

# Memorandum



**DATE:** May 13, 2016

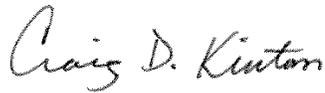
**TO:** Honorable Members of the Budget, Finance & Audit Committee –  
Jennifer S. Gates (Chair); Philip T. Kingston (Vice Chair);  
Deputy Mayor Pro Tem Erik Wilson; Rickey D. Callahan;  
Scott Griggs; Lee M. Kleinman

**SUBJECT:** Office of the City Auditor Preliminary Fiscal Year 2017 Budget Proposal

I will provide a briefing to the members of the Budget, Finance & Audit Committee on Monday, May 16, 2016 regarding:

- Office of the City Auditor Preliminary Fiscal Year 2017 Budget Proposal

Sincerely,



Craig D. Kinton  
City Auditor

C: Honorable Mayor and Members of the City Council  
A.C. Gonzalez, City Manager  
Christopher D. Bowers, Interim City Attorney  
Rosa A. Rios, City Secretary  
Jeanne Chipperfield, Chief Financial Officer  
Daniel F. Solis, Administrative Judge  
Jack Ireland, Director – Office of Financial Services  
Elsa Cantu, Assistant to the City Manager – Mayor & Council

Ryan S. Evans, First Assistant City Manager  
Eric D. Campbell, City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Mark McDaniel, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Sana Syed, Public Information Officer

# Office of the City Auditor Preliminary Fiscal Year 2017 Budget Proposal



City of Dallas  
Office of the City Auditor  
May 16, 2016



# Preliminary Budget Proposal – City Charter

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- 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

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## Mission

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

# Preliminary Budget Proposal – Overview

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	<b>FY 2015-2016 Budget</b>	<b>FY 2015-2016 Estimate</b>	<b>FY 2016-2017 Total Proposed</b>
<b>Total Expenditures</b>	\$ 3,004,057	\$ 3,004,064	\$ 3,106,152
<b>Total FTEs</b>	25.0	24.2	25.8

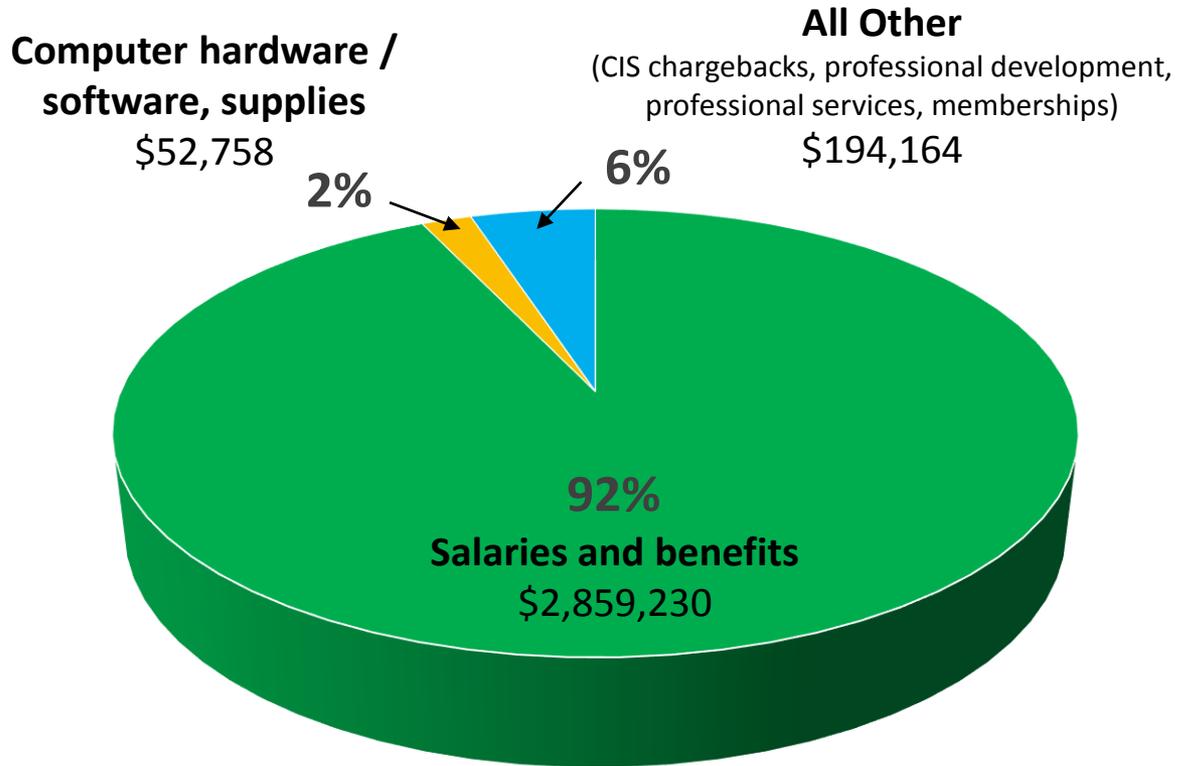
# Preliminary Budget Proposal – Major Items

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- Addition of one full-time Executive Assistant FTE
- Funding for Information Technology server maintenance assistance
- Full-year funding of FY 2016 merit increases that were effective December 2015

# Preliminary Budget Proposal – Breakdown

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# Preliminary Budget Proposal – Final Adjustments Needed

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- 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

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- Audits provide oversight of controls supporting operational responsibilities for revenue collections
- Office administers sales/use tax compliance contract
- Office administers outsourced audit of utility franchise fees

# Preliminary Budget Proposal – FY 2015 Results

	FY 2015 Target	FY 2015 Actual	FY 2016 Target	FY 2016 YTD Actual
<b>Outputs</b>				
Performance Audits	15	13	15	8
Attestations	12	19	13	0
Investigative Reports	7	10	17	12
Nonaudit Services	6	5	6	5
<b>Efficiency</b>				
% of Hours on Direct Projects	73%	79%	73%	77%
Hourly Billable Rate	\$87.19	\$80.41	\$80.94	\$78.18

# Preliminary Budget Proposal

## Outcomes

City management’s implementation of Office recommendations improves city operations and delivery of city services

	FY 2015 Target	FY 2015 Actual	FY 2016 Target	FY 2016 YTD Actual
<b>Outcome Measures Include:</b>				
Percentage of Recommendations Management Agrees to Implement	90%	91%	90%	98%
Percentage of Recommendations Implemented by Management	---	---	90%	---
Percentage of Substantiated Fraud/Waste/Abuse Complaints Resulting in Accountability Actions	---	---	100%	---

# QUESTIONS?



**City of Dallas**  
**Office of the City Auditor**  
**May 16, 2016**

