



CITY OF DALLAS

OFFICE OF THE CITY AUDITOR

**AUDIT PLAN
FISCAL YEAR 2019**

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CITY AUDITOR**



AUDIT PLAN FOR FISCAL YEAR 2019

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 2019 Audit Plan (Audit Plan) is designed to 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 Fiscal Year 2019.

The Office of the City Auditor's mission is to promote public trust and advance accountability by providing independent, objective, and useful professional services for the City of Dallas. The Audit Plan demonstrates the variety of services the Office of the City Auditor provides to address its mission and reflects the following Dallas City Council Key Strategic Priorities:

- Public Safety
- Mobility Solutions, Infrastructure, and Sustainability
- Economic and Neighborhood Vitality
- Human and Social Needs
- Quality of Life
- Government Performance & Financial Management

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 Dallas 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**

Conducted to provide objective analysis to assist City Management and those charged with governance and oversight 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. Performance audit objectives vary widely and can include assessments of program effectiveness, economy, and efficiency; internal control; compliance; and, prospective analyses.

- **Attestation Engagements**

Conducted 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**

Conducted 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 Directive.

- **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 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 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 (ERF) 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 ERF. 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.

#	Department	Key Strategic Priorities**	Description	Objectives
1	BS	Mobility Solutions, Infrastructure, and Sustainability	Inventory Management	Evaluate the adequacy of the Department of Building Services' internal controls over inventory management
2	CAO	Government Performance & Financial Management	Litigation Support	Provide audit, attestation, and other professional services, as requested by the City Attorney
3	CCO	Government Performance & Financial Management	Hotel Occupancy Tax	Evaluate the City's processes to ensure completeness of collection of all hotel occupancy tax owed
4	CIS	Government Performance & Financial Management	Reporting Security Violations	Evaluate the policies and procedures used by the Department of Communication and Information Services to train and provide mechanisms to employees on reporting security violations such as phishing, email compromise
5	CODE	Quality of Life	Department of Code Compliance	Evaluate the effectiveness of the Department of Code Compliance's (CODE) enforcement, which may include whether CODE's actions in response to complaints and/or to bring properties into compliance with Dallas City Code were: (1) timely, and in accordance with policies and procedures; and, (2) effective with resolving complaints and compliance code violations

#	Department	Key Strategic Priorities**	Description	Objectives
6	DFR	Public Safety	Occupational Safety and Health Program	Determine whether the Department of Dallas Fire-Rescue's occupational safety and health program is appropriately designed to reduce on-the-job accidents, injuries, Workers' Compensation claims, etc. by comparison to appropriate national standards or identifiable industry best practices
7	DPD	Public Safety	Police Property and Evidence	Evaluate the adequacy and effectiveness of internal controls over the Dallas Police Department's property and evidence, including policies and procedures, physical security and access controls, inventory management, and temporary and long-term storage controls
8	DWU	Quality of Life Government Performance & Financial Management /	Business Partner Oversight	Evaluate the financial, operational, and other risks for the business partners operating City-owned facilities under the oversight of the Department of Dallas Water Utilities and the City's oversight and monitoring controls for the Texas Horse Park.
9	LIB	Quality of Life	Facility Planning	Evaluate the Dallas Public Library's strategic and/or operational planning in an era when the public's demands of libraries have changed, including programs and materials
10	MS	Human and Social Needs	Office of Equity and Human Rights - Complaint Process	Evaluate the Office of Equity and Human Rights' complaint process including intake, investigation, and timeliness of the complaint resolution

#	Department	Key Strategic Priorities**	Description	Objectives
11	OB	Government Performance & Financial Management	Revenue Estimates – Budgeted Revenues for Fiscal Year 2019-2020	Determine whether the City has effective processes to ensure reasonable revenue estimates are included in the City Manager’s proposed operating budget
12	OB	Government Performance & Financial Management	Verification of Third-Party Receipts for Franchise Fees	Verify that franchise fees (which may include utilities, cable, and telephone) identified by a third-party vendor are received by the City and vendor invoices are accurate
13	OB	Government Performance & Financial Management	Verification of Third-Party Receipts for Sales/Use Tax Compliance	Verify that sales/use tax receipts identified by a third-party consultant are received and vendor invoices are accurate
14	OHS	Human and Social Needs	Follow-Up Homeless Response System Effectiveness Recommendations	Evaluate City Management’s implementation of prior audit recommendations
15	OPS/ Multiple	Government Performance & Financial Management	City’s Purchasing and Travel Cards	Evaluate controls and compliance with the City’s Purchasing and Travel Cards policies and procedures
16	PKR	Quality of Life	City Parks Maintenance and Safety	Evaluate the processes the Department of Park and Recreation uses to ensure City parks are properly maintained and safety risks are appropriately managed
17	TRN	Mobility Solutions, Infrastructure, and Sustainability	Taxicab and Transportation Network	Evaluate the City’s processes to regulate and enforce taxicab and transportation network (Uber, Lyft, and others) drivers and companies to ensure compliance with City code, regulations, and fees

#	Department	Key Strategic Priorities**	Description	Objectives
18	Multiple	Multiple	Security of Online Payments	Evaluate the application security controls for selected on-line payment systems to determine if controls are sufficient to protect customer information submitted for payments
19	Multiple	Multiple	Council Assistance	Provide audit, attestation, or other professional services, as requested by individual City Council members
20	Multiple	Multiple	Prior Audit Recommendations Follow-Up	Evaluate City Management's implementation of prior audit recommendations
21	Multiple	Multiple	Follow-Up Construction-Related Procurements Recommendations	Evaluate City Management's implementation of prior audit recommendations
22	Multiple	Public Safety	Follow-Up Court Information System Recommendations	Evaluate City Management's implementation of prior audit recommendations
23	Multiple	Multiple	Fraud, Waste and Abuse Investigations	Evaluate allegations of fraud, waste and abuse, conduct investigations, and educate employees
24	Multiple	Multiple	Management Assistance	Provide audit, attestation, or other professional services, as requested by individual City Council members
25	Multiple	Multiple	Special Audits	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

** The Fiscal Year 2019 Audit Plan (Audit Plan) is based on a risk assessment updated for City of Dallas (City) services approved in the Fiscal Year 2018 City's Adopted Annual Budget. While this year's Audit Plan does not directly address Economic and Neighborhood Vitality, one of the City Council's Fiscal Year 2019 Key Strategic Priorities, to the extent possible the Office of the City Auditor will include this Key Strategic Priority in projects identified as "Multiple".