

Office of the City Auditor

Fiscal Year 2021 Auditor Briefing Update



September 27, 2021
Mark S. Swann, City Auditor

Government Performance & Financial Management Committee



Follow-Up on Prior Briefing

Audit of City Boards and Commissions (Part 1 of 2)

Objectives and Scope:

The objectives of this audit were to determine if:

- 1) Boards and commissions are in compliance with the City's Charter and Code – specifically (a) membership and vacancy; (b) meetings; (c) racial and ethnic diversity; (d) annual reports; (e) conflict of interest and financial disclosure; and, (f) protecting confidential information.
- 2) The City is monitoring the costs to operate boards and commissions.
- 3) All boards and commissions have members' roles and responsibilities defined in bylaws or another authoritative document.

The scope of the audit included management operations in Fiscal Years 2019 and 2020.

What We Found:

Responsibility for ensuring compliance with City requirements is fragmented and shared among multiple offices, departments, and positions.

Processes are in place for the review of board and commission member qualifications, financial and conflict of interest disclosures, and the protection of confidential information.

(see next page)

Follow-Up on Prior Briefing

Audit of City Boards and Commissions (Part 2 of 2)

What We Found: (continued...)

Processes could be improved to ensure:

- Compliance with City requirements.
- Transparent documentation and communication of board and commission operations.
- Monitoring of the costs to operate boards and commissions.

What We Recommend

We recommend City management:

- Establish a single authority that ensures compliance with City requirements.
- Improve procedures to ensure compliance with City requirements and capture all costs to operate the boards and commissions.

Reports Issued to Date – September 2021

Audit of Senior Services

Objective and Scope:

The audit objectives were to determine if the Office of Community Care effectively: (1) coordinates resources to prevent duplication of senior services; and, (2) monitors senior services contracts to ensure documentation of contract performance is accurate, complete; and, in compliance with contract terms. The audit scope covered the Dental Care Program, Employment Assistance Program, Ombudsman Program, and Transportation Program in Fiscal Year 2019 through 2020.

What We Found:

The Office of Community care can improve its contract monitoring practices by:

- Formalizing written procedures for contract monitoring regarding monthly requests for payment and reported contractor performance.
- Better evaluating senior services programs for effectiveness.

What We Recommend

We recommend the Office of Community Care update current written procedures to include work instructions specific to contract monitoring, and for:

- Verifying the accuracy of monthly requests for payment and reported contractor performance.
- Evaluating the effectiveness of senior services programs and contractor performance for each senior program.

Reports Issued to Date – September 2021

[Audit of Proposed Budget Revenues Included in the Fiscal Year 2021-22 Proposed Annual Budget for the City of Dallas](#)

Objectives and Scope:

The audit objective was to determine whether the City of Dallas has effective processes to ensure reasonable proposed budget revenues are included in the City Manager's *Fiscal Year 2021-22 Proposed Annual Budget*.

The audit scope was the major revenue sources included in the *Fiscal Year 2021-22 Proposed Annual Budget* and the associated supporting documentation.

What We Found:

The City of Dallas has effective processes to ensure reasonable proposed budget revenues are included in the *Fiscal Year 2021-22 Proposed Annual Budget*. Further, the revenue forecast methodologies and material assumptions used in developing the proposed budget revenues are reasonable and adequately supported.

What We Recommend

There are no audit recommendations associated with this report.

Reports Issued to Date – September 2021

[Audit of Dallas Police Department Overtime – Interim Report \(Part 1 of 2\)](#)

Objectives and Scope:

The audit objective of this interim report was to determine whether any unusual employee overtime usage indicates waste or abuse at the Dallas Police Department. The scope of the audit was uniform and civilian overtime from October 1, 2018 to December 31, 2020.

The Office of the City Auditor will issue a full report in the first quarter of Fiscal Year 2022 that includes the objective of whether the Dallas Police Department manages overtime in a way that limits the financial and operational impact to Department service delivery objectives.

What We Found:

Interviews with Dallas Police Department unit supervisors and a review of supporting documentation for a judgmental sample of 339 overtime and compensatory time transactions showed:

- There was an overtime card for 260 of 339 transactions, or 76.7 percent.
- Of the 260 transactions that had a card, 257, or 98.9 percent were properly requested.
- Of the 257 transactions that were properly requested, 206, or 80.2 percent were approved by an appropriate supervisor.
- Of the 206 transactions that were approved by an appropriate supervisor, 151, or 73.3 percent had supporting documentation.
- Of the 151 transactions with supporting documentation, zero looked suspicious in terms of waste or abuse.

Reports Issued to Date – September 2021

[Audit of Dallas Police Department Overtime – Interim Report \(Part 2 of 2\)](#)

What We Recommend

No recommendations were identified.

Reports Issued to Date – September 2021

[Audit of the Office of Homeless Solutions \(Part 1 of 2\)](#)

Objectives and Scope:

The objectives of this audit were to evaluate if: (1) the Office of Homeless Solutions Rapid ReHousing Program aligns with governance requirements and meets the City's objectives for the program; and, (2) the Coronavirus Aid, Relief, and Economic Security (CARES) Act federal funding has been used appropriately. The scope of the audit was the office's operations from March 1, 2020, through February 28, 2021.

What We Found:

The Office of Homeless Solutions Rapid ReHousing Program and CARES Act spending generally met requirements and have opportunities to improve.

The Rapid ReHousing Program did not have policies and procedures, and its process for requiring background checks was not effective or fully documented.

In addition, the Office of Homeless Solutions spent more than \$281,000 in CARES Act funds on unused hotel room charges not allowed by its contract with the hotel.

Reports Issued to Date – September 2021

[Audit of the Office of Homeless Solutions](#) (Part 2 of 2)

What We Recommend

Management should:

- Require documentation of background checks for Rapid ReHousing Program participants.
- Develop and implement policies and procedures for the Rapid ReHousing Program.
- Pursue resolution of payments for unused hotel rooms, which may include requesting reimbursement.

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 3:

1. [Audit of City Boards and Commissions](#)
2. [Audit of Senior Services](#)
3. [Audit of Proposed Budget Revenues Included in the Fiscal Year 2021-22 Proposed Annual Budget for the City of Dallas](#)
4. [Audit of Dallas Police Department Overtime – Interim Report](#)
5. [Audit of the Office of Homeless Solutions](#)

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