OFFICE OF THE CITY AUDITOR

FISCAL YEAR 2022
APPROVED AUDIT WORK PLAN

(Council Resolution 21-1761)

OCTOBER 27, 2021

MARK S. SWANN

CITY AUDITOR

The Office of the City Auditor is an objective lens serving the public interest.

FISCAL YEAR 2022 APPROVED AUDIT WORK PLAN

The Office of the City Auditor's mission is to collaborate with elected officials and employees to elevate public trust in government by providing objective assurance, investigation, and advisory services.

The City of Dallas (City) Office of the City Auditor performs work for and under the direction of the Dallas City Council. The Fiscal Year 2022 Recommended Audit Work Plan (Audit Plan) is designed to address risk related to the delivery of City services and satisfy responsibilities established by the Dallas City Charter, meet the needs of the City Council, and outline the professional services that the Office of the City Auditor plans to initiate and/or complete during the Fiscal Year 2022.

This Audit Plan is based on a risk prioritization assessment updated in Summer 2021 and requests received from City management, council members, and audit staff. The Audit Plan attempts to identify the risks that matter and provide City-wide audit coverage by allocating 19,000 resource hours to complete 19 audit or attestation engagements. Also, 5,000 resource hours are required to support matters received on the City's Fraud, Waste, and Abuse Hotline.

This Audit Plan is a working document in that the City Auditor is authorized, when deemed necessary in his professional judgment, to amend the Audit Plan. The City Council will be notified in writing concerning additions to, deletions from, or other changes to this Audit Plan. The Audit Plan includes audits, attestation engagements, and other professional services.

AUDIT AND ATTESTATION SERVICES

The Office of the City Auditor complies with generally accepted government auditing standards when performing audits and attestation engagements. These standards provide a framework for conducting high-quality audits and attestation engagements with competence, integrity, objectivity, and independence. The types of audits and attestation engagements performed under these standards include:

PERFORMANCE AUDITS

The Office of the City Auditor conducts performance audits to provide objective analysis to assist City management and those charged with governance and oversight to: (1) improve program performance and operations; (2) reduce costs; (3) facilitate decision-making by parties with responsibility to oversee or initiate corrective action; and, (4) contribute to public accountability. Performance audit objectives vary widely and can include assessments of

program effectiveness, economy, and efficiency; internal control; compliance; and, prospective analyses.

ATTESTATION ENGAGEMENTS

The Office of the City Auditor conducts attestation engagements to address a broad range of financial or non-financial objectives. An attestation engagement results in an examination, a review, or an agreed-upon procedures report on a subject matter or an assertion about a subject matter that is the responsibility of another party.

FINANCIAL AUDITS

The Office of the City Auditor conducts financial audits to provide an independent assessment of whether an entity's reported financial information (e.g., financial condition, results, and use of resources) are presented fairly and in accordance with recognized criteria. Financial audits provide users with statements concerning the reliability of information and provide information about internal control over financial reporting, and compliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements.

OTHER PROFESSIONAL SERVICES

The Office of the City Auditor provides other professional services which may or may not be performed in accordance with generally accepted government auditing standards. These other professional services include:

INVESTIGATIVE SERVICES

The Office of the City Auditor provides investigative services to evaluate and investigate allegations of fraud, waste, and abuse and maintains a Hotline as a tool for the confidential reporting of allegations. Investigations are conducted in accordance with *Quality Standards for Inspection and Evaluation* issued by the Council of the Inspectors General on Integrity and Efficiency. Criminal allegations are referred to appropriate law enforcement authorities. Significant findings of fraud are reported to the Mayor, the Chair of the Government Performance & Financial Management Committee, the City Attorney, and City management as required by Council Resolutions and Administrative Directives.

CITY COUNCIL SUPPORT

The Office of the City Auditor is authorized to conduct audits, attestation engagements, or other professional services for individual City Council Members, provided the request will not impact the completion of the Audit Plan. If in the judgment of the City Auditor, a request will impact the completion of the Audit Plan, the City Auditor is to request that the Council Member submit the request in writing for consideration and approval by the Government Performance & Financial

Management Committee, or its equivalent, and the City Council as an amendment to the Audit Plan. All work products will be produced at the direction of the City Auditor.

MANAGEMENT ASSISTANCE

The Office of the City Auditor is authorized to perform audits and attestation services and other professional services at the request of City management to assist in carrying out City management's responsibilities. These services may include, but are not limited to, providing technical advice, such as participating on committees, task force groups, panels, and focus groups. The Office of the City Auditor may provide City management assistance based on consideration of the impact on auditor independence and audit plan completion.

LITIGATION SUPPORT

The Office of the City Auditor is authorized to perform audits and attestation services and other professional services at the request of the City Attorney. The services provided by the Office of the City Auditor depend on the needs of the City Attorney. These services may include, but are not limited to, research, analysis, and computer forensics.

INDEPENDENCE DISCLOSURES

Section 40-A.2. (c)(C) of the Dallas City Code designates the City Auditor as a voting member of the Employees' Retirement Fund Board of Trustees. Generally accepted government auditing standards require the Office of the City Auditor to disclose impairments to independence. The Office of the City Auditor lacks independence in relation to any audit work that might be conducted at the Employees' Retirement Fund. The effects of this independence concern on audit work will be clearly identified in any final reports, if applicable.

COMPETENCY AFFIRMATION

The City Auditor reviewed the recommended Audit Plan and believes the Office of the City Auditor staff, along with contracted specialists, possess adequate professional competence to address potential audit engagement objectives. Also, the City Auditor believes the Office of the City Auditor can maintain objectivity while performing the recommended audit engagements.

No.	Department/ Division	Topic	Preliminary Objective(s)	Hours Estimate
**Fiscal Year 2022 Audit Work Plan**			
1	Aviation	Cybersecurity	→ How do Aviation cybersecurity capabilities benchmark with the Cybersecurity Capability Maturity Model (C2M2), Version 2 Toolkit? a) Asset, Change, and Configuration Management b) Threat and Vulnerability Management c) Risk Management d) Identity and Access Management e) Situational Awareness f) Event and Incident Response, Continuity of Operations g) Third-Party Risk Management h) Workforce Management i) Cybersecurity Architecture j) Cybersecurity Program Management	900
2	City Controller's Office	Short-Term Rental and Hotel Occupancy Tax Collections	→ Are processes in place to ensure updated and complete populations for collections? → Are internal controls in place and effective to ensure all payments received are recorded and deposited timely?	900
3	Civil Service	Personnel Appeals	→ Are policies and procedures effective to ensure fair application of internal employee appeals and appeals of terminations and demotions of City employees?	900
4	Dallas Fire-Rescue	Uniform Personnel Recruitment and Candidate Selection	→ Are candidate sourcing strategies and community outreach effective? → Are candidate sourcing strategies aligned with department diversity strategy? → Does the candidate selection process reflect best practices and promote a quality hire?	900
5	Dallas Police	Uniform Personnel Recruitment and Candidate Selection	→ Are candidate sourcing strategies and community outreach effective? → Are candidate sourcing strategies aligned with department diversity strategy?	900

No.	Department/ Division	Topic	Preliminary Objective(s)	Hours Estimate
			Fiscal Year 2022 Audit Work Plan	
			→ Does the candidate selection process reflect best practices and promote a quality hire?	
6	Dallas Police	Body-Worn and In-Car Camera Operations	→ Are controls in place to ensure body-worn camera users comply with the Dallas Police Department's directives for body-worn cameras? → Are controls in place to ensure in-car camera users comply with the Dallas Police Department's directives for in-car cameras?	900
7	Development Services	Enterprise Fund Expenses	→ What are the top ten expense categories the Development Services Enterprise Fund uses? Do the uses promote the public good? → Are there unusual financial transactions where the public benefit cannot be explained?	900

8	Economic Development	Economic Development Incentive Programs	→ Are development incentives managed to provide maximum public good?
			    - Payment in lieu of taxes
			    - Discounted land sales and land write-downs
			    - Development/ redevelopment district creation
			    - Permit fee waivers
			    - Tax increment financing
			 → Development infrastructure grants
				900

9	Human Resources / Civil Service	Talent Acquisition	→ Is the talent acquisition process efficient? → Are candidate sourcing strategies and community outreach effective? → Does the candidate selection process reflect best practices and promote a quality hire? → Are candidate sourcing strategies aligned with the City's diversity strategy?	900

No.	Department/ Division	Topic	Preliminary Objective(s)	Hours Estimate
Fiscal Year 2022 Audit Work Plan				
10	Information and Technology Services	Cybersecurity	→ How do Information and Technology Services' cybersecurity capabilities benchmark with the Cybersecurity Capability Maturity Model (C2M2), Version 2 Toolkit? a) Asset, Change, and Configuration Management b) Threat and Vulnerability Management c) Risk Management d) Identity and Access Management e) Situational Awareness f) Event and Incident Response, Continuity of Operations g) Third-Party Risk Management h) Workforce Management i) Cybersecurity Architecture j) Cybersecurity Program Management	900
11	Information and Technology Services	SAP Business Consulting Division/ Deloitte Consulting	→ Is SAP user-provisioning managed and access maintained using the principle of least privilege? → Are the Deloitte Consulting contract performance and billings to contract pricing terms monitored? → Is contracting with a third party efficient for this service?	900
12	Office of Budget & Management Services	Franchise Fees Compliance	→ Verify franchise fees (which may include utilities, cable, and telephone), identified by a third-party vendor on a percentage of recovery basis, are received by the City and vendor invoices are accurate.	100
13	Office of Budget & Management Services	Sales/Use Tax Compliance	→ Verify sales/use taxes, identified by a third-party vendor on a percentage of recovery basis, are received by the City and vendor invoices are accurate.	300

No.	Department/ Division	Topic	Preliminary Objective(s)	Hours Estimate
Fiscal Year 2022 Audit Work Plan				
14	Office of Community Care	Women Infants and Children (WIC) Supplemental Nutrition Program Administration	→ Are uniform policies, procedures, and practices for program eligibility in place and followed at each field office? → Are levels of compliance with program eligibility requirements consistent at each field office? → Can program service delivery and compliance be improved?	900
15	Office of Environmental Quality & Sustainability	Environmental Stewardship Training	→ Is the environmental stewardship training program effective and efficient?	900
16	Office of Risk Management	General Liability and Subrogation Claims Administration	→ Do citizens have a fair and accessible means to address claims? → Are claims reserve amounts and insurance coverage methodically determined? → Do controls ensure subrogation amounts and/or insurance claims are identified, investigated, and collected?	900
17	Procurement Services	Procurement Advertisement Practice	→ Does the procurement advertisement practice reflect best practices to promote competition and competitive pricing? → Are scope of work/specifications written in a manner that promotes competition and competitive pricing?	600
18	Multiple Departments	Fiscal Year Budget Revenue Estimates	→ Does the City of Dallas have effective processes to ensure reasonable proposed budget revenues are included in the City Manager's *Fiscal Year 2023-24 Proposed Annual Budget*?	600
19	Sanitation Services	Personnel	→ Are department procedures effective to ensure fair application of personnel decision-making processes (hiring, promotion, discipline, termination, etc.)? → Do department procedures support fairness in the assignment of equipment, work assignments, and other personnel benefits (Uniform Vouchers, etc.)?	900

No.	Department/ Division	Topic	Preliminary Objective(s)	Hours Estimate
		Fiscal Year 2022 Audit Work Plan		
20	To Be Determined	Capital Project X 1	→ Are controls implemented to ensure the fiscal management and administrative oversight for individual major construction projects? → Are costs charged to the construction project supported, reviewed, and approved? → Are costs closed out and capitalized in the City's fixed asset records?	900

No.	Department/Division	Topic	Potential Objective(s)	Hours Estimate
In-Progress Engagements from Fiscal Year 2021 Audit Work Plan				
1	Aviation	Capital Project	→ Administrative Directive 4.5 - *Contracting Standards and Procedures* attestation for Department of Aviation Construction Project Procurement – Crossfield Taxiways at Dallas Love Field.	600
2	City Attorney – Community Court	Community Courts Treatment Services	→ Are controls in place to ensure that the financial activities of the Community Court comply with applicable City of Dallas financial policies? → Are case files identified, tracked, and monitored for changes in case disposition authorized by a judge and changes in disposition recorded? → Are case files secured?	300
3	Dallas Animal Services	Dangerous and Aggressive Dog Investigation and Determination Process	→ Are controls in place to ensure dangerous and aggressive dog investigations comply with management's expectations and Dallas City Code? → Is the determination of dangerous and aggressive dogs efficient and effective?	700
4	Dallas Police	Overtime Time Management	→ Was there any unusual employee overtime usage that indicates waste or abuse? → Does the Dallas Police Department manage overtime in a way that limits the financial and operational impact to Department service delivery objectives?	300
5	Dallas Water Utilities	Storm Water Billing Calculations	→ Are property storm water impervious area determinations and fees in accordance with procedures and rate classification?	300

No.	Department/ Division	Topic	Potential Objective(s)	Hours Estimate
**In-Progress Engagements from Fiscal Year 2021 Audit Work Plan**
6	Equipment and Fleet Maintenance	Fleet Downtime Performance Monitoring	→ What is the source of various fleet downtime data? → How does the City of Dallas ensure the reliability of the collected downtime data? → What is the mean downtime or mean time to repair by vehicle category? → Has any of the downtime of any equipment resulted in needing to rent replacement equipment? If yes, how much did that cost? → What is the mean time between repairs for vehicles? → How do criteria used for fleet/equipment replacement compare to other similar cities/industry standards? → What is the mean downtime for vehicle body repair? → What percentage of vehicles experience downtime for bodywork versus mechanical work?	600
7	Human Resources	Language Incentive and Jury Duty Pay	→ Does documentation support employee language incentive and jury duty compensation? → Are language incentives and jury duty compensation calculated correctly? → Are there other best practices or alternative incentives to ensure City employees can communicate with our citizens?	300
8	Housing and Neighborhood Revitalization	Home Buying and Preservation Assistance	→ Does the Homebuyer Assistance Program: (1) align with governance requirements; and, (2) meet the City's objectives for the program? → Does the Home Improvement and Preservation Program: (1) align with governance requirements; and, (2) meet the City's objectives for the program?	450

No.	Department/ Division	Topic	Potential Objective(s)	Hours Estimate
In-Progress Engagements from Fiscal Year 2021 Audit Work Plan				
9	Information and Technology Services	Incident Response Plan	→ Is the computer incident response plan documented, communicated, and practiced helping to minimize the impact of harmful computer incidents? → Are backup logs complete and reviewed for exceptions?	150
10	Mayor and City Council Office	Special Audit	Special Audit to determine if former City Council members: → Controlled and accounted for City assets. → Officeholder account expenditures were for a public purpose, → Were removed as authorized agents of the City. → Did not have any outstanding City debts.	400
11	Office of Budget & Management Services/ Aviation	Coronavirus Aid, Relief and Economic Security --or CARES -- Act	→ Do expenditures claimed for CARES Act funding comply with the Act's expense eligibility requirements? → Does documentary evidence support expenditures claimed for CARES Act funding? → Are CARES Act periodic reports accurate?	150
12	Office of Homeless Solutions / Office of Emergency Management	Invoice Payment Internal Controls	→ Part II Engagement: Are internal controls for the review and payment of hotel invoices effective?	300
13	Office of Community Police Oversight	Police Community Oversight	→ Is the work of the Office in compliance with the authorization given by the Community Police Oversight Board (Board)/City Manager and/or with City Codes? → Are the marketing procedures consistent with the direction the Board and the City Manager have given the Office? → Does the job description for the Office staff align with the functions of the Office described in the City Codes? → Does the Office manage its fiscal resources?	250

No.	Department/ Division	Topic	Potential Objective(s)	Hours Estimate
In-Progress Engagements from Fiscal Year 2021 Audit Work Plan				
14	Public Works	Road-Paving Engineering, Construction, Inspection, Maintenance, and Repair Costs	→ Are paving costs (cost per linear mile, percentage allocated to engineering consulting, engineering, and inspection) comparable with peer organizations? → Does documentation exist to support reported paving performance indicators? → Is the road work prioritization process equitable? → Are street cuts for utility work coordinated and repairs inspected?	300
15	Transportation	Traffic Pedestrian Safety Controls	→ Does Transportation have effective and efficient traffic control operations in relation to pedestrian safety? → Does the Dallas Police Department have pedestrian safety enforcement or public education initiatives? → Does the Department of Transportation effectively support the School Crossing Guard Program?	200

No.	Department/ Division	Topic	Potential Objective(s)	Hours Estimate
Prescribed Assurance or Other Services				
1	Multiple Departments	Special Audits	Conduct audits under *Chapter IX, Section 4* of the City Charter of officers who vacate their offices due to death, resignation, removal, or expiration of term.	600
2	Multiple Departments	Attestations	Conduct audits under City Administrative Directive 4.5 - *Contracting Standards and Procedures*, of all construction projects with an estimated contract award of $50 million and greater, prior to City Council consideration.	600
3	Multiple Departments	Prior Audit Follow-Up	City Auditor Responsibilities and Administrative Procedure Requirement to evaluate City Management's implementation of high impact prior audit recommendations.	1,200
4	Multiple Departments	Fraud, Waste and Abuse Investigations	Evaluate allegations of fraud, waste, and abuse, conduct investigations, and educate employees.	5,000
5	Multiple Departments	Council and Management Assistance	Unplanned assurance or advisory services requested by the Mayor, Council Members, or City management. Review Council annual attendance records in accordance with *Council Rules of Procedures 4.13*.	2,000

Audit Plan Total Estimated Work Hours   **30,700**

Available Resource Work Hours   **23,000**