



# Prior Audit Recommendations Follow-Up

## Fiscal Year 2026

January 16, 2026

Mark S. Swann, City Auditor

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<b>Mayor Pro Tem</b>	Lorie Blair	Jaime Resendez
Jesse Moreno	Paula Blackmon	Paul E. Ridley
<b>Deputy Mayor Pro Tem</b>	Laura Cadena	William Roth
Gay Donnell Willis	Zarin D. Gracey	Kathy Stewart
	Maxie Johnson	Chad West

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## Executive Summary

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The Office of the City Auditor evaluates and reports on the adequacy of each department's internal controls at intervals determined by the City Auditor's annual audit plan to determine whether corrective actions for high impact risks were implemented as required by Administrative Directive 4-09, Internal Control and City Council Resolution 21-0432.

Management implemented 35 of 37 audit recommendations or 95 percent. 1 of 38 audit recommendations in scope, or 3 percent, was concluded as no longer relevant.

The scope of recommendations covered in this report includes all audit recommendations with implementation maturity dates before June 30, 2025. For a summary of the recommendations' implementation status, see **Exhibit 1**. For details about each recommendation's implementation status, see **Appendix A**.

## Definitions

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The Office of the City Auditor reviews each audit recommendation against the risk identified to determine whether the risk has been mitigated since the original observation was identified. Upon evaluation, the Office of the City Auditor determines whether the risk has been mitigated as follows:

Determining Follow-Up Status	
Implemented	There is sufficient and appropriate audit evidence to show that management has developed and implemented internal controls that are likely to mitigate the risk identified during the original audit.
Not Implemented	There is insufficient audit evidence to show that management has developed and implemented recommended internal control improvements. Most or all identified risk remains.
No Longer Relevant	Procedures related to original audit recommendation and its associated risk have changed and as such, recommendation is no longer relevant.

## Methodology

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Each recommendation's source report and associated management response were reviewed to understand the recommendations' requirements. Then, the status of the recommendations' implementation from department directors and the City Controller's Office were reviewed. The implementation evaluation methodology included:

- Discussions with management about their work implementing the recommendations.
- Assessing the sufficiency and appropriateness of evidence to validate the implementation of recommendations.

The audit examined all five components of the *Standards for Internal Control in Federal Government*.

## Government Auditing Standard Statement

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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 observations and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

## Report Classification

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Final Report – For Public Use

This report is a product of the Office of the City Auditor and is issued in accordance with the Texas Public Information Act (Texas Government Code, Chapter 552).

Confidential: Page 20 of this report is to remain confidential and is protected from disclosure under *Texas Public Information Act* pursuant to *Texas Government Code 552.139. Confidential Government Information Related to Security or Infrastructure Issues for Computers*.

## Major Contributors

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Mark Swann, CPA, CIA, CISA – Engagement Manager  
Shino Knowles, CPA – In-Charge Auditor  
Matthew Cheadle, CIA, CFE, CGAP – Senior Auditor  
Michael Warr, CIA – Auditor  
William King – Auditor  
Zachary Goebel – Auditor

## Audit Results

The Office of the City Auditor evaluates and reports on the adequacy of each department's internal controls at intervals determined by the City Auditor's annual work plan to determine whether corrective action has been implemented as required by Administrative Directive 4-09, Internal Control and City Council Resolution 21-0432.

The scope of recommendations covered in this report includes all high impact audit recommendations with implementation dates before June 30, 2025.

For a summary of the recommendations' implementation status, see **Exhibit 1**. For details about each recommendation's implementation status, see **Appendix A**.

**Exhibit 1:** Summary of Implementation Status

Audit Report Title – Release Date	Implemented	Not Implemented	No Longer Relevant	Percent Implemented (excluding the No Longer Relevant Recommendation)
Audit of Building Permits – March 18, 2016	2	0	0	100%
Audit of the Dallas Police Department's Off-Duty Employment Program – November 9, 2018	4	0	1	100%
Audit of the Management of the City's Surplus Real Properties – August 28, 2019	4	0	0	100%
Audit of Department of Information and Technology Services' AT&T Datacomm LLC Contract Monitoring Process – February 4, 2021	1	1	0	50%
Audit of Police Property and Evidence - March 11, 2021	2	0	0	100%
Audit of Road Paving Improvements and Maintenance - February 11, 2022	5	1	0	83%
Audit of Language Skills Assignment Pay and Court Leave – February 25, 2022	11	0	0	100%
Audit of the Stormwater Billing Calculations – September 26, 2022	2	0	0	100%
Audit of General Liability, Automotive, and Subrogation Claims Administration – September 22, 2023	1	0	0	100%
Audit of Personnel-Related Practices in the Department of Sanitation Services – July 23, 2024	1	0	0	100%
Audit of Firearms, Ammunition, and Equipment Tracking – Dallas Marshal's Office – February 7, 2025	1	0	0	100%

Audit Report Title – Release Date	Implemented	Not Implemented	No Longer Relevant	Percent Implemented (excluding the No Longer Relevant Recommendation)
Confidential Report: Audit of SAP Software Solutions – Deloitte Consulting - Information Security – May 3, 2023	1	0	0	100%
<b>Total: 12 audit reports</b>	<b>35</b>	<b>2</b>	<b>1</b>	<b>95%</b>

## Appendix A – Recommendation Evaluation Results

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### Audit of Building Permits

REPORT RELEASED - MARCH 18, 2016

No.	Recommendation	Results
3	We recommend the Director of Planning & Development properly categorizes rejected building permits and ensures that written notices are provided in accordance with the Texas Local Government Codes requirements.	Implemented
7	We recommend the Director of Planning & Development scans all building permit related documentation into an electronic format to preserve the legibility and availability of building permit records.	Implemented

## Audit of the Dallas Police Department's Off-Duty Employment Program

REPORT RELEASED - NOVEMBER 9, 2018

No.	Recommendation	Results
1.2	We recommend the Chief of Police implements additional internal controls over the Program to align with the International Association of Chiefs of Police Model Policy and the best practices of the majority of the 19 city police departments benchmarked by decreasing total work hours from 112 hours per week to an amount that minimizes the risks that the International Association of Chiefs of Police identified. Note: Total work hours consist of regular-duty hours (including overtime and court duties) and off-duty employment hours.	Implemented
1.3	We recommend the Chief of Police implements additional internal controls over the Program to align with the International Association of Chiefs of Police Model Policy and the best practices of the majority of the 19 city police departments benchmarked by consolidating guidelines for restrictions and prohibitions related to off-duty employment into one section of General Order 421.00.	Implemented
1.4	We recommend the Chief of Police implements additional internal controls over the Program to align with the International Association of Chiefs of Police Model Policy and the best practices of the majority of the 19 city police departments benchmarked by providing clear definitions for important terms in General Order 421.00, including aligning Dallas Police Department's terms with the International Association of Chiefs of Police Model Policy definitions for secondary employment.	Implemented
1.5	We recommend the Chief of Police implements additional internal controls over the Program to align with the International Association of Chiefs of Police Model Policy and the best practices of the majority of the 19 city police departments benchmarked by updating all areas of the General Order 421.00 to reflect current Dallas Police Department practices and procedures.	Implemented
1.6	We recommend the Chief of Police implement additional internal controls over the Program to align with the International Association of Chiefs of Police Model Policy and the best practices of the majority of the 19 city police departments benchmarked by giving Dallas Police Department supervisors authorizing off-duty requests direct oversight of the off-duty employment.	No Longer Relevant

No.	Recommendation	Results
	<p><b>Status:</b> The Dallas Police Department has established a new division to oversee and approve the off-duty employment program using the RollKall software. As a result, Dallas Police Department supervisors are no longer expected to provide recommended oversight of officers' off-duty employment.</p>	

## Audit of the Management of the City's Surplus Real Properties

REPORT RELEASED - AUGUST 28, 2019

No.	Recommendation	Results
A.1	We recommend the City Manager include the following elements into the city-wide process and new Administrative Directive: Maintain a descriptive roster of real property.	Implemented
A.4	We recommend the City Manager include the following elements into the city-wide process and new Administrative Directive: Designate roles and responsibilities for departments involved in the city-wide real property management process.	Implemented
A.5	We recommend the City Manager incorporate identified areas of improvement into the Land and Building Management System to ensure: Data input requirements include consistent, similar descriptive data fields that support categorization and cross-organization analysis of real property.	Implemented
C.1	We recommend the Director of Facilities and Real Estate Management update the procedure in accordance with State of Texas and City requirements.	Implemented

## Audit of Department of Information and Technology Services' AT&T Datacomm LLC Contract Monitoring Process

REPORT RELEASED - FEBRUARY 4, 2021

No.	Recommendation	Results
A.1	We recommend the Director of Information and Technology Services consider short-term agreements (3-5 years) with a specific focus for each service.	Implemented
C.2	We recommend the Director of Information and Technology Services identify key performance indicator(s)/service level agreement performance measure(s) for each managed service and ensure accountability through consistent reporting of these key performance indicator(s)/service level agreement performance measure(s).	Not Implemented

**Status:** The department has made meaningful progress toward implementing this recommendation by requiring AT&T to report on several performance indicators outlined in the Service Level Agreements dated June 29, 2012. However, these indicators do not yet encompass all Service Level Agreement elements. The department has identified the gaps and is actively working to incorporate the missing indicators into AT&T's performance reporting requirements.

## Audit of Police Property and Evidence

REPORT RELEASED - MARCH 11, 2021

No.	Recommendation	Results
A.1	We recommend the Chief of Police revise Standard Operating Procedures to schedule review dates for disposition of each category of property and evidence stored at the Property Unit.	Implemented
A.3	We recommend the Chief of Police revise Standard Operating Procedures to ensure management monitoring of personnel's compliance with revised Standard Operating Procedures related to review and disposition of property and evidence.	Implemented

## Audit of Road Paving Improvements and Maintenance

REPORT RELEASED - FEBRUARY 11, 2022

No.	Recommendation	Results
A.1	<p>We recommend the Director of Transportation and Public Works revise and implement department procedures to specify the frequency, timing, and location of quality control testing for all pavement maintenance and road resurfacing projects.</p> <p><b>Status:</b> The department revised its procedures to specify the frequency, timing, and location of quality control testing for all pavement maintenance and road resurfacing projects. However, the procedures were not readily accessible to key personnel, hindering effective implementation. Further, the new project management system, Power QV, does not include a function that replicates this capability.</p>	Not Implemented
A.2	We recommend the Director of Transportation and Public Works revise and implement department procedures to ensure that quality and timeliness of monitoring activities and their results are documented, reviewed and approved by management, and retained.	Implemented
A.5	We recommend the Director of Transportation and Public Works ensure that daily schedules include construction start dates, end dates, the current milestone being worked on, and the treatment type being used.	Implemented
B.1	We recommend the Director of Transportation and Public Works ensure consistent use of Quantity Verification Sheets for all road pavement projects to facilitate review and validation of quantities of materials invoiced.	Implemented
B.2	We recommend the Director of Transportation and Public Works ensure consistent use of Summary Sheets or another documented, centralized method to verify completeness and accuracy of all quantities validated by the Quantity Verification Sheets.	Implemented
B.3	We recommend the Director of Transportation and Public Works determine the amount of overbilling for project PB17V953H and recoup overpayment from the contractor.	Implemented

## Audit of Language Skills Assignment Pay and Court Leave

REPORT RELEASED - FEBRUARY 25, 2022

No.	Recommendation	Results
A.1	We recommend the Director of the Department of Human Resources clarify the purpose of the Language Skills Assignment Pay program and align the purpose to either support or distinguish itself from other similar programs in the City, such as the Office of Communications, Outreach & Marketing's Language Access Center.	Implemented
A.2	We recommend the Director of the Department of Human Resources develop specific expectations for employees who participate in the Language Skills Assignment Pay program so that employees are to reciprocate in kind and held accountable when employees choose not to provide services.	Implemented
B.1	We recommend the Director of Department of Human Resources and City Controller review options to reclassify language skill assignment pay so it is cost effective, such as: <ul style="list-style-type: none"> <li>- Excluding language skills assignment pay from the standard overtime pay calculation;</li> <li>- Using skill-based pay;</li> <li>- Pay per activity or demonstrated usage tracked through Workday; and,</li> <li>- Use of stipend and pay rate that mirrors the value provided.</li> </ul>	Implemented
B.2	We recommend the Director of the Department of Human Resources conduct a sample-based review of employees who changed positions/roles to confirm supervisors are validating continuation of language skills assignment pay.	Implemented
B.3	We recommend the Director of the Department of Human Resources review the federal guidelines on opportunities to reduce costs, leverage internal resources, and incorporate the use of technology. The suggested federal guidelines are Executive Order 13166 Improving Access to Services for Person with Limited English Proficiency.	Implemented
C.1	We recommend the Director of the Department of Human Resources update Administrative Directive 3-37 Language Skills Assignment Pay for increased transparency and clarity. At a minimum, the updates should consider specifying management's purpose and goals for employees and the program, incorporating elements identified in the audit report, and defining concepts such as oral proficiency, oral	Implemented

No.	Recommendation	Results
	interpretation, and written translation using best practices such as the federal guidelines, as applicable.	
C.2	We recommend the Director of the Department of Human Resources develop and/or make available a database/repository of positions where language skills requirements are preferred, and objective parameters of what constitutes frequency, positive benefit, and regular basis for those positions, as applicable.	Implemented
C.3	We recommend the Director of the Department of Human Resources ensure P3-37A forms are completed in full, with valid approvals from appropriate levels of management.	Implemented
C.5	We recommend the Director of the Department of Human Resources conduct sample-based reviews of supervisors and their compliance with annual certification of language skills for positions designated as high frequency and high contact.	Implemented
C.6	We recommend the Director of the Department of Human Resources develop a centralized database that includes only certified and approved employees with their level of skill for verification within a department or across the City, if deemed acceptable to share resources.	Implemented
C.7	We recommend the Director of the Department of Human Resources provide training to employees who can provide oral interpretation and/or written translation to maintain their skills.	Implemented

## Audit of the Stormwater Billing Calculations

REPORT RELEASED - SEPTEMBER 26, 2022

No.	Recommendation	Results
A.1	We recommend the Director of Department of Dallas Water Utilities develop and implement procedures to ensure all data needed to update the Stormwater Information Management System is received, and the system is accurately updated.	Implemented
A.2	We recommend the Director of Department of Dallas Water Utilities develop and implement procedures to ensure all property impervious area classifications are correct.	Implemented

## Audit of General Liability, Automotive, and Subrogation Claims Administration

REPORT RELEASED - SEPTEMBER 22, 2023

No.	Recommendation	Results
A.1	<p>We recommend the Director of the Office of Risk Management develop and implement subrogation work instructions related to:</p> <ul style="list-style-type: none"><li>- Documentation of actual damage estimates;</li><li>- Management review and authorization of settlements; and</li><li>- Documentation of the management review and authorization.</li></ul>	Implemented

## Audit of Personnel-Related Practices in the Department of Sanitation Services

REPORT RELEASED - JULY 23, 2024

No.	Recommendation	Results
B.1	We recommend the Director of Sanitation Services establish procedures to ensure all A & Associates, Inc. contract terms are followed.	Implemented

## Audit of Firearms, Ammunition, and Equipment Tracking – Dallas Marshal’s Office

REPORT RELEASED - FEBRUARY 7, 2025

No.	Recommendation	Results
A.2	We recommend the Dallas Marshal identify location of all missing firearms or report them as lost if not found.	Implemented

**CONFIDENTIAL:** This report page is to remain confidential and is protected from disclosure under *Texas Public Information Act* pursuant to *Texas Government Code 552.139, Confidential Government Information Related to Security or Infrastructure Issues for Computers.*

## Confidential Report: Audit of SAP Software Solutions – Deloitte Consulting - Information Security

REPORT RELEASED - MAY 3, 2023

No.	Recommendation	Results
A.1	Redacted confidential information.	Implemented

## Appendix B – Acknowledgement Letter

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See next page

# Memorandum



**DATE:** January 16, 2026  
**TO:** Mark S. Swann – City Auditor  
**SUBJECT:** Response to Prior Audit Recommendations Follow-Up Fiscal Year 2026

This letter acknowledges that the City Manager's Office received the *Prior Audit Recommendations Follow-Up Fiscal Year 2026* audit report. City management is committed to implementing agreed-to audit recommendations, as demonstrated by the current 95% overall implementation rate.

Information and Technology Services and the Department of Transportation and Public Works will continue to work towards implementing the remaining two recommendations that the City Auditor determined have not yet been implemented.

We appreciate the professionalism and hard work of the City Auditor and his staff, and their acknowledgment of our continued progress in strengthening the City's internal controls.

Service First, Now!

Kimberly Bizor Tolbert  
City Manager

C: Jack Ireland, Chief Financial Officer  
Ahmad Goree, Chief of Staff  
Dominique Artis, Chief of Public Safety  
Robin Bentley, Assistant City Manager  
Alina Ciocan, Assistant City Manager  
Donzell Gipson, Assistant City Manager  
Dev Rastogi, Assistant City Manager  
Nina Arias, Director, Human Resources Department  
Zeronda Smith, Director, Office of Risk Management  
Emily Lu, Director, Planning and Development  
Clifton Gillespie, Director, Sanitation Services  
Daniel Comeaux, Chief of Police, Dallas Police Department  
Gregory Nelson, Director, Municipal Court and Detention Services  
John Johnson, Director, Facilities and Real Estate Management  
Tanishia Dorsey, Director (I), Information and Technology Services  
Sarah Standifer, Director, Dallas Water Utilities  
Dr. Ghassan Khankarli, Director, Transportation and Public Works