

# Memorandum



CITY OF DALLAS  
(Report # A08-007)

DATE: February 8, 2008

TO: Honorable Mayor and Members of the City Council

SUBJECT: Follow-Up to Recommendations Issued in Fiscal Years 2004 to 2006

City management strengthened internal controls and improved operations by implementing or partially implementing 329 (83 percent) of the 398 recommendations made by the Office of the City Auditor during Fiscal Years (FY) 2004 through 2006. Of the remaining 69 prior audit recommendations that were not implemented, City Management did not agree with 40 recommendations when the reports were originally issued.

We verified and reported in audit follow-up reports that 173 prior audit recommendations (88 in FY 2004 and 85 in FY 2005) were implemented. City management provided the status of the remaining 225 prior audit recommendations (95 implemented, 61 partially implemented, and 69 not implemented.)

Based on audit follow-up reports and City management assertions, the following table shows the implementation status for the recommendations issued during each fiscal year:

FY	Recommendations Issued	Implemented	Partially Implemented	Not Implemented
2004	132	96 (73%)	14 (10%)	22 (17%)
2005	182	125 (69%)	28 (15%)	29 (16%)
2006	84	47 (56%)	19 (23%)	18 (21%)
<b>Total</b>	<b>398</b>	<b>268 (68%)</b>	<b>61 (15%)</b>	<b>69 (17%)</b>

Sources: City Auditor Reports and City Management Responses

During FY 2007, the Office of the City Auditor initiated a new approach to the follow-up of prior audit recommendations. A database was developed to facilitate the monitoring and reporting to the City Council on the status of all prior audit recommendations. Departments were requested to provide the implementation status for all prior audit recommendations made during the three previous fiscal years which had not already been verified during a follow-up audit. In the future, the Office of the City Auditor will request management to provide periodic updates

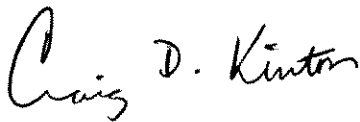
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to the implementation status of prior audit recommendations which will be validated by issuance of audit follow-up reports to City Council.

We are currently in the process of requesting Department Directors to update the status of their efforts to implement prior audit recommendations. We will update the database based on their responses and in March 2008 begin auditing selected departments to verify reported implementation status.

We appreciate management's cooperation in providing information to develop the audit follow-up database. If you have any questions or would like additional information on the status of specific recommendations, please contact me at 214-670-3222 or Gary Lewis, Audit Manager, at 214-670-5347.

Respectfully,

A handwritten signature in black ink that reads "Craig D. Kinton". The signature is written in a cursive style with a large initial "C".

Craig D. Kinton  
City Auditor

C: Mary K. Suhm, City Manager