

Office of the City Auditor

Fiscal Year 2020 Quarter 2 Update:
January 1, 2020 – March 31, 2020

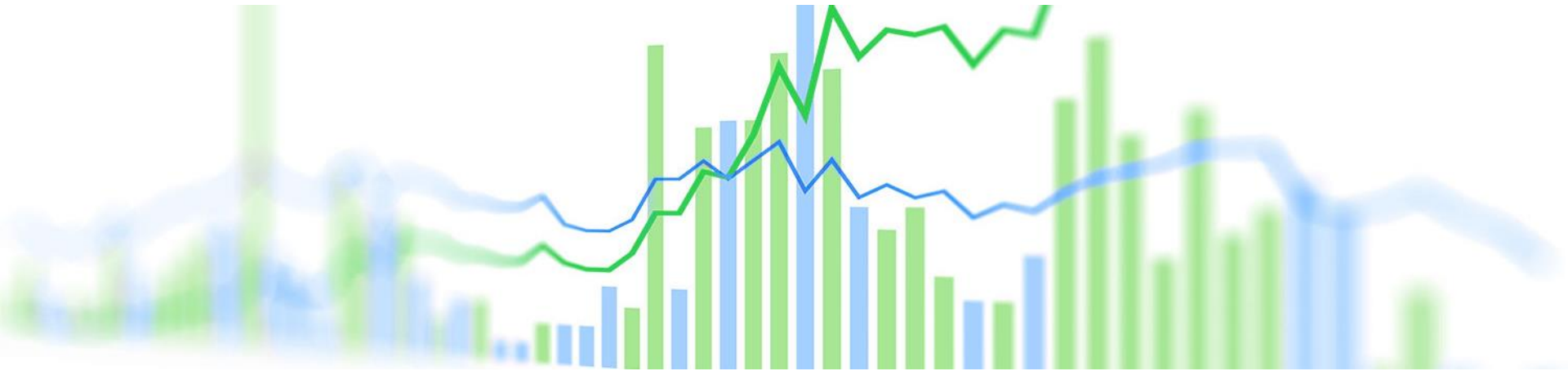


May 26, 2020
Mark S. Swann, City Auditor

Government Performance & Financial Management Committee



Overview



8

Reports Issued

87%

Management Agreement to Recommendations

19

Projects in Progress

Reports Issued

[Audit of TexasCityServices, LLC Contract](#)

Objective:

The audit objective was to determine whether the fees associated with TexasCityServices, LLC's identification of incorrectly remitted sales/use tax for Fiscal Year 2019 are accurate and supported by the Texas State Comptroller of Public Accounts.

What We Found:

For the Fiscal Year 2019 service periods, the Office of the City Auditor verified \$3,464,939 in sales/use tax receipts collections that TexasCityServices, LLC identified as owed to the City of Dallas from businesses operating in the City. The Office of the City Auditor also verified that \$831,586 of contingent fees from TexasCityServices, LLC invoices received were accurate.

[Memorandum - Confidential Report: Audit of Payment Card Security Standard Compliance](#)

Objectives:

The objective of the audit was to evaluate the City's security controls for selected online payments.

What We Found:

Due to sensitive information in this report, the distribution was limited to City management responsible for payment card security standard compliance in accordance with Government Auditing Standards and the Texas Public Information Act – Texas Government Code, § 552.139: *Confidentiality of Government Information Related to Security or Infrastructure Issues for Computers.*

Reports Issued

[Independent Report on Agreed-Upon Procedures for the Notice of Funding Availability - Single Family Housing Development - BUZ19-00010338](#)

Objective:

The objective of this attestation was to assist the City Council in evaluating compliance with the requirements of Housing and Neighborhood Revitalization Department, Development Division's *Notice of Funding Availability – Single-Family Housing Development – BUZ19-00010338*, relevant to the City's evaluation and recommendation for funding the: (1) Dallas Area Habitat for Humanity – Ideal & Joppa Infill; and, (2) Notre Dame Place – Five Mile Infill & Bonton project proposals.

What We Found:

Auditors identified exceptions for procedures (b) and (c).

[Audit of the City's Open Record Request Process - Dallas Police Department](#)

Objectives:

The audit objective was to evaluate the effectiveness of the City's compliance with State law and identify cost-saving opportunities.

What We Found:

The Dallas Police Department is meeting its compliance obligations with minimal exceptions. The observations for noncompliance are related to: (1) User Access; (2) Training; (3) Procedures; and, (4) Notification.

Reports Issued

[Audit of the City's Open Record Request Process - City Secretary's Office](#)

Objective:

The audit objective was to evaluate the effectiveness of the City Secretary's Office compliance with State law and identify cost saving opportunities.

What We Found:

The City Secretary's Office is meeting its compliance obligations with minimal exceptions. The observations for noncompliance are related to: (1) User Access; (2) Training; and, (3) Procedures.

[Audit of the Office of Fair Housing and Human Rights' Complaint Process](#)

Objectives:

The audit objective was to evaluate the Office of Fair Housing and Human Rights' complaint process, including intake, investigation, and timeliness of the complaint resolution.

What We Found:

The City of Dallas Office of Fair Housing and Human Rights is processing complaints effectively.

Reports Issued

[Audit of the City Park Maintenance and Safety](#)

Objective:

The objective of the audit was to evaluate the processes the Dallas Park and Recreation Department uses to ensure City parks are maintained and safety risks are managed to defined standards.

What We Found:

The Park Maintenance and Operations Division does not consistently manage and monitor to defined standards, and Park Ranger staffing levels are not sufficient compared to peer cities.

[Audit of Library Facility Planning](#)

Objectives:

The objective of this audit was to evaluate the Dallas Public Library's strategic and operational planning in an era when the public's demands of libraries have changed, including programs and materials.

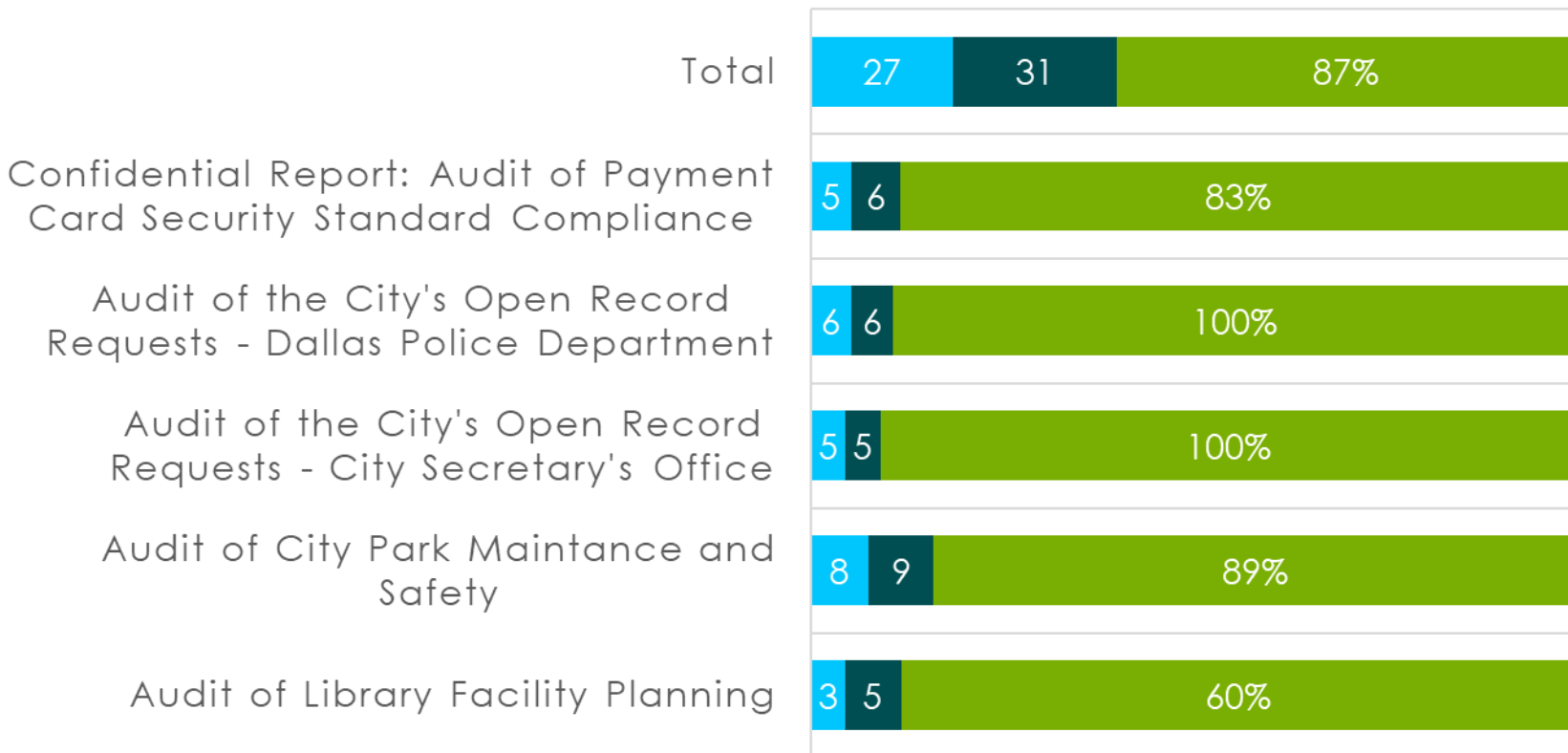
What We Found:

The Master Plan is out of date and no longer reflects current facility priorities. Dallas Public Library needs better information to evaluate how well its facilities are performing and how it compares to peer cities.

Management Agreement

Summary of the percentage of recommendations management agreed to implement per audit.

■ # of Recommendations - Agreed ■ Total # Recommendations ■ Agreement %



Management Agreement

Three of eight reports were not included in the Management Agreement reported percentages as there were no recommendations associated with these reports:

- Audit of TexasCityServices, LLC
- Independent Report on Agreed-Upon Procedures...
- Audit of the Office of Fair Housing and Human Rights' Complaint Process

Investigative Services

Fraud, Waste, and Abuse Hotline Alerts		
Quarter	Received	Closed
1	31	38*
2	34	25

In Quarter 2, Investigative Services closed 25 complaints. Of those closed, three were substantiated. Of the substantiated complaints, three resulted in disciplinary action, including termination of employment for two of the three substantiated complaints.

***Note:** Pending cases from prior fiscal year(s) were also closed during Quarter 1.

Projects in Progress

Projects in progress include:

- ✓ 3 carry-over audits from the Fiscal Year 2019 Audit Plan.
- ✓ 16 projects from the Fiscal Year 2020 Audit Plan.

Audits on the horizon for release in Quarter 3 include:

- Audit of Department of Dallas Fire-Rescue's Hydrant Inspection, Flow-Testing, and Maintenance Process
- Audit of the Office of Community Care Community Centers
- Audit of Taxicab & Transportation Network
- Audit of the Department of Aviation's Noise Management Program



Projects in Progress (Continued)

Non-Audit services started during COVID-19 disruption include:

- ✓ Piloting Workday payroll and HR actions job aids.
- ✓ Processing Applications for the COVID-19 Mortgage and Rental Assistance Program.
- ✓ Assisting ITS in mapping of NIST information security and privacy controls.
- ✓ Assisting ITS in Payment Card Industry Data Security Standard (PCI) internal assessments.
- ✓ Information request for Council Member Arnold.
- ✓ Information request for Honorable Mayor Johnson.



Links to Reports

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

1. [Audit of TexasCityServices, LLC Contract](#)
2. [Memorandum - Confidential Report: Audit of Payment Card Security Standard Compliance](#)
3. [Independent Report on Agreed-Upon Procedures for the Notice of Funding Availability - Single Family Housing Development - BUZ19-00010338](#)
4. [Audit of the City's Open Record Request Process - Dallas Police Department](#)
5. [Audit of the City's Open Record Request Process - City Secretary's Office](#)
6. [Audit of the Office of Fair Housing and Human Rights' Complaint Process](#)
7. [Audit of the City Park Maintenance and Safety](#)
8. [Audit of Library Facility Planning](#)

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