

Office of the City Auditor

Fiscal Year 2022 Auditor Briefing Update

Reports Released between August 13,
2022, and September 23, 2022

October 3, 2022
Mark S. Swann, City Auditor

Government Performance & Financial Management Committee





Audit of Proposed Budget Revenues Included in the Fiscal Year 2022-23 Proposed Annual Budget for the City of Dallas

September 2, 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

Cara Mendelsohn

Jesse Moreno

Jaime Resendez

Paul E. Ridley

Jaynie Schultz

Casey Thomas, II

Chad West

Gay Donnell Willis



Reports Issued – September 2, 2022

Audit of Proposed Budget Revenues Included in the Fiscal Year 2022-23 Proposed Annual Budget (Slide 1 of 2)

Objective:

The audit objective was to determine whether the City of Dallas has effective processes to ensure reasonable proposed budget revenues are included in the City Manager's *Fiscal Year 2022-23 Proposed Annual Budget*.

What We Found:

The City of Dallas has effective processes to ensure reasonable proposed budget revenues are included in the Fiscal Year 2022-23 Proposed Annual Budget. Further, the revenue forecast methodologies and material assumptions used in developing the proposed budget revenues are reasonable and adequately supported.

Reports Issued – September 2, 2022

Special Audit of Proposed Budget Revenues Included in the Fiscal Year 2022-23 Proposed Annual Budget (Slide 2 of 2)

Revenue Sources	Fiscal Year 2021-22 Amended Budget	Fiscal Year 2021-22 Forecast Revenues	Fiscal Year 2022-23 Proposed Revenues
General Fund			
Ad Valorem Taxes	\$876,483,968	\$878,183,053	\$961,430,663
Sales Tax	\$364,294,064	\$375,544,901	\$417,232,383
Franchise Fees	\$85,146,984	\$88,483,000	\$94,959,000
Enterprise Fund			
Water Utilities	\$713,732,650	\$728,366,934	\$755,226,160
Aviation - Concessions & Rentals	\$111,964,255	\$114,490,609	\$119,476,874
Sanitation Services	\$137,982,207	\$142,821,367	\$145,369,518
Convention and Event Services - Hotel Occupancy Tax	\$58,310,171	\$58,171,205	\$66,453,873
Storm Water Fees	\$69,314,586	\$69,314,586	\$72,433,742
Debt Service			
Ad Valorem Taxes	\$321,279,574	\$322,203,314	\$365,643,492
Revenue Sources Reviewed	\$2,738,508,459	\$2,777,578,969	\$2,998,225,705
Revenue Sources Not Included	\$777,283,348	\$804,469,241	\$847,580,241
Total Revenues	\$3,515,791,807	\$3,582,048,210	\$3,845,805,946

Source: Fiscal Year 2022-23 Proposed Annual Budget (Unaudited)



Independent Report on Agreed-Upon Procedures
for: Attestation Engagement for the Department of
Dallas Water Utilities Construction Project
Procurement – Elm Fork Water Treatment Plant
Filter Complex Phase 1 – CIZ-DWU-22 051

September 8, 2022

Mark S. Swann, City Auditor

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Reports Issued – September 8, 2022

Dallas Water Utilities Construction Project Procurement – Elm Fork Water Treatment Plant Filter Complex Phase 1 – Agreed Upon Procedures

Objective:

The objective of the agreed-upon procedures attestation engagement was solely to assist the City of Dallas City Council in evaluating the Department of Dallas Water Utilities' and Office of Procurement Services' compliance with Administrative Directive 4-05, [Contracting Standards and Procedures](#), relevant State of Texas statutes, and City of Dallas contracting and delivery procedures.

What We Found

No exceptions were found for the 17 Agreed-Upon procedures.



Audit of Dangerous and Aggressive Dogs Investigation and Determination Process

August 29, 2022

Mark S. Swann, City Auditor

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Reports Issued – August 29, 2022

Audit of Dangerous and Aggressive Dogs Investigation and Determination Process

(Slide 1 of 5)

Objective and Scope:

The objectives of this audit were to determine whether:

- (1) Owners of aggressive and dangerous dogs comply with requirements.
- (2) Internal controls are in place to ensure dangerous and aggressive dogs investigations comply with management's expectations and Dallas City Code.
- (3) The determination of dangerous and aggressive dogs is efficient and effective.

The scope included October 1, 2019, to September 30, 2021.

Reports Issued – August 29, 2022

Audit of Dangerous and Aggressive Dogs Investigation and Determination Process

(Slide 2 of 5)

What We Found:

The aggressive dog program is not effective because the City cannot ensure owners comply with its requirements, in part due to the current language in [Dallas City Code, Chapter 7, Animals](#).

Dallas Animal Services has robust procedures for the dangerous and aggressive dog determination and investigation process. However, the procedures take time, and delays can occur.

Management provided action plans for all five recommendations (100 percent).

Reports Issued – August 29, 2022

Audit of Dangerous and Aggressive Dogs Investigation and Determination Process – Recommendations Accepted

(Slide 3 of 5)

A.1: Recommend the City Council consider technical revisions to *Dallas City Code, Chapter 7, Animals, Article V-a. Aggressive Dogs* include:

- In Section 7-5.15, describe how the noncompliance hearings will be held or remove the words “Noncompliance Hearing,” from the title of the section.
- In Section 7-5.16 (c), change the responsible party to the Municipal Court.

A.2: Develop formal policies and procedures for ensuring owners comply with the requirements for owning dangerous and aggressive dogs.

Reports Issued – August 29, 2022

Audit of Dangerous and Aggressive Dogs Investigation and Determination Process – Recommendations Accepted

(Slide 4 of 5)

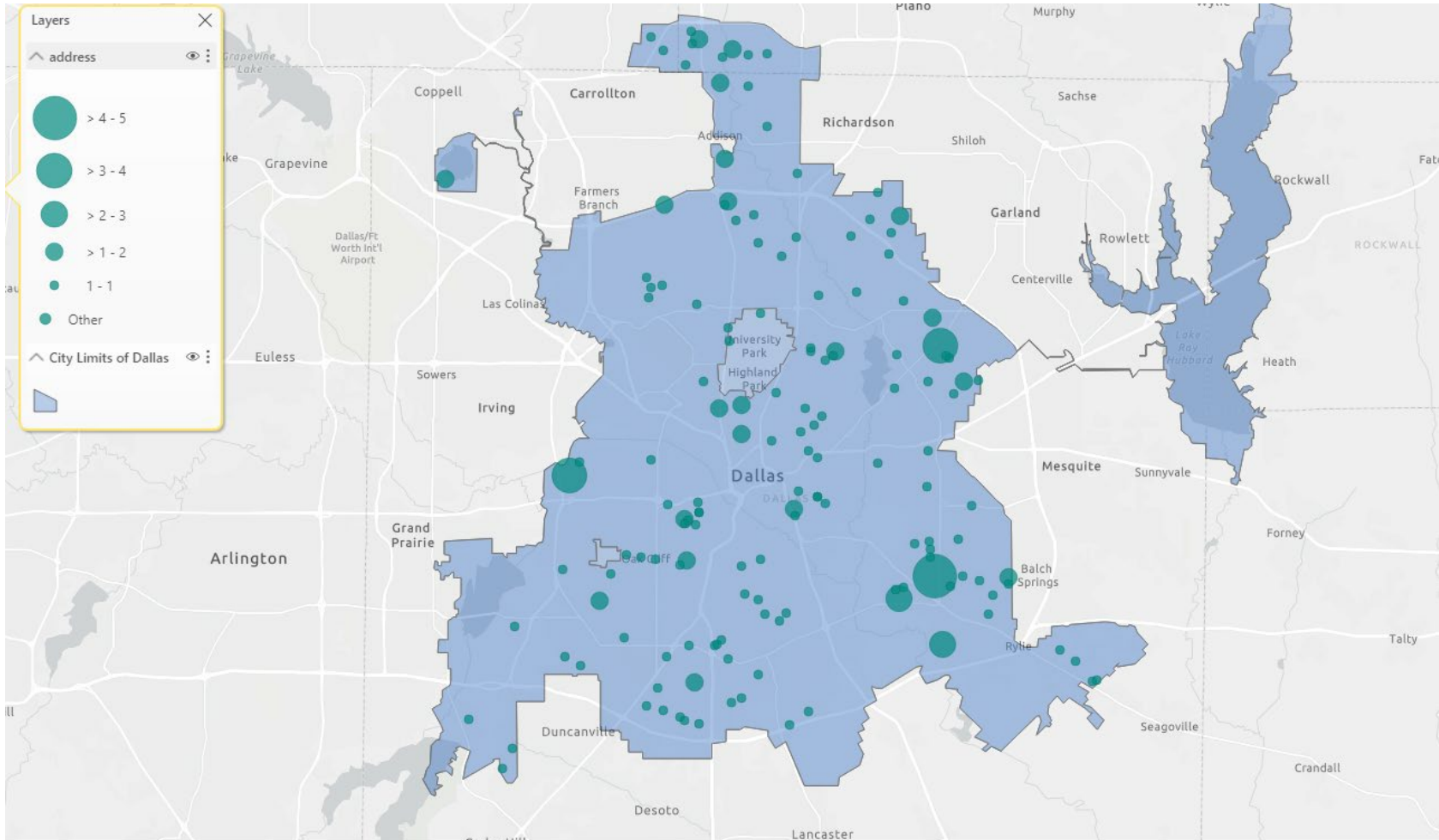
B.1: Set a realistic overall target for completion of the investigation and determination process.

B.2: Monitor timeliness toward meeting the overall target for completion of the investigation and determination process and adjust procedures if needed.

C.1: Complete the reporting of dangerous and aggressive dogs in the Chameleon system and implement information system internal controls, such as validity, logical access, accuracy, and completeness.

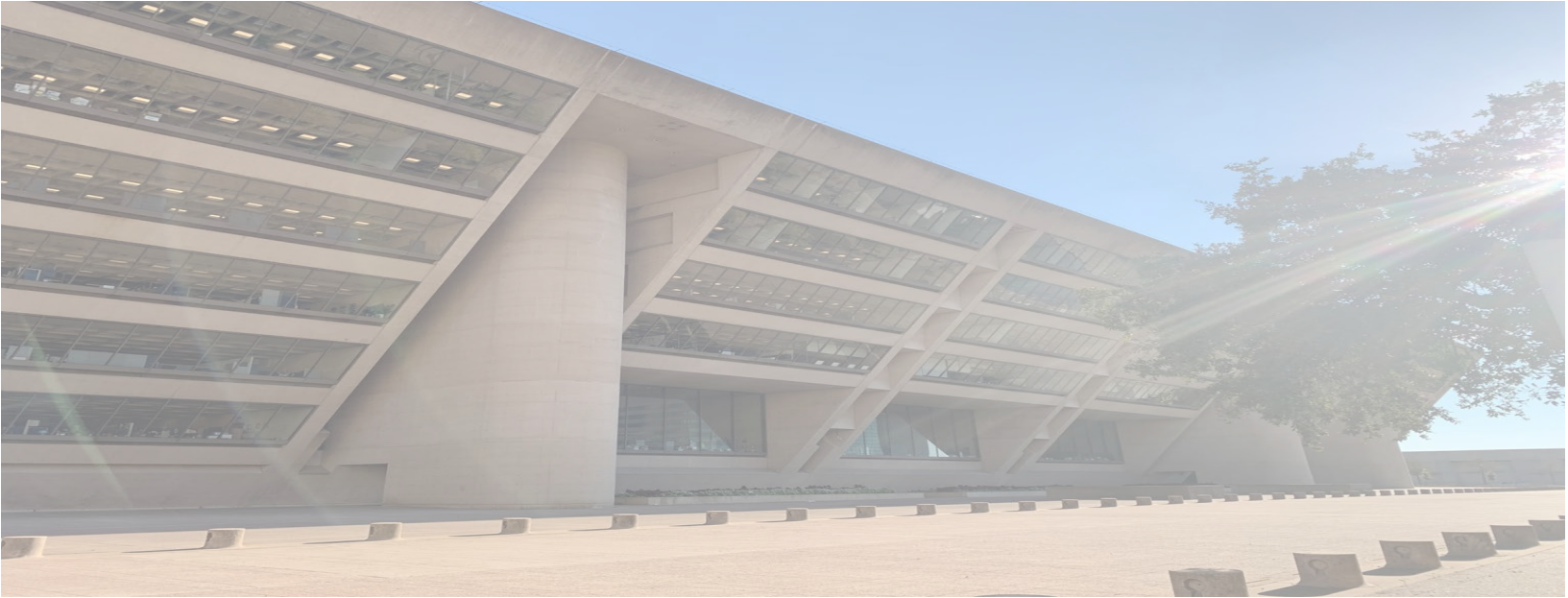
Reports Issued – August 29, 2022

Audit of Dangerous and Aggressive Dogs Investigation and Determination Process – Dangerous Dogs Locations July 2022 (Slide 5 of 5)



Source: City of Dallas Animal Services map using data as of July 19, 2022.

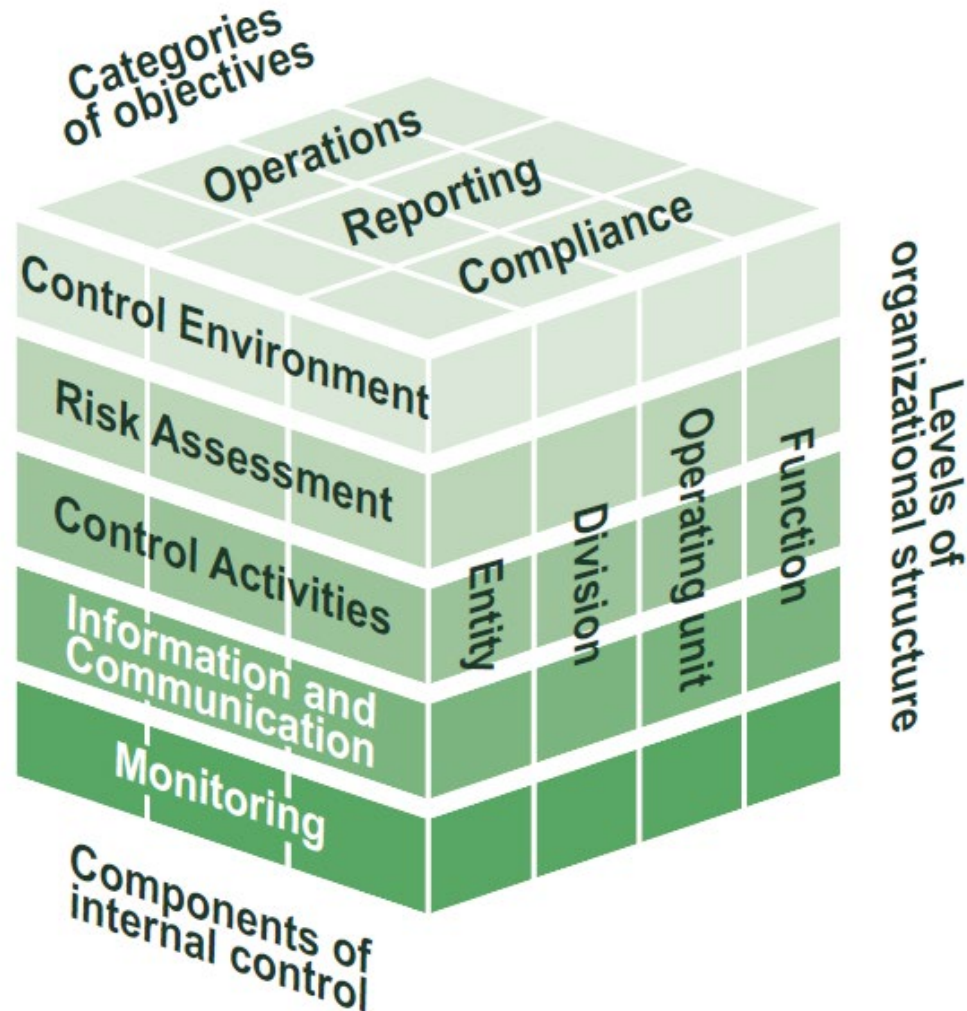
Fiscal Year 2023 Recommended Audit Work Plan



Audit Plan Explained

The Audit Plan attempts to identify the risks that matter and provide City-wide audit coverage by allocating 22,000 resource hours to complete 19 audit or attestation engagements.

Standards for Internal Control in the Federal Government (Green Book)



Fiscal Year 2023 Risk Assessment

No.	Fund Type	Department Abbreviation	Auditable Unit Description	FY2023 - Planned Budget	Risk Weight	Risk Weight = Values Only	Audit Plan	Last Audit or Other Review
1	GF	CCO	CCO: Financial Reporting	25,567,082	1,255	●	2023	FY 2021 External Audit - Weaver
2	EF	DWU	DWU-EF: Wastewater Collection & Treatment	81,767,796	1,245	●	2023	
3	GF	DPD	DPD: Police Investigations	100,654,471	1,230	●	2023	
4	EF	DWU	DWU-EF: Water Utilities Customer Account Services	36,034,449	1,230	●		2015
5	GF	CCO	CCO: Payroll	2,223,270	1,200	●	2023	
6	GF	MGT	MGT: 3-1-1 Customer Service Center	5,850,487	1,200	●	2023	
7	Debt	DEBT	Debt Services	412,314,869	1,200	●	2023	
8	GF	DFR	DFR:EMS	20,790,059	1,190	●		
9	GF	DPD	DPD: Police Field Patrol & Support	350,781,034	1,190	●	2023	
10	GF	BMS	BMS: Budget, Utility	1,994,773	1,185	●	2023	
11	EF	DWU	DWU-EF: Water Production & Delivery	110,722,482	1,185	●		2019
12	GF	DFR	DFR: Fire Dispatch & Communications	26,565,237	1,175	●	2023	
13	GF	HR	HR: Consulting	3,206,659	1,160	●	2023	
14	GF	DPD	DPD: Police Operational Support (9-1-1)	46,535,434	1,135	●	2023	
15	ISF	ITS	ITS-ISF: Public Safety	6,715,412	1,105	●		Kirkland and Ellis 2022
16	ISF	ITS	ITS -ISF: 9-1-1 Technology Services; Public Safety Support	14,212,742	1,075	●	2023	
17	GF	DFR	DFR: Fire-Rescue Response	263,105,329	1,065	●		2020
18	GF	MGT	MGT: Emergency & Sustainability	2,300,826	1,035	●	2023	
19	EF	DWU	DWU-EF: DWU General Expense	141,484,773	1,025	●		
20	CAP	CAP	CAP: General Purpose	532,677,357	1,020	●	2023	
21	EF	DWU-SDM	DWU-SDM-EF: Storm Water Services	72,433,742	980	●		2022
22	ISF	ITS	ITS-ISSF: Employee Support	40,609,996	980	●		
23	EF	AVI	AVI-EF-Dallas Love Field	90,442,605	970	●		2022
24	GF	SEC	SEC: Open Records & Records Management	1,484,047	940	●		2020
25	EF	SAN	SAN-EF: Citizen Sanitation Services	96,625,171	925	●	2023	

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October 3, 2022
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APPENDIX – Audit Reports

Here are the final reports and links for your reference.

Quarter 4 – September Update:

- [Audit of Proposed Budget Revenues Included in the Fiscal Year 2022-23 Proposed Annual Budget](#)
- [Department of Dallas Water Utilities Construction Project Procurement – Elm Fork Water Treatment Plant Filter Complex Phase 1 – Agreed-Upon Procedures](#)
- [Audit of Dangerous and Aggressive Dogs Investigation and Determination Process](#)