



Special Audit of City Attorney – Christopher J. Caso

November 20, 2023

Mark S. Swann, City Auditor

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Executive Summary

Objective and Scope

The objective of this audit was to determine whether the former City Attorney was (1) cleared of City debt prior to departure; (2) disabled and removed from physical access to city facilities and logical access to information systems; (3) removed as an authorized agent of the City; and (4) held accountable to City off-boarding activities.

Recommendations

Management should ensure departmental compliance with City administrative directives and establish and enforce any necessary departmental internal controls to ensure compliance.

Background

The Office of the City Auditor is required by City Charter Chapter IX, Section 4, *Special Audit*, to audit the accounts of former City officials upon their death, resignation, removal, or expiration of term to determine any indebtedness to the City.

The audit included an evaluation of Mr. Christopher J. Caso, the former City Attorney, who retired from the City effective February 28, 2023. Mr. Christopher J. Caso had served in the role since April 2020.

Observed Conditions

Review of former City Attorney's, Mr. Christopher J. Caso, accounts did not identify any debts owed to the City upon his departure.

Opportunities do exist for the City Attorney's Office to reduce noncompliance with City administrative directives.

Objectives and Conclusions

1. Was the City Attorney cleared of City debt prior to departure?

Yes.

2. Was the City Attorney disabled and removed of physical access to City facilities and logical access to information systems?

Generally, yes. A parking decal was transferred internally to another executive in the City Attorney's Office instead of being returned to the Security Division. (See [Observation A.](#))

3. Was the City Attorney removed as an authorized agent of the City?

Yes.

4. Was the City Attorney held accountable to City off-boarding activities?

Generally, yes. Purchasing activities were not in conformance with administrative directives. Mobile Use Consent/Authorization Form for the use of City-owned smartphone was not obtained. (See [Observation A.](#))

Audit Results

Both *City Council Resolution 88-3428* and Administrative Directive 4-09, *Internal Control* prescribe policy for the City to establish and maintain an internal control system. The audit observations listed are offered to assist management in fulfilling their internal control responsibilities.

Observation A: Noncompliance with City Administrative Directives

Certain activities were not completed in accordance with City administrative directives. City administrative directives are issued: (1) to improve service to the public through efficient management, and (2) to establish procedures for the uniform administration and effective and efficient coordination of the functions of the City of Dallas.¹

- Parking decal was not turned into the Security Division upon departure as required by Administrative Directive 6-10, *Dallas City Hall Parking Garage*. Instead, it was transferred to another executive in the City Attorney's Office.
- Mobile Use Consent/Authorization Form was not signed and acknowledged prior to issuance of City-owned smartphone per Administrative Directive 4-08, *Mobile Telephone Services*.
- City-approved vendors through the master agreement were not used for office supplies per Administrative Directive 4-05 *Contracting Standards and Procedures*, Section 5.16.8, A, "Departments must conduct a search for goods available through existing master agreements before initiating a requisition process." Office supplies were purchased using Amazon Business Prime Membership which cost \$1,000 for the audit period.
- Sales tax of \$197 was paid on purchasing activities. Sales tax for City-related transactions should not be paid.

Criteria

- ❖ Administrative Directive 6-10, *Dallas City Hall Parking Garage* (December 26, 2012)
- ❖ Administrative Directive 4-08, *Mobile Telephone Services* (June 12, 2004)
- ❖ Administrative Directive 4-05 *Contracting Standards and Procedures* (May 2, 2022)
- ❖ Standards for Internal Control in the Federal Government: *Principle 10 – Control Activities*

Assessed Risk Rating:

Low

¹ Administrative Directive 2-1, Administrative Directives, Section 2, *Purpose*.

We recommend the **City Attorney's Office**:

A.1: Ensure departmental compliance with City Administrative Directives and establish and enforce any necessary departmental internal controls to ensure compliance.

Emerging Risk

The City Attorney's Office inventories and tracks City issued laptop equipment to individuals. However, non-fixed asset items (personal property) that are not issued by Information and Technology Services and purchased through City funds are not inventoried, tracked, and monitored for proper disposal. These items include but are not limited to:

- Laptop computer and tablet shoulder bags
- Webcams
- VARIDESKs
- Folding tables
- Port desks
- Microwave ovens
- Portable hard drives
- Cameras
- Bluetooth accessories
- Respirators

Impact: Public skepticism of City governance practices may develop when attractive personal property items are purchased, not tracked to disposal, and cannot be located.

Background and Methodology

Background

The Office of the City Auditor is required by City Charter Chapter IX, Section 4, *Special Audit*, to audit the accounts of former City officials upon their death, resignation, removal, or expiration of council member's term to determine any indebtedness to the City.

The primary off-boarding activities include:

- Verification of debt clearance for property taxes, parking fees, water bills, and other fines.
- Removal physical access to City facilities by destroying identification badges and obtaining parking decals.
- Disabling of logical access to the City network, applications, and mobile devices.
- Confirmation of proper use of funds for purchasing and travel card expenditures.
- Return of personal property (tangible assets of less than \$1,000) purchased with City funds.
- Examination of accurate employee pay prior to departure.

[Exhibit 1](#) below outlines administrative directives and policies used to complete to ensure due diligence off-boarding activities.

Exhibit 1:

Special Audit Authoritative Documents

Document Name	Purpose
Dallas City Charter, <i>Chapter VII. Legal Department</i>	The City Attorney shall have the following powers and duties: (4) Approving as to form in writing all proposed ordinances before they are adopted, or filing with City Council, in writing any objections to an ordinance.
Dallas City Charter, <i>Chapter IX. City Auditor, Section 4 Special Audit</i>	Upon the death, resignation, removal, or expiration of the term of any officer, other than city auditor, the city auditor shall cause an audit and investigation of the accounts of such officer to be made and shall report to the city manager and council. If, as a result of any such audit, an officer is found to be indebted to the city, the city auditor, or other person making such audit, shall immediately give notice of such indebtedness to the council, the city manager, and the city attorney, and the city attorney shall, as directed by the city council, proceed to collect such indebtedness.

Document Name	Purpose
Administrative Directive 2- 04, <i>Interim Identification and Access Badge and Restricted Areas Policy</i> (June 28, 2018)	Provide instructions to departmental security controllers on the proper procedures for obtaining City of Dallas identification/access badges and to describe access security procedures for restricted areas.
Administrative Directive 3-56, <i>Payroll Procedures</i> (November 3, 2016)	Establish a comprehensive guideline regarding City’s payroll processing procedures, including requirements regarding employee’s entry of time/leave, failure to enter time or leave each pay period, and supervisor’s approval of employees’ time and leave records in HRIS and Kronos clock system.
Administrative Directive 4-07, <i>Authorization and Reimbursement for Out-of-Town Travel and Travel- Related Expenses</i> (October 1, 2013)	Provide policies and procedures for City government employees, council members, and commission members who perform local and out-of-town official travel in the interest of the City of Dallas. Provide guidance to personnel who authorize, direct, or review such travel or certify payments for reimbursement of travel-related expenses.
Administrative Directive 4-08, <i>Mobile Telephone Services</i> (June 12, 2004)	Establish policy and procedures for the acquisition and use of City-owned mobile services and devices and establish City policy with regard to City cell phone allowance.
Administrative Directive 4-15, <i>Purchasing Card Policy and Procedures (Interim)</i> (October 31, 2018)	Establish policies and procedures for procuring goods and/or services using a Purchasing Card.
Administrative Directive 6-01, <i>Control of City Property</i> (January 24, 2000)	Establish responsibilities and reporting policies for control of City-owned personal property.
Administrative Directive 6-10, <i>City Hall Parking Garage</i> (December 12, 2012)	Provide information and regulations regarding the use of the City Hall parking garage.
<i>City of Dallas Enterprise Information Security Standard</i> (October 1, 2020)	Section 15 guides the separation of employment procedures for handling users' access to all systems.

Source: City of Dallas Intranet, Publications, Administrative Directives

Methodology

The audit methodology included: (1) interviewing personnel from the City Attorney's Office and other City departments; (2) reviewing policies and procedures, applicable Administrative Directives, and best practices; and (3) verifying compliance with procedures. In addition, all five components of *Standards for Internal Control in the Federal Government* were considered.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based upon our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Major Contributors to the Report

Nadia Gonzalez – In-Charge Auditor

Mamatha Sparks, CIA, CISA, CISSP, CRISC – Engagement Manager

Appendix A: Management’s Response

Memorandum



DATE November 15, 2023

TO Mark S. Swann – City Auditor

SUBJECT Response to Special Audit of Former City Attorney – Christopher J. Caso

This letter acknowledges that the City Attorney's Office has received the Special Audit of Former City Attorney - Christopher J. Caso and submitted responses to the recommendation.

The City Attorney's Office is pleased that the City Auditor's review of the former city attorney, Christopher J. Caso's, accounts did not identify any debts owed to the city upon his departure.

The City Attorney's Office strives to ensure compliance with city administrative directives and internal procedures and is pleased with our compliance overall. However, we recognize there are always opportunities for improvement.

The City Attorney's Office will strengthen internal controls by:

- Collaborating with the City Marshal's Office to develop guidelines on executive parking decal retention during transitions within the City Attorney's Office executive team and providing comments during the review process of Administrative Directive 6-10.
- Providing new employees with a copy of Administrative Directive 4-08 and requiring them to sign a mobile use consent/authorization form prior to issuance of city-owned phones.
- Clarifying guidelines for employees regarding purchases that should be made under a master agreement and when to consider using other vendors. Our standard procedure, in conformity with Administrative Directive 4-05, is to look for an item on a master agreement first, and then, upon verifying that the item is not available through a master agreement, use other vendors. Furthermore, because of the nature of the work done by the City Attorney's Office, sometimes an attorney or paralegal will require products or supplies on short notice, which a vendor under a master agreement cannot guarantee. Therefore, we use our Amazon Business Prime Membership to ensure that their work is not delayed.
- Sending reminders, as part of the monthly reconciliation process, to P Card/ T Card holders to not pay sales tax on city-related transactions per Administrative Directive 4-15.

Addressing emerging risks outlined in the audit:

- We have procedures in place for inventorying and monitoring city-issued equipment. Every new employee completes an IT equipment form acknowledging receipt of equipment assigned to them as part of our onboarding process. Employees must also complete an addendum to the IT equipment form if they require more equipment. Additionally, a member of the IT team reviews the IT equipment form with an employee upon retirement, resignation, or termination to ensure that the employee returns the equipment that they were assigned.
- The items that were listed as emerging risks and are currently being inventoryed and monitored are as follows:
 - Laptop computer shoulder bags
 - Webcams
 - Portable hard drives
 - Cameras
 - Bluetooth accessories (e.g., Bluetooth mouse for city-issued laptops)

We will review our list and revise, as necessary.

Please contact me if you have any questions or need additional information.

/s/ Tammy L. Palomino

TAMMY L. PALOMINO
City Attorney

Assessed Risk Rating	Recommendations	Concurrence and Action Plans		Implementation Date	Follow-Up/ Maturity Date
Low	We recommend the City Attorney’s Office:				
	<p>A.1 Ensure departmental compliance with City administrative directives and establish and enforce any necessary departmental internal controls to ensure compliance.</p>	Agree	<p>The City Attorney’s Office will strengthen internal controls by considering creating checklists, training, and/or procedures/guidelines to ensure compliance with city administrative directives.</p> <p>For example, this may include establishing guidelines for when items should be purchased on master agreement, and when it is acceptable to utilize other suppliers (e.g., the supplier can not guarantee delivery by the required date).</p>	6/30/2024	9/30/2024