



## Audit of City-Owned Buildings' Elevator Safety

September 15, 2020

Mark S. Swann, City Auditor

---

### Mayor

Eric Johnson

### Mayor Pro Tem

Adam Medrano

### Deputy Mayor Pro Tem

B. Adam McGough

### Council Members

Carolyn King Arnold

Tennell Atkins

Adam Bazaldua

Paula Blackmon

David Blewett

Jennifer S. Gates

Lee M. Kleinman

Cara Mendelsohn

Omar Narvaez

Jaime Resendez

Casey Thomas, II

Chad West



# Table of Contents

---

<b>Executive Summary</b> .....	<b>1</b>
<b>Audit Results:</b> .....	<b>2</b>
<b>Observation A:</b> Elevator Safety Monitoring .....	2
<b>Appendix A: Methodology</b> .....	<b>3</b>
Methodology .....	3
Major Contributors to the Report.....	3
<b>Appendix B: Management’s Response</b> .....	<b>4</b>

# Executive Summary

---

## Objective and Scope

The audit objective was to determine if City-owned buildings' elevators are safe for public use. The scope included management operations for the period October 1, 2017, through September 30, 2019.

## What We Recommend

We recommend the City Manager develop procedures to ensure that City-owned building elevators are safe.

## Background

The responsibility for the safety of elevators, escalators, and moving sidewalks (herein identified as elevators) located in City-owned buildings is decentralized. The Departments of Aviation, Building Services and Dallas Water Utilities are the main departments responsible for the safety of the elevators. These departments rely on several contracts with various companies to provide inspection and maintenance services that terminate at various times through Fiscal Year 2022. Elevators located in the Departments of Convention Services and Events, and Park and Recreation buildings are incorporated in the inspection and maintenance service contracts with the three main departments.

The State of Texas Health and Safety Code, Chapter 754, Section 754.019, *Duties of Owners* requires annual inspection and certification of each elevator.

## What We Found

The documentation provided by the Departments of Aviation, Building Services, and Dallas Water Utilities was not sufficient to determine if all elevators in City-owned buildings are safe for public use. There is a lack of monitoring of the inspection and maintenance service contracts to ensure that all elevators are inspected and maintained.

## Audit Results:

---

As required by *City Council Resolution 88-3428*, departments will establish internal controls in accordance with the standards established by the Comptroller General of the United States pursuant to the *Federal Managers' Financial Integrity Act of 1982*. Administrative Directive 4-09, *Internal Control* prescribes the policy for the City to establish and maintain an internal control system. The audit observation listed is offered to assist management in fulfilling their internal control responsibilities.

### Observation A: Elevator Safety Monitoring

The Departments of Aviation, Building Services, and Dallas Water Utilities do not have a complete list of each elevator they are responsible for maintaining. As a result, there is an increased risk that elevators are not safe for public use.

These departments could not provide evidence that all elevators they are responsible for were: (1) included in an inspection and maintenance contract; (2) not included in multiple active contracts for the same service; and, (3) not reliant on the service contractor's records for a history of inspection and maintenance activity for each elevator. Reliance is placed on the State of Texas Department of Licensing and Regulation to notify them when recertification of an elevator is past due.

#### Criteria

- ❖ The State of Texas Health and Safety Code, Chapter 754, Section 754.019, *Duties of Owners*.
- ❖ Standards for Internal Control in the Federal Government (Green Book): *Principle 10, Design Control Activities*.

#### Assessed Risk Rating:

High

#### We recommend the **City Manager**:

**A.1:** Ensure a City-wide process, such as an Administrative Directive, is developed and implemented, that establishes responsibilities for monitoring the maintenance and annual inspection of elevators located in City-owned buildings. This process should ensure all elevators on a going forward basis:

- Are identified.
- Have documentation showing current State of Texas certification.
- Have as complete a record of maintenance performed as possible, given the availability of historical maintenance records.

## Appendix A: Methodology

---

### Methodology

To accomplish our audit objectives, we performed the following steps:

- Interviewed personnel in departments responsible for elevators in City-owned buildings.
- Reviewed protocols and procedures, relevant Administrative Directives, City Codes and State of Texas laws and regulations, and best practice guidance.
- Performed various analyses and reviewed documentation as needed to support the analyses conclusions.
- Considered risk of fraud, waste, and abuse.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based upon our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

### Major Contributors to the Report

Frank Mayhew, CISA, CFE – In-Charge Auditor  
Rory Galter, CPA – Audit Manager

## Appendix B: Management's Response

---

### Memorandum



**DATE:** September 14, 2020  
**TO:** Mark S. Swann, City Auditor  
**SUBJECT:** Response to Audit of City-Owned Buildings' Elevator Safety

This letter acknowledges the City Manager's Office received the *Audit of City-Owned Buildings' Elevator Safety* and submitted responses to the recommendation in consultation with the Building Services Department, Dallas Water Utilities, and the Department of Aviation.

The City is confident the elevators located in City-owned buildings are safe for public use. However, the City will develop a consistent process for monitoring the maintenance and inspection of elevators in City-owned buildings and ensure adequate documentation is retained.

Sincerely,



T.C. Broadnax  
City Manager

C: Kimberly Bizer Tolbert, Chief of Staff  
M. Elizabeth Reich, Chief Financial Officer  
Majed Al-Ghafry, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Erick Thompson, Director, Building Services Department  
Terry Lowery, Director, Dallas Water Utilities  
Mark Duebner, Director, Aviation

"Our Product is Service"  
Empathy | Ethics | Excellence | Equity

Assessed Risk Rating	Recommendation	Concurrence and Action Plan	Implementation Date	Follow-Up/ Maturity Date
High	We recommend the <b>City Manager:</b>			
	<p><b>A.1:</b> Ensure a City-wide process, such as an Administrative Directive, is developed and implemented, that establishes responsibilities for monitoring the maintenance and annual inspection of elevators located in City-owned buildings. This process should ensure all elevators on a going forward basis:</p> <ul style="list-style-type: none"> <li>• Are identified.</li> <li>• Have documentation showing current State of Texas certification.</li> <li>• Have as complete a record of maintenance performed as possible, given the availability of historical maintenance records.</li> </ul>	<p><b>Agree:</b> The Building Services Department, Dallas Water Utilities, and the Department of Aviation will collaborate to create a City-wide process that establishes responsibilities to ensure all elevators in City-owned buildings:</p> <ul style="list-style-type: none"> <li>• Are identified.</li> <li>• Have documentation showing current State of Texas certification.</li> <li>• Have as complete a record of maintenance as possible, given the availability of historical maintenance records.</li> </ul>	09/30/2021	09/30/2022