

Memorandum



CITY OF DALLAS

Report #402

DATE: October 31, 2003

TO: Honorable Mayor and Members of the City Council

SUBJECT: Follow-up report of the July 19, 2002, *Performance Audit of Insurance Requirements for City Contracts*, Report #361

We conducted this follow-up audit under the authority of Chapter IX of the City Charter and according to applicable government auditing standards. We included tests of records and reviews of program guidelines and procedures that we considered necessary in the circumstances.

Our objective was to determine whether management had implemented the audit's recommendations or taken other acceptable actions to remedy the control weaknesses identified in the original audit report.

The original report contained three findings, with four distinct recommendations. Management has implemented three of the recommendations and partially implemented one. The partially implemented recommendation involves Administrative Directive (AD) 45; Risk Management revised the section requiring it to review the insurance needs in contracts over a certain amount (raising the contract amount for triggering such review to \$25,000). Departments are generally working under this revision, but since AD 4-5 has yet to be finalized and published, Risk Management has no authority to enforce the new provision.

We appreciate management's cooperation in this follow-up.

Thomas M. Taylor

Thomas M. Taylor, CPA
City Auditor

c: Teodoro J. Benavides, City Manager
Sharon De La Garza, Director, Human Resources
Forest E. Turner, Director of Business Development and Procurement Services