

# Memorandum



CITY OF DALLAS

DATE: October 9, 2015

TO: Honorable Mayor and Members of the City Council

SUBJECT: Office of the City Auditor – Audit, Attestation and Investigative Services Update:  
Fiscal Year 2016 First Quarter

The *Audit, Attestation and Investigative Services Update: Fiscal Year 2016 First Quarter* (Update) is presented to provide current information about the results and status of audit, attestation, and investigative service projects of the City of Dallas' (City) Office of the City Auditor (Office).

A total of 15 audit and attestation reports were issued in the fourth quarter of Fiscal Year (FY) 2015, including:

- Audit of the Design of Controls over the Department of Dallas Water Utilities' Meter-to-Billing Process
- Audit of the Performance Measurement Process for the Department of Dallas Fire-Rescue
- Audit of the City of Dallas' Civilian Timekeeping and Internal Controls and Processes
- Audit of the Department of Business Development and Procurement Services' Internal Controls for Request for Proposal Procurements
- Audit of Revenue Estimates Included in the Fiscal Year 2015-16 Proposed Annual Budget for the City of Dallas
- Agreed-Upon Procedures:
  - Six single bid procurements
  - Four sole source procurements

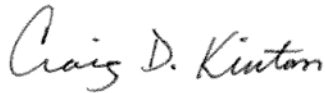
The key points from these reports are included in Section II of the Update. The project objectives for reports scheduled to be released and for projects currently in progress or expected to be started in the first quarter of FY 2016 are included in Sections III through V of the Update.

Approved Audit Plans allow the City Auditor to make additions to, deletions from, or other changes to the plan(s) when deemed necessary upon written notification to the City Council. At this time, the Office would like to notify you of a project deletion that was included in the FY 2014 plan:

- Contract Monitoring: Dallas Convention and Visitors Bureau – A new contract between the City of Dallas and the Dallas Convention and Visitors Bureau was signed effective September 2015. As a result, this project will be cancelled and re-evaluated for inclusion in a future audit plan.

Should you have questions or if we can be of assistance, please contact me at 214-670-3222.

Sincerely,



Craig D. Kinton  
City Auditor

Attachment

C: A.C. Gonzalez, City Manager  
Warren M. S. Ernst, City Attorney  
Rosa Rios, City Secretary

**City of Dallas  
Office of the City Auditor**

**Audit, Attestation and  
Investigative  
Services Update**

**Fiscal Year 2016 – First Quarter**

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## Summary of Audit, Attestation and Investigative Services \*

**Audit** – Reports that provide objective analysis to assist management and those charged with governance and oversight in using the information to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability

**Attestation** – Reports that cover a broad range of financial or non-financial objectives; results in an examination, a review, or an agreed-upon procedures report on a subject matter or an assertion about a subject matter that is the responsibility of another party

**Investigative** – Reports providing evaluations and results of substantiated allegations of fraud, waste and abuse

### Audit and Attestation Services Reports Issued Fiscal Year 2015 – Fourth Quarter July 1, 2015 to September 30, 2015 (See Section II for Details)

- Audit of the Design of Controls over the Department of Dallas Water Utilities' Meter-to-Billing Process
- Audit of the Performance Measurement Process for the Department of Dallas Fire-Rescue
- Audit of the City of Dallas' Civilian Timekeeping and Internal Controls and Processes
- Audit of the Department of Business Development and Procurement Services' Internal Controls for Request for Proposal Procurements
- Audit of Revenue Estimates Included in the Fiscal Year 2015-16 Proposed Annual Budget for the City of Dallas
- Independent Auditor's Report on Applying Agreed-Upon Procedures for Single Bid # BUZ1436: Department of Aviation - Aircraft Identification and Fee Billing/Collection System - Three Year Contract with Two One-Year Renewal Options, \$432,479

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\* All audit and attestation services are conducted under authority of the City Charter, Chapter IX, Section 3, and in accordance with the Annual Audit Plan approved by the City Council. We conduct our work in accordance with generally accepted government auditing standards. Those standards require that we plan and perform our work to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objective(s). Fraud investigations are conducted in accordance with Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency.

**Audit and Attestation Services Reports Issued**  
**Fiscal Year 2015 – Fourth Quarter**  
**July 1, 2015 to September 30, 2015**  
**(See Section II for Details)**

- Independent Auditor's Report on Applying Agreed-Upon Procedures for Single Bid # BK1520: Center for Performance Excellence – Business Survey, One Year Contract, \$59,612
- Independent Auditor's Report on Applying the Agreed-Upon Procedures for Single Bid # BH1511: Office of Emergency Management – Preventive Maintenance and Repair of Outdoor Warning Sirens, \$109,272
- Independent Auditor's Report on Applying Agreed-Upon Procedures for Single Bid # CIZ1546: Department of Public Works - Hold Sign Relocation Project at Dallas Love Field, \$1,306,252
- Independent Auditor's Report on Applying Agreed-Upon Procedures for Single Bid # BV1508: Department of Dallas Fire-Rescue - Maintenance and Repair of Stryker Power Ambulance Cots, \$182,850
- Independent Auditor's Report on Applying Agreed-Upon Procedures for Sole Source Procurement: Department of Communication and Information Services - Orion Software Applications Maintenance and Support, \$462,747
- Independent Auditor's Report on Applying Agreed-Upon Procedures for Sole Source Procurement: Department of Communication and Information Services - TriTech Software Systems for Maintenance and Support of Computer Aided Dispatch and Mobile System, \$7,251,132
- Independent Auditor's Report on Applying Agreed-Upon Procedures for Sole Source Procurement: Department of Aviation – Airport Apron Passenger Transportation Vehicle, \$525,000
- Independent Auditor's Report on Applying Agreed-Upon Procedures for Single Bid # BKZ1501: Office of Economic Development – Volunteer Income Tax Assistance Program, One Year Contract, \$200,000
- Independent Auditor's Report on Applying Agreed-Upon Procedures for Sole Source Procurement: Department of Business Development and Procurement Services – Pitney Bowes, Inc., Meter Rental, Maintenance and Postage, \$2,999,589.38

**Investigative Services Reports Issued**  
**Fiscal Year 2015 – Fourth Quarter**  
**July 1, 2015 to September 30, 2015**  
**(See Section II for Details)**

- *No Investigative Services reports issued in Fourth Quarter*

**Audit and Attestation Services Anticipated Report Releases**  
**Fiscal Year 2016 – First Quarter**  
**October 1, 2015 to December 31, 2015**  
**(See Section III for Details)**

- Contract Monitoring – Public Works and Transportation
- Courts Information System – Access Controls
- Fleet Maintenance – Dallas Fire-Rescue
- Maintenance of Infrastructure – Department of Dallas Water Utilities
- Special Audit of the Accounts of Former City Council Members

**Audit and Attestation Services Projects in Progress**  
**Fiscal Year 2016 – First Quarter**  
**October 1, 2015 to December 31, 2015**  
**(See Section IV for Details)**

- Franchise Fees Review through Third-Party Vendor (*Ongoing*)
- Sales/Use Tax Compliance Review through Third-Party Vendor (*Ongoing*)
- Building Permits – Customer Service / Satisfaction
- Contract Monitoring – Housing
- Customer Service / 311 Non-Emergency Services
- Leasing, Concessions, and Other Activities – Aviation
- Neighborhood Code Enforcement Services
- Performance Measurement Process – Dallas Police Department
- Police Personnel and Training Services
- Prior Audit Recommendations Follow-Up
- Regulatory, Safety and Maintenance – Park and Recreation
- Courts Information System – Cash Management / Collections Processes

**Audit and Attestation Services Anticipated Project Starts**  
**Fiscal Year 2016 – First Quarter**  
**October 1, 2015 to December 31, 2015**  
**(See Section V for Details)**

- Trinity Watershed Management
- Records Management System – Dallas Police Department



**Audit, Attestation and Investigative Services  
Reports Issued  
Fiscal Year 2015 – Fourth Quarter  
July 1, 2015 to September 30, 2015**

**Audit Services**

**Audit of the Design of Controls over the Department of Dallas Water Utilities' Meter-to-Billing Process (August 7, 2015)**

- The Department of Dallas Water Utilities (DWU) has adopted the: (1) International Organization for Standardization (ISO) American National Standard for Quality Management Systems (QMS); and, (2) American Water Works Association (AWWA) standards, requirements, and best practices.
- Adoption of these standards, requirements, and best practices are important to assist DWU management in the oversight of the meter-to-billing process.
- The Office of the City Auditor's (Office) design assessment shows that while these standards, requirements, and best practices are largely implemented for the meter-to-billing process, there are opportunities to strengthen the controls in that process.
- The design assessment did not include a test of the accuracy of customer bills.

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
We recommend the Director of DWU further develop the meter-to-billing process to more fully comply with the ISO and AWWA standards, requirements, and recommended practices.	DWU	Agree	Fiscal Year 2015-2016

**Audit of the Performance Measurement Process for the Department of Dallas Fire-Rescue (August 7, 2015)**

- The City of Dallas' (City) Department of Dallas Fire-Rescue (DFR) reported reliable results for the five Fiscal Year (FY) 2014 performance measures selected and tested.
- For the five performance measures selected, DFR had adequate:

- Written policies and procedures that included performance measure collection, calculation, review, and reporting
- Support for the methodology for the estimates reported in the FY 2013-14 Adopted Budget
- Support for the actual data in PerformanceSoft
- Data collection processes that were consistent with the performance measure definition
- Controls over the performance measure data to ensure consistent reporting of reliable information
- Results accurate within five percent of what was reported in FY 2013-14 Adopted Budget and in PerformanceSoft.

*No associated recommendations with this report.*

**Audit of the City of Dallas' Civilian Timekeeping and Internal Controls and Processes (August 14, 2015)**

- During Fiscal Year (FY) 2013, the City of Dallas' (City) certain civilian timekeeping internal controls and processes were not adequate or reliable. Specifically:
  - The timekeeping records associated with an estimated 24 percent of 175,000 bi-weekly pay periods do not show a documented record of approval by supervisors prior to payroll processing, as required
  - The count of approved timekeeping records in INFOR Lawson Human Resources Information System (Lawson) does not reflect the City's stated bi-weekly pay period approval practice
  - The user IDs of the supervisors who approved 87,564 bi-weekly pay periods in Lawson were overwritten with the City Controller's Office (CCO) Payroll Manager's ID
  - Lawson and Kronos do not have input controls to prevent City employees from entering paid leave (vacation, sick, compensatory, attendance incentive) durations longer than their available earned paid leave balances
  - Manual payroll adjustment procedures are not properly segregated
  - The City does not have a reasonable way of verifying what type of paid leave was appropriate for each employee absence

- A number of City departments have enacted internal written procedures for timekeeping and attendance that contain paid leave limitations not present in the City's Personnel Rules

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
We recommend the City Manager:			
<ul style="list-style-type: none"> <li>• Ensures the Director of Human Resources (HR) introduces compliance with timekeeping approval requirements as a performance evaluation measure for all City Department Directors.</li> </ul>	HR	Agree	December 31, 2015
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<ul style="list-style-type: none"> <li>• Ensures the Director of HR:               <ul style="list-style-type: none"> <li>○ Adjusts paid leave balances of the four employees who did not report their absences in FY 2013</li> <li>○ Determine whether or not similar adjustments are needed for other fiscal years</li> </ul> </li> </ul>	HR	Agree	September 30, 2015
<hr/>			
<ul style="list-style-type: none"> <li>• Ensures the Director of HR, in cooperation with the Director of the Department of Communication and Information Services (CIS), require that all Lawson timekeeping entries have a record of supervisory review and approval in line with the City's practice of approving the entire bi-weekly pay period of timekeeping records. If updating Lawson to create a record of supervisory review and approval for the entire bi-weekly pay period of timekeeping records is not feasible, we recommend this feature be included in the system specifications for future payroll systems.</li> </ul>	HR	Agree	Upon implementation of a new Human Capital Management system (assuming this functionality is available in the market and inclusion is cost effective)
<hr/>			
<ul style="list-style-type: none"> <li>• Ensures the Director of HR, in cooperation with the Director of CIS, develops procedures for recording and preserving the data field containing the user IDs of the individuals who approved timekeeping records in both Lawson and Kronos.</li> </ul>	HR	Agree	Upon implementation of a new Human Capital Management system (assuming this functionality is available in the market and inclusion is cost effective)
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Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
<ul style="list-style-type: none"> <li>Ensures the Director of HR, in cooperation with the Director of CIS, develops procedures for preserving a list of designated approvers for Lawson and Kronos in a readily retrievable format.</li> </ul>	HR	Agree	Upon implementation of a new Human Capital Management system (assuming this functionality is available in the market and inclusion is cost effective)
<ul style="list-style-type: none"> <li>Ensures the Director of HR, in cooperation with the Director of CIS, develops procedures for periodically comparing approver user IDs for Lawson and Kronos to the user IDs of designated approvers to identify unauthorized approvals and take appropriate action.</li> </ul>	HR	Agree	Upon implementation of a new Human Capital Management system (assuming this functionality is available in the market and inclusion is cost effective)
<ul style="list-style-type: none"> <li>Ensures the Director of HR, in cooperation with the Director of CIS, develops procedures for payroll processing that will eliminate the need for the CCO Payroll Manager to approve timekeeping records for employees outside of the CCO Payroll Division.</li> </ul>	HR	Agree	Upon implementation of a new Human Capital Management System
<ul style="list-style-type: none"> <li>Ensures the Director of HR, the City Controller, and the Director of CIS introduce a computerized input control that would prevent employees from entering paid leave claims in excess of available leave balances. If updating Lawson to include appropriate input controls is not feasible, we recommend input controls be included in system specifications for future payroll systems.</li> </ul>	HR / CCO / CIS	Agree	Upon implementation of a new Human Capital Management system (assuming this functionality is available in the market and inclusion is cost effective)
<ul style="list-style-type: none"> <li>Ensures the City Controller, in consultation with the Director of CIS, ensures the CCO Payroll Manager's duties are properly segregated.</li> </ul>	CCO	Agree	Upon implementation of a new Human Capital Management System

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
<ul style="list-style-type: none"> <li>• Evaluates the benefits and challenges of implementing a Paid Time Off program (PTO) to simplify the City's administration of paid leave.</li> </ul>	HR	Agree	March 31, 2016
<ul style="list-style-type: none"> <li>• If the City Manager decides not to implement a PTO, then the City Manager should ensure the Director of HR:               <ul style="list-style-type: none"> <li>○ Provides training to City employees on allowable usage of various categories of leave</li> <li>○ Introduces controls to prevent City employees from adjusting leave categories to gain additional paid leave</li> </ul> </li> </ul>	HR	Agree	March 31, 2016
<ul style="list-style-type: none"> <li>• Ensures the Director of HR work with other City departments to revise their timekeeping and attendance procedures to bring them into compliance with the City's Personnel Rules.</li> </ul>	HR	Agree	December 31, 2016
<ul style="list-style-type: none"> <li>• Introduces a procedure to ensure departmental written timekeeping and attendance procedures are reviewed and approved by the City Attorney's Office prior to the adoption by the City departments.</li> </ul>	HR	Agree	December 31, 2016
<ul style="list-style-type: none"> <li>• Revises the provisions of Personnel Rules Sections 34-22 (g) and 34-23 (h) to eliminate the requirements for specific time increments for sick leave and vacation usage by civilian employees.</li> </ul>	HR	Agree	October 31, 2015

**Audit of the Department of Business Development and Procurement Services' Internal Controls for Request for Proposal Procurements (August 14, 2015)**

- The Department of Business Development and Procurement Services' (BDPS) internal controls for Request for Proposals (RFPs) do not ensure the:
  - RFPs are processed timely
  - Effectiveness of the RFP process
  - RFP documentation is proper, complete, and retained

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
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We recommend the Director of BDPS:

- Ensure timely processing of RFPs by including in BDPS' policies and procedures appropriate policies, standards, and procedures to measure and improve the timeliness of RFP processing as follows:
  - Establishing an expectation for the timely completion of RFPs within certain parameters, such as a specific number of days or service type
  - Adopting standards for timely completion of each step within the RFP process, including those steps that are not directly within BDPS' control
  - Benchmarking the actual time it takes to complete each step within the RFP process and the final RFP
  - Comparing actual results of RFP processing against the adopted standards to evaluate opportunities to further improve timeliness

BDPS

Agree

March 2016

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
<ul style="list-style-type: none"> <li>• Improve the effectiveness of the RFP Process by requiring:               <ul style="list-style-type: none"> <li>○ City employees in the departments initiating the procurements to complete non-disclosure statements and conflict of interest statements</li> <li>○ BDPS' employees involved in preparing the RFP and evaluating the proposals to complete non-disclosure statements and conflict of interest statements</li> <li>○ Evaluation committee members complete conflict of interest statements</li> <li>○ Documentation of the methods BDPS used to select members of RFP evaluation committees, including the appropriate number of evaluators and their qualifications</li> <li>○ Documentation of the evaluators' names, titles, departments, and dates of completion of the evaluator score sheets</li> <li>○ Signature date line to be included in contracts</li> <li>○ Documentation of BDPS' periodic reviews of Administrative Directive (AD) 4-5: <i>Contracting Policy</i> to ensure it aligns with the Legislative changes made to Texas Local Government Code (TxLGC)</li> </ul> </li> </ul>	BDPS	Agree	January 2016
<ul style="list-style-type: none"> <li>• Improve the effectiveness of the RFP Process by considering the inclusion of BID evaluations for revenue collection services in excess of \$250,000</li> </ul>	BDPS	No Agreement or Disagreement	No Implementation Date
<ul style="list-style-type: none"> <li>• Update AD 4-5 to align with TxLGC Chapter 252 that allows the use of competitive sealed proposals for the purchase of goods</li> </ul>	BDPS	Agree	January 2016

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
<ul style="list-style-type: none"> <li>• Enforce consistency in RFP documentation and filing by requiring:               <ul style="list-style-type: none"> <li>○ A standard checklist of documents that should be retained in the RFP files</li> <li>○ Consistent templates for the RFP documentation</li> <li>○ Consistent order of documents placed in each of the RFP files</li> <li>○ Periodic management review of RFP documentation for consistency</li> <li>○ A single location is used for storing RFP files and individual documents</li> </ul> </li> </ul>	BDPS	Agree	January 2016

**Audit of Revenue Estimates Included in the Fiscal Year 2015-16 Proposed Annual Budget for the City of Dallas (September 4, 2015)**

- In total, the revenue estimates included in the Fiscal Year (FY) 2015-16 Proposed Annual Budget appear reasonable.
- Although the revenue estimates in total appear reasonable, the Department of Aviation (AVI) did not provide the proper documentation for portions of its FY 2015-16 revenue estimate. Approximately \$43.2 million (Concessions of \$20.3 million and Rental on Airport of \$22.9 million): (1) was not supported by proper documentation; (2) contained calculation errors and internal inconsistencies; and, (3) was not fully supported by a formal documented methodology. As a result, AVI's revenue estimate methodologies were not always clear and the underlying calculations and documentation did not always support AVI's revenue estimates. According to management, the unexpected loss of a key employee contributed to these issues.
- The Office of the City Auditor reviewed approximately \$2.1 billion of the \$2.7 billion in proposed revenue estimates for the General Fund, Enterprise Funds, and Debt Service Fund, or 78 percent, of the revenue estimates included in the FY 2015-16 Proposed Annual Budget.

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
We recommend the Director of the Office of Financial Services (OFS) work with the Director of AVI to ensure all revenue estimates: (1) methodologies are formally documented; and, (2) are properly supported, including the verification of calculations and internal consistency.	OFS	Agree	August 5, 2016



## **Attestation Services**

### **Independent Auditor's Report on Applying Agreed-Upon Procedures for Single Bid # BUZ1436: Department of Aviation – Aircraft Identification and Fee Billing / Collection System – Three Year Contract with Two One-Year Renewal Options, \$432,479 (July 30, 2015)**

The procurement followed Administrative Directive (AD) 4-5: *Contracting Policy* provisions for processing single bid items.

*Exceptions noted:*

- The Department of Business Development and Procurement Services (BDPS) did not respond to a potential bidder's inquiry timely to encourage competition. The potential bidder's inquiry on October 23, 2014 (prior to the bid close of October 29, 2014) was not addressed internally with the Department of Aviation (AVI) until April 23, 2015.
- Price reasonableness could not be determined from BDPS' analysis.
- The BDPS did not comply with AD 4-5, Section 5.8.2 to ensure that bid specifications were appropriately reviewed by the Department of Communication and Information Services (CIS).

### **Independent Auditor's Report on Applying Agreed-Upon Procedures for Single Bid # BK1520: Center for Performance Excellence – Business Survey, One Year Contract, \$59,612 (July 30, 2015)**

The procurement followed Administrative Directive (AD) 4-5: *Contracting Policy* provisions for processing single bid items.

*Exception noted:*

- Price reasonableness could be determined from the BDPS' analysis or from prior procurement history

**Independent Auditor's Report on Applying the Agreed-Upon Procedures for Single Bid # BH1511: Office of Emergency Management – Preventive Maintenance and Repair of Outdoor Warning Sirens, \$109,272 (July 30, 2015)**

The procurement followed Administrative Directive (AD) 4-5: *Contracting Policy* provisions for processing single bid items.

*No exceptions noted.*

**Independent Auditor's Report on Applying Agreed-Upon Procedures for Single Bid # CIZ1546: Department of Public Works - Hold Sign Relocation Project at Dallas Love Field, \$1,306,252 (August 4, 2015)**

The procurement followed Administrative Directive (AD) 4-5: *Contracting Policy* provisions for processing single bid items.

*No exceptions noted.*

**Independent Auditor's Report on Applying Agreed-Upon Procedures for Single Bid # BV1508: Department of Dallas Fire-Rescue - Maintenance and Repair of Stryker Power Ambulance Cots, \$182,850 (August 14, 2015)**

The procurement followed Administrative Directive (AD) 4-5: *Contracting Policy* provisions for processing single bid items.

*No exceptions noted.*

**Independent Auditor's Report on Applying Agreed-Upon Procedures for Sole Source Procurement: Department of Communication and Information Services – Orion Software Applications Maintenance and Support, \$462,747 (August 14, 2015)**

The procurement met the exemptions from competitive bidding as specified in the State of Texas Local Government Code, Chapter 252.022, **General Exemptions (a) (7)** – *a procurement of items that are available from only one source.*

*Exception noted:*

- Price reasonableness for the proposed total cost of \$462,747 for the three-year maintenance and support contract could not be determined

**Independent Auditor's Report on Applying Agreed-Upon Procedures for Sole Source Procurement: Department of Communication and Information Services – TriTech Software Systems for Maintenance and Support of Computer Aided Dispatch and Mobile System, \$7,251,132.08 (August 14, 2015)**

The procurement met the exemptions from competitive bidding as specified in the State of Texas Local Government Code, Chapter 252.022, **General Exemptions (a) (7)** – *a procurement of items that are available from only one source.*

*No exceptions noted.*

**Independent Auditor's Report on Applying Agreed-Upon Procedures for Sole Source Procurement: Department of Aviation – Airport Apron Passenger Transportation Vehicle, \$525,000 (August 19, 2015)**

The procurement met the exemptions from competitive bidding as specified in the State of Texas Local Government Code, Chapter 252.022, **General Exemptions (a) (7)** – *a procurement of items that are available from only one source.*

*Exceptions noted:*

- The Department of Business Development and Procurement Services (BDPS) and the Department of Aviation (AVI) did not perform adequate research to identify other potential vendors capable of providing the same item.
- The Airport Apron Passenger Transportation Vehicle procurement does **not** meet the exemptions from competitive bidding as specified in the State of Texas Local Government Code (TLGC) Chapter 252.022 (a) (7) because the procurement item is available from more than one source.
- Price reasonableness could not be determined based on BDPS' analysis.

**Independent Auditor's Report on Applying Agreed-Upon Procedures for Single Bid # BKZ1501: Office of Economic Development – Volunteer Income Tax Assistance Program, One Year Contract, \$200,000 (September 17, 2015)**

The procurement followed Administrative Directive (AD) 4-5: *Contracting Policy* provisions for processing single bid items.

*Exception noted:*

- Price reasonableness could be determined from the BDPS' analysis or from prior procurement history

**Independent Auditor's Report on Applying Agreed-Upon Procedures for Sole Source Procurement: Department of Business Development and Procurement Services – Pitney Bowes Inc., Meter Rental, Maintenance and Postage, \$2,999,589.38 (September 28, 2015)**

The procurement met the exemptions from competitive bidding as specified in the State of Texas Local Government Code, Chapter 252.022, **General Exemptions (a) (7)** – *a procurement of items that are available from only one source.*

*No exceptions noted.*

**Investigative Services**

*No Investigative Services reports issued in Fourth Quarter.*

**Audit and Attestation Services  
Anticipated Report Releases  
Fiscal Year 2016 – First Quarter  
October 1, 2015 to December 31, 2015**

**Audit Services**

**Contract Monitoring – Public Works and Transportation**

- Anticipated Report Date: December 2015
- Project Objective(s): To evaluate whether the monitoring process(es) used for selected contracted programs are adequate to ensure compliance with contract terms and conditions

**Courts Information System – Access Controls**

- Anticipated Report Date: December 2015
- Project Objective(s): To evaluate the adequacy of the new Court and Detention Services' information systems access controls

**Fleet Maintenance – Dallas-Fire Rescue**

- Anticipated Report Date: December 2015
- Project Objective(s): To evaluate efficiency and/or effectiveness of selected aspects of Dallas Fire-Rescue's fleet maintenance management

**Maintenance of Infrastructure – Department of Dallas Water Utilities**

- Anticipated Report Date: December 2015
- Project Objective(s): To determine whether Dallas Water Utilities adequately maintains and renovates infrastructure to ensure current and future service delivery

## **Special Audit of the Accounts of Former City Council Members**

- Anticipated Report Date: December 2015
- Project Objective(s): To conduct audits in accordance with Chapter IX, Section 4 of the City Charter of Officers who vacate their offices due to death, resignation, removal, or expiration of term

**Audit and Attestation Services  
Projects in Progress  
Fiscal Year 2016 – First Quarter  
October 1, 2015 to December 31, 2015**

**Audit Services**

**Franchise Fees Review through Third-Party Vendor (*Ongoing*)**

- Anticipated Report Date: Periodic, as warranted
- Project Objective(s): To verify that franchise fees (which may include utilities, cable, and telephone) identified by a third-party vendor are received by the City

**Sales/Use Tax Compliance Review through Third-Party Vendor (*Ongoing*)**

- Anticipated Report Date: Periodic, as warranted
- Project Objective(s): To identify and collect new and misreported tax revenue identified through a third-party vendor which will conduct Sales and Use Tax Compliance Review and Recovery Services

**Building Permits – Customer Service / Satisfaction**

- Anticipated Report Date: Second Quarter Fiscal Year 2016
- Project Objective(s): To evaluate the efficiency and effectiveness of the building permitting process which may include customer service / satisfaction

**Contract Monitoring – Housing**

- Anticipated Report Date: Second Quarter Fiscal Year 2016
- Project Objective(s): To evaluate whether the monitoring processes used for selected contracted programs are adequate to ensure compliance with contract terms and conditions

### **Customer Service / 311 Non-Emergency Services**

- Anticipated Report Date: Second Quarter Fiscal Year 2016
- Project Objective(s): To evaluate the effectiveness of 311 Customer Service in uniformly addressing and accurately monitoring and reporting citizens' complaints

### **Leasing, Concessions, and Other Activities – Aviation**

- Anticipated Report Date: Second Quarter Fiscal Year 2016
- Project Objective(s): To evaluate the adequacy of management's controls of leases, concessions, and other activities

### **Neighborhood Code Enforcement Services**

- Anticipated Report Date: Second Quarter Fiscal Year 2016
- Project Objective(s): To evaluate neighborhood code enforcement effectiveness which may include whether: (1) Department of Code Compliance Services' (CCS) actions in response to complaints and/or to bring properties into compliance with City code were timely, and in accordance with policies and procedures; and, (2) abatements, by the City, consistently resulting in liens on affected properties

### **Performance Measurement Process – Dallas Police Department**

- Anticipated Report Date: Second Quarter Fiscal Year 2016
- Project Objective(s): To conduct audits of selected departments to evaluate whether performance data are meaningful, accurate, supportable, reliable, and valid

### **Police Personnel and Training Services**

- Anticipated Report Date: Second Quarter Fiscal Year 2016
- Project Objective(s): To evaluate whether the Dallas Police Department's practices, including criminal history screening requirements, comply with State law, City rules and regulations, or other authoritative requirements



### **Prior Audit Recommendations Follow-Up**

- Anticipated Report Date: Second Quarter Fiscal Year 2016
- Project Objective(s): To evaluate management implementation of prior audit report recommendations

### **Regulatory, Safety, and Maintenance – Park and Recreation**

- Anticipated Report Date: Second Quarter Fiscal Year 2016
- Project Objective(s): To determine whether the Department of Park and Recreation has effective internal controls to identify and ensure compliance with regulatory, safety, and maintenance requirements

### **Courts Information System – Cash Management / Collections Processes**

- Anticipated Report Date: Third Quarter Fiscal Year 2016
- Project Objective(s): To evaluate internal controls over cash management / collections processes for fines and fees which may include cash bond forfeitures and reinstatement on Class C misdemeanors

**Audit and Attestation Services  
Anticipated Project Starts  
Fiscal Year 2016 – First Quarter  
October 1, 2015 to December 31, 2015**

**Audit Services**

**Trinity Watershed Management**

- Anticipated Report Date: Third Quarter Fiscal Year 2016
- Project Objective(s): To evaluate management controls related to Trinity Watershed Management

**Records Management System – Dallas Police Department**

- Anticipated Report Date: Fourth Quarter Fiscal Year 2016
- Project Objective(s): To determine whether the City's goals for implementing the Records Management System achieved anticipated results (specifically cost, project schedule, functions implemented, and shadow systems eliminated) and includes the appropriate controls