. The EBS did not maintain sufficient documentation of e-mail notifications, Termination Check Lists, ID badges, and parking decals submitted to EBS. As a result, it cannot be determined if all the terminating employees' ID badges and parking decals were returned and physical access to City buildings and the parking garages are properly controlled.

- The majority of departments did not maintain control over keys issued to and returned by terminating or transferring employees. As a result, it could not be determined that physical access to offices, vehicles, and equipment is restricted to current employees with a valid business reason to retain access.
- The Dallas Police Department (DPD) properly deactivated building access for five terminating RIF employees; however, because the deactivation date field was either not updated or not updated timely, it could not be determined that the deactivation occurred on or prior to the terminating employees' last day of employment.

Human Resources and Payroll Processing

- Eight of 32, or 25 percent, of the employee files judgmentally sampled did not include termination forms for terminating RIF employees or salary change authorizations for RIF employees transferring to another department.

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- Four of 32, or 12.5 percent, of the employee files judgmentally sampled included salary documentation that was different from the information noted in the Lawson Human Resources Information System (HRIS).

Employee files should contain accurate and complete documentation for salary information. This documentation should agree to the employee salary amounts in HRIS.

- The Department of Business Development and Procurement Services (BDPS) did not deactivate terminating employee active vendor account status timely. Six of the 14, or 43 percent, of the terminating employees judgmentally sampled had an active vendor account six months after September 30, 2009. Employee vendor accounts are added to the Vendor Database when an employee requires a non-payroll payment, such as a travel reimbursement.

Timely deactivation of employee vendor accounts ensures that unauthorized payments are not processed and paid.

The objective of the audit was to evaluate the adequacy of selected employee processing controls related to the citywide RIF process. The audit period covered August 15, 2009 to October 31, 2009; however, certain other matters, procedures, or transactions occurring outside of that period may have been reviewed to understand and verify information related to the audit period.

Management's response to this report is included as Appendix III.

# Audit Results

## Overall Conclusions

The City of Dallas (City) processed terminating and transferring employees affected by the Reduction in Force (RIF) in a decentralized manner which reduced accountability and increased risks. The Department of Human Resources' (HR) policies, procedures, and forms do not adequately clarify departmental roles and responsibilities to help to ensure that departments processed terminating and transferring employees consistently and appropriately. Additionally, no one department had the responsibility to monitor whether the processes for terminating and transferring employees were consistently followed. As a result, the employees affected by the RIF were processed inconsistently.

## Section I – Human Resources Policies and Procedures

### Decentralized Employee Processing Reduces Accountability and Increases Risks

The City processed terminating and transferring employees affected by the RIF in a decentralized manner which reduced accountability and increased the risk that:

- Access to City information technology resources may not be appropriately restricted
- Access to City buildings and parking garages may not be appropriately restricted
- Employees may not be paid accurately
- Employee vendor accounts, Procurement Card/Travel Cards may not be deactivated

The HR policies, procedures, and forms do not clarify departmental roles and responsibilities to help to ensure that departments processed terminating and transferring employees consistently and appropriately. The HR has made an effort to assist City departments by placing documents and instructions, such as, the Termination Checklist on the HR intranet site; however, audit test results showed City departments may not have had a clear understanding of their roles and responsibilities related to terminating and transferring employees.

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Additionally, no one department had the responsibility to monitor whether the processes for terminating and transferring employees were consistently followed.

As a result, the employees affected by the RIF were processed inconsistently by the five departments with primary responsibilities for processing terminating and transferring employees: (1) Department of Communication and Information Services (CIS); (2) City Controller's Office (CCO); (3) Human Resources (HR); (4) Department of Equipment and Building Services (EBS); and, (5) Department of Business Development and Procurement Services (BDPS). The employees' departments also processed the employees that were terminated and/or transferred inconsistently. For example, departments did not consistently:

- Notify BDPS, CIS, and EBS that employees were terminating or transferring to another department
- Deactivate computer access to City networks and applications
- Complete and file appropriate processing paperwork with HR

Centralized employee processing focuses accountability and reduces the risks noted above. Clear policies, procedures, and forms provide the information necessary to help ensure departments consistently and appropriately process terminating and transferring employees.

## **Recommendation I**

We recommend the Director of HR work with the following departments that also have primary responsibilities for terminating and transferring employees: (1) CIS; (2) CCO; (3) EBS; and, (4) BDPS to:

- Adequately clarify and update policies, procedures, and forms
- Communicate these changes to all City departments

We also recommend that the Director of HR develop a process to periodically monitor whether all departments are following the updated policies and procedures and using any revised forms appropriately.

Please see Appendix III for management's response to the recommendation.

## Section II – Information Technology Security

### Terminating and Transferring Employees' Computer Access Was Either Not Deactivated or Not Deactivated Timely

With the exception of mainframe access for terminating employees, computer access for employees affected by the RIF was not deactivated timely. The deactivation process is inefficient because:

- Departments are not required to notify CIS that an employee is terminating until the employee's last work day
- The CIS must rely on departments to provide timely notification of employee transfers within and among departments
- The CIS does not maintain a central repository of computer access listings by employee

In addition, there is no evidence of CIS supervisory review and monitoring of employee computer access deactivations. As a result, CIS cannot easily verify and ensure that a terminating or transferring employee's computer access to all systems and applications is deactivated completely and timely. Testing results showed:

- An employee terminated on October 1, 2009 still had access to the City's network Active Directory as of April 1, 2010
- Four of ten, or 40 percent, of the judgmentally sampled employees, still had access to the City's network Active Directory more than 30 days after their effective date of termination

#### Active Directory

Active Directory allows administrators to assign enterprise-wide policies, deploy programs to many computers, and apply critical updates to an entire organization. An Active Directory stores information and settings relating to an organization in a central, organized, accessible database.

Source: PC Magazine White Paper Library

- Three of seven, or 43 percent, of the judgmentally sampled transferred employees with mainframe access still had access to mainframe reports and/or information from their previous positions as of April 1, 2010

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- Lawson Human Resources System (HRIS) deactivations could not be determined. The HRIS system does not have a date field to indicate the date computer access was removed.

When computer access deactivation is not performed timely, unauthorized access to confidential files and data may occur and remain undetected. Supervisory review of computer access changes is a monitoring control designed to identify deactivation errors and omissions.

## **Recommendation II**

We recommend the Director of CIS develop a monitoring process to ensure transferring and terminating employee computer access is deactivated timely. The Director of CIS should also work with HR to ensure that HR's clarified policies, procedures, and forms include notifications to CIS for adding, deleting, and/or changing employees' computer access.

Please see Appendix III for management's response to the recommendation.

## Section III – Physical Security

### Physical Access Controls Are Not Well Designed or Operating Effectively

Physical access controls over City buildings and parking garages are not well designed or operating effectively. City policies, procedures, and practices for processing, terminating, and transferring employees are sometimes inconsistent. For example:

- The HR policies and procedures instruct departments to collect ID badges and parking decals from terminating employees and submit these items to HR. According to EBS personnel, however, EBS instructs employees to turn in the parking decals personally so that the employee can sign a form authorizing EBS to stop the employees' automated parking decal payments.

The EBS must rely on HR and other departments for notification that employees are terminating or transferring. The form of this notification is also inconsistent. For example: (1) EBS may receive e-mail notification; (2) HR or departments may deliver the employees' Termination Checklists, ID badges, and parking decals; or, (3) supervisors and/or employees may hand deliver the Termination Checklists, ID badges, and parking decals to EBS.

The EBS did not maintain sufficient documentation of e-mail notifications, Termination Check Lists, ID badges, and parking decals submitted to EBS. As a result, it cannot be determined if all the terminating employees' ID badges and parking decals were returned and physical access to City buildings and the parking garages are properly controlled. The EBS began recording parking decal issuance in a spreadsheet file in calendar year 2010.

Physical access to buildings and parking garages should be properly controlled to safeguard employees, as well as governmental records and computer systems.

### Recommendation III

We recommend the Director of EBS work with the Director of HR to develop policies, procedures, and forms to help ensure that ID badges and parking decals are returned and terminated employees' access to City buildings and parking garages are properly controlled.

Please see Appendix III for management’s response to the recommendation.

### **All Departments Do Not Maintain Controls Over Keys**

The majority of departments tested did not maintain controls over keys issued to and returned by terminating or transferring employees. Only four of 11, or 36 percent, of the departments judgmentally sampled maintained a key log to properly document control over access to offices, vehicles, and equipment. As a result, it could not be determined if all keys issued to terminating and transferring RIF employees were returned to the department that originally issued the keys.

Without proper controls over keys, departments cannot ensure that physical access to offices, vehicles, and equipment is restricted to current employees with a valid business reason to retain access.

### **Recommendation IV**

We recommend the Director of HR work with the departments to develop a consistent process to maintain control over keys issued to and returned by terminating or transferring employees.

Please see Appendix III for management’s response to the recommendation.

### **Employees’ Deactivation Date Is Not Consistently Updated**

The Dallas Police Department (DPD) properly deactivated building access to DPD controlled buildings for five terminating employees; however, because the deactivation date field was either not updated or not updated timely, it could not be easily determined that the deactivation occurred on or prior to the terminating employees’ last day of employment.

Currently, DPD uses two software applications, DXS and LENEL, to control employees’ access to DPD controlled buildings. Testing results showed the deactivation date field was not updated for:

- Five terminating employees in the DSX software application which controls the majority of employee access at DPD Headquarters

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- One terminating employee in the LENEL software application which controls some access at DPD Headquarters and access at several remote DPD building locations

The deactivation dates for four of five employees tested in the LENEL software application showed deactivation dates which ranged from October 1, 2009 to October 8, 2009. The deactivation date on the ID Badge for the fifth employee was a future date, the software application's default date which was five years from the issuance date of the ID Badge. After this was brought to DPD's attention, the deactivation date for that employee was updated.

Although the deactivation date is not the control for access removal in the system, it is a field that should be updated so that DPD can easily monitor and help ensure that terminating employees' access to buildings was removed on or prior to the employees' last day of employment.

### **Recommendation V**

We recommend the Chief of Police ensure that terminating and transferring employees' access to DPD controlled buildings be deactivated on or prior to the employees' last day of employment. We also recommend the deactivation date fields in both the DSX and LENEL software applications be consistently updated with the last date of employment.

Please see Appendix III for management's response to the recommendation.

## Section IV – Human Resources and Payroll Processing

### Employee Personnel Files Are Not Complete

Eight of 32, or 25 percent, of the employee files judgmentally sampled did not include termination forms for terminating employees or salary change authorizations for employees transferring to another department. Testing results showed:

- Five files for terminating employees did not include a Termination Action Form or Termination Check List. The Termination Action Form is used by HR to process terminating and/or retiring employees. The Termination Check List includes the information necessary for HR and other departments to ensure City issued items are collected, such as ID badges, parking decals, computers, Procurement Cards/Travel Cards, and keys.
- Three files for employees transferring to another department did not include a Change Action Form. The Change Action Form is used as the authorizing document to make changes in the HRIS system, such as updates to employees' salaries, supervisors, and/or department changes.

Four of 32, or 12.5 percent, of the employee files judgmentally sampled included salary documentation that was different from the information noted in HRIS. Although the differences in salary amounts were not significant, two employee files showed the employees' salary amounts were less than the amounts shown in HRIS and two employee files showed the employees' salary amounts were more than the amounts shown in HRIS.

It appears that

- The Change Action Form was submitted and received by HR; however, HRIS was not updated to show the reduction in the two employees' salaries
- HRIS was updated to show an increase in two employees' salaries; however, the Change Action Form was not forwarded to HR and included in the personnel file

Employee files should contain accurate and complete documentation for salary information. This documentation should agree to the employee salary amounts in HRIS.

## **Recommendation VI**

We recommend the Director of HR implement a process, such as a periodic review of the employee files, to ensure that all documentation related to an employee's salary is included and that the documented salary amounts agree with HRIS.

Please see Appendix III for management's response to the recommendation.

## **Employee Vendor Accounts Were Not Deactivated Timely**

The Department of Business Development and Procurement Services (BDPS) did not deactivate terminating employee active vendor account status timely. Six of the 14, or 43 percent, of the terminating employees judgmentally sampled had an active vendor account six months after September 30, 2009.

Although BDPS is responsible for deactivating employee vendor accounts timely, BDPS was not included on the automated distribution associated with the Electronic Termination Notification Form (ETNF). Instead, BDPS had to rely on departments to submit the Internal Terminated Card Form for terminating employees.

The BDPS is responsible for maintaining and updating the Vendor Database. Vendor and employee payments from the City cannot be processed unless the Vendor Database shows an active vendor account status. Employee vendor accounts are added to the Vendor Database when an employee requires a non-payroll payment, such as a travel reimbursement.

Timely deactivation of employee vendor accounts ensures that unauthorized payments are not processed and paid.

## **Recommendation VII**

We recommend the Director of BDPS work with Directors of HR and CIS to add BDPS to the automated distribution associated with the ETFN. This notification should help ensure that BDPS receives timely notification to deactivate terminating employees' active account status in the vendor database.

Please see Appendix III for management's response to the recommendation.

## Background, Objective, Scope and Methodology

### Background

To address the Fiscal Year (FY) 2010 budget shortfall, the City of Dallas (City) initiated several actions to reduce expenditures. To reduce salary and related expenditures, the City identified 812 employees to be terminated through a Reduction in Force (RIF) effective September 30, 2009. The City rescinded the RIF notification for 53 employees. The City rehired 358, or 47 percent, of these employees to fill job vacancies available in various departments. The other 401 employees were terminated. One hundred and eighty six of the 401 employees, or 46 percent, were Department of Park and Recreation (PKR) Zoo employees.

On August 12, 2009, the Dallas City Council authorized a twenty-five year agreement with the Dallas Zoological Society (DZS) and Dallas Zoo Management, Inc. (DZM) to manage the Zoo (City Council Resolution 09-1968). The majority of the 186 former Zoo employees were hired by DZM.

### Responsibilities for Processing Terminating Employees

The following five departments have primary responsibilities for processing terminating employees:

1. **Department of Human Resources (HR)** – Provide HR related policies and procedures to other City departments and maintain the employee's file of employment records, changes in employment status, and termination documentation
2. **City Controller's Office (CCO) – Payroll Division** – Calculate and process final paychecks timely
3. **Department of Communication and Information Services (CIS)** - Deactivate access to the City's network computer systems and software applications maintained by CIS
4. **Department of Equipment and Building Services (EBS)** – Deactivate identification (ID) badge access to certain City buildings and equipment and collect parking decals
5. **Department of Business Development and Procurement Services (BDPS)** – Cancel Procurement Cards and/or Travel Cards and deactivate employee vendor accounts, if applicable

The terminating employees' supervisors/departments are responsible for:

- Initiating the termination process by completing and submitting the Electronic Termination Notification Form (ETNF). Once the supervisor/department submits the ETNF, an automated notification e-mail is generated and sent to the following City departments: (1) HR; (2) CCO; (3) CIS; (4) EBS – Parking Management; (5) CCO – Deferred Compensation; and (6) Employee Retirement Fund (ERF). The automated notification e-mail is the announcement to these departments that employees' plan to or have terminated their employment with the City. The automated notification e-mail did not include BDPS until recently.
- Completing the Termination Check List with the employee to ensure that: (1) City property issued to the employee is returned; (2) the employee has made arrangements to submit final mileage reimbursement requests; and, (3) the supervisor has performed certain close-out duties, such as arranging to cancel the employee's car allowance
- Notifying BDPS so that employees' vendor accounts can be deactivated, if applicable
- Ensuring the employees' keys, ID badges, or Procurement Cards/Travel Cards are returned
- Deactivating the employees' computer access to systems and software applications maintained by the departments

We conducted this audit under the authority of the City Charter, Chapter IX, Section 3, and in accordance with the Fiscal Year 2010 Audit Plan approved by the City Council. This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

The objective of the audit was to evaluate the adequacy of selected employee processing controls related to the citywide RIF. The audit period covered August 15, 2009 to October 31, 2009; however, certain other matters, procedures, or transactions occurring outside of that period may have been reviewed to understand and verify information related to the audit period.

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To achieve the audit objective, we:

- Interviewed personnel from BDPS, CCO – Payroll Division, CIS, the Dallas Police Department (DPD), EBS, and HR
- Reviewed the Administrative Directives (AD) pertaining to terminating employees:
  - AD 3-08, *Human Resources Records Processing*
  - AD 3-52, *Reduction in Force*;
  - AD 3-56, *Payroll Processing and Procedures*
  - AD 3-69, *Procedures for Recovery of Employment Overpayments*
- Reviewed HR's and/or departments' policies and procedures
- Performed a walk-through of CCO – Payroll Division, CIS, DPD, and EBS to gain an understanding of the termination process for final payment processing and security access
- Reviewed selected employee files and termination paperwork
- Selected a judgmental sample of 32 employees affected by the RIF and tested whether:
  - Employees were paid accurately
  - Physical access to buildings and parking garages were removed timely
  - Employee vendor accounts, Procurement Card/Travel Cards were deactivated
  - Information technology security access was appropriately and timely removed

**Major Contributors to This Report**

Carol Smith, CPA, CIA, CFE, Assistant City Auditor  
Harry Krewson, ACDA, Project Manager  
Thandee Kywe, CPA, Auditor  
Kevin Hannigan, CIA, Auditor  
Kimeca Jackson, Auditor  
Theresa Hampden, CPA, Quality Control Manager

## Management's Response

Memorandum

**RECEIVED**  
July 22, 2010  
**City Auditor's Office**



**DATE:** June 21, 2010

**TO:** Craig D. Kinton, City Auditor

**SUBJECT:** Response to Audit Report: Audit of Reduction in Force Employee Processing Controls

Our responses to the audit report recommendations are as follows:

**Recommendation I:**

We recommend the Director of HR work with the following departments that also have primary responsibilities for terminating and transferring employees: (1) CIS; (2) CCO; (3) EBS; and, (4) BDPS to:

- Adequately clarify and update policies, procedures, and forms
- Communicate these changes to all City departments

We also recommend that the Director of HR develop a process to periodically monitor whether all departments are following the updated policies and procedures and using any revised forms appropriately.

**Management Response / Corrective Action Plan**

Agree  Disagree

In 2008, the Human Resources Department, in conjunction with the Efficiency Team, implemented a ZIP Process Improvement Team to review the Termination Paperwork Process. The ZIP Team consisted of front-line staff from Human Resources and the City Controller's Office with input from staff in Equipment and Building Services and CIS.

This ZIP Team implemented several enhancements to improve efficiency and accountability of the City's termination process. First, they created an intranet web page ("Termination Paperwork Process") with step by step instructions for processing employees out of the City.

As part of Termination Paperwork Process intranet site, the team created an Electronic Termination Notification Form (ETNF). Supervisors are instructed to submit this notification as soon as they find out an employee is leaving. The ETNF notifies key staff members that need to know when an employee leaves. The ETNF is distributed electronically to personnel in HR, CIS, Deferred Compensation, Employees' Retirement Fund, the Controller's Office, Civil Service, Business Development and Procurement Services, and EBS. This results in consistent and timely notifications that enable staff to take appropriate and timely measures regarding payroll and security changes. HR is in the process of developing a similar process for employee transfers.

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The current intranet site provides a revised termination checklist. Instructions for completing the checklist are provided; however, the instructions are currently a separate document on the site. Human Resources (HR) will modify the current employee termination check list to include instructions on the checklist itself. Additionally, HR sponsored Administrative Directives will be reviewed to eliminate duplicate language regarding termination actions and/or merge common terminology into one directive. HR will also develop an Employee Transition Audit Checklist to track the completeness of actions required by departments in the employee termination process and follow up with supervisors who do not complete the documentation correctly and/or in a timely fashion.

Changes will be communicated at the director meetings and on a citywide basis via Announcements, and HR's intranet portal.

**Implementation Date**

Recommended changes to Administrative Directives will be completed and submitted for departmental review by December 31, 2010.

Termination checklist changes will be completed and posted on the Termination Paperwork Process intranet site no later than June 30, 2010.

Checklist for employees transferring to other divisions/departments will be completed no later than August 1, 2010.

Employee Transition Audit Checklist will be completed and in use no later than August 1, 2010.

**Responsible Manager**

Deritte Fernandez, Interim Assistant Director, Human Resources

**Recommendation II:**

We recommend the Director of CIS develop a monitoring process to ensure transferring and terminating employee computer access is deactivated timely. The Director of CIS should also work with HR to ensure that HR's clarified policies, procedures, and forms include notifications to CIS for adding, deleting, and/or changing employees' computer access.

**Management Response / Corrective Action Plan**

Agree  Disagree

The CIS Department worked with HR in March of 2010 to establish a Standard Operating Procedure for adding, deleting, and/or changing employees' computer access to the Active Directory Environment and Enterprise Applications Accounts (SAP, Lawson HRIS, CRMS, AMS, and CAD). This SOP defines the processes and procedures to use in administering User Accounts and accesses. The goal of this procedure is to improve the efficiency in processing new user accounts, making changes to existing user accounts and terminating user accounts.

CIS Security will also perform at minimum annual reviews by generating a list of accounts from within the Active Directory System. This list will be communicated to the human resources administrator, who will review and assign the list to each HR generalist responsible for the

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departments. Each HR generalist distributes these reports to the appropriate department managers. The department managers will review the list and validate the names associated with each account for accuracy, roles and active status and return the updated document to the HR Administrator. The HR Administrator returns the list to CIS Security manager for further processing.

CIS Security will include within this Standard Operating Procedure communication with department managed systems to ensure timely changes to user accounts which includes adding, deleting and/or changing user computer access.

**Implementation Date**

Review and Acceptance of User Administration Standard Operating Procedure – September 30, 2010.

**Responsible Manager**

Rowland Uzu

**Recommendation III:**

We recommend the Director of EBS work with the Director of HR to develop policies, procedures, and forms to help ensure that ID badges and parking decals are returned and terminated employees' access to City buildings and parking garages are properly controlled.

**Management Response / Corrective Action Plan**

Agree  Disagree

EBS is responsible for issuing ID Badges and assigning access to restricted areas. EBS is also responsible for issuing parking decals for Dallas City Hall, Oak Cliff Municipal Center, Jack Evans Police Headquarters, and 2014 Municipal Courts facilities.

EBS is responsible for administering Administrative Directive 6-10 (Dallas City Hall Parking Garage) and Administrative Directive 2-4 (Restricted Areas/ID Cards). We concur the two directives do not clearly state each department's responsibilities for collecting ID cards or parking decals for terminated employees.

EBS will revise both directives to clarify responsibilities by June 30, 2010.

**Implementation Date**

June 30, 2010

**Responsible Manager**

Phillip Jones

**Recommendation IV:**

We recommend the Director of HR work with the departments to develop a consistent process to maintain control over keys issued to and returned by terminating or transferring employees.

**Management Response / Corrective Action Plan**

Agree  Disagree

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Departments are responsible for retrieving and documenting the return of City property issued to employees in their departments. Human Resources will assist departments by revising the termination checklist to clarify the roles and responsibilities departmental managers and supervisors have in the termination and/or transfer process. This information will be made available via Announcement and HR's intranet portal.

### **Implementation Date**

The revised termination instructions will be completed and communicated to departments by August 1, 2010.

### **Responsible Manager**

Deritte Fernandez, Interim Assistant Director, Human Resources

### **Recommendation V:**

We recommend the Chief of Police ensure that terminating and transferring employees' access to DPD controlled buildings be deactivated on or prior to the employees' last day of employment. We also recommend the deactivation date fields in both the DSX and LENEL software applications be consistently updated with the last date of employment.

### **Management Response / Corrective Action Plan**

Agree x Disagree

Since October 2009 data regarding employees was entered in both data bases independently. Information was edited during an April 2010 audit. Effective April 2010 all employees status updates will be accurately entered in both the DSX and LENEL systems.

### **Implementation Date**

April 2010

### **Responsible Manager**

DPD Facilities Unit Commander (Lt. Willemina J. Edwards)

### **Recommendation VI:**

We recommend the Director of HR implement a process, such as a periodic review of the employee files, to ensure that all documentation related to an employee's salary is included and that the documented salary amounts agree with HRIS.

### **Management Response / Corrective Action Plan**

Agree x Disagree

HR's File Room staff conducts periodic reviews to determine and ensure that *required* (legally mandated) documents are included in Personnel files. To ensure the accuracy and documentation of pay actions, HR will implement the following process:

1. Generate a quarterly report of pay changes.
2. Randomly select names of 10% of employees listed on the reports.
3. Audit selected files to determine if salary change documents have been placed in file.
4. Determine if salary information on paper documentation matches HRIS information.

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5. If a discrepancy is noted, take required corrective action.

**Implementation Date**

Process targeted for completion by December 31, 2010.

**Responsible Manager**

Deritte Fernandez, Interim Assistant Director, Human Resources

**Recommendation VII:**

We recommend the Director of BDPS work with Directors of HR and CIS to add BDPS to the automated distribution associated with the ETFN. This notification should help ensure the BDPS receives timely notification to deactivate terminating employees' active account status in the vendor database.

**Management Response / Corrective Action Plan**

Agree  Disagree

BDPS was added to the ETFN automated distribution list in April 2010. BDPS is deactivating terminating employees within 24 hrs of system notification.

**Implementation Date**

This was implemented effective April 5th, 2010.

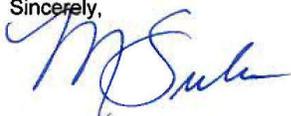
**Responsible Manager**

Michael Frosch, Assistant Director

I appreciate the Auditor's review of the RIF Process. The findings will help us to more effectively complete the off-boarding process; and, I am encouraged that there were no findings of significance on payments to employees terminating their service at the City.

Please let me know if you have any follow up questions.

Sincerely,



Mary K. Suhm, City Manager

C: Honorable Mayor & Members of the City Council  
Deborah A. Watkins, City Secretary  
Tom Perkins, City Attorney  
Craig Kinton, City Auditor  
Ryan S. Evans, First Assistant City Manager  
A.C. Gonzalez, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest E. Turner, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer

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