

Memorandum



CITY OF DALLAS

DATE February 7, 2020

TO Honorable Mayor and Members of the City Council

SUBJECT **City Auditor Transition Special Audit Engagement**

The Office of the City Auditor completed a special audit regarding the former City Auditor and Interim City Auditor in accordance with the City Charter, Chapter IX, Sections 3 and 4. The City Controller's Office reviewed the auditor's completed fieldwork for the former City Auditor and Interim City Auditor who retired on 9/28/2018 and 3/29/2019, respectively. The special audit verified the City Auditor and Interim City Auditor:

- Were deactivated from all City of Dallas Information Systems;
- Terminated timely, terminated accurately, and their final payroll payment was processed;
- Returned City issued identification badges and parking decals;
- Did not have any outstanding debts owed to the City; and
- Returned all City assets previously assigned.

In addition, the auditors noted the following observations in the special audit:

- Administrative Directive 2-51, step 6.6.8 states, "Department retention schedules must be reviewed at least annually for any necessary amendments due to operations changes in the department that effect information needs or new legal requirements to create and retain specific record types." The Office of the City Auditor has not provided an updated Records Retention Schedule to the City Secretary since 2015.
- The former City Auditor did not properly complete the Electronic Termination Notification Form to the City Secretary in accordance with policy.
- Administrative Directive 4-15, step 6.12.2 states "Departmental P-Card Coordinators are required to maintain the Transaction Logs of P-Card transactions, receipts, and reconciliations." Administrative Directive 4-15, step 6.12.4 indicates that "All cardholders will use the Transaction Log Sheets to document justification for purchase, check against master agreements, and document managerial approval. The following observations were identified:
 - Procurement card logs from September 2016-February 2017 and March 2017-October 2017 were unavailable but for these months the cardholder did not have any activity;
 - Procurement card logs from March 2019-April 2019 were unavailable for review but after review of the credit card statements all purchases appeared appropriate; and

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- Travel card logs from January 2018-February 2018 were unavailable for review but after review of the credit card statement all purchases appeared appropriate.

We appreciate the cooperation we received from the Office of the City Auditor, management, and staff during this audit. If you have any questions or need additional information, please contact Ra-Kebea Gordon, Assistant Director Financial Compliance, Auditing and Monitoring, or me.


Sheri Kowalski, CPA, CHC, CIA, CISA
City Controller

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney (Interim)
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Joey Zapata, Assistant City Manager
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
M. Elizabeth Reich, Chief Financial Officer
Michael Mendoza, Chief of Economic Development and Neighborhood Services
Laila Alequresh, Chief Innovation Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors