



---

# OFFICE OF THE CITY AUDITOR

---

FISCAL YEAR 2021  
AUDIT WORK PLAN

MARK S. SWANN  
CITY AUDITOR

*The Office of the City Auditor is an objective lens serving the public interest.*



# FISCAL YEAR 2021 AUDIT WORK PLAN

The Office of the City Auditor's mission is to collaborate with elected officials and employees to elevate public trust in government by providing objective assurance, investigation, and advisory services.

The City of Dallas (City) Office of the City Auditor performs work for and under the direction of the Dallas City Council. The Fiscal Year 2021 Recommended Audit Work Plan (Audit Plan) is designed to address risk related to delivery of City services and satisfy responsibilities established by the Dallas City Charter, meet the needs of the City Council, and outline the professional services that the Office of the City Auditor plans to initiate and/or complete during the Fiscal Year 2021.

This Audit Plan is based on a risk prioritization assessment updated in Summer 2020 and requests received from city management, council members, and audit staff. The Audit Plan attempts to identify the risks that matter and provide City-wide audit coverage by allocating 20,000 resource hours to complete 19 audit or attestation engagements. Also, 5,000 resource hours are required to support matters received on the City's Fraud, Waste, and Abuse Hotline.

This Audit Plan is a working document in that the City Auditor is authorized, when deemed necessary in his professional judgment, to amend the Audit Plan. The City Council will be notified in writing concerning additions to, deletions from, or other changes to this Audit Plan. The Audit Plan includes audits, attestation engagements, and other professional services.

## AUDIT AND ATTESTATION SERVICES

The Office of the City Auditor complies with generally accepted government auditing standards when performing audits and attestation engagements. These standards provide a framework for conducting high-quality audits and attestation engagements with competence, integrity, objectivity, and independence. The types of audits and attestation engagements performed under these standards include:

### **PERFORMANCE AUDITS**

The Office of the City Auditor conducts performance audits to provide objective analysis to assist City Management and those charged with governance and oversight to: (1) improve program performance and operations; (2) reduce costs; (3) facilitate decision-making by parties with responsibility to oversee or initiate corrective action; and, (4) contribute to public accountability. Performance audit objectives vary widely and can include assessments of

program effectiveness, economy, and efficiency; internal control; compliance; and, prospective analyses.

### **ATTESTATION ENGAGEMENTS**

The Office of the City Auditor conducts attestation engagements to address a broad range of financial or non-financial objectives. An attestation engagement 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.

### **FINANCIAL AUDITS**

The Office of the City Auditor conducts financial audits to provide an independent assessment of whether an entity's reported financial information (e.g., financial condition, results, and use of resources) are presented fairly and in accordance with recognized criteria. Financial audits provide users with statements concerning the reliability of information and provide information about internal control over financial reporting, and compliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements.

## **OTHER PROFESSIONAL SERVICES**

The Office of the City Auditor provides other professional services which may or may not be performed in accordance with generally accepted government auditing standards. These other professional services include:

### **INVESTIGATIVE SERVICES**

The Office of the City Auditor provides investigative services to evaluate and investigate allegations of fraud, waste, and abuse and maintains a Hotline as a tool for the confidential reporting of allegations. Investigations are conducted in accordance with *Quality Standards for Inspection and Evaluation* issued by the Council of the Inspectors General on Integrity and Efficiency. Criminal allegations are referred to appropriate law enforcement authorities. Significant findings of fraud are reported to the Mayor, the Chair of the Government Performance & Financial Management Committee, the City Attorney, and City Management as required by Council Resolutions and Administrative Directives.

### **CITY COUNCIL SUPPORT**

The Office of the City Auditor is authorized to conduct audits, attestation engagements, or other professional services for individual City Council Members, provided the request will not impact the completion of the Audit Plan. If, in the judgment of the City Auditor, a request will impact the completion of the Audit Plan, the City Auditor is to request that the Council Member submit

the request in writing for consideration and approval by the Government Performance & Financial Management Committee, or its equivalent, and the City Council as an amendment to the Audit Plan. All work products will be produced at the direction of the City Auditor.

### **MANAGEMENT ASSISTANCE**

The Office of the City Auditor is authorized to perform audits and attestation services and other professional services at the request of City Management to assist in carrying out City Management's responsibilities. These services may include, but are not limited to, providing technical advice, such as participating on committees, task forces, panels, and focus groups. The Office of the City Auditor may provide City Management assistance based on consideration of the impact on auditor independence and audit plan completion.

### **LITIGATION SUPPORT**

The Office of the City Auditor is authorized to perform audits and attestation services and other professional services at the request of the City Attorney. The services provided by the Office of the City Auditor depend on the needs of the City Attorney. These services may include, but are not limited to, research, analysis, and computer forensics.

## **INDEPENDENCE DISCLOSURES**

*Section 40-A.2.(c)(C)* of the Dallas City Code designates the City Auditor as a voting member of the Employees' Retirement Fund Board of Trustees. Generally accepted government auditing standards require the Office of the City Auditor to disclose impairments to independence. The Office of the City Auditor lacks independence in relation to any audit work that might be conducted at the Employees' Retirement Fund. To the extent that audits and attestation engagements are performed in this area, the Office of the City Auditor is not independent. The effects of this independence concern on audit work will be clearly identified in any final reports, if applicable.

## **COMPETENCY AFFIRMATION**

The City Auditor reviewed the recommended Audit Plan and believes the Office of the City Auditor staff, along with contracted specialists, possess adequate professional competence to address potential audit engagement objectives. Also, the City Auditor believes the Office of the City Auditor can maintain objectivity while performing the recommended audit engagements.

No.	Department/ Division	Topic	Preliminary Objective(s)	Hours Estimate
<b>Fiscal Year 2021 Audit Work Plan</b>				
1	City Attorney – Community Court	Community Courts Treatment Services	<ul style="list-style-type: none"> <li>→ Are controls in place to ensure that the financial activities of the Community Court comply with applicable City of Dallas financial policies?</li> <li>→ Are case files identified, tracked, and monitored for changes in case disposition authorized by a judge; and, are changes in disposition recorded?</li> <li>→ Are case files secured?</li> </ul>	900
2	City Controller's Office	Accounts Payable Process	<ul style="list-style-type: none"> <li>→ Are invoices approved in accordance with the City of Dallas' delegation of authority for purchasing goods and services?</li> <li>→ Do invoices for purchases support a valid business purpose, are supported by documentation and approval for payment?</li> <li>→ Are duplicate invoices paid to vendors?</li> <li>→ Are maintenance and internal controls for additions, changes, and deletions to vendor master files effective?</li> </ul>	900
3	Dallas Animal Services	Dangerous and Aggressive Dog Investigation and Determination Process	<ul style="list-style-type: none"> <li>→ Are controls in place to ensure dangerous and aggressive dog investigations comply with management's expectations and Dallas City Code?</li> <li>→ Is the determination of dangerous and aggressive dog efficient and effective?</li> </ul>	900
4	Dallas Fire – Rescue	Development Plan Review Process for Fire Code	<ul style="list-style-type: none"> <li>→ What are review requirements for Dallas Fire - Rescue Department's development plan?</li> <li>→ Is the development plan review process efficient in comparison with peer cities?</li> </ul>	900

No.	Department/ Division	Topic	Preliminary Objective(s)	Hours Estimate
<b>Fiscal Year 2021 Audit Work Plan</b>				
5	Dallas Fire – Rescue	Payroll Time Tracking Process	<ul style="list-style-type: none"> <li>→ Are controls in place to ensure overtime, compensatory time, and shift differential pay type hours paid are actually worked to benefit Dallas Fire – Rescue Department?</li> <li>→ Are controls in place to ensure vacation, sick, personal, and compensatory time leave hours are approved, and employees agree with leave balances?</li> </ul>	900
6	Dallas Police	Body Worn and In-Car Camera Operations	<ul style="list-style-type: none"> <li>→ Are controls in place to ensure body worn camera users comply with the Dallas Police Department's directives for body worn cameras?</li> <li>→ Are controls in place to ensure in-car camera users comply with the Dallas Police Department's directives for in-car cameras?</li> </ul>	900
7	Economic Development	Economic Development Incentive Programs	<ul style="list-style-type: none"> <li>→ Are development incentives managed to provide maximum public good? <ul style="list-style-type: none"> <li>- Payment in lieu of taxes</li> <li>- Discounted land sales and land write-downs</li> <li>- Development/ redevelopment district creation</li> <li>- Permit fee waivers</li> <li>- Tax increment financing</li> <li>- Development infrastructure grants</li> </ul> </li> </ul>	900

No.	Department/ Division	Topic	Preliminary Objective(s)	Hours Estimate
<b>Fiscal Year 2021 Audit Work Plan</b>				
8	Equipment and Fleet Maintenance	Fleet Downtime Performance Monitoring	<ul style="list-style-type: none"> <li>→ What is the source of various fleet downtime data?</li> <li>→ How does the City of Dallas ensure the reliability of the collected downtime data?</li> <li>→ What is the mean down time to repair by vehicle category?</li> <li>→ Has any of the downtime of any equipment resulted in needing to rent replacement equipment? If yes, how much did that cost?</li> <li>→ What is the mean time between repairs for vehicles?</li> <li>→ How does criteria used for fleet/equipment replacement compare to other similar cities/industry standards?</li> <li>→ What is the mean downtime for vehicle body repair?</li> <li>→ What percentage of vehicles experience downtime for bodywork versus mechanical work?</li> </ul>	900
9	Housing and Neighborhood Revitalization	Home Buying and Preservation Assistance	<ul style="list-style-type: none"> <li>→ Does the Homebuyer Assistance Program: (1) align with governance requirements; and, (2) meet the City's objectives for the program?</li> <li>→ Does the Home Improvement and Preservation Program: (1) align with governance requirements; and, (2) meet the City's objectives for the program?</li> </ul>	900
10	Human Resources	Language Incentive and Jury Duty Pay	<ul style="list-style-type: none"> <li>→ Does documentation support employee language incentive and jury duty compensation?</li> <li>→ Is language incentive and jury duty compensation calculated correctly?</li> <li>→ Are there other best practices or alternative incentives to ensure City employees can communicate with our citizens?</li> </ul>	900

No.	Department/ Division	Topic	Preliminary Objective(s)	Hours Estimate
<b>Fiscal Year 2021 Audit Work Plan</b>				
11	Information and Technology Services	Directory Services – City Domain	<ul style="list-style-type: none"> <li>→ Is city domain user-provisioning managed, and access maintained using the principle of least privilege?</li> <li>→ Do directory services satisfy the operational needs for the City?</li> <li>→ Do controls exist to enforce contractor network account authentication, access, and removal at end of the contract service term?</li> </ul>	900
12	Information and Technology Services	Incident Response Plan	<ul style="list-style-type: none"> <li>→ Is the computer incident response plan documented, communicated, and practiced helping to minimize the impact of harmful computer incidents?</li> <li>→ Are backup logs complete and reviewed for exceptions?</li> </ul>	600
13	Information and Technology Services	SAP Business Consulting Division/ Deloitte Consulting	<ul style="list-style-type: none"> <li>→ Is SAP user-provisioning managed, and access maintained using the principle of least privilege?</li> <li>→ Are the Deloitte Consulting contract performance and billings to contract pricing terms monitored?</li> <li>→ Is contracting with a third party efficient for this service?</li> </ul>	900
14	Office of Budget/ Aviation	Coronavirus Aid, Relief and Economic Security --or CARES -- Act	<ul style="list-style-type: none"> <li>→ Do expenditures claimed for CARES Act funding comply with the Act's expense eligibility requirements?</li> <li>→ Does documentary evidence support expenditures claimed for CARES Act funding?</li> <li>→ Are CARES Act periodic reports accurate?</li> </ul>	900
15	Office of Budget	Franchise Fees Compliance	<ul style="list-style-type: none"> <li>→ Verify franchise fees (which may include utilities, cable, and telephone), identified by a third-party vendor on a percentage of recovery basis, are received by the City and vendor invoices are accurate.</li> </ul>	200



No.	Department/ Division	Topic	Preliminary Objective(s)	Hours Estimate
<b>Fiscal Year 2021 Audit Work Plan</b>				
16	Office of Budget	Sales/Use Tax Compliance	→ Verify sales/use taxes, identified by a third-party vendor on a percentage of recovery basis, are received by the City and vendor invoices are accurate.	200
17	Office of Community Care	Women Infants and Children (WIC) Supplemental Nutrition Program Administration	<ul style="list-style-type: none"> <li>→ Are uniform policies, procedures, and practices for program eligibility in place and followed at each field office?</li> <li>→ Are levels of compliance with program eligibility requirements consistent at each field office?</li> <li>→ Can program service delivery and compliance be improved?</li> </ul>	900
18	Office of Risk Management	General Liability and Subrogation Claims Administration	<ul style="list-style-type: none"> <li>→ Do citizens have a fair and accessible means to address claims?</li> <li>→ Are claims reserve amounts and insurance coverage methodically determined?</li> <li>→ Do controls ensure subrogation amounts and/or insurance claims are identified, investigated, and collected?</li> </ul>	900
19	Office of Strategic Partnerships and Government Affairs	2020 Vendor Census Contract Audit – Alpha Business Images, LLC	<ul style="list-style-type: none"> <li>→ Was the contractor selected on a competitive basis?</li> <li>→ Do contractor performance and charges align with contract, purchase agreement, or other terms?</li> </ul>	600
20	Multiple Departments	Collaboration with Non-Profit Entities	<ul style="list-style-type: none"> <li>→ Is collaboration with non-profit entities working as intended, or is additional rigor needed to manage relationships with non-profit organizations?</li> </ul> <p><i>Potential Scope:</i> non-profit organizations that exist because the City exists (Friends of XXX Park, Friends of the Library, Safer Dallas Better Dallas, etc.)</p>	900
21	Sustainable Development and Construction - Real Estate / City Attorney's Office	Surplus Property Transfer to Land Bank Process	<ul style="list-style-type: none"> <li>→ How are surplus properties for the Land Bank identified and approved?</li> <li>→ What is the legal process to prepare surplus property for Land Bank transfer?</li> </ul>	900

No.	Department/ Division	Topic	Preliminary Objective(s)	Hours Estimate
<b>Fiscal Year 2021 Audit Work Plan</b>				
			<ul style="list-style-type: none"> <li>→ Is the number of days from approval to transfer to the Land Bank reasonable?</li> <li>→ Is the process efficient?</li> </ul>	
22	To Be Determined	Capital Project X 1	<ul style="list-style-type: none"> <li>→ Are controls implemented to ensure the fiscal management and administrative oversight for individual major construction projects?</li> <li>→ Are costs charged to the construction project supported, reviewed, and approved?</li> <li>→ Are costs closed out and capitalized in the City's fixed asset records?</li> </ul>	900

No.	Department/ Division	Topic	Potential Objective(s)	Hours Estimate
<b>Carry-Over Engagements from Fiscal Year 2020 Audit Work Plan</b>				
1	City Controller's Office	City of Dallas Investment Pool Management	<ul style="list-style-type: none"> <li>→ Are interest-income-received calculations accurate?</li> <li>→ Are fund account balances correct and transactions posted timely?</li> <li>→ Are expenses to manage the Dallas Investment Pool supported and for a public purpose?</li> </ul>	300
2	Dallas County Tax Office	Dallas County Motor Vehicle Child Safety Fee	<ul style="list-style-type: none"> <li>→ Is the Dallas County Motor Vehicle Child Safety Fee complete and remitted to the City of Dallas?</li> <li>→ Is the administrative expense charged by Dallas County to collect the Dallas County Motor Vehicle Child Safety Fee accurate?</li> </ul>	100

No.	Department/ Division	Topic	Potential Objective(s)	Hours Estimate
<b>Carry-Over Engagements from Fiscal Year 2020 Audit Work Plan</b>				
3	Dallas Police	Property and Evidence Custody	→ Are the Police Property and Evidence Unit's internal controls adequate and effective to ensure proper: <ul style="list-style-type: none"> <li>- physical security,</li> <li>- system access,</li> <li>- inventory management, and</li> <li>- storage of property and evidence?</li> </ul>	100
4	Dallas Water Utilities	Storm Water Billing Calculations	→ Are property storm water impervious area determinations and fees in accordance with procedures and rate classification?	350
5	Equipment and Fleet Maintenance	Fuel Services Planning, Procurement, Deployment, and Delivery	→ Are fuel management operational objectives being achieved? → Is fuel deployment efficient and effective? → Is fuel consumption and storage monitored? → Are fiscal resources related to fuel purchase managed?	600
6	Information and Technology Services	AT&T Datacomm LLC Contract Monitoring Process	→ Is the AT&T Datacomm LLC contract performance and billings to contract pricing terms monitored?	500
7	Information and Technology Services	Mobile Devices	→ Are there controls in place to prevent data loss? → Are controls in place to prevent malware on mobile devices? → Is there an inventory of authorized mobile devices? → Are mobile data usage charges monitored and verified to contract pricing schedules?	760
8	Mayor and City Council	City Advisory Boards and Commissions	→ Are advisory boards and commissions membership/vacancy, meetings, and conflict of interest provisions in compliance with the City code?	350

No.	Department/ Division	Topic	Potential Objective(s)	Hours Estimate
<b>Carry-Over Engagements from Fiscal Year 2020 Audit Work Plan</b>				
9	Office of Emergency Management	Memorandum of Understanding (MOU) With Dallas County Health Agency	→ Are the tasks described in the MOU being achieved?	200
10	Public Works	Construction Contract Compliance – Top Four by Annual Expenditure	→ Are contractors selected on a competitive basis? → Do contractor charges align with contract, purchase agreement, or other terms? → Are their instances of non- compliance with City of Dallas ethics, conflict of interest, acceptance of gifts, or standards of conduct policy?	700
11	Public Works	Road-Paving Engineering, Construction, Inspection, Maintenance, and Repair Costs	→ Are paving costs (cost per linear mile, percentage allocated to engineering consulting, engineering and inspection) comparable with peer organizations? → Does documentation exist to support reported paving performance indicators? → Is the road work prioritization process equitable? → Are street cuts for utility work coordinated and repairs inspected?	600
12	Sanitation Services	Landfill Closure and Post-Closure Liability and Monitoring Expense	→ Are monitoring contractors selected on a competitive basis? → Do monitoring contractor charges align with contract, purchase agreement, or other terms? → Is the booked financial liability determined by a methodical methodology and consistent with industry practice?	820
13	Senior Affairs Commission	Senior Services	→ Are there opportunities to increase effectiveness of the City's limited senior services resources? → Are senior services coordinated with other entities to prevent duplication of services?	320

No.	Department/ Division	Topic	Potential Objective(s)	Hours Estimate
<b>Carry-Over Engagements from Fiscal Year 2020 Audit Work Plan</b>				
14	Transportation	Traffic Signals, Signs, Pavement-Marking, Traffic Control, and Streetlight Maintenance	<ul style="list-style-type: none"> <li>→ Is there a systematic traffic signal and traffic sign selection process?</li> <li>→ Are pedestrian crosswalks maintained and incidents investigated for lessons to be learned?</li> <li>→ Are there controls to prevent unauthorized access to traffic signal control systems?</li> <li>→ Are there controls to prevent overcharges for electric services for traffic signals and streetlights?</li> <li>→ Is the response time for emergency and non-emergency repairs within industry standards?</li> <li>→ Is the maintenance program for traffic signals, traffic signs, pavement-marking, and streetlights within industry standards?</li> </ul>	700

No.	Department/ Division	Topic	Potential Objective(s)	Hours Estimate
<b>Prescribed Assurance or Other Services</b>				
1	Multiple Departments	Fiscal Year Budget Revenue Estimates	City Auditor Responsibilities and Administrative Procedure Requirement to review the reasonableness of revenue estimates included in the City Manager's <i>Fiscal Year 2021-22 Proposed Annual Budget</i> .	600
2	Multiple Departments	Special Audits	Conduct audits, under <i>Chapter IX, Section 4</i> of the City Charter, of officers who vacate their offices due to death, resignation, removal, or expiration of term.	600
3	Multiple Departments	Special Audits	Conduct audits, under City Administrative Directive 4.5 - <i>Contracting Standards and Procedures</i> , of all construction projects with an estimated contract award of \$50 million and greater, prior to City Council consideration.	600
4	Multiple Departments	Prior Audit Follow-Up	City Auditor Responsibilities and Administrative Procedure Requirement to evaluate City Management's implementation of high impact prior audit recommendations.	1,000
5	Multiple Departments	Fraud, Waste and Abuse Investigations	Evaluate allegations of fraud, waste, and abuse, conduct investigations, and educate employees.	5,000
6	Multiple Departments	Council and Management Assistance	Unplanned assurance or advisory services requested by the Mayor, Council Members, or City Management.	2,000

**Audit Plan Total Estimated Work Hours**      34,000

**Available Resource Work Hours**      25,000