

Office of the City Auditor Annual Report

Fiscal Year 2024 Annual Report



Mark Swann, City Auditor

January 16, 2025

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WHAT WE DO

Our Mission

The Office of the City Auditor conducts audits and attestations of City departments, offices, agencies, and processes. Also, advisory services can be agreed upon for City Council or City Administration specific requests.

Performance Measures

FY 2024 Performance Measures	Target	Actual
Produce target number of reports	19 reports	20 reports
Management acceptance of target percentage of recommendations	90 percent	89 percent
Achieve target percentage focus on mission with available time	82 percent	81 percent
Have target percentage of staff with a professional certification/designation	80 percent	72 percent
Complete target number of equity focused audits	1 report	1 report ¹

¹ Our equity-focused audit was the *Audit of Small Business Center – Minority and Women-Owned Business Enterprises*.

Other engagements with elements of equity-focused recommendations include:

- 1) *Audits of Talent Acquisition*
- 2) *Audit of Housing Inventory*

Achievements

City-wide Impact

Revised Administrative Directive for Public Works procurements requiring an attestation agreed upon procedure – increased from \$50 million to \$100 million.

Office Achievements

- Increased audit staff’s knowledge of key applications used by the City, such as AMS Advantage, Info Advantage Business Warehouse, Salesforce Invoice Workflow, Workday, and credit card reporting software systems.
- Average continuing professional education hours completed per staff member was 37 hours.
- Fifty-nine percent (16/27) of the Fiscal Year 2025 Audit Work Plan engagements were requested by City Council members or City management.

Strategic Office Goals and Initiatives

Subject Matter Experts (SMEs)

Goal:

Our Fiscal Year 2024 goal was to develop 2+ subject matter experts for:

- 1) AMS Advantage Financials / Government Accounting.
- 2) Procurement Purchase to Pay Process.

Result:

Completed

Additional Notes:

Two Senior Auditors were provided AMS Academy Training to better understand application security.

One Senior Auditor is attending the CGI Advantage Annual User Group Meeting.

Our other office SMEs include the following:

- One Audit Manager maintains PCI Internal Assessor certification.
- One Principal Auditor specializes in construction auditing.

Data Organization and Data Analytics

Goal:

Migrate the recommendation tracking database from TeamMate to Diligent.

Result:

Completed

Additional Notes:

4th Quarter.

Develop one auditor using the Diligent robotic analytic tool included with the newly implemented Diligent AuditBond software. Implement the Diligent robotic toolkit for Microsoft Active Directory Services by 3rd Quarter.

In Progress

Server stood up during the 4th Quarter.

Identify other entities (external auditors, grant reviewers, federal and state auditors, etc.) that provide assurance service coverage and consolidate their reports on the Office of the City Auditor's website by 3rd Quarter.

Not Started

N/A.

AI Review

One Audit Manager focused training during Fiscal Year 2024 on uses of AI for Auditing.

Risk Management

Goal:	Result:	Additional Notes:
Complete annual Internal Quality Control Review for May 1, 2023, through April 30, 2024, by 3 rd Quarter.	Completed <input checked="" type="checkbox"/>	4 th Quarter. Additional diligence is required to consistently document the assigned audit team's competency to complete an audit engagement.
Complete review for the effectiveness of the audit engagement risk assessment and audit observation risk impact performance audit process by 2 nd Quarter.	Not Started	N/A.

Talent Management

Goal:	Result:	Additional Notes:
Complete Revision for How to Audit Guide – Performance Audits for Diligent Management Software by 2 nd Quarter.	Completed <input checked="" type="checkbox"/>	Issued June 6, 2024 (3 rd Quarter).
Review job descriptions for Office of the City Auditor for any needed changes.	Completed <input checked="" type="checkbox"/>	3 rd Quarter.
Issue How to Audit Guide – Attestation Agreed Upon Procedures by 3 rd Quarter.	In Progress	Draft waiting for review by City Auditor.
Recruit 4 new auditors – 3 Senior Auditors and 1 Auditor.	In Progress	See Staff Changes .
Issue How to Perform Non-Audit Services Guide by 4 th Quarter.	Not Started	N/A.
Inservice government audit training for staff.	Not Started	N/A. However, average professional education hours completed per staff was 37 hours for Fiscal Year 2024.

GET TO KNOW OUR OFFICE

The Office of the City Auditor is comprised of a diverse and accomplished group of people. The Management Team includes the City Auditor, three Audit Managers, and our Office Manager. As of September 30, 2024, 14 auditors work under the direction of the Management Team to complete various audit and non-audit services.

Management Team



Mark Swann
City Auditor



Anatoli V. Douditski
Audit Manager



Rory Galter
Audit Manager



Mamatha Sparks
Audit Manager



Monica Anderson
Office Manager

Audit Staff



Daniel Genz
Principal Auditor



Carron J. Perry
Principal Auditor



Matthew Cheadle
Senior Auditor



Shino Knowles
Senior Auditor



Frank Mayhew
Senior Auditor



Jennifer Phung
Senior Auditor



Isaac Tetteh
Senior Auditor



William Warner
Senior Auditor



Brandon E. Boykin
Auditor



Zachary D. Goebel
Auditor



Nadia Gonzalez
Auditor



William King
Auditor



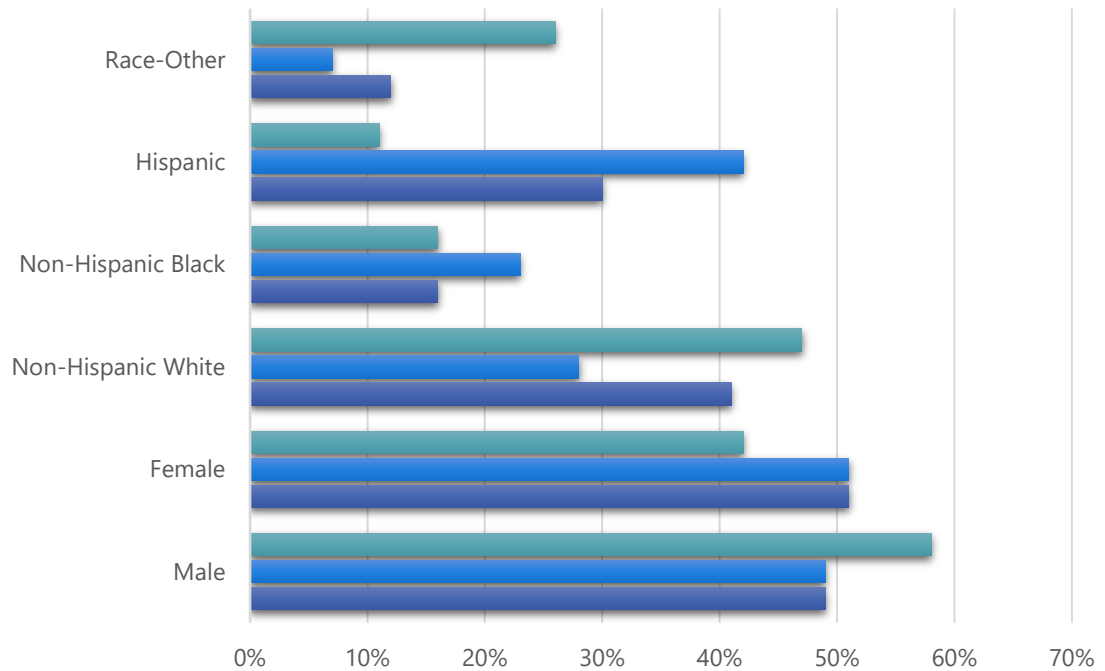
Natalie A. Martinez
Auditor



Laura Miller
Auditor

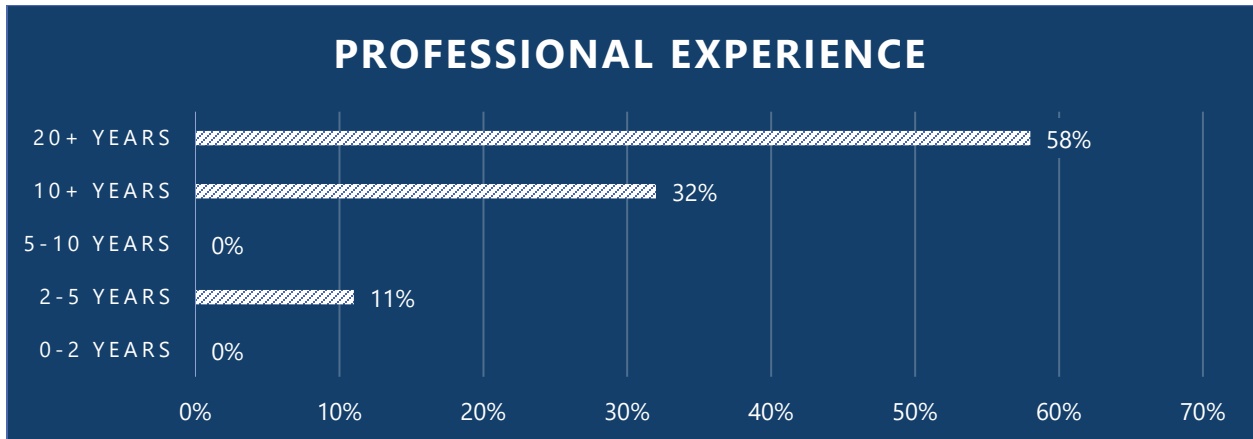
Office Demographics

Office Demographics Compared to Local Demographics



	Male	Female	Non-Hispanic White	Non-Hispanic Black	Hispanic	Race-Other
Office of the City Auditor	58%	42%	47%	16%	11%	26%
Dallas, TX (censusreporter.org)	49%	51%	28%	23%	42%	7%
Dallas-Fort Worth - Arlington Metropolitan Area (censusreporter.org)	49%	51%	41%	16%	30%	12%

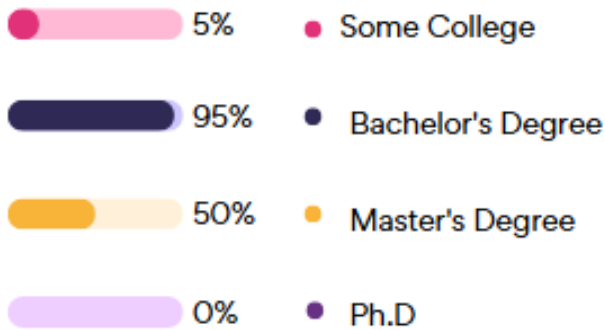
Experience and Education *



* Includes all professional experience both within and outside the Office of the City Auditor.

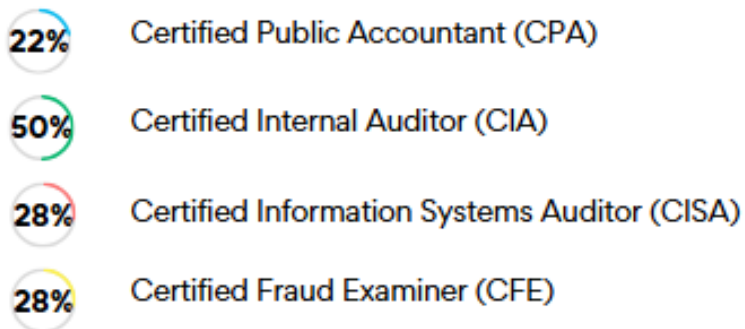
Staff Degrees*

* Percentage will not add up to 100 as staff may have more than one type of degree.



Staff Credentials*

* Percentage will not add up to 100 as staff may have more than one type of credential.



Staff Changes

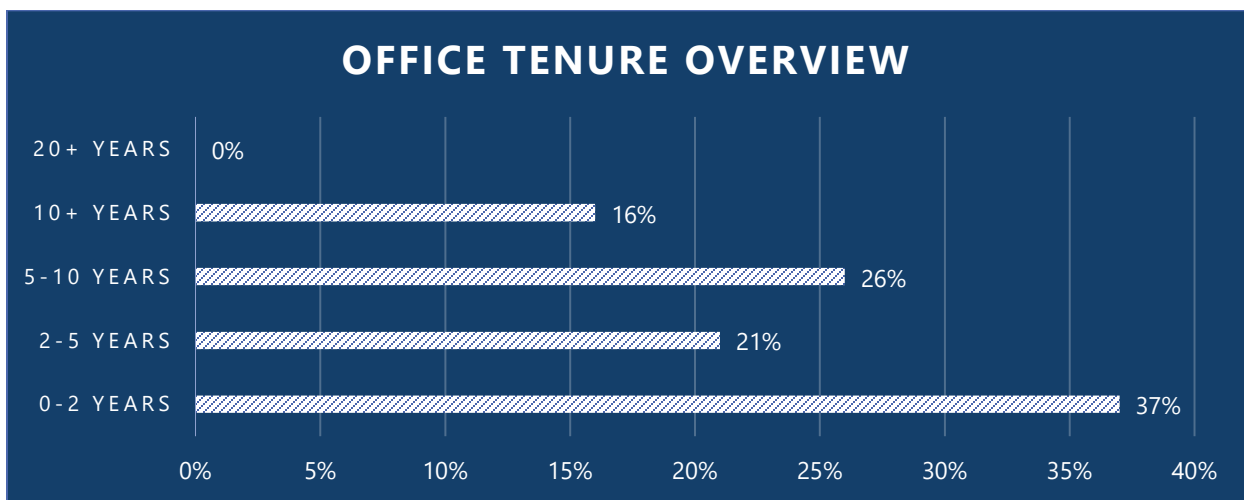
In Fiscal Year 2024, the Office of the City Auditor added 3 staff members:

Name	Month of Hire	Position
Isaac Tetteh	May 2024	Senior Auditor
William Warner	May 2024	Senior Auditor
William King	September 2024	Auditor

In Fiscal Year 2024, the Office of the City Auditor bid farewell to 4 staff members:

Name	Month of Resignation/Transfer	Position
Keith Maddox	January 2024 (Resigned)	Senior Auditor
Oladotun Olaiya	February 2024 (Resigned)	Senior Auditor
Douglas O'Rourke	March 2024 (Retired)	Audit Manager
Denise Bryson	June 2024 (Transferred to Budget & Management Services)	Auditor

Office Tenure Overview



ACCOUNTABILITY AND THE REPORTING PROCESS



SUMMARY OF PERFORMANCE AUDIT PROJECTS

Audit Name	Number of Recommendations Accepted	Total Number of Recommendations	Percentage
Audit of Housing Inventory	3	3	100%
<i>Observed Condition:</i> The City experienced a decrease of 5,142 units, or 1.77 percent, from Year 2016 through Year 2022 in the number of single-family housing units and an increase of 56,050 housing units, or 25.06 percent, from Year 2016 through Year 2022 in the number of multi-family housing units.			
Special Audit of City Attorney – Christopher J. Caso	1	1	100%
<i>Observed Condition:</i> Review of former City Attorney’s, Mr. Christopher J. Caso, accounts did not identify any debts owed to the City upon his departure.			

Audit Name	Number of Recommendations Accepted	Total Number of Recommendations	Percentage
Audit of Small Business Center – Minority and Women-Owned Business	6	6	100%
<p><i>Observed Condition:</i> The utilization goals and good faith efforts for first tier subcontracting opportunities reported to City Council during procurements are generally accurate. However,</p> <ul style="list-style-type: none"> • Monitoring of subcontractor payments after council award is informal and inconsistent. • Progress reported on performance measures is inaccurate. • Administrative procedures do not align with the Business Inclusion and Development Policy 			
Audit of Personnel-Related Practices in the Department of Sanitation	2	2	100%
<p><i>Observed Condition:</i> There is a general lack of Department of Sanitation Services – specific written administrative and operational procedures relating to drivers. After the conclusion of the audit period, the Department of Sanitation Services issued a Sanitation Operations Handbook that generally establishes employee expectations. However, it does not include all the internal controls needed to ensure compliance with the expectations detailed in the Handbook.</p> <p>There is a lack of monitoring of the temporary staffing contract.</p>			
Audit of Land Management Software – Interim Report	3	3	100%
<p><i>Observed Condition:</i> As the software implementation moves into the next phases of user acceptance testing, migration, deployment, and closure, certain challenges need careful attention.</p>			
Audit of Firearms, Ammunition, and Equipment Tracking – Dallas Fire-Rescue	4	4	100%
<p><i>Observed Condition:</i> Dallas Fire-Rescue has procedures and controls for maintaining its inventory and relies on experienced officers to oversee the inventory. Those procedures and controls have weaknesses that may put the inventory at risk, including lack of armory access monitoring, procedures that are overly broad, incomplete inventory lists, and reliance on manual processes subject to error.</p>			
Audit of Talent Acquisition, Dallas Fire-Rescue Uniform Personnel Recruitment and Selection, and Dallas Police Department Uniform Personnel Recruitment and Selection	33	34	97%

Audit Name	Number of Recommendations Accepted	Total Number of Recommendations	Percentage
<p><i>Observed Condition:</i> The following list highlights the high priority recommendations.</p> <ul style="list-style-type: none"> • Appoint a singular department to oversee and bear responsibility for the overall talent acquisition of City employees. • Allocate sufficient budget and resources to continue to fully implement one software platform that allows for more efficient workflow and meaningful interdepartmental communication throughout the talent acquisition process. • Develop a strategic workforce plan to proactively identify future hiring needs at the position and skills level to maintain business continuity needs. • Initiate proactive candidate outreach through collaboration with the Human Resources and Civil Service Departments, aligning with hard-to-fill and critical positions identified in the strategic workforce plan. • Assess the viability of implementing a contingent hire offer based upon successful completion of all vetting requirements within a set-time frame after the start date to reduce credentialing, system access, and/or equipment delays occurring on employee start dates. • Develop a 30, 60 and 90-day new-hire orientation guide. Create a new-hire feedback survey to issue at the end of the 90 days to solicit feedback. Include an option for new hires to speak directly with a Human Resources Department representative. • Assess the Dallas Fire-Rescue Department Recruiting Section staffing to allow sufficient resources to implement more process efficiency analysis, a data-driven talent acquisition approach, and adopt a cyclical recruitment process with three application intake opportunities per year. • Modify the interviewing process. Ensure interview panelist training is provided on the use of the candidate rating criteria, revise the interview process to allow follow-up clarification questions, and expand advancement to the Vetting Phase to include the Candidate Physical Ability Test and Dallas Fire-Rescue Officer Trainee Civil Service Test scores. • Set the ability to pull demographic information during the application phase from the system as a business need for implementation of the Workday system. This should be available to enable the ability to assess minimum qualification screening affects by demographic breakdown. • Reassess continuing agreements with the polygraph testing vendor. 			

<p>Audit of Dallas Police Department Body Worn and In Car Camera Systems</p>	15	18	83%
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Observed Condition: Dallas Police Department has taken strides to define and streamline management functions and requirements to ensure body worn and in car camera operations are performing as expected.

Specific areas for improvement include updates to procedures, supervisory review, training, responses to open records requests, including cybersecurity governance.

Since the audit period, Dallas Police Department updated its retention policy, increasing the time frame footage is retained to further ensure availability of the videos.

Audit Name	Number of Recommendations Accepted	Total Number of Recommendations	Percentage
Audit of Payroll Process for Uniformed Fire Station Personnel	8	10	80%
<p><i>Observed Condition:</i> Existing controls ensure that uniformed firefighters’ base pay rates are correct. However, there are opportunities for improvement related to:</p> <ul style="list-style-type: none"> • Documentation of payroll data adjustments. • Detection of Workday errors. • Documentation of eligibility to receive additional incentive pay. • Calculation of eligible length of service for Emergency Medical Service Pay. 			
Audit of Personnel Complaint Resolution	15	20	75%
<p><i>Observed Condition:</i> For Civil Service employees there is lack of:</p> <ul style="list-style-type: none"> • An information tracking system to capture personnel related actions and outcomes. • Singular authority. • Clarity in written Personnel Rules. <p>For Non-Civil Service employees most departments lack written procedures, use the Civil Service procedures as a reference guide and reach out to the Human Resources Department for guidance for additional reviews of a disputed personnel action.</p>			
Overall Total:	90	101	89%

The following reports had no associated recommendations:

[Fiscal Year 2021 Follow-up of Prior Audit Recommendations](#)

Observed Condition: The City of Dallas’ management implemented 84 of 92 recommendations, or 91 percent for all audit recommendations due on or before December 31, 2020.

[Independent Report on Agreed-Upon Procedures for: Construction Procurement Attestation for the Cotton Bowl Renovation, Rehabilitation, and Addition](#)

Observed Condition: Auditors performed the 17 agreed-upon procedures and identified no exceptions. The total project is estimated at \$110 million for the construction manager’s responsibilities, including the initial funds to be awarded at this time.

The following reports had no associated recommendations:

Independent Report on Agreed-Upon Procedures for: Attestation Engagement for the Public Works 2024 Annual Resurfacing Projects CIZ23-PBW-3052

Observed Condition: Auditors performed the 17 agreed-upon Procedures and identified one exception. The total project is estimated at \$90 million.

Independent Report on Agreed-Upon Procedures for: Attestation Engagement for the Construction Manager-at-Risk Water Quality Improvements at Elm Fork Water Treatment Plant CIZ-DWU-24-049E

Observed Condition: Auditors performed the 17 agreed-upon procedures and identified no exceptions. The total price for construction is currently budgeted at \$500 million.

Audit of Procurement Marketing Practices

Observed Condition: The Office of Procurement Services provides vendor support on registering and using Bonfire, reviews bids for responsiveness and minimum requirements, and performs high-level analysis of pricing and trend analysis for appropriateness. The Sustainable Procurement Working Group is in the developmental stage of analyzing Citywide purchases for efficiency and waste reduction opportunities and furthering positive social, economic, and environmental outcomes including local preferences and supplier diversity.

Audit of Dallas Water Utilities Wastewater Operations' Environmental Reporting

Observed Condition: A comparison of a random sample of 479 reported wastewater quality measurements with the initial laboratory test results shows that the Dallas Water Utilities Department's reports to the Texas Commission on Environmental Quality during the audit period were accurate. In addition, the review of laboratory test documentation shows evidence of supervisory review, segregation of duties, proper chain of custody documentation, and correct date recording.

Dallas Water Utilities has internal controls to ensure that environmental reports are accurate and submitted by the regulatory deadlines, such as written procedures and work instructions, training and certification of laboratory technicians, quality assurance review, and laboratory proficiency tests to verify the accuracy of the City's tests.

Audit of Proposed Budget Revenues included in the Fiscal Year 2024-25 Proposed Annual Budget for the City of Dallas

Observed Condition: The City of Dallas has effective processes to ensure reasonable proposed budget revenues are included in the Fiscal Year 2024-25 Proposed Annual Budget. Further, the revenue forecast methodologies and material assumptions used in developing the proposed budget revenues are reasonable and adequately supported.

CONTACT

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REPORT NOTIFICATION

The Fiscal Year 2024 Annual Report is not an audit report and does not adhere to generally accepted government auditing standards.