

Office of the City Auditor

Fiscal Year 2022 Auditor Briefing Update
Reports Released between June 18, 2022,
and August 12, 2022

August 22, 2022
Mark S. Swann, City Auditor

Government Performance & Financial Management Committee





Special Audit of Former City Council Members – June 2021

July 21, 2022

Mark S. Swann, City Auditor

Mayor

Eric Johnson

Mayor Pro Tem

Carolyn King Arnold

Deputy Mayor Pro Tem

Jaime Resendez

Council Members

Tennell Atkins

Adam Bazaldua

Paula Blackmon

B. Adam McGough

Cara Mendelsohn

Jesse Moreno

Omar Narvaez

Paul E. Ridley

Jaynie Schultz

Casey Thomas, II

Chad West

Gay Donnell Willis

Reports Issued – June 21, 2022

Special Audit of Former City Council Members

(Slide 1 of 3)

Objective and Scope:

The objectives of this audit were to determine if former City Council Members Jennifer S. Gates', Adam Medrano's, Lee M. Kleinman's, and David Blewett's: (1) debt was cleared prior to departure; (2) funds from City-Funded Officeholder accounts were applied correctly; and, (3) offboarding activities were completed timely.

What We Found:

Indebtedness to the City on behalf of the former Council Members was not observed.

Also:

- A portion of *Annual Statement of City-Funded Officeholder Accounts* expenditures could not be reconciled to the City's financial general ledger and supporting documentation could not be consistently located.
- Physical and computer access were not removed timely.

Reports Issued – June 21, 2022

Special Audit of Former City Council Members

(Slide 2 of 3)

What We Recommend:

Management should:

- Develop a process to identify the type of purchase (P-Card, T-Card, or accounts payable) along with the appropriate document reference to obtain receipts easily and supporting documentation for expenditures listed on *Annual Statement of City-Funded Officeholder Accounts* reports.
- Reconcile financial system general ledger transactions to expenditures listed on *Annual Statement of City-Funded Officeholder Accounts* reports.
- Verify the removal of physical and computer network access timely.

Management provided action plans for 4 of 4 recommendations (100 percent).

Reports Issued – June 21, 2022

Special Audit of Former City Council Members - Accepted Recommendations

(Slide 3 of 3)

- A.1:** Develop a process to identify the type of purchase (P-Card, T-Card, or accounts payable) along with the appropriate document reference to easily obtain receipts and supporting documentation for expenditures listed on *Annual Statement of City-Funded Officeholder Accounts* reports.
- A.2:** Modify the *Annual Statement of City-Funded Officeholder Accounts* reporting process to confirm all receipts and relevant supporting documentation for items included in the reports are retained for the duration of the records retention schedule.
- A.3:** Request the City Controller to provide the City's financial system general ledger transaction reports by unit (council district) and perform periodic reconciliations of expenditures on these reports to the information recorded on the *Annual Statement of City-Funded Officeholder Accounts* reports.
- B.1:** Obtain formal confirmation that physical and computer access removal is completed within two weeks of council members' last day of service.



Audit of Dallas Police Department Overtime – Final Report

August 9, 2022

Mark S. Swann, City Auditor

Mayor

Eric Johnson

Mayor Pro Tem

Carolyn King Arnold

Deputy Mayor Pro Tem

Omar Narvaez

Council Members

Tennell Atkins

Adam Bazaldua

Paula Blackmon

B. Adam McGough

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Jesse Moreno

Jaime Resendez

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Jaynie Schultz

Casey Thomas, II

Chad West

Gay Donnell Willis



Reports Issued – August 9, 2022

Audit of Dallas Police Department Overtime – Final Report (Slide 1 of 11)

Objective and Scope:

The objectives of this audit were to determine whether the Dallas Police Department manages overtime in a way that limits the financial and operational impact on service delivery objectives and to determine whether any unusual employee overtime usage indicates waste or abuse.

The scope of the audit was uniform and civilian overtime from October 1, 2018, to December 31, 2020.

Reports Issued – August 9, 2022

Audit of Dallas Police Department Overtime – Final Report (Slide 2 of 11)

Objectives and Conclusions:

1. Is there evidence that the Dallas Police Department manages overtime to keep it to a minimum?

Generally yes. The Dallas Police Department does have basic controls in place to keep overtime to a minimum. However, several best practices that could help reduce overtime expenditures are not used.

Reports Issued – August 9, 2022

Audit of Dallas Police Department Overtime – Final Report (Slide 3 of 11)

Objectives and Conclusions (continued):

2. Was there any unusual employee overtime usage that indicates waste or abuse at the Dallas Police Department during the audit period of October 1, 2018, to December 31, 2020?

No. The Dallas Police Department relies on supervisory review and approval of overtime and compensatory time records to detect inappropriate use of overtime. A review of a judgmental sample of 412 overtime and compensatory time transactions showed that:

- Five overtime or compensatory time request documents could not be located (1.2 percent).
- Four requests were not reviewed by supervisors (1 percent).

Reports Issued – August 9, 2022

Audit of Dallas Police Department Overtime – Final Report (Slide 4 of 11)

Objectives and Conclusions (continued):

The department does not require storing documentation justifying the use of overtime. However, interviews with Dallas Police Department unit supervisors and a review of available supporting documentation for a judgmental sample of 263 overtime and compensatory time transactions did not indicate any:

- Inappropriate actions of using or expending resources carelessly, extravagantly, or to no purpose.
- Behavior that is deficient or improper compared to behavior that a prudent person would consider reasonable and necessary business practice.
- Misuse of authority or position for personal financial interests.

Reports Issued – August 9, 2022

Audit of Dallas Police Department Overtime – Final Report (Slide 5 of 11)

What We Recommend:

Management should:

- Implement a reliable centralized electronic overtime record keeping system.
- Incorporate additional best practices from the International Association of Chiefs of Police.
- Adopt procedures for overtime analysis.
- Issue guidance to supervisors on how to change officer schedules to avoid overtime and how to document these changes.
- Ensure accuracy in the computation of overtime pay in Workday.

Management accepted and provided action plans for 5 of 6 recommendations (83 percent).

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Audit of Dallas Police Department Overtime – Final Report Recommendations Accepted

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- B.1:** Review the model policy developed by the International Association of Chiefs of Police's Law Enforcement Policy Center and incorporate overtime internal controls suitable for the Dallas Police Department into the General Orders.
- B.2:** Revise General Orders to prescribe the following elements of overtime analysis:
- Type and description of the overtime information to be collected.
 - Purpose of the analysis.
 - Analysis description.
 - Standards and thresholds to compare against.
 - Management actions that will result from the analysis and comparisons.
 - What level of management is responsible for implementing and monitoring actions resulting from the analysis.
- B.3:** Revise General Orders to include guidance for supervisors on how to change their officers' schedules to avoid overtime and document these changes.

Reports Issued – August 9, 2022

Audit of Dallas Police Department Overtime – Final Report Recommendations Accepted

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- C.1:** Identify officers impacted by the incorrect configuration of the COVID-19 Uniform Leave Police Time Off calculation tag issue to determine if any unearned overtime or compensatory time needs to be adjusted or recovered from impacted officers.
- C.2:** Ensure that Workday is configured to correctly account for new codes affecting the computation of time worked for overtime.

Reports Issued – August 9, 2022

Audit of Dallas Police Department Overtime – Final Report Recommendation Management Accepts Risk

(Slide 8 of 11)

- A.1:** Implement a reliable centralized overtime record keeping system to ensure that the following information is electronically recorded and is easily retrievable:
- Employee name, position, and unit.
 - Date and time overtime or compensatory time was requested or ordered.
 - Number of hours of overtime or compensatory time.
 - The reason for overtime
 - Date and time overtime or compensatory time was approved.
 - Record of approval by the supervisor with authority to approve overtime.
 - References to supporting documents.

Reports Issued – August 9, 2022

Audit of Dallas Police Department Overtime – Final Report Recommendation Management Accepts Risk

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Management's Response:

The Dallas Police Department (DPD) is confident that its current processes provide supervisors, managers, and department leadership with adequate information to ensure overtime use is appropriate, justified, and generally accurately recorded.

However, the City's budgetary constraints have resulted in DPD historically receiving incremental technology upgrades, rather than a comprehensive system upgrade or replacement for overtime record keeping. This has led DPD to utilize multiple processes and systems for tracking, approving, and retaining documentation related to employee overtime. As a result, documentation is not always easily retrievable, and the process is not optimized for efficiency.

While DPD recognizes the benefits of having a centralized record-keeping system for maintaining all information related to employee overtime, there is too much uncertainty regarding the cost, timeline, and technology constraints to commit to implementing the recommendation at this time.

Reports Issued – August 9, 2022

Audit of Dallas Police Department Overtime – Final Report Recommendation Management Accepts Risk

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Management's Response (continued):

However, DPD will commit to working with the Information Technology & Services Department and the Office of Procurement Services to thoroughly research solutions that best mitigate the risks identified by the auditors and provide better transparency of overtime usage. After researching solutions, DPD anticipates proposing a record-keeping solution in accordance with AD 4-05, Contracting Standards and Procedures.

Reports Issued – August 9, 2022

Audit of Dallas Police Department Overtime – Final Report (Slide 11 of 11)

General Fund Personnel Services Budget versus Actual



Source: Budget versus Actual Report, Period 13.

Office of the City Auditor

Fiscal Year 2022 Auditor Briefing Update
Reports Released between May 14, 2022,
and June 17, 2022

August 22, 2022
Mark S. Swann, City Auditor

Government Performance & Financial Management Committee



APPENDIX – Audit Reports

Here are the final reports and links for your reference.

Quarter 4 – August Update:

- [Special Audit of Former City Council Members](#)
- [Audit of Dallas Police Department Overtime – Final Report](#)