

Memorandum



CITY OF DALLAS

DATE February 1, 2019

TO Government Performance & Financial Management Committee

SUBJECT Auditor Nomination Commission Update

The February 4 meeting of the Government Performance & Financial Management Committee includes an agenda item to review the Auditor Nomination Commission process. Below is a brief update concerning applicants received and upcoming key dates to help facilitate our discussion.

Applicant Update

The City's search consultant, GovHR USA received 28 applicants, and is proceeding to interview and vet 12 of those applicants. The consultant will meet with the Commission on February 12, and expects to reduce that to 6 candidates. If any additional applicants are received by February 21, GovHR USA will review applications, and present viable applicants to the Commission for consideration.

Remaining Key Dates

Feb. 12

Commission members will meet to review and select candidates sourced by GovHR USA to be interviewed on the 21st

Feb. 21

Commission members to conduct panel interviews with select candidates

March 3

Deadline for City Auditor Nominating Commission to recommend finalists to City Council

TBD

City Council conducts interviews with finalists; extends offer to successful candidate

Should you have any questions, please contact my Liaison, Lauren Clayton, at 214-670-3816 or lauren.clayton@dallascityhall.com

Thank you,

JENNIFER S. GATES

Councilmember, District 13

c: Honorable Mayor and Members of City Council
T.C. Broadnax, City Manager
Chris Caso, City Attorney (Interim)
Carol A. Smith, City Auditor (Interim)
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizzor Tolbert, Chief of Staff to the City

Majed A. Al-Ghafry, Assistant City Manager
Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
M. Elizabeth Reich, Chief Financial Officer
Laila Alequresh, Chief Innovation Officer
Directors and Assistant Directors

Executive Recruitment for

CITY OF DALLAS, TEXAS

GovHR USA is pleased to announce the recruitment and selection process for **City Auditor** for the **City of Dallas, Texas**. This brochure provides background information about the City of Dallas and the Office of City Auditor, as well as the expected qualifications for the position. The City Auditor is appointed by and reports to the Dallas City Council. The previous City Auditor retired after serving the City for twelve years. Additional information about Dallas can be found on the City's website: <https://dallascityhall.com/>.

Candidates interested in applying for this position should submit a cover letter, resume and contact information for five (5) work-related references by January 14, 2019, to www.GovHRjobs.com Questions regarding this opportunity should be directed to the Executive Recruiter working with the City of Dallas:

Stephen B. Veitch, Vice President

GovHRUSA, LLC
630 Dundee Road, Suite 130
Northbrook, Illinois 60062
847-380-3240
Cell: 480-216-9203
Formal Applications should be submitted to:
www.GovHRjobs.com



City of Dallas

CITY AUDITOR



PROFESSIONAL ANNOUNCEMENT

Dallas is the cultural and economic hub of the Dallas-Fort Worth metroplex. Ranked as the ninth largest city in the U. S. with a population of 1.3 million, and the third largest in Texas, Dallas is also the fourth largest metropolitan area in the country.

The City of Dallas is recruiting candidates for the executive level position of City Auditor. The ideal candidate will be a visionary and collaborative leader who will oversee the office of City Auditor which was established by the Dallas City Charter. The City Auditor is appointed by and reports to the Mayor and City Council governing body.

The City Auditor's Office is the independent auditing authority of the City organization. Its work is conducted in accordance with generally accepted auditing standards established for government auditors. The Office manages and conducts financial, performance and compliance audits of City departments and other entities that receive State or Federal funding. In addition, the Office manages and conducts a fraud, waste and abuse investigative function for the City.

As the leader of the office, the City Auditor combines critical thinking skills, technical expertise and experience, and project management techniques to plan, conduct and report on audits. The Auditor directs audit teams in performance of audit procedures including identifying standards, developing criteria and selecting appropriate methodologies to meet audit objectives. Additionally, the Auditor oversees operations of the Employee Retirement Fund (ERF) as a member of the Fund's board.

The successful candidate will have the following qualifications and experience:

- Bachelor's degree in accounting, business administration, finance, economics or related field and ten (10) or more years of progressively responsible experience in auditing, financial analysis, accounting or other relevant field, including substantial supervisory level experience, or an equivalent combination of education and experience that provides the necessary knowledge, skills and abilities. A graduate degree is desirable.
- Texas CPA license or ability to obtain within six (6) months of appointment. Certification as a Certified Internal Auditor, Certified Information Systems Auditor,



Certified Fraud Examiner or other certification(s) related to the auditing function are desirable.

- Experience in internal auditing, development of audit plans, developing vision, mission, goals and objectives of an audit organization, and leading and managing a team of auditors. Strong understanding of internal controls. Knowledge of internal audit best practices and proven ability to implement such practices. Knowledge of regulatory requirements and accounting policies and procedures.
- Experience in accounting, business process analysis, auditing of financial and information systems, and investigation of fraud, waste and abuse in a large municipal environment highly desirable. Experience in investment and pension administration is a plus.
- Superior leadership, communication and team-building skills. Strong ethical framework and standards. Ability to make independent decisions and defend them. A passion for innovation.

Starting salary negotiable DOQ/E. Attractive benefits package. Apply online by January 14, 2019 with resume, cover letter and contact information for five (5) work-related references to Stephen Veitch, Vice President, GovHRUSA, at www.GovHRjobs.com. Residency in the City of Dallas is required within a period of time to be established by the City Council. Information submitted by candidates may be subject to disclosure under the Texas Public Information Act.

DALLAS

Dallas is the ninth most populous city in the United States and third in Texas (after Houston and San Antonio). It is the principal city in the fourth largest metropolitan area in the nation, the largest in the southern U.S. and largest inland metropolitan area in the country. The Dallas-Fort Worth metroplex consists of 120 cities and has a population of more than 7.2 million. Dallas is the seat of Dallas County and extends into portions of Denton, Kaufman, and Rockwell counties.

Dallas and nearby Fort Worth initially developed as a result of construction of major rail lines through the region allowing access to cotton, cattle and, later, oil. The construction of the interstate highway system reinforced Dallas' prominence as a transportation hub. Four interstate highways converge in the city and a fifth loops around it. Dallas subsequently developed as a major industrial and financial center, and inland port, due to the convergence of railroads and highways and construction of Dallas/Fort Worth International Airport, one of the

largest and busiest airports in the world.

Dallas' economy is robust and diverse. Dominant sectors include defense, financial services, information technology, telecommunications and transportation. Nine Fortune 500 companies are headquartered within the city limits, with many others calling the Dallas–Fort Worth Metroplex home. The diverse population of Dallas descends from a myriad of ethnic and religious backgrounds, and Dallas is home to the sixth largest LGBT population in the United States.

Key City Facts

Population: 1,197,816 (2010 Census); 1,341,075 (2017 estimate)

Metro Area Population: 7,233,323 (2017)

Incorporated: February 2, 1856

Land Area: 385.8 sq. mi. (340.5 sq. mi. land; 45.3 sq. mi. water)

Median Household Income: \$47,285 (2017)

Median Value of Owner-occupied Housing Units: \$154,000 (2017)



MUNICIPAL ORGANIZATION

The City of Dallas is an iconic municipal organization. It is governed by an elected City Council comprised of fifteen members, and is one of the largest cities in the country utilizing the Council-Manager form of government. The City Manager is one of four City employees appointed by the City Council. The others are the City Attorney, the City Auditor, and the City Secretary.

The current City Manager began his service to the City on February 1, 2017. The City Manager is responsible for more than 12,000 employees and a budget of more than \$3.1 billion. Under his leadership, and that of the City Council, the City of Dallas is embarking on a path of great opportunity for growth and innovation that will make the City the leading choice for work, life and play.



OFFICE OF THE CITY AUDITOR

The Office of the City Auditor performs work for and under the direction of the Dallas City Council. The mission of the Office is to promote public trust and advance accountability by providing independent, objective and useful professional services for the City. The budget for the Office is approximately \$3.5 million. The budgeted staffing level is 26 FTEs.

The Office establishes an annual Audit Plan to guide its activities. Consisting of 25 programs and projects, the Audit Plan for Fiscal Year 2019 (ending September 30) includes a variety of audits, attestation engagements, and other professional services and demonstrates reflects a range of City Council Key Strategic Priorities:

- Public Safety
- Mobility Solutions, Infrastructure, and Sustainability
- Economic and Neighborhood Vitality
- Human and Social Needs
- Quality of Life
- Government Performance & Financial Management

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

- **Performance Audits** – Conducted to provide objective analysis to assist City Management and those charged with governance and oversight to improve program performance and operations, reduce costs, facilitate decision making by parties having responsibility to oversee or initiate corrective action, and contribute to public accountability.
- **Attestation Engagements** – Conducted to address a broad range of financial and non-financial objectives. An attestation engagement results in an examination, a review, or an agreed-upon procedures report on a subject or an assertion about a subject matter that is the responsibility of another party.
- **Financial Audits** – Conducted to provide an independent assessment of whether an entity's reported financial information is 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, which may or may not be performed in accordance with generally accepted government auditing standards, include:

- **Investigative Services** – The Office 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.

- **City Council Support** – The Office is authorized to conduct audits, attestation engagements or other professional services for individual City Council Members, provided the request will not impact completion of the Audit Plan.
 - **Management Assistance** – The Office is authorized to perform audit and attestation services, and other professional services, at the request of City Management to assist in carrying out City Management’s responsibilities.
 - **Litigation Support** – The Office is authorized to audit and attestation services, and other professional services, at the request of the City Attorney.
- 7) *determining that general accepted accounting procedures and principles are followed.*
 - 7) *Evaluating the adequacy of the city’s accounting system and controls.*
 - 8) *Reporting to the city council, the city council finance committee, and the city manager any irregularities or failures to maintain adequate and accurate records.*
 - 9) *Making such studies and reports as the city council shall request or approve as to the efficiency, economy, and effectiveness of the programs, projects, of departments, and reporting such data to the city council, the city council finance committee, and the city manager.*
 - 10) *Acting, on behalf of the city, as liaison to external auditing agencies that are reviewing or auditing city operations or city programs that may be federally or state funded.*



THE CITY AUDITOR

The office of City Auditor was established by the Dallas City Charter. The Charter lists ten (10) specific duties and responsibilities of the position as follows:

- 1) *Conducting financial audits, compliance audits, economy and efficiency audits, special audits, and investigations.*
- 2) *Conducting, at the direction of the city council of the city council finance committee, and audit or investigation of any entity receiving funds from the city.*
- 3) *Ensuring the quality and accuracy of information received for business decision-making and for improvement of the processes and controls used to effectively manage city resources.*
- 4) *Monitoring and evaluating the city’s accounting and property records, funds, general accounting system, and records of city officers authorized to receive money or other property belonging to the city.*
- 5) *Examining the books, accounts, reports, vouchers, and records of city officers, of funds of the city, and of funds for which the city is responsible as trustee.*
- 6) *Appraising and verifying the accounting accuracy of financial records, statements, and reports, and*

Additionally, Dallas City Code designates the City Auditor as a voting member of the Employees’ Retirement Fund (ERF) Board of Trustees.

When a vacancy in the position of City Auditor occurs, Dallas City Code provides that a City Auditor Nominating Commission be appointed to nominate to the City Council one or more candidates for City Auditor. A Nominating Commission has been convened in connection with the current vacancy and intends to complete its work on or before March 1, 2019.

The City Auditor is appointed for a two-year renewable term. The previous City Auditor retired after serving the City for twelve years.

Challenges and Opportunities

The next City Auditor can expect to work with elected officials, City Management, Office of the Auditor Staff, and city staff on a number of near-term priorities including:

- Successful completion of the Fiscal Year 2019 Audit Plan and development of the Fiscal Year 2020 Audit Plan.
- Updating policies and procedures in the Office of the City Auditor to streamline and modernize operations, and working with staff to take the Office to the next level in terms of systems and methods.
- Establishing strong professional relationships with peer City of Dallas officials, the Office of City Controller, and other entities with which the Office of the City Auditor interacts.

CANDIDATE QUALIFICATION CRITERIA

The Dallas City Council is seeking candidates with high integrity, a collaborative approach, and an orientation toward results to serve as the next City Auditor. The following education, experience, leadership and management style criteria have been identified as important attributes for candidates to possess and demonstrate.

Education, Experience, Knowledge and Skills

- Bachelor's degree in accounting, finance, economics, or related field. A graduate degree in a related field is desirable.
- At least ten (10) years progressively responsible experience in auditing, financial analysis, accounting, or other relevant field, including substantial supervisory level experience. (An equivalent combination of education and experience that provides the necessary knowledge, skills and abilities may be considered.)
- A Texas CPA license of ability to obtain with six (6) months of appointment. Certification as a Certified Internal Auditor, Certified Information Systems Auditor, Certified Fraud Examiner or other certification(s) related to the auditing function are desirable
- Experience in internal auditing and development and implementation of audit plans.
- Knowledge of internal audit best practices and proven ability to implement such practices.
- Experience in public sector accounting and business process analysis.
- Experience in auditing of financial and information systems.
- Experience developing vision, mission, goals and objectives of an audit organization, and leading and managing a team of auditors.
- Experience in recruiting and developing staff.

- Strong understanding of internal controls.
- Knowledge of regulatory requirements and accounting policies and procedures.
- Proven ability to make independent decisions and defend them.
- Ability to see future problems and opportunities and to develop and adapt systems and methods to meet future needs.
- Ability to develop recommendations and improvement plans.
- Ability to be flexible and to switch priorities and projects quickly in response to rapidly changing conditions.
- Superior leadership, communication and team-building skills.
- Experience on investigation of fraud, waste and abuse in a large municipal environment is highly desirable.
- Experience in investment and pension administration is a plus.

Management and Leadership Style

The ideal candidate will:

- Be a person with a strong ethical framework who exhibits the highest standards of honesty and integrity.
- Have a strong executive presence.
- Have a passion for innovation and for taking an organization to the "next level".
- Be a person who leads with an inclusive and collaborative style and deals with all in a professional, fair, straightforward, and responsive manner.
- Be a person who believes in and has a history of organizational transparency and encouraging involvement and input of staff.

- Be a critical thinker able to distill information with clarity and who provides considered advice and a steady voice.
- Be a person who is flexible and welcomes change, and who is willing to question the status quo and be a force for constructive and positive change.
- Be a person who exhibits a calm, disciplined and communicative demeanor.
- Be a patient, resilient, and visionary leader with the ability anticipate problems and opportunities, and understand current and past practices without being constrained by them.
- Be a person who is comfortable working in a complex environment.
- Be a good listener.

COMPENSATION AND BENEFITS

The starting salary for the City Auditor is negotiable, dependent upon the qualifications and experience of the candidate selected. The City of Dallas offers an attractive benefits package. The position participates in the Dallas Employee's Retirement Fund (ERF).

