

Office of the City Auditor

Fiscal Year 2022 Auditor Briefing Update

Reports Released between January 14,
2022, and February 18, 2022

February 28, 2022
Mark S. Swann, City Auditor

Government Performance & Financial Management Committee



Reports Issued to Date – February 2022

Audit of Road Paving Improvements and Maintenance (Part 1 of 3)

Objective and Scope:

The audit objective was to determine if the Department of Public Works' Road Paving Management Program appropriately solicits, monitors, and inspects road pavement activities to ensure quality and timely work is performed.

What We Found:

Recurrent observations related to road pavement maintenance and improvement monitoring and inspection activities persist:

- Projects are not consistently monitored and inspected for quality and timely performance.
- Project information is not centralized or reliable.

In addition, project expenditures are not consistently verified, and cost overages occur without a documented explanation.

While the Department of Public Works generally solicits road pavement and improvement activities in accordance with bid protocols, requirements of Administrative Directive 04-05, Contracting Standards and Procedures (Interim) were not followed, such as evaluation of contractor experience and financial capability.

Reports Issued to Date – February 2022

Audit of Road Paving Improvements and Maintenance(Part 2 of 3)

What We Recommend

The Department of Public Works:

- A. Improve quality control and monitoring for timely completion of all road pavement activities.
- B. Ensure consistent verification of project costs.
- C. Monitor and evaluate root causes for cost overages.
- D. Develop a centralized method of tracking all road pavement activities and storing project documentation.
- E. Ensure compliance with Administrative Directive 4-05, Contracting Standards and Procedures (Interim) for attestation requirements and evaluation of bidders

Department of Public Works Management accepted 8 of 16 audit recommendations, 50 percent.

Reports Issued to Date – February 2022

Audit of Road Paving Improvements and Maintenance (Part 3 of 3)

What We Recommend

Department of Public Works Management accepted risks related to:

- Update the progress report form to an electronic format and include a checklist for inspectors to assess construction site aspects in accordance with the City of Dallas 2011 Addendum to North Central Texas Council of Governments, Public Works Construction Standards Sections.
- Ensure inspectors consistently complete all sections of the updated progress report form.
- Ensure the reasons for project cost overages are documented in the project files.
- Monitor and evaluate root causes for cost overages to enhance accuracy and reasonableness of cost estimations for road pavement projects.
- Develop and implement a method to track construction permit status and expiration to ensure compliance with Dallas City Code.
- Develop specifications for a new or upgraded centralized system to accurately track the status of all pavement maintenance and road resurfacing projects.
- Ensure that pavement maintenance and road resurfacing project information included in the new or upgraded centralized tracking system is consistent and reliable.
- Ensure department personnel follow Administrative Directive 4-05, Contracting Standards and Procedures (Interim) for evaluation of bidders.

Links to Reports

Although reports are linked throughout the presentation, here is a list of all reports linked in one place for your convenience.

Quarter 2 - February:

- [Audit of Road Paving Improvements and Maintenance](#)

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Sunset Reviews: Methods to Consider Relevancy
and Improvement to Existing Programs

February 28, 2022
Mamatha Sparks, Audit Manager

Government Performance & Financial Management Committee



Components

Sunset Review

- Law provides for the automatic termination of a government program, agency, or law on a certain date
- Applies to federal and state agencies

Execution

- Regular evaluation or assessment of the need for the continued existence of a program
- Initiated by State legislatures to answer a *specific question*
- Timeline set by program and the purpose of the program

Outcomes

- Administrative and structural changes

Process

A *focused performance audit* with consensus on audit objective and applies

- GAGAS, COSO, IPPF
- Interviews, data analysis, field visits, process flows
- Efficiency and effectiveness
- Gather input from the public, interest groups, professional organizations
- Recommendations for action

Texas Sunset Review

STAFF EVALUATION



Commission Deliberation



Legislative Action

Side by Side Perspective

PERFORMANCE AUDIT

- Reasonable Assurance
- Narrow in scope
- Risk based model
- External facing – public accountability
- Independence and objectivity
- Internal controls and viability

SUNSET REVIEW

- Program workflows and design
- End-to-end process (broader in scope)
- Change
- Internal facing - “is this working?”
- Partnership with management
- Expected outcomes

Council Member Feedback

CM Chad West - January 28, 2022

1. Align *City's organizational structure with City's strategic goals* with performance of the departments/offices as secondary goal
2. Merger of programs/departments/offices:
 - Maintain staff costs resulting from higher paid management FTEs.
 - Create efficiencies in planning and program delivery

CM Mendelsohn – February 24, 2022

1. Overlap between *Human Resources and Civil Services*

Management Feedback

City Manager – February 18, 2022

1. The overlap between the *Civil Service and Human Resources Departments*.
2. *Park & Recreation Department's* spray grounds were designed to replace community pools.
3. Management of radio station *WRR*.
4. Review of assets owned by *Convention & Event Services* :
 - Omni Hotel, Union Station, Reunion Arena

Office of Budget Management

2014, 2015, and 2017

Office of the City Auditor

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