

Memorandum



CITY OF DALLAS

DATE: March 24, 2006

TO: Dave Cook
Chief Financial Officer

SUBJECT: Audit of Grant and Trust Funds Administered by City of Dallas

We conducted an audit to ensure the proper accounting of grant and trust funds. The audit was conducted under the authority of Chapter IX, Section 3 of the Dallas City Charter and in accordance with the Annual Audit Plan approved by the City Council.

The City of Dallas receives grants and trusts from public and private agencies to support City services. Individual departments identify new grant opportunities, prepare the resolution authorizing grant acceptance, establish appropriations, record grant and trust revenues and expenditures, make disbursements and notify the Office of Financial Services (OFS) when the City is awarded a grant. The OFS establishes grant fund numbers in the accounting system and processes journal entries for any corrections prepared by the departments.

Our audit included federal, state, and private grants and trust agreements, including bequests, gifts, and all other private charitable contributions awarded to the City of Dallas from October 1, 2002, through September 30, 2004. The audit was conducted in accordance with generally accepted government auditing standards.

Our audit objective was to determine whether grants and trusts were properly accounted for in the City of Dallas general ledger. To develop an understanding of grant and trust fund accounting, we reviewed financial records, analyzed individual department responses to our questionnaire, interviewed managers and staff, and reviewed Administrative Directives, and other related documents. We also randomly sampled 53 of 591 grants and trusts that were on the general ledger but not reported by 31 departments in their responses to our questionnaire, and 37 of the 195 grants and trusts included in their responses, but not readily identifiable in the general ledger.

OVERALL CONCLUSION

As a result of our inquiries, examinations, and tests, the departments confirmed the grants and trusts on the general ledger that were inadvertently not included in their original response to our questionnaire. Further, we identified in the general ledger the grants and trusts included in responses, but that were not originally readily identifiable in the general ledger. If you have any questions, please contact me at (214) 670-3223.

Paul T. Garner
Paul T. Garner
Assistant City Auditor

c: Honorable Mayor and Members of the City Council