

Memorandum



CITY OF DALLAS

DATE: January 19, 2018

TO: Honorable Mayor and Members of the City Council

SUBJECT: Office of the City Auditor – Audit, Attestation and Investigative Services Update:
Fiscal Year 2018 – Second Quarter

The *Audit, Attestation and Investigative Services Update: Fiscal Year 2018 – Second 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).

Four audit reports were issued in the first quarter of Fiscal Year (FY) 2018, including:

- Audit of Construction-Related Procurements
- Audit of MuniServices, LLC Contract Related to the Verification of Sales / Use Tax Receipts and Associated Fees
- Audit Follow-Up of Line-of-Duty Death Report Recommendations
- Audit of Homeless Response System Effectiveness

The key points from these reports are included in Section II of the Update. Section III of the Update includes information related to reports issued as of January 19, 2018 for the second quarter of FY 2018. The project objectives for reports scheduled to be released and for projects currently in progress or expected to be started in the second quarter of FY 2018 are included in Sections IV through VI of the Update.

Approved Audit Plans allow the City Auditor to amend the plans, when deemed necessary, upon written notification to the City Council. Accordingly, the Office is providing notification of the deletion of the Utilization of Bond Funds audit included in the FY 2018 Audit Plan. In light of the recently announced creation of the City of Dallas Bond Program Office and the associated changes in the management and reporting of bond funds, we have determined that this project should be delayed. We will reconsider this audit in future proposed audit plans after the changes have been fully implemented and a steady state of operation is achieved.

Honorable Mayor and Members of the City Council
January 19, 2018
Page 2 of 2

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 style with a large initial 'C'.

Craig D. Kinton
City Auditor

Attachment

C: T.C. Broadnax, City Manager
Larry Casto, City Attorney
Biliera Johnson, Interim City Secretary

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

**Audit, Attestation and
Investigative
Services Update**

Fiscal Year 2018 – Second Quarter

Table of Contents

	Page
Section I: Summary of Audit, Attestation and Investigative Services	1
Section II: Audit and Attestation Services Reports Issued Fiscal Year 2018 – First Quarter October 1, 2017 to December 31, 2017	4
Section III: Audit and Attestation Services Report Issued Fiscal Year 2018 – Second Quarter to Date January 1, 2018 to January 19, 2018	15
Section IV: Audit and Attestation Services Anticipated Report Releases Fiscal Year 2018 – Second Quarter January 1, 2018 to March 31, 2018	16
Section V: Audit and Attestation Services Projects in Progress Fiscal Year 2018 – Second Quarter January 1, 2018 to March 31, 2018	18
Section VI: Audit and Attestation Services Anticipated Project Starts Fiscal Year 2018 – Second Quarter January 1, 2018 to March 31, 2018	21

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 2018 – First Quarter
October 1, 2017 to December 31, 2017
(See Section II for Details)**

- Audit of Construction-Related Procurements
- Audit of MuniServices, LLC Contract Related to the Verification of Sales / Use Tax Receipts and Associated Fees
- Audit Follow-Up of Line-of-Duty Death Report Recommendations
- Audit of Homeless Response System Effectiveness

* 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
Report Issued
Fiscal Year 2018 – Second Quarter to Date
January 1, 2018 to January 19, 2018
(See Section III for Details)**

- Independent Auditor's Report on Applying Agreed-Upon Procedures for Bid #CIZ1677: Department of Trinity Watershed Management – Storm Drainage Improvements Mill Creek / Peaks Branch / State-Thomas Drainage Relief Tunnel Procurement, \$206,700,000

**Audit and Attestation Services
Anticipated Report Releases
Fiscal Year 2018 – Second Quarter
January 1, 2018 to March 31, 2018
(See Section IV for Details)**

- Special Audit – Four Former City Council Members
- Special Audit – Former City Secretary
- Environmental Compliance
- Miscellaneous Permit Fee Revenues
- Prior Audit Recommendations Follow-Up Fiscal Year 2016
- Special Collections Operations

**Audit and Attestation Services
Projects in Progress
Fiscal Year 2018 – Second Quarter
January 1, 2018 to March 31, 2018
(See Section V for Details)**

- Business Partner Oversight
- Continuity of Operations Audit Follow-Up
- Dallas Convention & Visitors Bureau (VisitDallas)
- Off-Duty Employment Administration – Dallas Police Department
- Prior Audit Recommendations Follow-Up Fiscal Year 2018
- Records Management System
- Surveillance Camera Oversight

**Audit and Attestation Services
Projects in Progress
Fiscal Year 2018 – Second Quarter
January 1, 2018 to March 31, 2018
(See Section V for Details)**

- Water Quality and Safety, Testing, and Monitoring
- Franchise Fees Review through Third-Party Vendor (*Ongoing*)
- Sales / Use Tax Compliance Review through Third-Party Vendor (*Ongoing*)

**Audit and Attestation Services
Anticipated Project Starts
Fiscal Year 2018 – Second Quarter
January 1, 2018 to March 31, 2018
(See Section VI for Details)**

- Economic Development Programs and Incentives
- Management of the City's Surplus Real Properties
- Open Records Request Process

**Audit and Attestation Services
Reports Issued
Fiscal Year 2017 – First Quarter
October 1, 2017 to December 31, 2017**

Audit Services

Audit of Construction-Related Procurements (October 20, 2017)

- The Department of Dallas Water Utilities (DWU), one of six City of Dallas (City) departments with construction procurement authority had well documented internal controls in place and supporting documentation to demonstrate Administrative Directive 4-05, *Contracting Policy* (AD 4-05) was consistently followed. The AD 4-05 establishes City policy for:
 - Complying with applicable State of Texas laws governing construction contracting processes
 - Ensuring fair competition for City contracts and that the City receives: (1) the most qualified architectural, engineering, or land surveying services (professional services) at a fair and reasonable price; and, (2) the lowest responsible bid for construction projects
- The DWU's internal controls provided the City with reasonable assurance that construction-related procurements were conducted in a uniform, transparent, and equitable manner while reducing the risk of fraud, waste, or abuse.
- The City, however, does not have sufficient internal controls, such as formal, up-to-date departmental policies and procedures and adequate documentation, to demonstrate that all departments consistently follow AD 4-05 for construction-related procurements.
- Without appropriate internal controls, including supporting documentation, the City cannot be assured that construction-related procurements are conducted in a uniform, transparent, and equitable manner and the risk for fraud, waste, or abuse is increased.

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
We recommend the City Manager:			
<ul style="list-style-type: none"> Requires all departments involved in construction-related procurements adopt uniform internal control best practices, such as those used by DWU, to ensure compliance with State of Texas law and AD 4-05 	CMO	Agree	June 30, 2018
<ul style="list-style-type: none"> Ensures the City departments authorized to conduct construction-related procurements have formal (written, approved, signed, and dated) policies and procedures 	CMO	Agree	June 30, 2018
<ul style="list-style-type: none"> Ensures the Director of the Office of Procurement Services (OPS) formerly known as the Department of Business Development and Procurement Services, develops formal (written, approved, signed, and dated) policies and procedures that describe OPS' responsibilities for facilitating construction-related procurements 	CMO	Agree	June 18, 2018

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
<ul style="list-style-type: none"> • Ensures City departments, authorized to conduct construction-related procurements, and OPS implement the internal controls needed to ensure AD 4-05 is uniformly followed by: <ul style="list-style-type: none"> ○ Decreasing the complexity of AD 4-05 and / or clarifying the requirements by developing an implementation guide. The result should specify: <ul style="list-style-type: none"> - Professional services procurement requirements, such as the process departments must use after the Request for Qualifications to select the most highly qualified firm (i.e., Request for Proposals, negotiations, etc.) - Screening and selection committee composition requirements to minimize potential conflicts of interest, including documentation such as a signed conflict of interest statement - Allowable exceptions to the procurement process, such as when the most highly qualified firm is not selected ○ Requiring departments to develop consistent policies and procedures ○ Monitoring departments for conformity with AD 4-05 for construction-related procurements 	CMO	Agree	June 30, 2018
<ul style="list-style-type: none"> • Ensures City departments, in collaboration with the City Attorney's Office, develop internal controls to ensure distributing the work practices are transparent, consistent, documented, and comply with AD 4-05 	CMO	Agree	June 30, 2018
<ul style="list-style-type: none"> • Ensures policies and procedures are developed to require department Directors to document their reasoning for selecting a specific firm when the: (1) selection committee scoring and ranking process results in a tie; or, (2) the firm selected is not the most highly qualified firm recommended by the selection committee 	CMO	Agree	June 30, 2018

Audit of MuniServices, LLC Contract Related to the Verification of Sales / Use Tax Receipts and Associated Fees (November 3, 2017)

- In Fiscal Year (FY) 2017, the Office of the City Auditor (Office) verified \$814,270 in sales tax receipts collections that MuniServices, LLC (Consultant) identified as owed to the City of Dallas (City) from businesses operating in the City.
- The Office also verified the accuracy of \$241,244 in Consultant invoices received for the period October 1, 2016 through September 30, 2017 for payment of the Consultant's percentage of the amount collected under the contingent fee contract arrangement with the City (Note: The Consultant invoices are not paid until the Office verifies that the City has received the additional sales / use taxes).
- *No recommendations associated with this report.*

Audit Follow-Up of Line-of-Duty Death Report Recommendations (December 8, 2017)

- Following a condominium complex fire in May 2013 leading to the death of City of Dallas (City) Firefighter Stanley Wilson, three separate investigations were conducted which resulted in 19 recommendations to the Department of Dallas Fire-Rescue (DFR).
- The implementation of the recommendations produced significant improvements to DFR's:
 - Departmental procedures
 - Training program
 - Post-incident analysis
- The sustainability of these improvements depends, however, upon DFR's training program and DFR's ability to identify Officer, Member, and Command Technician training needs, monitor participation, analyze the benefits, and adjust training accordingly

- An evaluation of the DFR's training program, including a review of relevant DFR policies and procedures and three separate judgmental samples of training attendance records of Officers, Members, and Command Technicians, showed DFR can further:
 - Improve the DFR's capabilities for monitoring training progress, analyzing training needs, and assessing DFR's training catalog by:
 - Implementing an automated system and digitizing and consolidating all training records to enable more effective and efficient monitoring of training attendance and analysis of course offerings
 - Preparing and monitoring training reports periodically to analyze DFR's progress in meeting both mandatory courses and annual hour requirements
 - Surveying other large fire departments to leverage solutions and best practices
 - Incorporate short-term solutions, such as: (1) establishing performance measurement goals for mandatory courses; (2) communicating training progress with Members and their supervisors; (3) offering group-basis Medic-CE.com, LLC courses; and, (4) using light duty personnel to perform internal reviews and inspections of training records
 - Document completion of Command Technician refresher training to demonstrate compliance with DFR's Manual of Procedures and implementation of DFR's internal recommendations
 - Use consistent terminology for strategic tactics in all DFR communications, including the DFR Manual of Procedures, training materials, the Incident Safety Officer checklist, After Action Reports, and all other verbal and written communications to promote consistency during incidents
 - Implement the State Fire Marshal's Office of the Texas Department of Insurance's (SFMO) recommendation to monitor the fireground tactical communications channel, based on DFR's assessment of the risks, costs, and benefits associated with this issue

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
<p>We recommend the DFR Fire Chief:</p> <ul style="list-style-type: none"> Improves DFR's capabilities for monitoring training attendance as well as its assessment of the training curriculum offered. 	DFR	Agree	Corrective action plan with implementation dates by May 4, 2018
<ul style="list-style-type: none"> Enhances DFR's Manual of Procedures to require documentation of attendance at every training exercise for all attendees, including instructors, moderators, and trainees, to ensure compliance with both DFR and SFMO training requirements. 	DFR	Agree	No later than December 31, 2017
<ul style="list-style-type: none"> Revises the language used in all DFR's communications, including the DFR Manual of Procedures, training materials, Incident Safety Officer checklist, After Action Reports, and all other oral and written communications, to ensure that Members use consistent terminology to avoid confusion during an incident. 	DFR	Agree	April 6, 2018
<ul style="list-style-type: none"> Continues to consider implementing SFMO's recommendation to monitor the fireground tactical channel, based on DFR's assessment of the risks, costs, and benefits associated with this issue. 	DFR	Agree	Contingent on funding being approved. If approved as part of the FY2019 budget, possible implementation in FY 2021

Audit of Homeless Response System Effectiveness (December 11, 2017)

- The City of Dallas (City) cannot tell how well the homeless response system is performing and needs to improve: (1) oversight of the Metro Dallas Homeless Alliance (MDHA) and The Bridge; and, (2) how the City evaluates, coordinates, and monitors homeless services. The homeless response system is the coordinated government and community effort to resolve, prevent, and end homelessness in the area.
 - Incomplete Homeless Management Information System Limits Ability to Assess Effectiveness
 - The Homeless Management Information System (HMIS) that the area relies on to evaluate the effectiveness of homeless resources is incomplete, covering only 30 percent of the beds in 2016 dedicated to the homeless, including homeless emergency shelters and longer-term housing. As a result, the City cannot fully evaluate how the homeless response system's resources are contributing to reducing homelessness, and the area is receiving less money in competitive Federal grants, including a reduction of \$1.1 million from two years earlier.
 - Inadequate Homeless Management Information System Implementation, Procurement, and Oversight
 - The MDHA's implementation of a new HMIS from a vendor without prior HMIS experience faced multiple challenges, including delays, a lack of system capabilities for homeless emergency shelters, and technical difficulties. The new HMIS was purchased in a non-competitive process, which violated Federal procurement requirements and could result in the loss of the HMIS' Federal funding. During the implementation period, the City's oversight of MDHA was inadequate.
 - Ineffective Contract Oversight of The Bridge Homeless Assistance Center
 - Delayed payment from the City pushed The Bridge, the City's homeless assistance center, to the brink of temporary closure twice in 2017 due in part to challenges with the HMIS implementation. The City's monitoring and oversight of the contract with The Bridge to operate a homeless assistance center is inadequate to ensure effectiveness of services, compliance with contract terms, and the financial viability of The Bridge. The Office of the City Auditor's risk evaluation indicates The Bridge's financial viability warrants closer monitoring. The Bridge's reliance on government for 84 percent of its funding in Fiscal Year (FY) 2016 increased the risk The Bridge could not continue to serve the homeless should the funding be delayed, reduced, or eliminated.

- Insufficient Evaluation and Monitoring of City Homeless Services
 - A review of the City’s homeless services determined:
 - The City uses multiple City and United States Department of Housing and Urban Development (HUD) required plans; however, they are not adequately aligned to: (1) allow for clear decision-making; (2) assess homeless services’ performance; and, (3) monitor progress in meeting key objectives
 - Fragmentation exists in both case management and compliance oversight, and the monitoring of services is not sufficient to ensure effectiveness
 - The City is not spending grant money timely, returning a combined \$531,105, or 9.7 percent, in unspent grant funds to the Federal government for FY 2015 and FY 2016
 - The City does not have an adequate and timely system for receiving and responding to feedback from homeless services clients
 - Policies and procedures do not specifically ensure segregation of duties following a past fraud incident to prevent recurrence

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
We recommend the City Manager:			
<ul style="list-style-type: none"> • Prioritizes increasing the participation in the HMIS by the methods identified through the survey, including using data-driven solutions to end homelessness and incentivizing HMIS participation by providing resources, such as grant allocations, software licenses, or other assistance. 	CMO	Agree	October 1, 2016 (in progress) through Second Quarter FY 2018
<ul style="list-style-type: none"> • Works with the MDHA to improve the planning, coordination, and implementation of the HMIS by: (1) prioritizing HMIS customization to meet homeless emergency shelters’ needs; (2) understanding current homeless emergency shelter system capabilities; and, (3) ensuring effective stakeholder engagement as HMIS customization continues. 	CMO	Agree	January 24, 2018 (pending City Council approval)

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
<ul style="list-style-type: none"> Ensures appropriate and effective oversight of the MDHA, which may include working with MDHA and the City Attorney's Office, to: (1) increase the City's representation on the MDHA Board of Directors; (2) improve its contract oversight; and, (3) request increased reporting on MDHA performance and initiatives. 	CMO	Agree	2 nd Quarter FY 2018
<ul style="list-style-type: none"> In coordination with the Chief of Community Services (CCS), adopts a comprehensive and cohesive strategic review process that aligns with City-wide objectives and clearly defines what constitutes success / progress for each key objective of reducing homelessness and increasing housing placement opportunities. The City Manager should consider including the Government Accountability Office's seven criteria described in the textbox on page 28 when developing and implementing the strategic plan for key objectives 	CMO/CCS	Agree	2 nd Quarter FY 2018

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
<p>We recommend the Chief of Community Services:</p> <ul style="list-style-type: none"> Provides additional oversight to ensure MDHA is administering the local HMIS to meet all Federal procurement requirements and has processes in place for the retention of documents. If additional oversight language is needed in the contract with MDHA, we recommend the Chief of Community Services works with the City Attorney's Office to revise the contract. 	CCS	Agree	January 24, 2018 (pending City Council approval)
<ul style="list-style-type: none"> Ensures The Bridge remains able to provide services to the City's homeless residents 	CCS	Agree	June 2017 (in progress) through December 13, 2017 (pending City Council approval)
<ul style="list-style-type: none"> Implements procedures to more closely monitor the financial viability of The Bridge. 	CCS	Agree	December 13, 2017 (pending City Council approval)

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
<ul style="list-style-type: none"> Implements procedures to ensure both the City's and The Bridge's compliance with the management services contract or work with the City Attorney's Office and The Bridge to align the contract with agreed-upon operating and financial oversight procedures 	CCS	Agree	December 13, 2017 (pending City Council approval)
<ul style="list-style-type: none"> Develops measurable performance expectations and requirements that hold The Bridge accountable for the delivery of effective and quality services, including identification of how performance will be evaluated, particularly against meaningful established performance outcomes and expectations 	CCS	Agree	December 13, 2017 (pending City Council approval)
<ul style="list-style-type: none"> Strengthens payment processing procedures to include documented financial review in relation to The Bridge's operating budget and validation and evaluation of performance data and performance data adjustments for completeness and accuracy 	CCS	Agree	December 13, 2017 (pending City Council approval)
<ul style="list-style-type: none"> Works with The Bridge to minimize the risk of loss of its bank funds above FDIC limits. 	CCS	Agree	December 13, 2017 (pending City Council approval)
<ul style="list-style-type: none"> Assesses coordination and fragmentation between the City departments, divisions, and units providing homeless services to identify ways to improve the effectiveness and efficiency of services. The assessment should include the City's use of staff caseworkers for assisting clients' transitions to permanent housing. 	CCS	Agree	October 1, 2017 (in progress)
<ul style="list-style-type: none"> Develops and implements a process to improve coordination and communication between departments and divisions providing services related to homelessness 	CCS	Agree	October 1, 2017 (in progress)
<ul style="list-style-type: none"> Ensures that performance measures tracked in performance reports align with City priorities, such as for reducing homelessness and increasing housing placements 	CCS	Agree	2 nd Quarter FY 2018

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
<ul style="list-style-type: none"> Assesses the demand for homeless prevention resources, including ESG homeless prevention rental assistance funds, to ensure the funds are being used effectively to keep people housed 	CCS	Agree	2 nd Quarter FY 2018
<ul style="list-style-type: none"> Determines the cost of homeless services across City government 	CCS	Agree	2 nd Quarter FY 2018
<ul style="list-style-type: none"> Assesses the effectiveness of the Gateway to Permanent Housing and Rapid Rehousing / My Residence programs and develops and implements processes to ensure CoC grant funds are spent within the appropriate grant period. 	CCS	Agree	2 nd Quarter FY 2018
<ul style="list-style-type: none"> Designs a feedback process that involves receiving timely input from clients as they are receiving services. This includes surveying clients about satisfaction of services received; areas that can be improved; and, making staff accountable for responding to feedback and implementing suggested improvements to services. 	CCS	Agree	January 25, 2018
<ul style="list-style-type: none"> Formally adopts and documents policies and procedures to mitigate risks of fraud related to segregation of duties and reviews policies and procedures to ensure proper documentation of controls related to risk of fraud. 	CCS	Agree	2 nd Quarter FY 2018

**Audit and Attestation Services
Report Issued
Fiscal Year 2018 – Second Quarter to Date
January 1, 2018 to January 19, 2018**

Attestation Services

Independent Auditor's Report on Applying Agreed-Upon Procedures for Bid #CIZ1677: Department of Trinity Watershed Management – Storm Drainage Improvements Mill Creek / Peaks Branch / State-Thomas Drainage Relief Tunnel Procurement, \$206,700,000

- Assist the Dallas City Council and City management in evaluating the Office of Procurement Services', (OPS), formerly the Department of Business Development and Procurement Services, and the Department of Trinity Watershed Management's (TWM) compliance with the requirements of Texas Local Government Code (TLGC) Chapter 252, *Purchasing and Contracting Authority of Municipalities*; Government Code, Chapter 2269, *Contracting and Delivery Procedures for Construction Projects*; and, Administrative Directive (AD) 4-05: *Contracting Policy*.

Exceptions noted and associated City Management actions to address the exceptions:

- Exceptions were noted for seven of 18 Agreed-Upon Procedures related to areas such as documentation of bid specification changes, conflict-of-interest policies and disclosure requirements, and the Trinity Watershed Management's (TWM) evaluation of the low bidder's experience, safety, and environmental record. After the Office of the City Auditor notified City management, the TWM took subsequent actions to address most of the exceptions noted, as detailed in the report.

The Office of the City Auditor also identified relevant information for Agreed-Upon Procedures 15 and 17 related to the low bidder's: (1) subcontractor's safety record; and, (2) Minority and Women Business Enterprises goal achievement. This information is included in Attachment I of the report as *Knowledge of a Matter Outside the Agreed-Upon Procedure*.

**Audit and Attestation Services
Anticipated Report Releases
Fiscal Year 2018 – Second Quarter
January 1, 2018 to March 31, 2018**

Audit Services

Special Audit – Four Former City Council Members

- Anticipated Report Date: January 2018
- Project Objective(s): 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

Special Audit – Former City Secretary

- Anticipated Report Date: February 2018
- Project Objective(s): 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

Environmental Compliance

- Anticipated Report Date: March 2018
- 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

Miscellaneous Permit Fee Revenues

- Anticipated Report Date: March 2018
- Project Objective(s): To determine whether controls are adequate / effective to ensure permit fee revenues are collected from business entities required to obtain a permit to operate a business in the City

Prior Audit Recommendations Follow-Up Fiscal Year 2016

- Anticipated Report Date: March 2018
- Project Objective(s): To evaluate management's implementation of prior audit report recommendations

Special Collections Operations

- Anticipated Report Date: March 2018
- Project Objective(s): To determine whether internal controls are adequate to ensure cash receipts are timely deposited and accounted for properly

**Audit and Attestation Services
Projects in Progress
Fiscal Year 2018 – Second Quarter
January 1, 2018 to March 31, 2018**

Audit Services

Business Partner Oversight

- Anticipated Report Date: Third Quarter Fiscal Year 2018
- Project Objective(s): Evaluate the financial, operational, and other risks for major business partners operating City-owned facilities under the oversight of the Department of Park and Recreation and the City's oversight and monitoring control (may include the Dallas Zoo, the Dallas Arboretum, and / or Bahama Beach; will exclude Fair Park facilities which were audited in Fiscal Year 2016)

Continuity of Operations Audit Follow-Up

- Anticipated Report Date: Third Quarter Fiscal Year 2018
- Project Objective(s): To evaluate management's implementation of recommendations included in *Audit of the Design of the City of Dallas' Pandemic Influenza Continuity of Operations Basic Plan Report*, issued September 13, 2013

Dallas Convention & Visitors Bureau (VisitDallas)

- Anticipated Report Date: Third Quarter Fiscal Year 2018
- Project Objective(s): To evaluate the effectiveness of services provided by the Dallas Convention & Visitors Bureau (VisitDallas), which may include: (1) assessing the reliability and reporting of performance measures; and, (2) determining whether Tourism Public Improvement District Incentive funds were used properly

Off-Duty Employment Administration – Dallas Police Department

- Anticipated Report Date: Third Quarter Fiscal Year 2018
- Project Objective(s): To evaluate (1) the Dallas Police Department's (DPD) internal controls over off-duty employment; and, (2) whether DPD officers adhere to DPD policies related to off-duty employment

Prior Audit Recommendations Follow-Up Fiscal Year 2018

- Anticipated Report Date: Third Quarter Fiscal Year 2018
- Project Objective(s): To evaluate management's implementation of prior audit report recommendations

Records Management System

- Anticipated Report Date: Third Quarter Fiscal Year 2018
- 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

Surveillance Camera Oversight

- Anticipated Report Date: Third Quarter Fiscal Year 2018
- Project Objective(s): To determine whether the City adequately / effectively manages and maintains its network of surveillance cameras

Water Quality and Safety, Testing, and Monitoring

- Anticipated Report Date: Third Quarter Fiscal Year 2018
- Project Objective(s): To determine whether the Department of Dallas Water Utilities has: (1) adequate policies and procedures in place for ongoing accuracy testing and monitoring of City water quality and safety; and, (2) effective means of communicating with City residents regular testing and monitoring results

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

**Audit and Attestation Services
Anticipated Project Starts
Fiscal Year 2018 – Second Quarter
January 1, 2018 to March 31, 2018**

Audit Services

Economic Development Programs and Incentives

- Project Objective(s): To evaluate whether selected economic development programs are producing expected results and whether monitoring controls are effective

Management of the City's Surplus Real Properties

- Project Objective(s): To evaluate the City's processes for identifying, managing, and disposing of surplus real property

Open Records Request Process

- Project Objective(s): To evaluate the effectiveness of the PIO's compliance with State law and whether there are cost-saving opportunities