

Memorandum



CITY OF DALLAS

DATE: July 28, 2016

TO: Honorable Mayor and Members of the City Council

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

The *Audit, Attestation and Investigative Services Update: Fiscal Year 2016 Fourth 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 seven audit and attestation reports were issued in the third quarter of Fiscal Year (FY) 2016, including:

- Audit of Fair Park Business Partners Oversight
- Audit of the Department of Public Works' Contract Monitoring
- Audit of Leasing, Concessions, and Other Activities for the Department of Aviation
- Audit of the Department of Park and Recreation Internal Controls over Regulatory, Safety, and Maintenance – Aquatic Facilities
- Special Audit of the Accounts of Former City Attorney, Warren M.S. Ernst
- Independent Auditor's Report on Applying Agreed-Upon Procedures for Bid # CIZ1566: Department of Trinity Watershed Management – Storm Drainage Improvements Mill Creek / Peaks Branch / State-Thomas Drainage Relief Tunnel Procurement, \$209,894,515
- Independent Auditor's Report on Applying Agreed-Upon Procedures for Bid # CIZ1588: Department of Public Works – Dallas City Hall and I.C. Harris Service Center Underground Storage Tank Removal and Replacement, \$970,170.97

In addition, two investigative reports were released in July at the beginning of the fourth quarter:

- Theft – Department of Trinity Watershed Management
- Theft – Department of Dallas Water Utilities

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 fourth 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. Accordingly, the Office is providing notification of the deletion of four projects that were included in the FY 2016 Audit Plan for the following reasons:

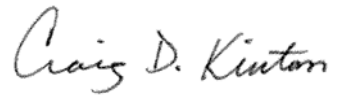
- **Compliance with Administrative Directive (AD) 4-09, Internal Control** – The City has issued an updated version of AD 4-09 and has requested all City departments to complete a self-assessment, including capability maturity model ratings. The final self-assessments are due to the City Manager for FY 2016 on November 1, 2016. This audit is cancelled to allow time for management to fully implement the revised internal control assessment.
- **Performance Measurement Process** – The City is implementing a new software application to replace PerformanceSoft. The Department of Communication and Information Services (CIS) anticipates this implementation will be completed by September 30, 2016; therefore, the audit is cancelled to allow time for the new application to become fully operational.
- **Regulatory, Safety, and Maintenance – Land Use, Department of Park and Recreation (PKR)** – The PKR is currently going through an accreditation process by the Commission for Accreditation of Parks and Recreation Agencies (CAPRA). The CAPRA is an organization affiliated with the National Park and Recreation Association. As part of the accreditation process, PKR is required to meet and comply with national best practices and standards for service and operations including regulatory, safety, and maintenance. The PKR is in the final step of the accreditation process and expects to be notified by CAPRA of the accreditation status during the first quarter of FY 2017. The audit is cancelled so that regulatory, safety, and maintenance policies and procedures developed and finalized during the accreditation process can be fully implemented.
- **Street Cut Repair and Inspection Processes, Department of Public Works (PBW)** – The PBW is undergoing significant changes in the street cut repair and inspection processes, including changes enacted via City Ordinance 29993 and the implementation of a new Right-of-Way Management System (POSSE). These changes, some of which are ongoing, impact the entire process for cutting, excavating, repairing, and inspecting streets, resulting in the cancellation of the street cut repair and inspection process audit at this time.

These projects will be reconsidered for inclusion in subsequent audit plans based upon future risk assessments.

Honorable Mayor and Members of the City Council
July 28, 2016
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Should you have questions or if we can be of assistance, please contact me at 214-670-3222.

Sincerely,

A handwritten signature in black ink that reads "Craig D. Kinton". The signature is written in a cursive, flowing style.

Craig D. Kinton
City Auditor

Attachment

C: A.C. Gonzalez, City Manager
Christopher D. Bowers, Interim City Attorney
Rosa Rios, City Secretary

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

**Audit, Attestation and
Investigative
Services Update**

Fiscal Year 2016 – Fourth 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 2016 – Third Quarter
April 1, 2016 to June 30, 2016
(See Section II for Details)**

- Audit of Fair Park Business Partners Oversight
- Audit of the Department of Public Works' Contract Monitoring
- Audit of Leasing, Concessions, and Other Activities for the Department of Aviation
- Audit of the Department of Park and Recreation Internal Controls over Regulatory, Safety, and Maintenance – Aquatic Facilities
- Special Audit of the Accounts of Former City Attorney, Warren M.S. Ernst
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- Independent Auditor's Report on Applying Agreed-Upon Procedures for Bid # CIZ1588: Department of Public Works – Dallas City Hall and I.C. Harris Service Center Underground Storage Tank Removal and Replacement, \$970,170.97

* 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.

**Investigative Services
Reports Issued
Fiscal Year 2016 – Fourth Quarter to Date
July 1, 2016 to July 28, 2016
(See Section II for Details)**

- Theft – Department of Trinity Watershed Management
- Theft – Department of Dallas Water Utilities

**Audit and Attestation Services
Anticipated Report Releases
Fiscal Year 2016 – Fourth Quarter
July 1, 2016 to September 30, 2016
(See Section III for Details)**

- Police Personnel and Training Services
- Customer Service / 311 Non-Emergency Services
- Neighborhood Code Enforcement Services
- Prior Audit Recommendations Follow-Up (Fiscal Year 2014)
- Revenue Estimates – Budgeted Revenues for Fiscal Year 2016-2017

**Audit and Attestation Services
Projects in Progress
Fiscal Year 2016 – Fourth Quarter
July 1, 2016 to September 30, 2016
(See Section IV for Details)**

- Franchise Fees Review through Third-Party Vendor (*Ongoing*)
- Sales/Use Tax Compliance Review through Third-Party Vendor (*Ongoing*)
- Animal Services
- Construction Related Procurements
- Courts Information System – Cash Management / Collections Processes
- Trinity Watershed Management
- Environmental Compliance – Multiple Departments
- Prior Audit Recommendations Follow-Up (Fiscal Year 2015)
- Records Management System – Dallas Police Department

**Audit and Attestation Services
Anticipated Project Starts
Fiscal Year 2016 – Fourth Quarter
July 1, 2016 to September 30, 2016
(See Section V for Details)**

- Sole Source / Single Bid Procurements – Business Development and Procurement Services
- Information Technology Processes – Communication and Information Services

**Audit, Attestation and Investigative Services
Reports Issued
Fiscal Year 2016 – Third Quarter
April 1, 2016 to June 30, 2016**

Audit Services

Audit of Fair Park Business Partners Oversight (May 13, 2016)

- Analysis of 16 Fair Park business partners resulted in the selection of six major business partners for further risk evaluation. The risk evaluation was based on three years of audited financial statements, general ledger trial balances, and Federal tax returns, if available; analyses of key nonprofit financial ratios; and, survey information.
- For the following three business partners, certain financial and operational risks were identified which warrant closer monitoring by the Office of Cultural Affairs (OCA): (1) Dallas Historical Society, Inc. (DHS); (2) DSM Management Group, Inc. (DSM); and, (3) Foundation for African-American Art (FAAA). As a result, there is an increased risk that these business partners may need additional financial support from the City of Dallas (City). It is important to note that these organizations have strong community support and have managed to fulfill their missions for many years.
- While the Department of Park and Recreation (PKR) and OCA perform various oversight / monitoring activities, areas for improvement were identified. In addition, the State Fair of Texas (State Fair) contract does not clearly define “*Application of Excess Revenues*”. Without a clear definition of “*excess of its revenues less its expenses*” and “*all reasonable and prudent reserves*”, the City cannot readily verify the reasonableness of the amounts determined by the State Fair as available for the development and enhancement of Fair Park.

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
We recommend the Director of OCA:			
<ul style="list-style-type: none"> Implement procedures to more closely monitor the financial viability for DHS, DSM, and FAAA. 	OCA	Agree	March 31, 2018
<ul style="list-style-type: none"> Develop written procedures to ensure contracts are timely renewed and properly executed in accordance with Administrative Directive 4-05, <i>Contracting Policy</i>. 	OCA	Agree	March 31, 2018
We recommend the Director of PKR:			
<ul style="list-style-type: none"> Works with the City Attorney's Office and the State Fair of Texas (State Fair) to develop and agree on a contract definition that is sufficiently clear to allow PKR to verify the reasonableness of the amounts determined by the State Fair as available for the development and enhancement of Fair Park. 	PKR	Agree	March 31, 2018
<ul style="list-style-type: none"> Develops and implements written supervisor review procedures and formally approves the procedures. 	PKR	Agree	March 31, 2018
<ul style="list-style-type: none"> Cross trains staff to verify the Live Nation Minimum Guaranteed Rental, Percentage Rental, and the Additional Rental calculations to ensure a contingency plan is in place in the event currently assigned personnel leave PKR unexpectedly. 	PKR	Agree	March 31, 2018
We recommend the Directors of PKR and OCA:			
<ul style="list-style-type: none"> Develop and implement formal (written, approved, and dated) contract oversight / monitoring policies and procedures. 	PKR and OCA	Agree	March 31, 2018
<ul style="list-style-type: none"> Establish procedures to ensure that all key contract requirements are monitored and are in compliance with the contract requirements. 	PKR and OCA	Agree	March 31, 2018

Audit of the Department of Public Works' Contract Monitoring (May 27, 2016)

- In Fiscal Years (FY) 2012 and 2013, the Department of Public Works' (PBW) Facilities Architecture / Engineering Division (Division) provided contract monitoring oversight for 17 Design-Bid-Build capital improvement projects totaling \$16.7 million.
- The Division's personnel with contract monitoring responsibilities are experienced professionals; however, contract monitoring was performed without: (1) up-to-date formal (written, dated, signed), contract monitoring policies and procedures; (2) sufficient (formally documented, consistently performed, and monitored for compliance) contract monitoring activities; (3) fully complying with the City of Dallas' General Conditions for Building Construction and the 1990 Project Management Procedures Manual; and, (4) a consistent systematic process for filing construction related documents.
- As a result, the Division cannot consistently ensure architects are fulfilling contractual responsibilities to properly monitor the construction contractors' activities and communicate results to the Division. Ultimately, this lack of formal and consistent contract monitoring increases the risk that City facilities are not: (1) constructed properly; and, (2) completed within planned budgets and timeframes.

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
We recommend Director of PBW:			
<ul style="list-style-type: none"> • Updates formal (written, signed, dated) policies and procedures for contract monitoring, including specifying document approval and maintenance responsibilities among Division personnel, the architect, and the contractor 	PBW	Agree	July 31, 2019
<ul style="list-style-type: none"> • Develops and implements standard quality control documents using best practices, such as American Institute of Architects (AIA), to demonstrate sufficient contract monitoring and consistent documentation 	PBW	Agree	July 31, 2019
<ul style="list-style-type: none"> • Ensures Division personnel comply with the Division's contract monitoring resources 	PBW	Agree	July 31, 2019

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
<ul style="list-style-type: none"> Implements a consistent, systematic process for filing construction related documents for construction contract monitoring activities 	PBW	Agree	Preliminary process to be implemented by November 2017 / Anticipated implementation of final process is July 31, 2019

Audit of Leasing, Concessions, and Other Activities for the Department of Aviation (June 10, 2016)

- The Department of Aviation (AVI) has certain contract monitoring controls in place to ensure the parking and car rental concessionaires operating at Dallas Love Field Airport comply with concession contracts and the City of Dallas (City) receives the appropriate share of the concessionaires' revenue.
- In addition, AVI annually receives independent audit reports from the Parking Company of America and the car rental companies certifying the accuracy of the revenue reported to AVI. The AVI does not receive independent audit reports for parking revenue processed by the North Texas Tollway Authority (NTTA) for vehicles using TollTags for Airport parking.
- The AVI can improve existing contract monitoring controls by: (1) developing and implementing formal (written, signed, and dated) policies and procedures for contract monitoring to establish an internal control framework; and, (2) obtaining direct access to the Parking Revenue Control System (PRCS) and integrating with the NTTA parking system to monitor on an on-going basis the reasonableness of parking revenue.

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
We recommend Director of AVI:			
<ul style="list-style-type: none"> Develops and implements formal (written, signed, and dated) contract monitoring policies and procedures 	AVI	Agree	December 31, 2016
<ul style="list-style-type: none"> Ensures AVI employees responsible for contract monitoring have direct (read-only) access to the PRCS system 	AVI	Agree	December 31, 2016

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
<ul style="list-style-type: none"> Integrates the new parking system with the NTTA parking system to obtain TollTag parking information; <u>or</u>, captures relevant TollTag parking information, such as the vehicles' license plate numbers and the specific date and time the vehicles were parked 	AVI	Agree	December 31, 2016

Audit of the Department of Park and Recreation Internal Controls over Regulatory, Safety, and Maintenance – Aquatic Facilities (June 17, 2016)

- The Department of Park and Recreation (PKR) has designed internal controls in the form of various handbooks to help ensure PKR complies with Federal, State of Texas (State), and City of Dallas (City) regulatory standards for pools, spas, and spraygrounds (aquatic facilities).
- In addition, PKR implemented various approaches, such as daily checklists and/or on-site observations, to monitor compliance with these standards.
- The PKR, however, can improve internal controls by consistently ensuring: (1) compliance with Federal, State, and City regulatory standards for aquatic facilities, including meeting water quality standards; lifeguard training and performance evaluation standards; and, City Code health and safety standards; (2) effective maintenance procedures, such as identifying, documenting, and monitoring the life expectancy of pool drain covers and grates and consistently inspecting aquatic facilities on a daily basis during the operating season; (3) documentation is proper, complete, and retained for daily health, safety, environmental, and maintenance inspections during the operating season; annual maintenance inspections; lifeguard orientation forms; and, water safety instructors' certification. In addition, the PKR does not require water quality tests to measure the amount of combined chlorine (free chlorine and chloramines) at Bachman Indoor Pool (Bachman).

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
We recommend Director of PKR:			
<ul style="list-style-type: none"> • Ensures water quality tests are performed and documented in accordance with the PKR 2015 Pool Manager Handbook • Ensures the timeliness of corrective actions for identified water quality issues are consistently documented • Ensures applicable daily checklist forms are revised to require the documentation of water clarity inspection results 	PKR	Agree	September 30, 2017
<ul style="list-style-type: none"> • Implements a monitoring process to measure the amount of combined chlorine (free chlorine and chloramines) at Bachman to ascertain if chloramine levels are acceptable and safe 	PKR	Agree	January 30, 2017
<ul style="list-style-type: none"> • Ensures lifeguard audits at each community pool are completed more than once per season if audit results are unsatisfactory • Ensures lifeguard audits at Bachman are completed on a quarterly basis, at a minimum, or more frequently if results are unsatisfactory • Ensures lifeguard audits documentation is fully completed • Ensures the lifeguard audit form includes a final summary evaluation rating (e.g., pass, fail, pass with remediation) • Ensures actions taken for audit activities that were not rated as satisfactory are documented on the lifeguard audit report 	PKR	Agree	September 30, 2017
<ul style="list-style-type: none"> • Verifies issues noted above have been remediated • Develops and implements internal controls to ensure compliance with City Code Compliance inspections 	PKR	Agree	January 31, 2017

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
<ul style="list-style-type: none"> Ensures weekly lifeguard in-service training of at least 60 minutes in duration is completed, training attendance is properly documented (e.g., date, signatures, training description, duration, etc.), and retained 	PKR	Agree	September 30, 2017
<ul style="list-style-type: none"> Ensures procedures are developed to retain Water Safety Instructors' certifications 	PKR	Agree	September 30, 2017
<ul style="list-style-type: none"> Ensures procedures are implemented to properly complete and retain orientation documentation for all new lifeguards and pool managers 	PKR	Agree	September 30, 2017
<ul style="list-style-type: none"> Ensures procedures are implemented to: <ul style="list-style-type: none"> Complete and document automated external defibrillators' (AED) daily inspections Revise checklists to include daily pool lift inspection results 	PKR	Agree	September 30, 2017
<ul style="list-style-type: none"> Ensures procedures are implemented to document and retain daily inspection results of pool drain covers and grates 	PKR	Agree	September 30, 2017
<ul style="list-style-type: none"> Ensures monitoring procedures are implemented to properly document on the Pollution Prevention Daily Checklist (PPDC) the actions taken in response to environmental issues noted 	PKR	Agree	Not Applicable

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
<ul style="list-style-type: none"> • Requires the daily inspection processes for aquatic facilities during the operating season are documented in PKR procedures and Facility Services Division receive the associated training • Ensures inspections of aquatic facilities are performed on a daily basis during the operating season; inspection results are documented on the appropriate form and retained; and, applicable forms (for the spraygrounds) are reviewed and includes the appropriate supervisor signature • Requires the Daily Pool Report forms are revised to include the inspection results of pool covers and grates; condition of the pump flow meters; and pressure and vacuum gauges 	PKR	Agree	September 30, 2017
<ul style="list-style-type: none"> • Ensures procedures are developed to: <ul style="list-style-type: none"> ○ Monitor the life expectancy of all pool drain covers and grates ○ Replace pool drain covers and grates timely ○ Obtain and/or retain American Society of Mechanical Engineers (ASME) A112.19.8-2007 certification information if the information is not already marked on the pool drain cover or grate 	PKR	Agree	September 30, 2017
<ul style="list-style-type: none"> • Requires that the Pool Maintenance Concerns forms are revised to include a line item for documenting Virginia Graeme Baker Pool and Spa Safety Act (VGBA) inspection results of the pool drain covers and grates • Ensures that the completed forms are retained and evidence of supervisory review are documented in the form of signatures and dates to ensure that maintenance issues are resolved in a timely manner 	PKR	Agree	September 30, 2017

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
<ul style="list-style-type: none"> Ensures that a closed community pool be adequately monitored to ensure compliance with State standards 	PKR	Agree	September 30, 2017

Special Audit of the Accounts of Former City Attorney, Warren M.S. Ernst (June 24, 2016)

- The Office of the City Auditor completed the *Special Audit of the Accounts of the Former City Attorney, Warren M.S. Ernst* and determined the accounts of the former City Attorney were in order.
- The former City Attorney, who retired on April 29, 2016, was timely removed from access to City of Dallas (City) systems and does not owe any debt to the City. All City items assigned to the former City Attorney were substantiated.
- No recommendations were made with this report.

Attestation Services

Independent Auditor’s Report on Applying Agreed-Upon Procedures for Bid # CIZ1566: Department of Trinity Watershed Management – Storm Drainage Improvements Mill Creek / Peaks Branch / State-Thomas Drainage Relief Tunnel Procurement, \$209,894,515 (May 24, 2016)

- Verify the Department of Business Development’s (BDPS) and the Department of Trinity Watershed Management’s compliance with the requirements of Texas Local Government Code (TLGC) Chapter 252, *Purchasing and Contracting Authority of Municipalities*; *Government Code*, Chapter 2269; and, Administrative Directive (AD) 4-05: *Contracting Policy*

Exceptions Noted:

- The TWM used bid evaluations performed by three separate consultants to assess the lowest bids. These consultants identified issues related to contractor experience, safety record, and prior contract experience. The TWM’s analyses of the identified issues were not consistently performed for the three lowest bidders and the related decisions were not consistently documented.
- None of the contracts with the three consulting firms participating in the procurement evaluation mentioned conflict of interest with a bidder. The only conflict of interest wording in the contracts was the standard wording covering

conflict of interest of City officials and employees quoted from City Charter Chapter XXII Sec. 11.

Independent Auditor's Report on Applying Agreed-Upon Procedures for Bid # CIZ1588: Department of Public Works – Dallas City Hall and I.C. Harris Service Center Underground Storage Tank Removal and Replacement, \$970,170.97 (June 28, 2016)

No exceptions noted.

Investigative Services

Theft – Department of Trinity Watershed Management (July 11, 2016)

- This investigative report provided results of an investigation of an allegation involving a Department of Trinity Watershed Management (TWM) Truck Driver, Mr. Sergio Ornelas, stealing food items from a convenience store while on duty and while driving a City of Dallas (City) truck.
- On February 1, 2016, TWM reported to the Office of the City Auditor (Office) that it had received a complaint that a City employee, in uniform and driving a City truck, had stolen items from a convenience store located on Inwood Road. The TWM employee was identified by the City truck number he was driving and through in-store surveillance video. This information was forwarded to the Dallas Police Department – Public Integrity Unit (DPD-PIU) who investigated the complaint and issued Mr. Ornelas a citation for a Class C misdemeanor theft.
- The Office conducted an administrative review and the evidence obtained and reviewed supported the finding that Mr. Ornelas violated the Dallas City Code Personnel Rules, specifically: dishonesty, theft, misconduct, and disregard of public trust.
- The TWM Management was in the process of terminating Mr. Ornelas when he provided a letter of resignation on April 28, 2016. The TWM accepted the letter of resignation and provided the employee's final termination paperwork to the appropriate departments on May 6, 2016.

Theft – Department of Dallas Water Utilities (July 26, 2016)

- This investigative report provided results of an administrative investigation of an allegation involving the theft of Department of Dallas Water Utilities' (DWU) cash deposits, estimated to exceed \$100,000, by DWU Senior Customer Services Representative, Ms. Shalawn Collins. As

Senior Customer Representative, Ms. Collins was DWU's deposit desk clerk.

- On February 9, 2015, DWU Management reported to the Office of the City Auditor (Office) and the Dallas Police Department – Public Integrity Unit (DPD-PIU) that there was a possible theft of cash by Ms. Collins. Ms. Collins was responsible for counting and preparing daily cash deposits and for depositing DWU cash payments received into the City of Dallas bank account. On February 4, 2015, Ms. Collins resigned. According to DWU's standard operating practice, an audit¹ of the deposit desk was initiated. During this audit, DWU Management identified cash deposit discrepancies and requested an investigation.
- On May 29, 2015, DPD-PIU arrested Ms. Collins, and, on April 29, 2016, Ms. Collins was indicted by a Dallas County Grand Jury for Misapplication of Fiduciary Property, a second degree felony, punishable by imprisonment for any term of not more than 20 years or less than two years.
- Additional Internal Controls were implemented following DWU's audit, including: (1) updated International Organization for Standardization (ISO) procedures related to: Change Fund Orders from Bank; Preparation of Daily Bank Deposit; and, Petty Cash; (2) implemented daily verification of deposit amount by a second employee; (3) implemented daily confirmation by supervisor that deposit bag is placed in courier pick-up box; (4) created new ISO procedure: Supervisor and Manager Monthly / Quarterly Audit; (5) implemented monthly / quarterly audits by supervisor and manager of the Petty Cash and Change Funds; and, (6) reviewed amount of cash on hand and implemented reduction in Petty Cash Fund from \$17,550 to \$10,000

¹ The term "audit" used by DWU related to this matter is not an examination performed under professional auditing standards.

**Audit and Attestation Services
Anticipated Report Releases
Fiscal Year 2016 – Fourth Quarter
July 1, 2016 to September 30, 2016**

Audit Services

Police Personnel and Training Services

- Anticipated Report Date: August 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

Customer Service / 311 Non-Emergency Services

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

Neighborhood Code Enforcement Services

- Anticipated Report Date: September 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

Prior Audit Recommendations Follow-Up (Fiscal Year 2014)

- Anticipated Report Date: September 2016
- Project Objective(s): To evaluate management's implementation of prior audit report recommendations

Revenue Estimates – Budgeted Revenues for Fiscal Year 2016-2017

- Anticipated Report Date: September 2016
- Project Objective(s): To determine whether the City has effective processes to ensure reasonable revenue estimates are included in the City Manager's proposed operating budget

**Audit and Attestation Services
Projects in Progress
Fiscal Year 2016 – Fourth Quarter
July 1, 2016 to September 30, 2016**

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

Animal Services

- Anticipated Report Date: First Quarter Fiscal Year 2017
- Project Objective(s): To evaluate Animal Services operations which may include: (1) animal kennel care; (2) call response times; and, (3) drug inventory management compared to best practices and determine whether they comply with applicable laws, regulations, and policies

Construction Related Procurements

- Anticipated Report Date: First Quarter Fiscal Year 2017
- Project Objective(s): To determine the effectiveness of internal controls for construction related procurements

Courts Information System – Cash Management / Collections Processes

- Anticipated Report Date: First Quarter Fiscal Year 2017
- 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

Trinity Watershed Management

- Anticipated Report Date: First Quarter Fiscal Year 2017
- Project Objective(s): To evaluate management controls related to Trinity Watershed Management

Environmental Compliance – Multiple Departments

- Anticipated Report Date: Second Quarter Fiscal Year 2017
- Project Objective(s): To determine if the City is in compliance with Environmental Protection Agency regulations which may include the Clean Water Act, and/or other Federal/State environmental requirements regarding handling/disposing of hazardous waste

Prior Audit Recommendations Follow-Up (Fiscal Year 2015)

- Anticipated Report Date: Second Quarter Fiscal Year 2017
- Project Objective(s): To evaluate management's implementation of prior audit report recommendations

Records Management System – Dallas Police Department

- Anticipated Report Date: Second Quarter Fiscal Year 2017
- 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

**Audit and Attestation Services
Anticipated Project Starts
Fiscal Year 2016 – Fourth Quarter
July 1, 2016 to September 30, 2016**

Audit Services

Sole Source / Single Bid Procurements – Business Development and Procurement Services

- Anticipated Date: Third Quarter Fiscal Year 2017
- Project Objective(s): To determine the adequacy of controls for sole source / single bid procurements

Information Technology Processes – Communication and Information Services

- Anticipated Date: First Quarter Fiscal Year 2018
- Project Objective(s): To determine the effectiveness of selected Communication and Information Services processes which may include: (1) back-up and recovery; (2) governance process; and, (3) vendor contract monitoring