



Office of the City Auditor: Fiscal Year 2020 Annual Report

December 2, 2020

Mark S. Swann, City Auditor

Mayor

Eric Johnson

Mayor Pro Tem

Adam Medrano

Deputy Mayor Pro Tem

B. Adam McGough

Council Members

Carolyn King Arnold

Tennell Atkins

Adam Bazaldua

Paula Blackmon

David Blewett

Jennifer S. Gates

Lee M. Kleinman

Cara Mendelsohn

Omar Narvaez

Jaime Resendez

Casey Thomas, II

Chad West



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What We Do

The Office of the City Auditor conducts audits, attestations, and fraud investigations of City departments, offices, agencies, and processes. Also, advisory services can be agreed upon for City Council or City Administration specific requests.

Our Mission

We collaborate with elected officials and employees to elevate public trust in government by providing objective assurance, investigation, and advisory services.

Department Goals and Performance Measures

Fiscal Year 2020

In Fiscal Year 2020, the Office of the City Auditor was delayed in achieving some goals, made significant progress towards others, and exceeded one as shown in [Exhibit 1](#) below:

Exhibit 1:

Office of the City Auditor Fiscal Year 2020 Goals (as of September 30, 2020)

Performance Measure	Goal	Actual
Publish 22 audit or attestation reports.	22 reports	19 reports
Report recommendations accepted by management.	90 percent	89 percent
Staff with professional certifications (CIA, CPA, CISA, or CFE).	80 percent	74 percent
Focus on our mission with available time.	85 percent	81 percent

Additional Goals	Goal	Actual
Refer or provide an initial response for Fraud, Waste, and Abuse alerts within three workdays.	95 percent	100 percent
Establish ID/IQ Professional Services Co-Sourcing Contract	4 th Quarter	Contract pending Council approval as of September 30, 2020 subsequently approved October 13, 2020

Additional Goals	Goal	Actual
Migrate City Auditor's computer servers to Information and Technology Services support	4 th Quarter	Delayed – COVID-19 impacted migration plan
Update TeamMate Audit Software to Audit+	4 th Quarter	Delayed – COVID-19 impacted migration plan
Subject Matter Expert Development	3 Subject Matter Experts	In Progress: Two auditors completed Payment Card Industry (PCI) Reviewer Training; one auditor in Construction Auditing.
Update City Auditor's Responsibilities and Administrative Procedures	2 nd Quarter	In Progress: Draft submitted to Council Members in July
Identify other entities that provide assurance service coverage and consolidate their reports on the City Auditor's website	4 th Quarter	In Progress: Added link to external auditor reports included in the City's Comprehensive Annual Financial Reports.
Coordinate a local government risk repository through the Association of Local Government Auditors	4 th Quarter	Not started.

Fiscal Year 2021

Going forward into the period of October 1, 2020 through September 30, 2021, the department goals are updated as follows:

- Produce 19 audit or attestation reports.
- Refer or provide an initial response for 95 percent of fraud, waste ,and abuse alerts within three workdays.
- Add value with over 90 percent of audit report recommendations accepted, with 60 percent implemented within 18 months of report issue date.
- Have 80 percent of staff achieve a professional certification (CIA, CPA, CISA, or CFE).
- Focus on our mission by spending 82 percent of available time on assurance, investigation, and advisory projects.
- Develop three government or assurance services subject matter experts within the Office of the City Auditor.

- Identify other entities (external auditors, grant reviewers, federal and state auditors, etc.) that provide assurance service coverage and consolidate their reports on the Office of the City Auditor website.
- Continue process to update the City Council's guidance for the *City Auditor Responsibilities and Administrative Procedures* (City Council Resolution Number 90-4027).
- Migrate City Auditor's computer servers to Information and Technology Services support.
- Update TeamMate Audit Software to Audit+

How We Provide Value

The reports issued by the Office of the City Auditor are a critical component in the practice of evaluating the performance of City internal processes and services provided to citizens and visitors. The reports provide the City Council and City management with information to help them determine if City services are efficient, effective, and equitable as possible.

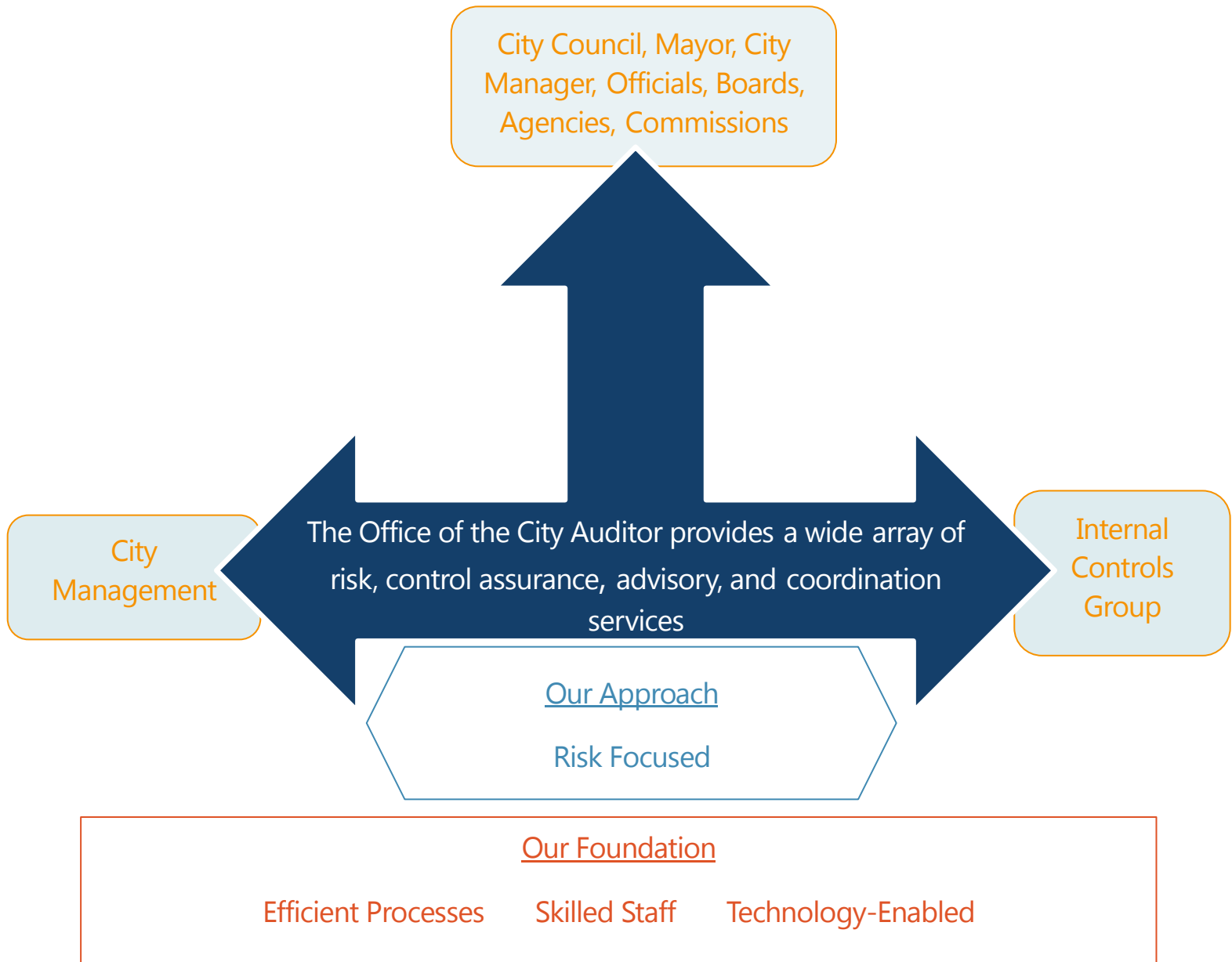
Accountability and the Reporting Process

The Office of the City Auditor reports directly to City Council. The City Council appoints the City Auditor for a two-year term, and is responsible to ensure that the Office of the City Auditor is an independent audit function.

During the audit process, the Office of the City Auditor works closely with departments, directors, and City management to obtain documentation and verify processes. In our reports, each statement is supported by documentation, and our resulting recommendations are communicated to the appropriate department directors and the appropriate City official prior to the release of each report.

The City official takes responsibility for the implementation of recommendations. In addition, the City Manager has directed certain staff to act as liaisons between our Office and departments reporting to the City Manager in determining management's response and action plan(s) for the recommendations issued. Refer to [Exhibit 2](#) on page 5.

Exhibit 2:



Get to Know Our Office

The Office of the City Auditor is comprised of a diverse and accomplished group of people. The Management Team includes the City Auditor, three Audit Managers, an Investigations Manager, and our Office Manager. A total of 15 Assistant City Auditors report to the Management Team.

Exhibit 3:

Staff Composition Overview

Staff Composition Highlights	
Staff Tenure with Office	
Under Two Years	15 %
Two to Five Years	55 %
Six to Ten Years	15 %
More than Ten Years	15 %
Staff Years of Professional Experience*	
Two to Five Years	0%
Six to Ten Years	15%
Eleven to 20 Years	40%
More than 20 Years	45%

* Includes all professional experience, including professional experience within and apart from the Office of the City Auditor

Staff Composition Highlights	
Education*	
Some College, No Degree	5%
Bachelor's Degree	95%
Master's Degree	55%
Doctor of Jurisprudence	5%
Professional Certifications/Designations*	
Certified Public Accountant (CPA)	35%
Certified Internal Auditor (CIA)	25%
Certified Information Systems Auditor (CISA)	25%
Certified Fraud Examiner (CFE)	25%
Licensed Attorney	5%
Other Certifications	20%

*Percentages will not add up to 100 percent as staff may have more than one type of degree or more than one type of professional designation.

	Office	Dallas – Fort Worth – Arlington Metropolitan Area	Dallas, Texas
Gender			
Male	50%	49%	49%
Female	50%	51%	51%
Ethnicity			
Non-Hispanic White	55%	45%	29%
Non-Hispanic Black	10%	16%	24%
Hispanic	15%	29%	42%
Race - Other	20%	10%	5%

Sources: Office of the City Auditor and censusreporter.org

Staff Changes

Welcome New Staff



Oladapo Juba, Assistant City Auditor II



Jamie Renteria, Assistant City Auditor II



Lina Wang, Assistant City Auditor III

Thank You for Your Service



Julia Webb-Carter, Assistant City Auditor III
(4 years of service)



Eva Narten, Assistant City Auditor III
(3 years of service)

Accomplishments

Innovative Office Updates

- Revamped the audit report executive summary, implemented risk impact classifications (High, Medium, or Low), and started report summary videos for the City Auditor's internet site.
- Refreshed the *City Auditor's Responsibilities and Administrative Procedures* for City Council's consideration in the first quarter of Fiscal Year 2021.
- Updated the performance audit project template to align with 2018 generally accepted government auditing standards. Consolidated audit procedural guidance in the *How to Audit Guide – Performance Audits* document.
- Flattened the management reporting structure with three audit managers, one investigation manager, and one office manager reporting directly to the City Auditor.
- Repurposed two staff positions to professional services for co-sourcing specialized audit and investigation engagements. The co-sourcing professional services contract is pending City Council approval.
- Recruited three new auditors.

Association of Local Government Auditors Regional Conference

Our Office hosted an Association of Local Government Auditors Conference in February of 2020. This training allowed the Office to provide up to 12 hours of low-cost continuing professional education (CPE) training for auditors from our office and across the region. Twelve hours is equivalent to 30 percent of the 40 CPE hours each auditor is required to receive annually by Government Auditing Standards. In addition to providing a low-cost option for CPEs, this training allowed our Office opportunities to:

- Coordinate with the Department of Park and Recreation for the use of space at the Nash-Davis Recreation Center.



Source: Dallas Parks, TX – Official Website (for both photos)

- Work with the following City personnel who educated us about their roles in their respective departments and demonstrated the positive impact audit can achieve for City management as we work together to address areas of risk:
 - Ms. Sheri Kowalski – City Controller's Office
 - Ms. Ra-Keba Gordon – City Controller's Office
 - Mr. Jeffrey Brill – City Controller's Office
 - Ms. Erin Carducci – City Controller's Office
 - Mr. Victor Obaseki – Office of Equity

Notable Accomplishments by Office Staff

Professional Designations:

Earned

- Oladapo Juba – Certified Information Systems Auditor (CISA)

In Process

- Enrique Fuentes and Daniel Genz were in process of earning Certified Fraud Examiner (CFE) designations as of September 30, 2020. Both were designated as CFEs in October of 2020.
- Holly Hart, Yzalida Hiley, Frank Mayhew, Jamie Renteria, and Kimberly Bernsen Williams are pursuing Certified Internal Auditor (CIA) designations.
- Laura Miller is pursuing a CFE designation.

Executive MBA Program:

- Bob Smith is in the Executive MBA program at the University of Texas at Dallas and is expected to graduate in 2021.

Subject Matter Experts

- Daniel Genz is working towards becoming a subject matter expert in Construction Auditing.
- Bob Smith and Mamatha Sparks passed the PCI Internal Security Assessors Exam
- Kimberly Bernsen Williams is working towards becoming a subject matter expert in AMS.

Values Ambassador Program

Two Auditors are actively involved in the City of Dallas' Values Ambassadors Program, representing the Office of the City Auditor:

- Holly Hart
- Frank Mayhew

Contributions to Professional Organizations

- Anatoli Douditski served on the Association of Local Government Auditors' (ALGA) Advocacy Committee.
- Rory Galter, Eva Narten, and Laura Miller collaborated on an article about the VisitDallas audit, *Are We Getting What We're Paying For?* featured in the ALGA publication, *Local Government Auditing Quarterly – Spring 2020*.
- Daniel Genz served as an ALGA Knighton Award judge for best performance audit.
- Holly Hart served on ALGA's Professional Issues Committee, and wrote the opinion included in a Government Accounting Standards Board comment letter regarding a proposed concept statement for a change to required notes to financial statements.
- Shino Knowles served as Treasurer for the Dallas Chapter of the Association of Government Auditors (AGA), and performed a peer review of the financial information of the AGA's Baltimore Chapter.

Summary of Investigative Services

In Fiscal Year 2020, Investigative Services received 101 Speak Up Line alerts (the City of Dallas' fraud, waste, and abuse hotline) and closed 123 alerts. Of the 123 alerts closed, 17 were substantiated, resulting in 13 corrective administrative actions. In addition, although one complaint was not substantiated, a local business took additional steps to negate negative perceptions which may have led to future suspicion of fraud, waste, or abuse.

Exhibit 4:

Fraud, Waste, and Abuse Hotline Alerts		
Quarter	Received	Closed*
1	31	38
2	34	25
3	17	32
4	19	28
Total:	101	123

***Note:** Pending cases from prior quarters may also be closed in excess of complaints received.

Summary of Non-Audit Services

Non-audit services are a vital part of the work performed by the Office of the City Auditor. These are services we provide to assist management with critical tasks.

Workday

Several auditors assisted in City efforts to pilot/review Workday implementation job aids. Workday is the human resource information system which replaced the City's legacy Lawson system during the summer.

- Office Manager, Monica Anderson was the Workday Change Ambassador for the Office of the City Auditor. She also helped with end-user application testing for the City as well as evaluated/assisted in the development and review of the Employee & Manager Resources – Job Aids.
- Kimberly Bernsen Williams, Douglas O'Rourke, Kimberly Robertaccio, and Mamatha Sparks tested some of the Workday modules.

Short Term Rental And Mortgage Assistance Project

The Office of the City Auditor allocated five auditors to assist with processing applications for the COVID-19 Mortgage and Rental Assistance Program:

- Kimberly Bernsen Williams, Oladapo Juba, Eva Narten, Jamie Renteria, and Lina Wang represented our Office in this coordinated City effort spearheaded by the Office of Community Care and the Office of Housing and Neighborhood Revitalization.

Mapping of NIST Information Security and Privacy Controls

The Office of the City Auditor assisted the Information Technology and Services Department HIPPA compliance team in the identification of internal controls for the Dallas Fire Rescue, policy CN#91.

Information Request for Council Member Arnold

The Office of the City Auditor researched prior audit findings related to the 2006 Bond Program Proposition 8 and 10 in responding to an information request by Council Member Arnold.

Information Request for Honorable Mayor Johnson


The Office of the City Auditor independently provided an analysis of salary expenditures and head count trends between Fiscal Year 2011 and Fiscal Year 2020.

Summary of Performance Audit Projects









Below is an overview of all projects in Fiscal Year 2020 (October 2019 through September 2020). [Exhibit 5](#) provides an overview of management's agreement to recommendations for reports released to date.

Exhibit 5:






City Management's Agreement to Implement Audit Recommendations

Quarter Issued	#	Audit Plan Year October 2019 to September 2020	Release Date	No. Recommendations	No. Management Agreed to Implement	Agreement %
1	1	 Audit of City of Dallas' Purchasing and Travel Cards	November 11, 2019	10	9	90%
	2	 Audit of the Dallas Police Department's Complaint Process	November 25, 2019	20	16	80%
2	3	 Audit of the TexasCityServices LLC Contract	January 13, 2020	0	N/A	--
	4	 Memorandum – Confidential Report: Audit of Payment Card Industry Data Security Compliance	January 27, 2020	6*	5*	83%
	5	 Independent Report on Agreed-Upon Procedures for the Notice of Funding Availability – Single Family Housing Development BUZ19-0010338	February 24, 2020	0	N/A	--
	6	 Audit of the City's Open Records Request Process – Dallas Police Department	February 26, 2020	8*	8*	100%

* Number includes confidential recommendations.

Quarter Issued	#	Audit Plan Year October 2019 to September 2020	Release Date	No. Recommendations	No. Management Agreed to Implement	Agreement %
2	7	 Audit of the City's Open Records Request Process – City Secretary's Office	February 26, 2020	8*	8*	100%
	8	 Audit of the Office of Fair Housing and Human Rights' Complaint Process	March 6, 2020	0	N/A	--
	9	 Audit of City Park Maintenance and Safety	March 6, 2020	9	8	89%
	10	 Audit of Library Facility Planning	March 26, 2020	5	3	60%
3	11	 Special Audit of Former Mayor and City Council Members	April 15, 2020	15	15	100%
	12	 Independent Report on Agreed-Upon Procedures for the Department of Aviation Construction Project Procurement – Reconstruction Runway 13R-31L/Taxiway C Phase 1 at Dallas Love Field, Solicitation No. CIZ 1891	May 8, 2020	0	N/A	--
	13	 Audit of the Office of Community Care Community Centers	May 22, 2020	8	6	75%
	14	 Audit of Taxicab & Transportation Network	May 29, 2020	3	3	100%

* Number includes confidential recommendations.

Quarter Issued	#	Audit Plan Year October 2019 to September 2020	Release Date	No. Recommendations	No. Management Agreed to Implement	Agreement %
4	15	 Audit of Cash Handling at the Code Compliance Consumer Health Division	September 11, 2020	0	N/A	--
	16	 Audit of Proposed Budget Revenues Included in the Fiscal Year 2020-21 Proposed Annual Budget for the City of Dallas	September 11, 2020	0	N/A	--
	17	 Audit of City-Owned Buildings' Elevator Safety	September 15, 2020	1	1	100%
	18	 Audit of Fire Hydrant Inspection Flow-Testing and Maintenance Process	September 15, 2020	8	8	100%
	19	 Audit Follow-Up of Prior Recommendations – Continuity of Operations Basic Plan	September 28, 2020	0	N/A	--
Running Total (Q1 – Q4):				101	90	89%

**Location**

1500 Marilla Street, Room 2FN
Dallas, TX 75201

Telephone

214-670-3223

Email

mark.swann@dallascityhall.com

Website

<https://dallascityhall.com/departments/auditor>

Speak Up Line

To report fraud, waste, or abuse call the toll-free hotline at 877-860-1061 or submit through a [confidential web-based report](#).

Annual Report Notification

The *Fiscal Year 2020 Annual Report* is not an audit report, and does not adhere to generally accepted government auditing standards.