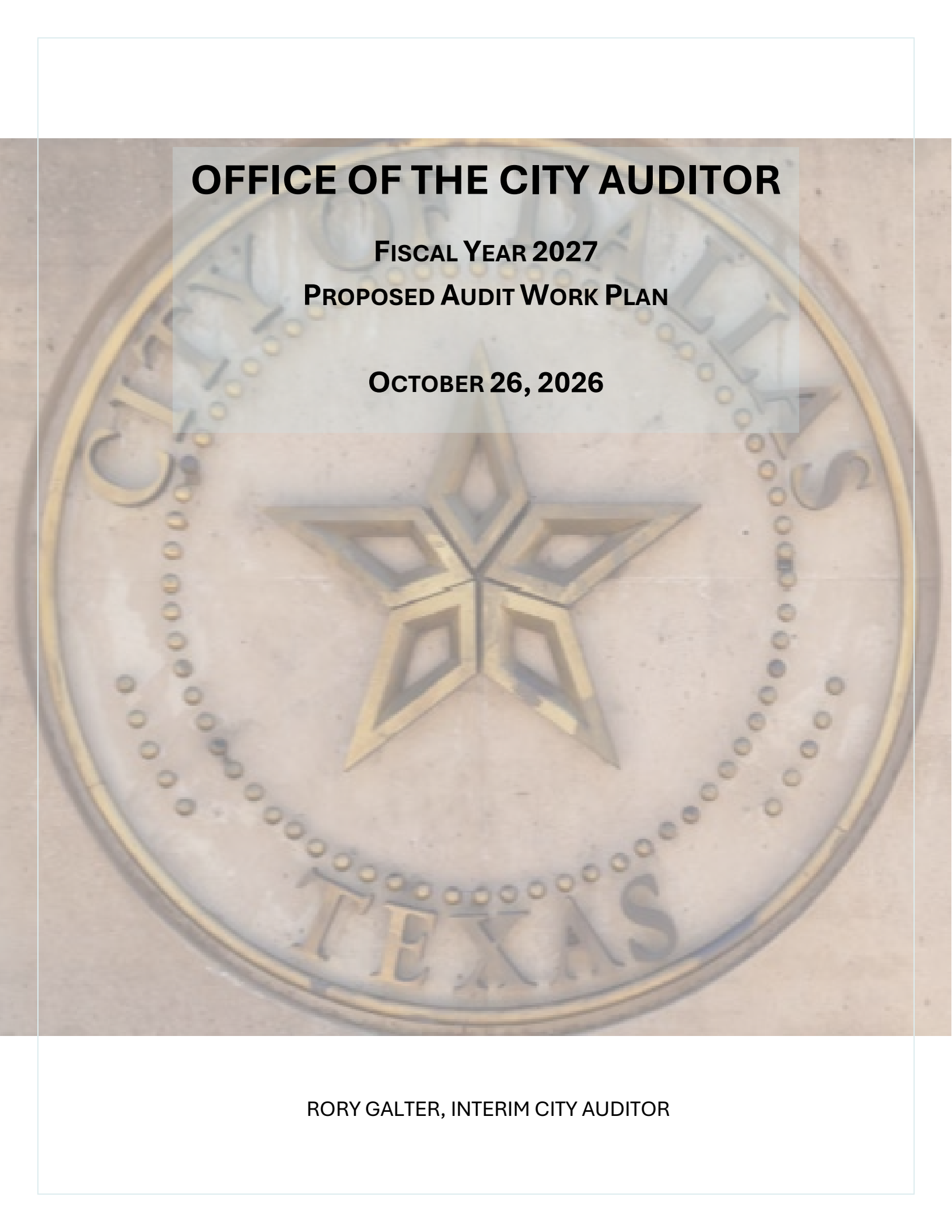


The background of the page is a large, faded seal of the City of Dallas, Texas. The seal is circular with a five-pointed star in the center. The words "CITY OF DALLAS" are inscribed around the top half of the inner circle, and "TEXAS" is at the bottom. A dotted line separates the outer text from the inner star.

OFFICE OF THE CITY AUDITOR

**FISCAL YEAR 2027
PROPOSED AUDIT WORK PLAN**

OCTOBER 26, 2026

RORY GALTER, INTERIM CITY AUDITOR

FISCAL YEAR 2027 RECOMMENDED 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 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 2027 Recommended Audit Work Plan (Audit Plan) is designed to address risks 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 2027.

This Audit Plan is based on a risk prioritization assessment updated in Summer 2026 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 18,000 resource hours to complete 15 audit or attestation engagements and other advisory services.

This Audit Plan is a working document in which the City Auditor is authorized to amend the Audit Plan when deemed necessary by the City Auditor's professional judgment. The City Council will be notified concerning additions, deletions, or other changes to this Audit Plan. The Audit Plan includes audits, attestation engagements, and other advisory 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, efficiency, ethics, and equity; 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) is presented fairly and follows 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 following generally accepted government auditing standards. These additional professional services include:

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, an individual 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 Committee on Finance, 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 in 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.

INDEPENDENCE DISCLOSURES

Section 40A-2. (c)(1)(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 concerning any audit work that might be conducted at the Employees' Retirement Fund. If applicable, the effects of this independence concern on audit work will be identified in any final reports.

COMPETENCY AFFIRMATION

The City Auditor reviewed the Recommended Audit Work Plan. The City Auditor believes the Office of the City Auditor staff and 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 audit engagements.

FISCAL YEAR 2027 AUDIT WORK PLAN ENGAGEMENTS

AUDIT ENGAGEMENTS SHADED IN YELLOW ARE PRIORITIZED TO START WHEN RESOURCES ARE AVAILABLE

No.	DEPARTMENT/ DIVISION	TOPIC	PRELIMINARY OBJECTIVE(S)	HOURS ESTIMATE	REQUESTED OR SUGGESTED
1	Aviation	Revenue Collection	- Does Aviation calculate airline landing fees, gate rentals, terminal charges, and other contractual fees in accordance with approved rates, contracts, and City ordinances? - Are all billed airline fees collected and deposited timely and complete? - Are airlines complying with lease agreements, use-and-lease contracts, and FAA guidelines related to airport fee payments?	1,000	
2	Park & Recreation	Contract Oversight	- Are contracts monitored to ensure the expected services/products received meet the contract terms? - Does the Department have protocols in place to ensure contracts that are expiring are replaced if the service needs to continue?	1,000	Council Members Johnson, Roth, and Mendelsohn
3	Multiple Departments	Multi-Year Fund Management	- Determine the number of multi-year funds and amount in existence. - Is there an authoritative document that guides the yearly amount posted to and uses of funds from the multi-year fund? - Are there controls in place to monitor the adequacy of the multi-year fund balance?	1,000	

FISCAL YEAR 2027 AUDIT WORK PLAN ENGAGEMENTS

AUDIT ENGAGEMENTS SHADED IN YELLOW ARE PRIORITIZED TO START WHEN RESOURCES ARE AVAILABLE

No.	DEPARTMENT/ DIVISION	TOPIC	PRELIMINARY OBJECTIVE(S)	HOURS ESTIMATE	REQUESTED OR SUGGESTED
4	Multiple Departments	Fiscal Year Budget Revenue Estimates	- Does the City have effective processes to ensure reasonable proposed budget revenues are included in the City Manager's Fiscal Year 2027-28 Proposed Annual Budget?	800	Director of Budget & Management Services
5	Multiple Departments	Third-Party Risk Management	- Does the City have a comprehensive inventory of third-party providers and total cost by fiscal year? - Has the City categorized and analyzed spending by type of service for redundancy? - Does the City have a process to identify, define, and manage third-party risks? - Which type of procurement method is used most frequently and does this procurement method increase risk of abuse? - Are third parties handling data that requires a specific level of control – such as PCI, HIPPA, CJIS? - How does the City validate that third parties are following all relevant laws, regulations, and technical requirements for data security?	1,000	
6	Office of Budget & Management Services	Sales/Use Tax Compliance	- Are sales/use taxes identified by a third-party vendor on a percentage of recovery basis received by the City and vendor invoices are accurate?	800	Chief Financial Officer

FISCAL YEAR 2027 AUDIT WORK PLAN ENGAGEMENTS

AUDIT ENGAGEMENTS SHADED IN YELLOW ARE PRIORITIZED TO START WHEN RESOURCES ARE AVAILABLE

No.	DEPARTMENT/ DIVISION	TOPIC	PRELIMINARY OBJECTIVE(S)	HOURS ESTIMATE	REQUESTED OR SUGGESTED
7	Procurement Services	Contract Execution	- Is the City's end-to-end procurement cycle timely and reasonable? - How does the City compare to other cities for procurement model (centralized vs decentralized), use of technology, resource levels?	1,000	City Management Survey
8	Information & Technology Services	Software Licensing	- Is the City monitoring software licenses to ensure it is managing the licenses efficiently and effectively?	1,000	Council Member West
9	Dallas Police Department / Equipment and Fleet Management	Vehicle Auctions	- Is the City effectively managing its vehicle auctions to ensure it is maximizing revenue and has anticipated internal controls?	1,000	
10	Judiciary	Judiciary Court Staffing Level and Performance Measures	- Are Judiciary Court staff levels aligned with the volume of court cases heard? - Are Judiciary's performance measures reflective of the actual operations?	1,000	Council Member West
11	Dallas Water Utilities	2024 Dallas Long Range Supply Water Plan	- Does the long-term water plan comply with Texas requirements? - Are the projection methodologies used to develop the plan reasonable?	1,000	

FISCAL YEAR 2027 AUDIT WORK PLAN ENGAGEMENTS

AUDIT ENGAGEMENTS SHADED IN YELLOW ARE PRIORITIZED TO START WHEN RESOURCES ARE AVAILABLE

No.	DEPARTMENT/ DIVISION	TOPIC	PRELIMINARY OBJECTIVE(S)	HOURS ESTIMATE	REQUESTED OR SUGGESTED
			- Are the recommendations being implemented and meeting recommended timelines?		
12	Dallas Police Department	Flock Camera Program	- Are procedures in place to guide the use of Flock Cameras and are the procedures being followed? - Are results from the use of Flock Cameras accurately reported? - How does the Flock Camera program compare to peer cities in terms of use and results?	1,000	Council Member Cadena
Total Fiscal Year 2027 Engagement Effort				11,600	

IN PROGRESS ENGAGEMENTS FROM FISCAL YEAR 2026 AUDIT WORK PLAN

No.	Department/ Division	Topic	Objective(s)	Remaining Hours	Requested or Suggested
1	Facilities and Real Estate Management	City Leases	→ Are leases comparable to benchmarks for similar real estate? → Does lease monitoring maximize lease utilization? → Does lease monitoring identifies opportunities to renegotiate or terminate leases?	200	Council Members West / Willis
2a	Dallas Fire-Rescue / Dallas Police / Information & Technology Services - 911	911 Phase 1 - Communications Center Timeliness	→ Are 911 calls received and dispatched timely? → Are 911 calls coded correctly and consistently? → Are 911 performance measures accurately captured, tracked, and reported to appropriate parties to evaluate and manage actual performance? → Are 911 center employees trained to meet job expectations and monitored to ensure proper protocols and procedures are followed?	300	
2b	Dallas Fire-Rescue / Dallas Police / Information & Technology Services - 911	911 Phase 2 - Response Times	→ Are 911 calls responded to timely? → Are 911 response time performance measures accurately captured, tracked, and reported to appropriate parties to evaluate and manage actual performance?	800	
3	Express Business Center	Cost Recovery	→ Is the Express Business Center following revenue and expense procedures in accordance with standards?	200	

IN PROGRESS ENGAGEMENTS FROM FISCAL YEAR 2026 AUDIT WORK PLAN

No.	Department/ Division	Topic	Objective(s)	Remaining Hours	Requested or Suggested
			→ Does the Express Business Center efficiently manage print, mail, and convenience store inventories? → Is the City Store Division cost-effective in disposing of surplus and unclaimed property?		
4	Office of Environmental Quality & Sustainability	Climate Control	→ Does the Climate Action Plan prioritize activities that will have the most impact? → Are oversight mechanisms in place to help the City meet its Climate Action Plan goals? → Is the Office of Environmental Quality and Sustainability reporting regularly on its progress toward Climate Action Plan Goals?	200	Former Council Member Shultz
5	Dallas Municipal Court	Revenue Collection	→ Are court fines, fees, and costs properly assessed, collected, recorded, and deposited in accordance with city policies and legal requirements?	700	
6	Information & Technology Services - Radio	Security and Compliance	→ Are radio communication standards applied correctly and consistently (encryption, CJIS, etc.)? → Is radio communication equipment aligned with federal regulations? → Are in-car radios, handheld, and fixed communication devices tracked, maintained, and replaced according to a lifecycle plan?	300	Council Member Mendelsohn
7	Library	System Implementation	→ Have all locations where patron personal identifiable information is collected, stored,	300	

IN PROGRESS ENGAGEMENTS FROM FISCAL YEAR 2026 AUDIT WORK PLAN

No.	Department/ Division	Topic	Objective(s)	Remaining Hours	Requested or Suggested
			transmitted, or processed (including third parties) been identified? → Are patrons informed of privacy risks and limitations when using library computers, networks, and Wi-Fi? → Does Dallas Public Library ensure third party systems are compliant with data privacy requirements and contractual obligations? → Does the City and third parties clearly disclose how patron data is collected, used, stored, and shared?		
8	Dallas Police Department	Crime Statistics	→ Are controls in place to ensure the crime statistics reported to the Federal Bureau of Investigation are accurate?	850	
9	Dallas Water Utilities	DallasGo Platform	→ Has Dallas Water Utilities effectively transitioned to its new payment platform - DallasGo? → Does DallasGo have information security protocols in place for access controls and separation of duties?	850	
10	Office of Risk Management	Internal Controls	→ Does the Office of Risk Management ensure controls are in place to prevent City insurance coverage from lapsing?	500	

IN PROGRESS ENGAGEMENTS FROM FISCAL YEAR 2026 AUDIT WORK PLAN

No.	Department/ Division	Topic	Objective(s)	Remaining Hours	Requested or Suggested
11	Office of Housing and Community Empowerment	Cost Benefit Analysis of Women, Infant, and Children Program	→ What are the steps needed to transfer this program to another agency? → Does the current program recover the full cost of providing the service? → Are we benefitting financially from providing this program? → Is it possible to terminate the current contract with the State?	320	Committee on Government Efficiency
12	Convention & Event Services	Construction Project Management	→ Are Convention & Event Services' Master Plan Components progressing on time? → Is Convention & Event Services meeting timelines for external parties? → Is contingency management working effectively for Convention & Event Services projects?	850	
13	Dallas Fire - Rescue	Staffing Model	→ Is the staffing model documented, regularly updated, and considers alternative models? → Are the causes of overtime tracked and reviewed for alignment with the staffing model? → How does the staffing model align with staffing model in peer cities?	900	
Total In-Progress Fiscal Year 2027 Engagement Estimated Effort				7,270	

PRESCRIBED ASSURANCE OR OTHER SERVICES				
No.	Department/ Division	Topic	Potential Objective(s)	Hours Estimate
1	Multiple Departments	Special Audits	Conduct audits under Chapter IX, Section 4 of the <i>City Charter</i> of officers who vacate their offices due to death, resignation, removal, or expiration of term.	600
2	Multiple Departments	Attestations	Conduct audits under <i>City Administrative Directive 4-5 Contracting Standards and Procedures</i> , of all construction projects with an estimated contract award of \$100 million and greater, before City Council consideration.	1,000
3	Multiple Departments	Prior Audit Follow-Up	City Auditor responsibilities and Administrative Procedure Requirements to evaluate City Management's implementation of high-impact prior audit recommendations.	1,000
4	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.	3,000
Total Prescribed Assurance or Other Services Hours				5,600
Audit Plan Total Estimated Work Hours				24,470
Available Resource Work Hours				18,000