

Office of the City Auditor

Auditor Briefing Update

Reports Released between September 24,
2022, and October 14, 2022

October 24, 2022
Mark S. Swann, City Auditor

Government Performance & Financial Management Committee





Audit of Stormwater Billing Calculations

September 26, 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

Report Issued – September 26, 2022

Audit of Stormwater Billing Calculations

Objective and Scope

The objective of this audit was to determine if property stormwater impervious area determinations and fees are in accordance with City procedures.

The scope of the audit was management operations from October 1, 2018, to June 1, 2020.

Observed Conditions

No errors in the fee calculations made by the Stormwater Information Management System were noted.

Documentation supporting receipt of property impervious area updates and processing of accurate data was lacking.

City Management agreed with 2 of 2 recommendations (100 percent).

Report Issued – September 26, 2022

Audit of Stormwater Billing Calculations

Recommendations

- A.1:** Develop and implement procedures to ensure all data needed to update the Stormwater Information Management System is received, and the system is accurately updated.
- A.2:** Develop and implement procedures to ensure all property impervious area classifications are correct.



Audit of Coronavirus Aid, Relief, and Economic Security (CARES) Act Final Report

September 30, 2022

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Report Issued – September 30, 2022

Audit of Coronavirus Aid, Relief, and Economic Security (CARES) Act Final Report

Objective and Scope

The audit objectives were to determine if:

- (1) Expenditures claimed for *CARES Act* funding comply with the Act's expense eligibility requirements;
- (2) Documentary evidence support expenditures claimed for *CARES Act* funding.
- (3) *CARES Act* periodic reports are accurate.

The report covers the Coronavirus Relief Fund from March 1, 2020, through December 31, 2020.

Baker Tilly US, LLP was retained to test the Coronavirus Relief Fund expenditures.

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Audit of Coronavirus Aid, Relief, and Economic Security (CARES) Act Final Report

Observed Conditions

- The expenditures tested by Baker Tilly US, LLP complied with the CARES Act's eligibility requirements.
- Baker Tilly US, LLP noted several best practices the City should consider. There was not always enough detailed documentary evidence to directly connect the expenditures to the City's COVID-19 response.
- Potential ineligible expenditures were identified, but the City of Dallas took immediate action to replace the expenditures with eligible expenditures.
- Documentation of the payroll approval process controls was incomplete.
- Finally, subrecipient monitoring had areas for improvement.

City Management agreed with 5 of 5 recommendations (100 percent).

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Audit of Coronavirus Aid, Relief, and Economic Security (CARES) Act Final Report

Recommendations

A.1: Ensure all future non-payroll and non-public health and safety employee payroll expenditures have easily retrievable supporting documentation that directly connects the expenditure to the City's COVID-19 response.

A.2: Prepare a memo describing the payroll approval process controls.

A.3: Perform analytical procedures and sample-based testing on the Coronavirus Relief Fund expenditures to help ensure funds were used on eligible expenditures.

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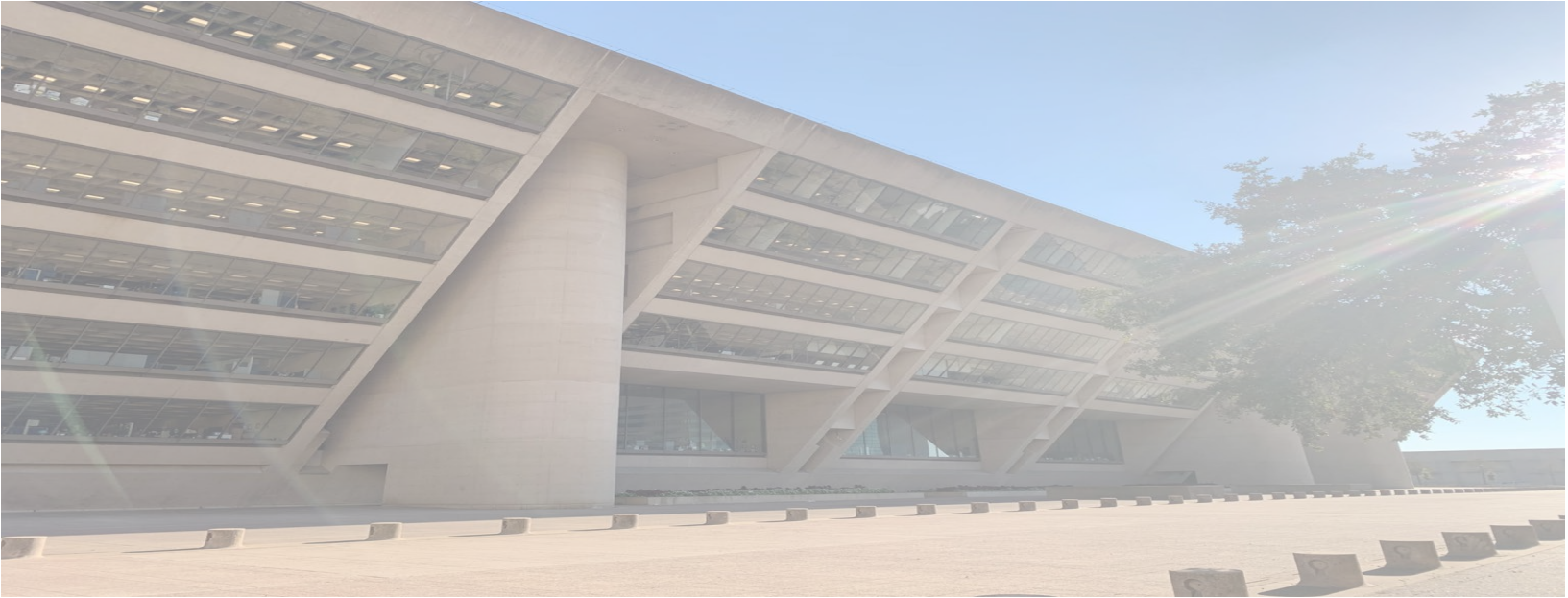
Audit of Coronavirus Aid, Relief, and Economic Security (CARES) Act Final Report

Recommendations

B.1: Ensure the risk assessment for each future applicable subrecipients is documented and the level of monitoring is consistent with the assigned risk levels of the subrecipients.

B.2: Review all subrecipient agreements to ensure all the necessary information required to be disclosed is included.

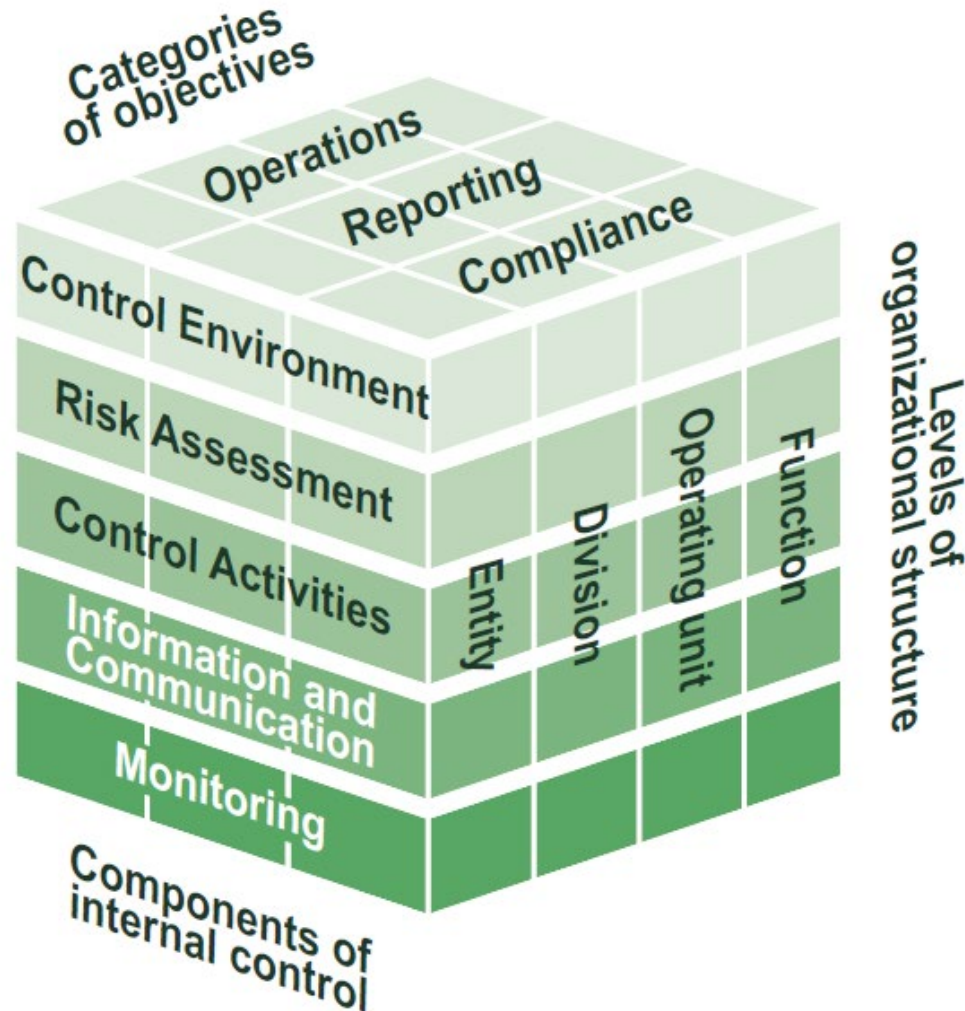
Fiscal Year 2023 Recommended Audit Work Plan



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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APPENDIX – Audit Reports

Here are the final reports and links for your reference.

October Update:

- [Audit of Stormwater Billing Calculations](#)
- [Audit of Coronavirus Aid, Relief, and Economic Security \(CARES\) Act Final Report](#)