

Memorandum



DATE: May 14, 2015

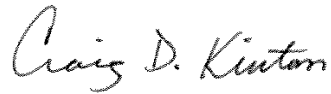
TO: Honorable Members of the Budget, Finance & Audit Committee –
Jerry R. Allen (Chair); Jennifer Staubach Gates (Vice Chair);
Tennell Atkins, Mayor Pro Tem; Sheffie Kadane; Philip T. Kingston

SUBJECT: Presentation to the Budget, Finance & Audit Committee:
Office of the City Auditor Preliminary Fiscal Year 2016 Budget Proposal

I will provide a briefing to the members of the Budget, Finance & Audit Committee on Monday, May 18, 2015 regarding:

- Office of the City Auditor Preliminary Fiscal Year 2016 Budget Proposal

Sincerely,



Craig D. Kinton
City Auditor

Budget, Finance and Audit Committee

Office of the City Auditor Preliminary Fiscal Year 2016 Budget Proposal



City of Dallas
Office of the City Auditor
May 18, 2015





Preliminary Budget Proposal – City Charter

- The Office of the City Auditor (Office) is established by the City of Dallas (City) Charter, Chapter IX as an independent audit function with the primary responsibility of serving at the direction of the City Council.
- **Proposition 5 (11-04-2014) Amended Ch. XI, Sec 2**

The city auditor shall furnish a detailed budget estimate of the needs and requirements of the city auditor's office for the coming year directly to the city council, to be approved by the city council, and then consolidated with the city manager's annual budget estimate. (Amend. of 11-8-05, Prop. No. 13; Amend. of 11-4-14, Prop. No. 5)



Preliminary Budget Proposal – Mission and Purpose

Mission

Promote public trust and advance accountability through independent, objective, and useful professional services

Purpose

To assist the Council with oversight responsibilities and management with operational responsibilities

Objective assessments provide information regarding:

- ❑ Accountability of City resources
- ❑ Adequacy of internal controls
- ❑ Accuracy of information
- ❑ Efficiency and effectiveness of City programs, projects, and departments



Preliminary Budget Proposal – Overview

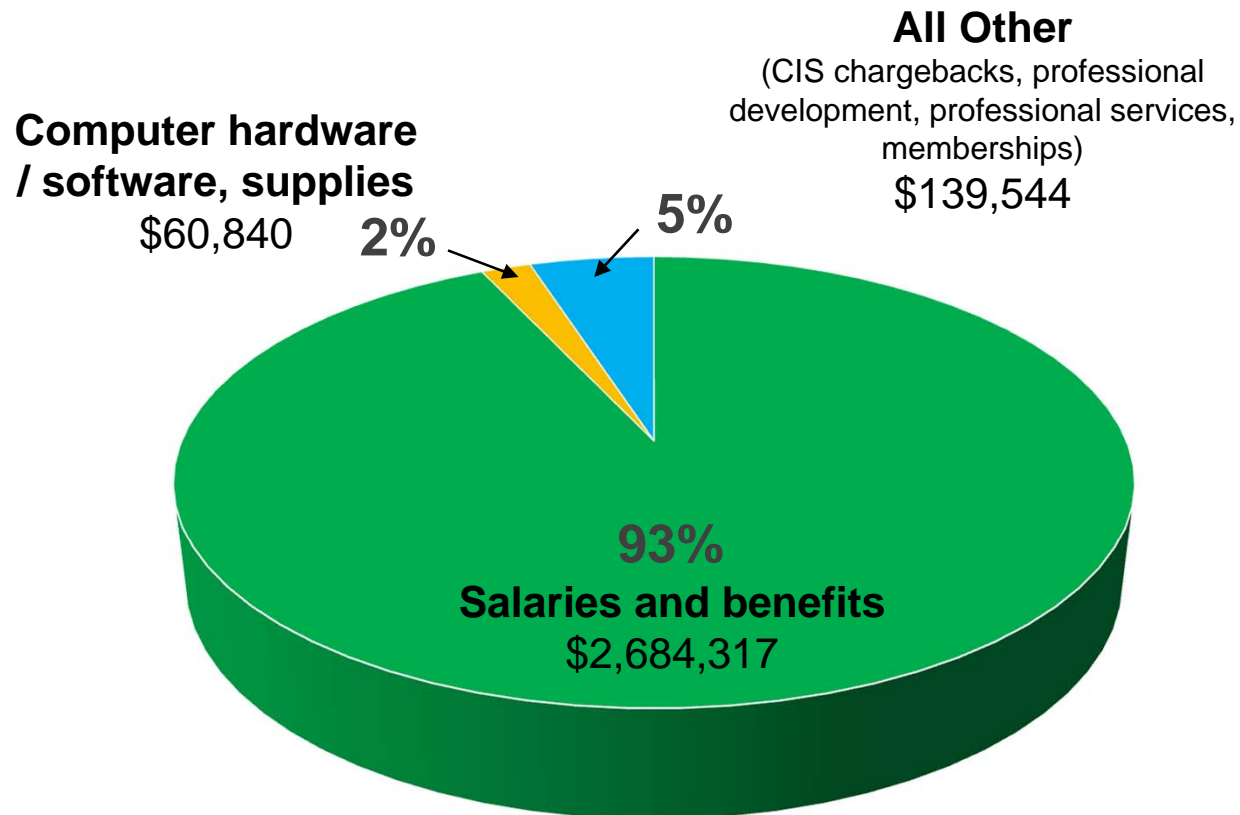
	FY 2014-2015 Budget	FY 2014-2015 Estimate	FY 2015-2016 Total Proposed
Total Expenditures	\$ 2,844,107	\$ 2,815,337	\$ 2,884,701
Total FTEs	23.1	23.1	25



Preliminary Budget Proposal – Major Items

- Full-year funding of FY 2015 merit increases that were effective January 2015
- Full funding for 25 authorized positions (less five percent projected turnover)
- Funding for Peer Review Services required once every three years (\$12,500)
- Funding for four VMware support licenses for three-year period (\$8,675)

Preliminary Budget Proposal – Breakdown





Preliminary Budget Proposal – Final Adjustments Needed

- Decision on merit increases
- Pension costs
- Health costs
- Worker's Comp rates
- Property, casualty and public liability insurance
- CIS chargebacks



Preliminary Budget Proposal – Revenue Impact

- Provides broad-based control supporting operational responsibilities, including revenue collections
- Administers sales/use tax compliance contract providing additional revenue of \$1.8 million in Fiscal Year (FY) 2014
- Administers utility franchise fee audit, revenue results not yet known



Preliminary Budget Proposal – FY 2014 Results

Outputs

Performance Audits	14
Attestations	16
Investigative Reports	20
Nonaudit Services	4

Efficiency

Percentage of Hours on Direct Projects	76%
Billable Rate	\$ 81.72



Preliminary Budget Proposal

Outcomes

City management's implementation of Office recommendations can require significant time, effort, and/or financial and operational resources; outcomes generated from these recommendations may not be realized for several years. For example:

- City's Ethics Program (February 2012)
- Design of the Continuity of Operations Basic Plan (September 2013)
- Self-Insured Medical Program (February 2014)
- Software Licenses (April 2014)

QUESTIONS?



**City of Dallas
Office of the City Auditor
May 18, 2015**

