Memorandum

CITY OF DALLAS
(Report No. A13-002)

During Fiscal Year (FY) 2009-2010 and FY 2010-2011, the Office of the City Auditor (Office) issued 15 audit reports which included 58 recommendations[1] that seven City of Dallas (City) departments and Dallas Zoo Management, Inc. (DZM) agreed to implement. Progress was made by all seven departments and DMZ towards the implementation of audit recommendations. Implementation of audit recommendations improves accountability through stronger financial controls, improved compliance with laws and regulations, and more efficient and effective service delivery.

When this audit began, management reported that five of the 58 recommendations had not been implemented. Forty-six of the remaining 53 recommendations were selected for audit testing of the implementation status as of February 2012. Testing results indicated that 35 of 46 (76 percent) were not sufficiently implemented to fully address the underlying areas of risk associated with each recommendation (see Attachment I). As a result, financial, operational, and compliance risks remain in the following areas:

> **Office of the City Auditor
> Roles and Responsibilities**
>
> The Office is an independent appraisal activity within the City organization for the review of operations as a service to the City Council and to management. Audit work carried out by the Office functions as a general control by measuring and evaluating the effectiveness of other controls.
>
> The objective of audit work carried out by the Office is to assist all members of the City Council and City management in the effective discharge of their responsibilities by furnishing them with analyses, appraisals, recommendations, and pertinent comments concerning the activities reviewed.
>
> **Source**: City Council Resolution 904027

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[1] Nine of the 58 recommendations were originally included in *Confidential Security Administration Limited Use Reports* issued to the Departments of Communication and Information Services (CIS) and Park and Recreation (PKR). Although the implementation status of these nine recommendations is discussed in this report, the detailed recommendations have been omitted. Our decision to exclude this information is based on:

- Government Auditing Standards, December 2011 Revision, Sections 7.39 – 7.43 Reporting Confidential and Sensitive Information; and,

- Texas Government Code Section 552.139. EXCEPTION: GOVERNMENT INFORMATION RELATED TO SECURITY ISSUES FOR COMPUTERS.
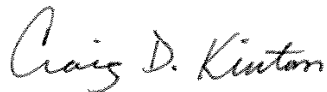
- Accounts payable

- Building and fleet management

- Cash handling

- Employee termination processing

- Fixed asset inventory

- General computer controls

- Parking revenue operations

The Departments of Communication and Information Services (CIS) and Equipment and Building Services (EBS) were responsible for 18 of the recommendations identified as not implemented (eleven and seven, respectively). These recommendations involved highly complex activities, such as software implementation, facilitating business process changes within and across multiple departments, and establishing internal controls which were either missing or poorly designed. Although not fully implemented, progress was made to address risks associated with the computing operations and the fleet management operations. According to CIS and EBS management, the initial implementation timelines were overly optimistic. Leadership changes in both CIS and EBS and other personnel issues also contributed to implementation delays (see Attachment II for additional details on the recommendation implementation progress for CIS and EBS).

The Office will not conduct further audit follow-up for the 24 recommendations that were not implemented, but will consider the risk in determining future audit coverage as part of the annual audit plan. The Office will include the 11 CIS recommendations in the FY 2013 and FY 2014 follow-up audits due to the high-risk services provided by CIS.

The Office would like to thank City management for their assistance. If you have any questions or need additional information, please contact me at 214-670-3222 or Carol Smith, First Assistant City Auditor, at 214-670-4517.

Sincerely,

Craig D. Kinton
City Auditor

Attachments

"Dallas, The City That Works: Diverse, Vibrant, and Progressive."

C: Mary K. Suhm, City Manager
A.C. Gonzalez, First Assistant City Manager
Ryan S. Evans, Assistant City Manager
Jill A. Jordan, Assistant City Manager
Forest Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Edward Scott, City Controller
Thomas P. Perkins, Jr., City Attorney
Michael Frosch, Director – Business Development and Procurement Services
William Finch, Director – Department of Communication and Information Services
Chief David O. Brown – Dallas Police Department
Karl Zavitkovsky, Director – Economic Development
Errick Thompson, Director – Equipment and Building Services
Barbara Kindig, Interim Director – Park and Recreation
William L. Evans, Executive Vice President – Dallas Zoo Management, Inc.

Attachment I

Audit Verification Results for
Fiscal Year 2010 to 2011 Audit Recommendations

Table I

Fiscal Years (FY) 2010 to FY 2011 Recommendations		CONFIDENTIAL Report Audit Verification Results March – September 2012			NON-CONFIDENTIAL Report Audit Verification Results March – September 2012		
Department / Dallas Zoo Management, Inc.	Number Tested	Implemented	Implemented with Qualifications	Not Implemented	Implemented	Implemented with Qualifications	Not Implemented
Business Development and Procurement Services	1						1
City Controller's Office	3				1		2
Communication and Information Services	12			5		1	6
Dallas Police Department	7					1	6
Economic Development	3				3		
Equipment and Building Services	7						7
Park and Recreation	11	1		3	1	2	4
Dallas Zoo Management, Inc.	2					1	1
Totals	**46**	**1**	**0**	**8**	**5**	**5**	**27**

NOTE: Attachments IV to XI show more detail of the audit results for the 46 recommendations tested by department.

Attachment II

Recommendation Implementation Progress –
Departments of Communication and Information Services and Equipment and Building Services

<u>Department of Communication and Information Services (CIS)</u>: The 11 CIS recommendations that were not fully implemented focused on general computer controls. The CIS has identified control frameworks for change management, data classification, and security administration, which contribute to the development of internal controls.

General Computer Controls
Controls, other than application controls, which relate to the environment within computer-based application systems.
The objectives of general computer controls are to ensure the proper development and implementation of applications, the integrity of the program and data files, and of computer operations.
Source: Control Objectives for Information and related Technology (CoBIT) 4.1, Appendix VII – Glossary, page 190

The CIS improved data integrity by implementing a change management process: (1) using a central repository for creating and approving software change requests; (2) developing policies and processes; and, (3) completing personnel training. Additionally, CIS improved internal controls over granting new employee access and suspending terminating employee access. The CIS also performs extended annual application user access for select applications.

<u>Department of Equipment and Building Services (EBS)</u>: Six of the recommendations for EBS focused on City buildings and fleet management, and one recommendation focused on controls over obtaining ID badges and parking decals for terminating employees.

For building management, EBS drafted service level agreements (SLAs) for certain building types. The SLAs, once approved, would help ensure that EBS' roles and responsibilities are consistently met.

For the City of Dallas (City) fleet management, EBS: (1) established a cross-departmental committee to assist EBS in implementing multi-departmental utilization of the Fleet Focus M5 application; (2) hired skilled personnel to assist with the implementation of fleet performance benchmarks; and, (3) reconciled certain EBS leased vehicles to the City's Fixed Asset Registry. These initiatives will help EBS ensure that the City has an application that meets the departments' needs, fleet inventory is complete and accurate, the fleet make-ready process is more efficient, and fleet data is accurate.

Additionally, according to EBS, Administrative Directives (AD) 2-4, *Restricted Areas*, and 6-10, *Dallas City Hall Parking Garage*, were drafted to address the issues related to security issues and terminating employees and officials. These draft ADs were recently distributed to City departments for the required 30 day comment period.

Attachment III

Objective, Scope and Methodology

We conducted this audit under the authority of the City Charter, Chapter IX, Section 3, and in accordance with the Fiscal Year (FY) 2012 Audit Plan approved by the City Council. This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

The objective of the audit was to evaluate whether, as of February 2012, FY 2010 to FY 2011 prior audit recommendations (recommendations) were implemented. The audit scope was limited to the 58 recommendations which City of Dallas (City) departments' initially agreed to implement (see Table II below).

Our methodology included requesting management of seven City departments and Dallas Zoo Management, Inc. (DZM) to report on the implementation status of 58 recommendations as of February 2012. City management reported that five recommendations were not yet implemented. We selected a judgmental sample of 46 of the 53, or 87 percent, remaining recommendations management identified as Implemented or Partially Implemented. We also conducted interviews, reviewed documentation, and performed other tests as deemed necessary.

Table II

Implementation Status of Recommendations Agreed to by Management
For FY 2010 to FY 2011 Audits

Implementation Status	Confidential	Non-Confidential	Total
Not Implemented – Per Management		5	5
Not Tested		7	7
Selected for Audit Verification	9	37	46
Totals	**9**	**49**	**58**

The following are the categories used by the Office of the City Auditor (Office) to conclude on the implementation status of recommendations:

- **Implemented** – City management provided sufficient and appropriate evidence to support all elements of the recommendation(s)

- **Implemented with Qualifications** – While not all elements of the recommendation(s) were implemented, City management provided sufficient and appropriate evidence to support that the underlying risks were mitigated

- **Not Implemented** – Evidence did not support meaningful progress towards recommendation implementation or where no evidence was provided that the underlying risks were mitigated

- **No Longer Applicable** – Circumstances changed to make a recommendation no longer applicable

Business Development and Procurement Services (BDPS)

Audit Verification Results

Recommendations Management Agreed to Implement	Per Management (February 2012)		Per Audit (September 2012)	
1	Implemented	1	Tested	1
	Partially Implemented			
	Not Implemented		Implemented	
	No Longer Applicable		Implemented with Qualifications	
	Responsibility of Another Department		Not Implemented	1
			No Longer Applicable	

Audit Report Information			Implementation Status					Qualifications/Comments
Report	Recommendation	Management Implementation Date(s)	Management (February 2012)	Audit Verification (September 2012)				
				I	IQ	NI	NA	
A10-013 *Audit of Reduction in Force Employee Processing Controls* (June 25, 2010)	Add Business Development and Procurement Services (BDPS) to the automated distribution associated with the Electronic Termination Notification Form (ETNF) to ensure that the BDPS receives timely notification to deactivate terminating employees' active account status in the vendor database.	**4/5/2010**	I			✓		**Condition:** BDPS was added to the automated distribution ETNF process; however, the process for removing terminating employees' access is not consistent and timely. Approximately 44 percent of the judgmentally selected sample of employees still had active accounts. **Effect:** Untimely removal of users' access allows the applications to become vulnerable to malicious and unauthorized activities and prevents audit trails for adequate problem resolution.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

City Controller's Office (CCO)

Audit Verification Results

Recommendations Management Agreed to Implement	Per Management (February 2012)		Per Audit (September 2012)	
4	Implemented	2	Tested	3
	Partially Implemented	2		
	Not Implemented		Implemented	1
	No Longer Applicable		Implemented with Qualifications	
	Responsibility of Another Department		Not Implemented	2
			No Longer Applicable	

Audit Report Information			Implementation Status				Qualifications/Comments
Report	**Recommendation**	**Management Implementation Date(s)**	**Management (February 2012)**	**Audit Verification (September 2012)**			
				I	**IQ**	**NI**	**NA**	
A10-016 *Audit of Dallas Zoo Transition* (June 25, 2010)	Determine if the system limitation can be corrected to allow the City Controller's Office (CCO) to make timely fixed asset accounting entries and approve the accounting entries to record the transfer of the Zoo's fixed assets and the associated accumulated depreciation to Dallas Zoo Management, Inc. (DZM).	**11/30/2010**	**I**	✓			

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Audit Report Information		Management Implementation Date(s)	Implementation Status					Qualifications/Comments
Report	**Recommendation**		**Management (February 2012)**	**Audit Verification (September 2012)**				
				I	**IQ**	**NI**	**NA**	
A10-003 *Audit of Accounts Payable Application Controls* (October 20, 2009)	Develop and implement procedures to ensure that only those individuals needing access to AMS Advantage System are granted access. Procedures should include the following: (1) Employ the Human Resources Employee Cross Reference Report to validate the employment status of a new user and to verify the employment status of the requesting manager; (2) Validate the authority of the manager requesting a new user setup by implementing a wet signature authorization list for each department; (3) Implement new roles and workflow rules in the AMS Advantage System to eliminate the use of e-mail as an authorization mechanism; (4) Require City Controller management to perform substantive quality control reviews of new user setups; (5) Perform periodic reviews of all assigned user roles to ensure that individuals are only assigned roles needed to perform their job functions; and, (6) Implement the built-in security logging feature of the AMS Advantage System.	**12/31/2009**	I	✓				**Condition:** The CCO delegated the implementation to the Department of Communication and Information Services (CIS). The CIS fully implemented procedure 3, as CIS has the sole authority for this process; however, procedures 1, 2, 4, 5, and 6 are not implemented because CIS alone cannot fully implement the recommendation. Although CIS did provide data for review and obtain and validate signatures against pre-authorized approval lists, CIS cannot validate that individual access is appropriate, no segregation of duties violations exist, and user access reviews are completed timely. The CCO does not perform periodic quality control reviews; therefore: (a) CIS system administrator accounts which can bypass security controls are omitted in the access reviews; (b) one user account has been active for several years and an analysis on why this condition exists is not performed; and, (c) several users' IDs are activated or "unlocked" after the annual user access review is completed. **Effect:** Unauthorized access is granted to the application and data integrity is compromised.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Audit Report Information			Implementation Status					Qualifications/Comments
Report	**Recommendation**	**Management Implementation Date(s)**	**Management (February 2012)**	**Audit Verification (September 2012)**				
				I	IQ	NI	NA	
A10-003 *Audit of Accounts Payable Application Controls* (October 20, 2009)	Discontinue the use of the "bypass" feature in the AMS Advantage System; Require Assistant City Managers to electronically approve all payment requests; and, Document procedures related to processing payment requests made by electronic funds transfer.	**12/31/2009**	I		✓			**Condition: The** CCO discontinued the use of the "bypass" feature that allowed accounts payable staff to circumvent AMS controls and pay for invoices without obtaining City Controller or Assistant City Manager (ACM) approval. ACMs, however, continue to approve check payments, wires, and Electronic Funds Transfers (EFT) by "wet signature" with no evidence that the approval takes place prior to the money being transferred out of the City's accounts. In addition, CCO has not documented the current procedure for EFT processing. The CCO did draft a proposed procedure for the approval and processing of payments over $150,000 which limits the approval authority to City Controller only. **Effect:** The current approval procedure allows payments over $150,000 to be processed before receiving ACM approval. Also, the proposed approval procedure will allow CCO to process payments over $150,000 without additional review and approval by ACMs.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

City Controller's Office (CCO)

Audit Report Information		Management Implementation Date(s)	Implementation Status					Qualifications/Comments
Report	Recommendation		Management (February 2012)	Audit Verification (September 2012)				
				I	IQ	NI	NA	
A11-004 *Audit of Fleet Management Services* (December 10, 2010)	Obtain and review the Department of Equipment and Building Services (EBS) reconciliation and ensure that it is timely and that discrepancies, if any, are reasonably resolved.	**6/1/2011**						**NOTE:** *This recommendation is a component of another recommendation (see EBS Attachment IX).*

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Audit Verification Results

Recommendations Management Agreed to Implement	Per Management (February 2012)		Per Audit (September 2012)	
7	Implemented	5	Tested	7
	Partially Implemented	2		
	Not Implemented		Implemented	
	No Longer Applicable		Implemented with Qualifications	1
	Responsibility of Another Department		Not Implemented	6
			No Longer Applicable	

Audit Report Information			Implementation Status					Qualifications/Comments
Report	**Recommendation**	**Management Implementation Date(s)**	**Management (February 2012)**	**Audit Verification (September 2012)**				
				I	**IQ**	**NI**	**NA**	
A10-016 *Audit of Dallas Zoo Transition* (June 25, 2010)	Finalize a technology services agreement with Dallas Zoo Management, Inc. (DZM) and invoice DZM for the technology related services DZM has incurred since October 1, 2009 as soon as the agreement is finalized.	**6/15/2010**	I	✓				**Condition:** The Department of Communication and Information Services (CIS) and DZM did not develop a formal technology services agreement; however, CIS and DZM did agree on the invoice and billing rates for the equipment and on-going services. The CIS invoiced and collected payments from DZM for technology related services since October 1, 2009. **Effect:** Without a formal technology services agreement, the City may not continue to collect service fees timely and may forgo potential interest earnings.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Audit Report Information		Management Implementation Date(s)	Implementation Status					Qualifications/Comments
Report	**Recommendation**		**Management (February 2012)**	**Audit Verification (September 2012)**				
				I	**IQ**	**NI**	**NA**	
A10-013 *Audit of Reduction in Force Employee Processing Controls* (June 25, 2010)	Develop a monitoring process to ensure transferring and terminating employee computer access is deactivated timely. Work with the Department of Human Resources (HR) to ensure that HR's clarified policies, procedures, and forms include notifications to CIS for adding, deleting, and/or changing employees' computer access.	**9/30/2010**	I	✓				**Condition:** The CIS did develop a monitoring process to ensure terminating employee computer access is deactivated; however, the monitoring process does not include employee transfers and the annual user access review is not being completed timely. The average time for an annual user access review is six to seven months. Additionally, out of the five identified applications for CIS annual user access reviews, three of the applications have not yet undergone an annual user access review. **Effect:** When computer access deactivation is not performed timely, unauthorized access to confidential files and data may occur and remain undetected.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Audit Report Information		Management Implementation Date(s)	Implementation Status					Qualifications/Comments
Report	**Recommendation**		**Management (February 2012)**	**Audit Verification (September 2012)**				
				I	**IQ**	**NI**	**NA**	
A10-014 *Audit of Selected General Computer Controls For the Dallas Police Department and the Dallas Fire-Rescue Primarily Administered by the Department of Communication and Information Services* (June 25, 2010)	Establish a general computer controls framework that aligns with best practices that are commonly used and accepted in the United States - such as Control Objectives for Information and Related Technology (CoBIT), and one that provides the City Council, management, as well as the Office of the City Auditor and external auditors, a consistent means to evaluate whether general computer controls are improving. Perform regular general computer control self-assessments to ensure that the general computer controls framework is designed and operating as intended.	3/31/2011	I	✓				**Condition:** The CIS has not adopted the CoBIT framework; however, CIS has adopted Information Technology Infrastructure Library (ITIL) for change management, Database Management Book of Knowledge (DMBOK) for data classification and National Institute of Standards and Technology (NIST) for security administration. The CIS has not yet implemented frameworks for information technology governance or data backup and recovery. Also, CIS has not established a self-assessment model and consequently has not executed self-assessments to determine whether the processes and related controls are operating as intended. **Effect:** The CIS does not have a complete methodology that links the City's business requirements to daily functions, organizes information technology activities into processes, and provides the information necessary to conduct control self-assessments. Without control self-assessments, CIS cannot easily identify risks and correct control deficiencies.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Communication and Information Services (CIS)

	Audit Report Information		Implementation Status					Qualifications/Comments
Report	**Recommendation**	**Management Implementation Date(s)**	**Management (February 2012)**	**Audit Verification (September 2012)**				**Qualifications/Comments**
				I	**IQ**	**NI**	**NA**	
A10-014 *Audit of Selected General Computer Controls For the Dallas Police Department and the Dallas Fire-Rescue Primarily Administered by the Department of Communication and Information Services* (June 25, 2010)	Ensure that: (1) Policies and Procedures for change management, security administration, and computer operations are written and/or updated to reflect current CIS practices and that the policies and procedures align with the City's Administrative Directives (AD); (2) ADs related to information technology are updated; and, (3) CIS standards and requirements are communicated to Dallas Police Department (DPD) and Dallas Fire-Rescue (DFR) information technology personnel.	4/30/2011	I		✓			**Condition:** The policies, procedures, and standards were developed for change management; however, the remaining general computer control information technology activities including security, information technology governance, self-assessment, data backup and recovery have either not been developed or have not been updated. **Effect:** Without current policies and procedures, the City could not ensure that general computer controls are executed consistently, job responsibilities and accountability are properly assigned, and information technology processes are effectively managed.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Audit Report Information			Implementation Status					Qualifications/Comments
Report	**Recommendation**	**Management Implementation Date(s)**	**Management (February 2012)**	**Audit Verification (September 2012)**				
				I	**IQ**	**NI**	**NA**	
A10-014 *Audit of Selected General Computer Controls For the Dallas Police Department and the Dallas Fire-Rescue Primarily Administered by the Department of Communication and Information Services* (June 25, 2010)	Review and update AD 2-25, *Data Classification and Ownership*, to reflect current standards for data management. Develop an applications inventory for DPD and DFR to ensure that data is classified, protected according to the classifications, and access to data is properly managed.	3/31/2011	I	✓				**Condition:** The CIS has identified DMBOK best practices for data classification and management and developed an application inventory list; however, CIS has not applied the DMBOK standards, developed supporting policies and procedures, and implemented the best practices and controls identified in the DMBOK. Furthermore, CIS has not outlined a formal process that clearly identifies how the application inventory list will be managed and kept up-to-date. **Effect:** Without a data classification schema and data ownership chart, data is not protected accordingly, access to data is not managed effectively, and data integrity is compromised.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

A13-002: Audit Follow-Up of Prior Year Audit Recommendations – Fiscal Years 2010 to 2011
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Audit Report Information		Management Implementation Date(s)	Implementation Status					Qualifications/Comments
Report	**Recommendation**		**Management (February 2012)**	**Audit Verification (September 2012)**				
				I	**IQ**	**NI**	**NA**	
A10-014 *Audit of Selected General Computer Controls For the Dallas Police Department and the Dallas Fire-Rescue Primarily Administered by the Department of Communication and Information Services* (June 25, 2010)	Comply with AD 2-28, *Change Management of Information Technology*, by developing, documenting, and implementing formal change management procedures that are standard, reliable, and consistent so that only authorized, planned, prioritized, and tested changes are made to data and systems. Maintain a central repository of all change events.	3/31/2011	I	✓				**Condition:** The CIS has developed a change management process with built-in controls to support the reliable and consistent deployment of authorized changes to the production environment. The CIS has also adopted a change management tracking tool as the central repository for all change events; however, the change management process is still in progress and could not be validated for effectiveness. **Effect:** A poorly designed change management process increases inefficiencies in managing changes and results in unauthorized changes or ineffective use of resources.
A10-014 *Audit of Selected General Computer Controls For the Dallas Police Department and the Dallas Fire-Rescue Primarily Administered by the Department of Communication and Information Services* (June 25, 2010)	Establish data backup and restoration procedures to abide by and comply with the minimum standards stated in AD 2-34, *Data Back-up and Recovery Policy, Standard and Procedures for the Mainframe and Servers*, and the Texas Administrative Code Chapter 7, Rule 7.75, *Security of Electronic Records*, and Rule 7.76, *Maintenance of Electronic Records Storage Media*.	12/31/2010	I	✓				**Condition:** Data backup and restoration procedures have not been established and implemented. **Effect:** Data may not be available during unplanned events.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Audit Report Information			Implementation Status		Qualifications/Comments
Report	**Recommendation**	**Management Implementation Date(s)**	**Management (February 2012)**	**Audit Verification (September 2012)** **I IQ NI NA**	
A10-014 *Audit of Selected General Computer Controls For the Dallas Police Department and the Dallas Fire-Rescue Primarily Administered by the Department of Communication and Information Services:* ***CONFIDENTIAL LIMITED USE REPORT*** (June 25, 2010)	The five recommendations discussed in the Confidential Limited Use Report have been omitted and provided to management in a separate memo. Our decision to exclude this information is based on: • Government Auditing Standards, December 2011 Revision, Sections 7.39 – 7.43 Reporting Confidential and Sensitive Information; and, • Texas Government Code Section 552.139. EXCEPTION: GOVERNMENT INFORMATION RELATED TO SECURITY ISSUES FOR COMPUTERS.				

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Dallas Police Department (DPD)

Audit Verification Results

Recommendations Management Agreed to Implement	Per Management (February 2012)		Per Audit (September 2012)	
15	Implemented	9	Tested	7
	Partially Implemented			
	Not Implemented	6	Implemented	
	No Longer Applicable		Implemented with Qualifications	1
	Responsibility of Another Department		Not Implemented	6
			No Longer Applicable	

	Audit Report Information		Implementation Status					Qualifications/Comments
Report	**Recommendation**	**Management Implementation Date(s)**	**Management (February 2012)**	**Audit Verification (September 2012)**				**Qualifications/Comments**
				I	IQ	NI	NA	
A10-011 *Audit of the Dallas Police Crime Statistics* (April 23, 2010)	Implement procedures to improve compliance with the Uniform Crime Reporting (UCR) Handbook (2004) and the instructions for Form Return A, *Monthly Return of Offenses Known to the Police* (Form Return A) and correct classification errors and omissions. (Note: The implementation of the new Records Management System (RMS) may be necessary to completely address these classification errors and omissions).	**5/7/2010**	I	✓				**Condition**: The Dallas Police Department (DPD) has implemented procedures to comply with UCR and the instructions for Form Return A and conducted training for appropriate personnel; however, DPD has not implemented RMS which would minimize manual entry errors. Also, DPD did not provide evidence to show that a request to the UCR Advisory Policy Board (APB) was submitted to confirm current DPD processes and obtain precise interpretations for UCR guidelines. **Effect:** Different interpretations of the UCR can result in inconsistent information and impact certain federal grant funding to the DPD.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Dallas Police Department (DPD)

	Audit Report Information		Implementation Status					Qualifications/Comments
Report	**Recommendation**	**Management Implementation Date(s)**	**Management (February 2012)**	**Audit Verification (September 2012)**				**Qualifications/Comments**
				I	IQ	NI	NA	
A10-013 *Audit of Reduction in Force Employee Processing Controls* (June 25, 2010)	Ensure that terminating and transferring employees' access to DPD controlled buildings be deactivated on or prior to the employees' last day of employment. Update deactivation date fields in both the DSX and LENEL software applications be consistently updated with the last date of employment.	4/30/2010	I		✓			**Condition:** Out of the selected sample of 20 sworn employees and 10 civilian employees with access to both the DSX and LENEL systems, there were nine instances where employees' access was still active and 40 instances where employees' access were not deactivated on or prior to the employees' last day of employment. Furthermore, numerous deactivation dates within the DSX system, for previously held cards, have been entered as 12/31/9999 which could be re-activated at a future date, unless the card is physically destroyed. **Effect:** Inadequate and untimely removal of terminated and transferred employees' physical access poses a security risk to the City of Dallas' (City) buildings and employees therein.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Dallas Police Department (DPD)

Audit Report Information			Implementation Status					Qualifications/Comments
Report	**Recommendation**	**Management Implementation Date(s)**	**Management (February 2012)**	**Audit Verification (September 2012)**				
				I	**IQ**	**NI**	**NA**	
A10-010 *A Follow-Up Audit Report on Dallas Police Cash Handling Procedures* (February 11, 2010)	Segregate cash handling duties so that the same employee does not have the ability to cash Petty Cash Fund and Confidential Funds (Federal and State) replenishment checks, maintain custody and access to the cash, approve cash withdrawal requests, and record the Petty Cash Fund and Confidential Funds transactions.	4/30/2010	I	✓				**Condition:** Although Petty Cash replenishment check approval requires the signatures of the Petty Cash custodian and a manager prior to processing, the Finance & Contract Management Division (FACM) did not sufficiently segregate duties to ensure that the petty cash custodian does not have approval, custody, and recordkeeping responsibilities for all petty cash processes. The FACM performs a daily petty cash count which is intended to timely detect petty cash discrepancies. Audit testing, however, indicated that the cash count procedures were not operating effectively. While the Narcotics Division and Vice Unit made certain changes, these changes are not sufficient to adequately segregate the cash handling duties. **Effect:** Inadequate segregation of duties permits officers to complete transactions from beginning to end without proper audit trails, transparency and accountability.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Audit Report Information		Management Implementation Date(s)	Implementation Status		Qualifications/Comments
Report	**Recommendation**		**Management (February 2012)**	**Audit Verification (September 2012)**	
				I IQ NI NA	
A10-010 *A Follow-Up Audit Report on Dallas Police Cash Handling Procedures* (February 11, 2010)	Ensure that the FACM monitors the Petty Cash and Confidential Funds by ensuring that replenishment checks are deposited into the cash vaults intact, periodically counting the cash on hand, tracing transactions to supporting documentation, and ensuring that cash transactions are only made for allowable expenses.	3/31/2009	I	✓	**Condition:** The FACM personnel did not monitor the Petty Cash and Confidential Funds to: (a) Ensure the timely deposit of the replenishment checks; (b) Conduct the monthly cash count for the Confiscated Fund between November 2011 to February 2012; (c) Accurately calculate and record the daily petty cash count; (d) Ensure the recorded data was accurate prior to the reviewer's sign-off; (e) Adequately track transactions to supporting documentation; and, (f) Ensure that cash transactions are only made for allowable expenses. Nine out of 30 sampled transactions were not eligible transactions due to missing and/or sufficient supporting documentation and approval signatures **Effect:** Without effective and adequate monitoring controls, FACM cannot ensure that the Petty Cash and Confidential Funds are complete, accurate and identify potential fraud concerns in a timely manner.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Dallas Police Department (DPD)

	Audit Report Information		Implementation Status					Qualifications/Comments
Report	**Recommendation**	**Management Implementation Date(s)**	**Management (February 2012)**	**Audit Verification (September 2012)**				
				I	IQ	NI	NA	
A10-010 *A Follow-Up Audit Report on Dallas Police Cash Handling Procedures* (February 11, 2010)	Reduce the number of DPD personnel with cash vault access. Ensure the FACM, Narcotics and Crimes Against Persons (CAPERS) Divisions, as well as the Criminal Intelligence, Vice, and Auto Theft Units: (1) Periodically review the cash vault access log and/or electronic card access records to determine that only authorized personnel have actually accessed the cash vaults; and, (2) Implement a process to cancel DPD personnel cash vault access when job responsibilities change.	**5/31/2010**	I		✓			**Condition:** The DPD did not adequately reduce the number of personnel with access to the vault, does not perform periodic monitoring of petty cash, and access to the vault is not removed on a timely basis. **Effect:** If physical access controls are not effective, then the various DPD divisions cannot ensure that cash is not subjected to theft.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Dallas Police Department (DPD)

Audit Report Information		Management Implementation Date(s)	Implementation Status					Qualifications/Comments
Report	**Recommendation**		**Management (February 2012)**	**Audit Verification (September 2012)**				
				I	**IQ**	**NI**	**NA**	
A10-010 *A Follow-Up Audit Report on Dallas Police Cash Handling Procedures* (February 11, 2010)	Ensure the FACM develops detailed standard operating procedures for the Petty Cash Fund and the Federal Confidential Fund that align with the City's petty cash fund requirements, and with Federal and State Confidential Funds requirements.	3/31/2009	I	✓				**Condition:** Policies and procedures (P&P) for the Confidential Fund were not developed; Petty Cash Fund P&P were developed but they are not adhered to and did not consider procedures for: (a) Timely deactivation of vault access for separating employees from the petty cash handling duties; and, (b) The list of allowable and unallowable expenditures in the policies and procedures. Also, the P&P were inconsistent and make references to incorrect funds. **Effect:** Without P&P, the FACM cannot administer operating procedures effectively and consistently. Additionally, the FACM may not be compliant with the Federal and State requirements because they are not specified in the internal P&P.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Audit Report Information			Implementation Status					Qualifications/Comments
Report	**Recommendation**	**Management Implementation Date(s)**	**Management (February 2012)**	**Audit Verification (September 2012)**				
				I	**IQ**	**NI**	**NA**	
A10-010 *A Follow-Up Audit Report on Dallas Police Cash Handling Procedures* (February 11, 2010)	Ensure that the Inspections Unit extends the scope of periodic audits to include: (1) More frequent unannounced cash counts; and, (2) Detailed reviews of the documentation that supports the information on the Petty Cash Fund and Confidential Funds logs	3/31/2010	I	✓				**Condition:** The Inspections Unit does not conduct the cash count at FACM as frequently as required by the Inspection Unit's Standard Operating Procedures. The Inspection Unit conducts a cash count at the FACM on a quarterly basis rather than on a monthly basis. Additionally, the scope of the cash counts are not adequate as the Inspection Unit does not reconcile the cash on hand to the remaining balance of the petty cash log, does not review the Petty Cash Fund log and Confiscated Fund log at FACM, and does not verify the selected bills to the list of the serial numbers of Flash Fund bills maintained at FACM. **Effect:** The accuracy of the Inspection Unit's cash count balance cannot be verified. The Inspections Unit also cannot ensure the integrity of the Flash Fund bills in the FACM's custody since there is an opportunity to use the bills and replace them with new bills with different serial numbers.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Economic Development (ECO)

Audit Verification Results

Recommendations Management Agreed to Implement	Per Management (February 2012)		Per Audit (September 2012)	
3	Implemented	3	Tested	3
	Partially Implemented			
	Not Implemented		Implemented	3
	No Longer Applicable		Implemented with Qualifications	
	Responsibility of Another Department		Not Implemented	
			No Longer Applicable	

Audit Report Information			Implementation Status					Qualifications/Comments
Report	**Recommendation**	**Management Implementation Date(s)**	**Management (February 2012)**	**Audit Verification (September 2012)**				
				I	**IQ**	**NI**	**NA**	
A11-006 *Audit of South Dallas Fair Park Trust Fund* (February 11, 2011)	Ensure that Trust Fund Guidelines are followed to support loan approval decisions.	**Immediately upon City Attorney's Office (CAO) review of revised Trust Fund Policies and Guidelines**	I	✓				
A11-006 *Audit of South Dallas Fair Park Trust Fund* (February 11, 2011)	Ensure that the Trust Fund monitors the timeliness of loan payments and late fees are collected from delinquent borrowers. Ensure promissory note provisions for late fees align with Trust Fund Policies and Guidelines.	**Immediately upon CAO review of revised Trust Fund Policies and Guidelines**	I	✓				

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Audit Report Information			Implementation Status		Qualifications/Comments
Report	**Recommendation**	**Management Implementation Date(s)**	**Management (February 2012)**	**Audit Verification (September 2012)**	
				I **IQ** **NI** **NA**	
A11-006 *Audit of South Dallas Fair Park Trust Fund* (February 11, 2011)	Ensure that before the grant applications are considered by the Trust Fund Board and Trust Fund for final approval, all grant applications are complete, including all documents required by Trust Fund Policies and Guidelines. Ensure that Trust Fund Policies and Guidelines are revised to align with current grant and loan operational requirements.	**Immediately upon CAO review of revised Trust Fund Policies and Guidelines**	I	✓	

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

A13-002: Audit Follow-Up of Prior Year Audit Recommendations – Fiscal Years 2010 to 2011
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Equipment and Building Services (EBS)

Audit Verification Results

Recommendations Management Agreed to Implement	Per Management (February 2012)		Per Audit (September 2012)	
7	Implemented	1	Tested	7
	Partially Implemented	6		
	Not Implemented		Implemented	
	No Longer Applicable		Implemented with Qualifications	
	Responsibility of Another Department		Not Implemented	7
			No Longer Applicable	

Audit Report Information			Implementation Status					Qualifications/Comments
Report	**Recommendation**	**Management Implementation Date(s)**	**Management (February 2012)**	**Audit Verification (September 2012)**				
				I	IQ	NI	NA	
A10-007 *Audit of the Maintenance of City-Owned Buildings* (December 30,2009)	Develop policies and procedures that define Department of Equipment and Building and Services (EBS) maintenance responsibilities by building and/or building component to ensure a responsible party is designated for the maintenance of every building and/or building component.	**9/3/2010**	**PI**			✓		**Condition:** The EBS has not developed policies and procedures to define EBS maintenance responsibilities by building and/or building component to ensure a responsible party is designated for the maintenance of every building and/or building component. **Effect:** Without current procedures, EBS cannot administer its maintenance responsibilities effectively and consistently as EBS does not provide maintenance services to all city-owned buildings. Also, EBS cannot ensure that maintenance needs are identified, assigned, and completed in a timely fashion.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Equipment and Building Services (EBS)

	Audit Report Information		Management Implementation Date(s)	Implementation Status					Qualifications/Comments
Report	Recommendation			Management (February 2012)	Audit Verification (September 2012)				
					I	IQ	NI	NA	
A10-007 *Audit of the Maintenance of City-Owned Buildings* (December 30,2009)	Work with the City Manager's Office to: (1) Determine the department responsible for revising Administrative Directive (AD) 6-4, *City of Dallas Encyclopedia of Structures (CODES;* and, (2) Ensure AD 6-4 procedures for collecting and processing data needed to maintain a comprehensive listing of buildings are revised and implemented.		**3/1/2010**	**PI**		✓			**Condition:** A process to document, update, and monitor the completeness and accuracy of the city-owned building inventory has not been implemented; however, EBS did consolidate the three City-owned building inventory lists noted in the audit into a central location, and identified future liaisons by department for notifications related to building status (e.g., demolished). **Effect:** Without current procedures or a centralized process to prepare a buildings inventory, the City does not have an efficient and effective method to account for all buildings. These problems have also resulted in building maintenance responsibilities being inconsistent and not clearly defined.
A10-013 *Audit of Reduction in Force Employee Processing Controls* (June 25, 2010)	Work with the Director of the Department of Human Resources (HR) to develop policies, procedures, and forms to help ensure that ID badges and parking decals are returned and terminated employees' access to City buildings and parking garages are properly controlled.		**6/30/2010**	**PI**		✓			**Condition:** The EBS has not formalized policies and has not implemented the controls to properly restrict and monitor building access. The EBS has drafted supporting ADs to incorporate controls. **Effect:** Without clear policies, procedures, and forms, EBS cannot ensure that departments consistently hold employees accountable and process physical access appropriately for terminated and transferred employees.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Equipment and Building Services (EBS)

	Audit Report Information		Management Implementation Date(s)	Implementation Status					Qualifications/Comments
Report	Recommendation			Management (February 2012)	Audit Verification (September 2012)				Qualifications/Comments
					I	IQ	NI	NA	
A11-004 *Audit of Fleet Management Services* (December 10, 2010)	Work with other City departments to: (1) Establish vehicle utilization criteria; and, (2) Periodically evaluate the City's fleet to ensure vehicle utilization is optimized.		1/31/2011	PI		✓			**Condition:** The EBS has not identified a reasonable method to gather, analyze, and apply the research performed to establish vehicle utilization data and criteria, and evaluate optimization of vehicle usage; however, EBS has made limited progress by: (a) Gathering information about peer city vehicle replacement criteria; and, (b) Hiring personnel to support the function. **Effect:** Without proper fleet utilization data and criteria, the City cannot adequately determine where opportunities might exist to adjust fleet size and utilization.
A11-004 *Audit of Fleet Management Services* (December 10, 2010)	Continue to improve the efficiency of fleet vehicle life cycle management by evaluating other benchmarks, such as financial measures, that would help the City reduce make ready costs and maximize vehicle disposal revenue. Monitor and take corrective actions to maintain the fleet vehicles within established benchmarks.		1/31/2011	PI		✓			**Condition:** The EBS has not identified fleet vehicle life cycle benchmarks and subsequently does not monitor the life cycle process to reduce make ready costs. The EBS held three auctions to maximize vehicle disposal revenue. **Effect:** Without performance measures or other benchmarks to monitor vehicle life cycle, management cannot improve make ready cost, vehicle disposition process, or identify opportunities to maximize disposal revenue.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Audit Report Information			Implementation Status					Qualifications/Comments
Report	**Recommendation**	**Management Implementation Date(s)**	**Management (February 2012)**	**Audit Verification (September 2012)**				**Qualifications/Comments**
				I	IQ	NI	NA	
A11-004 *Audit of Fleet Management Services* (December 10, 2010)	Work with other City Departments to use Fleet Focus M5 as a comprehensive City-wide system to track the number and status of the vehicles in the City's fleet and to ensure that: (1) All City vehicles are included in Fleet Focus M5; (2) Departments are given access to Fleet Focus M5 to actively manage their vehicles; (3) Business rules are developed and communicated to ensure departments use the software application consistently; (4) Appropriate controls, such as periodic reconciliations and monitoring, are implemented to ensure data integrity and reliability; and, (5) Fleet Focus M5 users receive sufficient training.	1/31/2011	PI			✓		**Condition:** The EBS has not completed the implementation of the Fleet Focus M5 as a comprehensive City-wide system to track the number and status of the City's fleet. The EBS did hire contractors to evaluate the specific software needs for those departments that will use the EBS Fleet Focus M5 application. **Effect:** Inadequate implementation and usage of the Fleet Focus M5 prevents the City from tracking all City vehicles, accurately and timely updating vehicle status and maintenance, and using the data in the software to monitor fleet and their usage.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Audit Report Information			Implementation Status					Qualifications/Comments
Report	**Recommendation**	**Management Implementation Date(s)**	**Management (February 2012)**	**Audit Verification (September 2012)**				**Qualifications/Comments**
				I	**IQ**	**NI**	**NA**	
A11-004 *Audit of Fleet Management Services* (December 10, 2010)	**EBS**: Conduct a physical inventory and ensure that the Fleet Focus M5 is accurate, complete, and periodically (at least annually) reconciled to the Fixed Asset Registry (FAR). **City Controller's Office (CCO)**: Obtain and review the EBS reconciliation and ensure that it is timely and that discrepancies, if any, are reasonably resolved. (**Note:** *This recommendation applies to EBS and CCO; however, the verification results are shown only in the EBS Attachment IX. The recommendation is also included in the CCO's Attachment V for information purposes only.*)	**On-going**	I			✓		**Condition:** The EBS did not conduct a physical inventory of the City's fleet and did not establish a process for performing annual physical inventory. The EBS did complete a reconciliation between Fleet Focus M5 and the FAR for those fleet items leased by EBS to other units. For the noted variances, appropriate journal entries were made in FAR. The EBS did not retain any supporting documentation as evidence of the reconciliation process. Although CCO and EBS worked together to identify discrepancies, CCO did not obtain and review the EBS reconciliation and ensure that discrepancies were reasonably resolved. Also, the CCO's role in reviewing EBS' on-going physical inventory and reconciliation processes have not been outlined and communicated to EBS. **Effect:** When vehicles are not recorded or not removed timely from the FAR, the accounting records and the City's Comprehensive Annual Financial Report may not accurately reflect the value and the depreciation of City vehicles.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Park and Recreation (PKR)

Audit Verification Results

Recommendations Management Agreed to Implement	Per Management (February 2012)		Per Audit (September 2012)	
7	Implemented	7	Tested	7
	Partially Implemented			
	Not Implemented		Implemented	1
	No Longer Applicable		Implemented with Qualifications	2
	Responsibility of Another Department		Not Implemented	4
			No Longer Applicable	

Audit Report Information			Implementation Status					Qualifications/Comments
Report	Recommendation	Management Implementation Date(s)	Management (February 2012)	Audit Verification (September 2012)				
				I	IQ	NI	NA	
A10-016 *Audit of Dallas Zoo Transition* (June 25, 2010)	Request reimbursement from Dallas Zoo Management, Inc. (DZM) for the $10,509 in expenses that were paid by the City of Dallas (City) on behalf of DZM.	**6/25/2010**	I	✓				

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Audit Report Information		Management Implementation Date(s)	Implementation Status					Qualifications/Comments
Report	**Recommendation**		**Management (February 2012)**	**Audit Verification (September 2012)**				
				I	**IQ**	**NI**	**NA**	
A10-019 *Revenue Audit of Fair Park Music Hall Parking (*August 20, 2010)	Review the agreement and contract to ensure that they are integrated and incorporate the following provisions into the contracts: (1) The Fair Park Business Office (Office) access to Music Hall event attendance source documents (scanning system report and ticket stubs); (2) Timing of the Dallas Summer Musical Group Inc.'s (DSM Group) parking revenue remittances to Parking Company of America-Dallas, Inc. (PCA); (3) Procedures and or penalties for late payments and/or defaults by DSM Group to PCA and/or PCA to the City; (4) Observation and/or monitoring of Music Hall event ticket scanning and collections; and, (5) Notification of exemptions for Music Hall events for which no admission or parking is charged.	**12/1/2010**	**I**	✓				**Condition:** Although Fair Park Administration included the recommended provisions in the Music Hall at Fair Park Paid Parking Plan, it did not timely extend the contract. As a result, no formal agreement existed between the City and the DSM Group between September 1, 2011 and March 23, 2012. **Effect:** An invalid or expired contract makes it difficult for the City to enforce or require services consistently which may impact revenue.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Audit Report Information			Implementation Status					Qualifications/Comments
Report	**Recommendation**	**Management Implementation Date(s)**	**Management (February 2012)**	**Audit Verification (September 2012)**				**Qualifications/Comments**
				I	**IQ**	**NI**	**NA**	
A10-019 *Revenue Audit of Fair Park Music Hall Parking* (August 20, 2010)	Ensure that the Office receives the appropriate Music Hall event parking source documentation from the DSM Group.	**12/31/2010**	**I**	✓				**Condition:** Although Office has a practice of receiving the DSM Group Drop Count within three business days following each performance, the Office did not reconcile the DSM Group Drop Count to the ticket stubs. **Effect:** Without reconciliation of the two sources, the Office cannot confirm if the City received the appropriate revenue from the parking contractor for the Music Hall event parking. **New Observation:** The Office did not obtain late penalty fees totaling **$460.94** from two parking contractors because of poor monitoring controls over the contractors' obligations to the City.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Park and Recreation (PKR)

	Audit Report Information		Management Implementation Date(s)	Implementation Status					Qualifications/Comments
Report	Recommendation			Management (February 2012)	Audit Verification (September 2012)				
					I	IQ	NI	NA	
A11-002 *Audit of Selected General Computer Controls Over Various Revenue Sources for the Department of Park and Recreation* (October 8, 2010)	Ensure that for Point of Sale (POS) applications: (1) Policies and procedures for change management, security administration, and computer operations are established and documented; and, (2) Policies and procedures consider unique circumstances, such as reliance on third party services.		3/31/2011	I	✓				**Condition:** The Department of Park and Recreation (PKR) has drafted an outline for Information Technology (IT) policies and procedures which reference certain Department of Communication and Information Services' (CIS) Administrative Directives (AD) and other best practices; however, the policies and procedures are not documented in sufficient detail to allow another individual to perform PKR IT operations with minimal disruption. Also, the policies and procedures do not adequately address potential risks related to security administration, change management, data backup and recovery, and third party relationships. **Effect:** Without current policies and procedures, PKR would be unable to assign accountability, execute job responsibilities consistently, and effectively manage IT processes.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Park and Recreation (PKR)

	Audit Report Information		Management Implementation Date(s)	Implementation Status					Qualifications/Comments
Report	Recommendation			Management (February 2012)	Audit Verification (September 2012)				
					I	IQ	NI	NA	
A11-002 *Audit of Selected General Computer Controls Over Various Revenue Sources for the Department of Park and Recreation* (October 8, 2010)	Establish and document Operating Level Agreements (OLAs) with vendors to ensure that roles, responsibilities, and expectations are defined; and, monitor vendor agreements periodically to verify compliance with OLAs.		**1/31/2011**	**I**	✓				**Condition:** The OLAs for the Class and Club Prophet applications have not been developed or modified to ensure that roles, responsibilities and expectations of the vendors are clearly defined. Furthermore, there is no monitoring of vendor agreements to verify compliance with OLAs is performed. **Effect:** The PKR is too vendor dependent and may not be able to recover operations if the vendor goes out of business and/or the vendor may not perform activities as required or performed unauthorized activities within the applications. Additionally, the OLAs do not consider security risks inherent at the golf pro-shops, such as sharing of passwords.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Audit Report Information			Implementation Status					Qualifications/Comments
Report	**Recommendation**	**Management Implementation Date(s)**	**Management (February 2012)**	**Audit Verification (September 2012)**				
				I	**IQ**	**NI**	**NA**	
A11-002 *Audit of Selected General Computer Controls Over Various Revenue Sources for the Department of Park and Recreation* (October 8, 2010)	Develop, document, and implement formal change management procedures that are standard, reliable, and consistent so that only approved, planned, and tested changes are made to data and systems for the POS applications.	**3/31/2011**	I	✓				**Condition:** The Club Prophet application and its activities are tracked and retained as evidence; however, the two logs (internal and vendor) are incomplete, do not include the same information, and do not track incidents for the same time period. Furthermore, the change management process for tracking universal application changes are not clearly identified and documented for future reference. Also, no changes were made to the change management process for the Class application; the PKR IT continues to rely on the vendor and the vendor's online log for record of implemented changes. **Effect:** The PKR cannot ensure that only those changes authorized and approved by designated personnel are introduced into production and do not impact revenue.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

	Audit Report Information		Management Implementation Date(s)	Implementation Status					Qualifications/Comments
Report	**Recommendation**			**Management (February 2012)**	**Audit Verification (September 2012)**				**Qualifications/Comments**
					I	**IQ**	**NI**	**NA**	
A11-002 *Audit of Selected General Computer Controls Over Various Revenue Sources for the Department of Park and Recreation* (October 8, 2010)	Establish data backup and restoration procedures to ensure that data is available during non-disaster recovery purposes.		**11/30/2010**	I	✓				**Condition:** Backups for system configuration changes are not defined; production data restores are not completed; off-site storage functionality is not yet functional; and, daily backups are not reviewed for potential backup errors. **Effect:** Incomplete or inadequate backups and/or untested data backups limit the ability to conduct business without interruptions when unexpected events occur.
A11-002 *Audit of Selected General Computer Controls Over Various Revenue Sources for the Department of Park and Recreation:* ***CONFIDENTIAL LIMITED USE REPORT*** (October 8, 2010)	The four recommendations discussed in the Confidential Limited Use Report have been omitted and provided to management in a separate memo. Our decision to exclude this information is based on: • Government Auditing Standards, December 2011 Revision, Sections 7.39 – 7.43 Reporting Confidential and Sensitive Information; and, • Texas Government Code Section 552.139. EXCEPTION: GOVERNMENT INFORMATION RELATED TO SECURITY ISSUES FOR COMPUTERS.								

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Dallas Zoo Management, Inc. (DZM)

Audit Verification Results

Recommendations Management Agreed to Implement	Per Management (February 2012)		Per Audit (September 2012)	
3	Implemented	3	Tested	2
	Partially Implemented			
	Not Implemented		Implemented	
	No Longer Applicable		Implemented with Qualifications	1
	Responsibility of Another Department		Not Implemented	1
			No Longer Applicable	

Audit Report Information			Implementation Status				Qualifications/Comments
Report	**Recommendation**	**Management Implementation Date(s)**	**Management (February 2012)**	**Audit Verification (September 2012)**			
				I	**IQ**	**NI**	**NA**	
A10-016 *Audit of the Dallas Zoo Transition* (June 25, 2010)	Develop and implement written policies and procedures (P&P) for recording, maintaining, and monitoring the Animal Collection Inventory. Comply with the Association of Zoos and Aquariums (AZA) accreditation standards related to inventory. At least annually, DZM should: (1) Confirm all animals "In on Loan" from and "Out on Loan" to other zoos; (2) Conduct and reconcile physical inventories to the Animal Records Keeping System (ARKS); and, (4) Monitor, at least annually, the conditions of any loaned specimens and the ability of the recipient to provide proper care.	**6/17/2010**	I	✓			**Condition:** The DZM provided 2004 P&P and certain 2011 procedures. The DZM also received AZA accreditation on March 24, 2012. Sample testing of the animal collection inventory revealed no inventory issues. The DZM, however, did not retain evidence to show that the daily animal count sheets are reconciled to ARKS and that periodic physical inventories were performed. **Effect:** The DZM cannot ensure that: (a) Reconciliations of the daily animal collection count sheets to ARKS are performed accurately and consistently; and, (b) Physical inventories of the animal collection are performed periodically to validate the accuracy of the animal collection count in ARKS.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable

Dallas Zoo Management, Inc. (DZM)

	Audit Report Information		Implementation Status					Qualifications/Comments
Report	**Recommendation**	**Management Implementation Date(s)**	**Management (February 2012)**	**Audit Verification (September 2012)**				**Qualifications/Comments**
				I	IQ	NI	NA	
A10-016 *Audit of the Dallas Zoo Transition* (June 25, 2010)	Develop and implement written policies and procedures that address physical access controls and include the proper methods to control, secure, and account for fixed assets, such as conducting periodic inventories.	**7/31/2010**	I	✓				**Condition:** The Zoo did not have complete and accurate fixed asset inventories. **Effect:** Without periodic inventories, the Zoo cannot determine fixed assets already purchased by the Zoo and whether the fixed assets are in the correct location and are accounted for properly.

I - Implemented
IQ - Implemented with Qualifications
NI - Not Implemented
NA - No Longer Applicable