



Office of the City Auditor: Fiscal Year 2021 Annual Report

December 8, 2021

Mark S. Swann, City Auditor

Mayor

Eric Johnson

Mayor Pro Tem

Chad West

Deputy Mayor Pro Tem

Jaime Resendez

Council Members

Carolyn King Arnold

Tennell Atkins

Adam Bazaldua

Paula Blackmon

B. Adam McGough

Cara Mendelsohn

Jesse Moreno

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Paul E. Ridley

Jaynie Schultz

Casey Thomas, II

Gay Donnell Willis



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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 2021

In Fiscal Year 2021, the Office of the City Auditor was delayed in achieving some goals, made significant progress towards others, and exceeded or met four as shown in [Exhibit 1](#) below:

Exhibit 1:

Office of the City Auditor Fiscal Year 2021 Goals (as of September 30, 2021)

Performance Measure	Goal	Actual
Publish 19 audit or attestation reports.	19 reports	18 reports
Report recommendations accepted by management.	90 %	69 %
Staff with professional certifications (CIA, CPA, CISA, or CFE).	80 %	85 %
Focus on our mission with available time.	82 %	80 %

Additional Goals	Goal	Actual
Refer or provide an initial response for Fraud, Waste, and Abuse alerts within three workdays.	95 %	100 %
Migrate City Auditor's computer servers to Information and Technology Services support.	4 th Quarter	Completed – 2nd Quarter
Update TeamMate Audit Software to Audit+	4 th Quarter	Delayed – Vendor impasse on contract insurance requirements. Working on different vendor solution.
Subject Matter Expert Development	2 Subject Matter Experts	One SME In Progress: Workday Time Tracking Module Configurations
Update City Auditor's Responsibilities and Administrative Procedures	2 nd Quarter	Completed – City Council approved February 24, 2021 (Resolution 21-0432)
Identify other entities that provide assurance service coverage and consolidate their reports on the City Auditor's website	4 th Quarter	In Progress - Established website template with assistance of Data Analytics & Business Intelligence Department to establish a report repository.
Coordinate a local government risk repository through the Association of Local Government Auditors	4 th Quarter	Not started.

Fiscal Year 2022

Going forward into the period of October 1, 2021 through September 30, 2022, 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 two 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.
- Migrate Wolters Kluwer TeamMate AM software to Galvanize AuditBond software during 2nd Quarter. TeamMate AM will be at the end of support life in December 2024.

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 as efficient, effective, and equitable as possible.

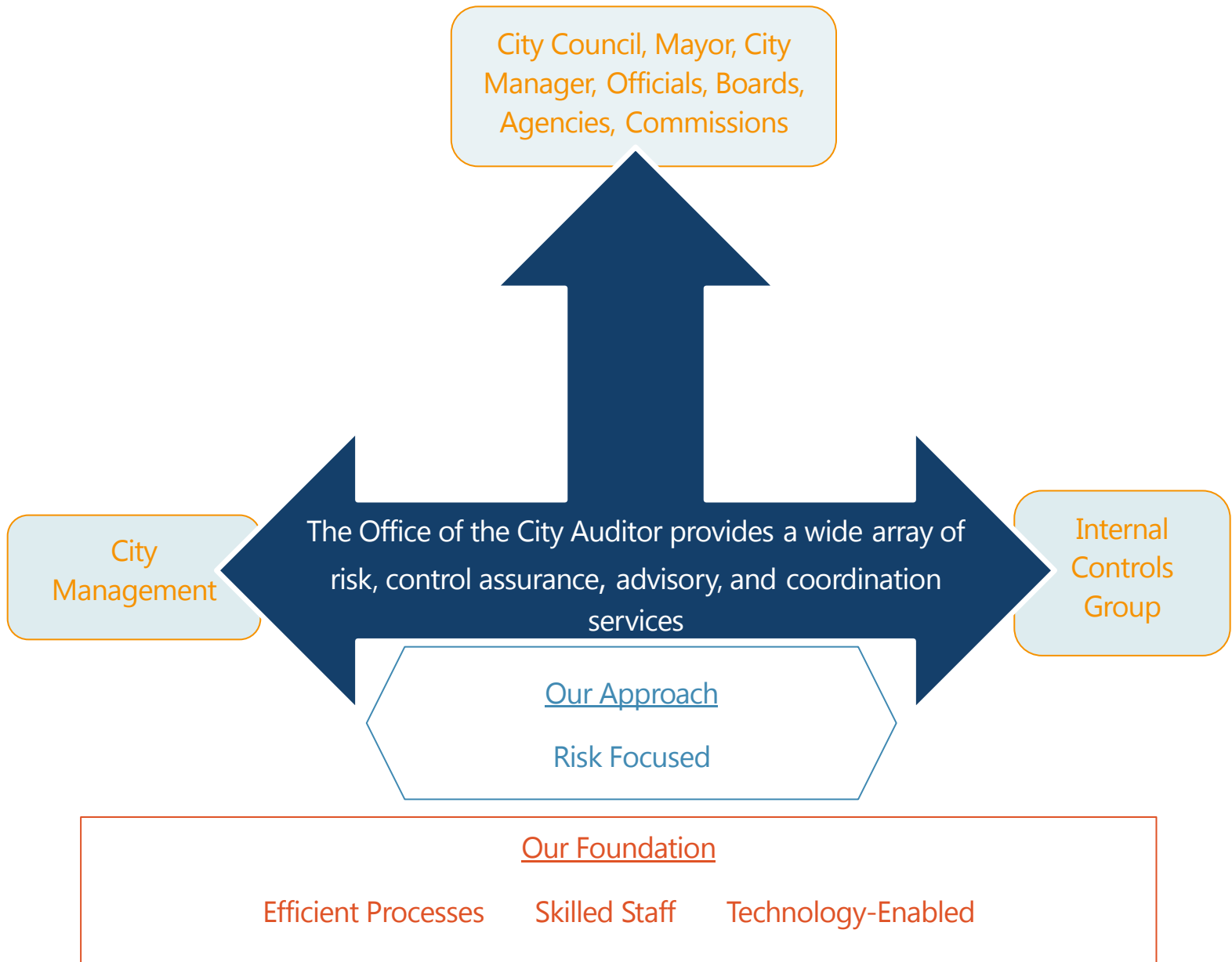
Accountability and the Reporting Process

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 for ensuring 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 Supervisor. A total of 15 Auditors report to the Management Team.

Exhibit 3:

Staff Composition Overview

Staff Composition Highlights	
Staff Tenure with Office	
Under Two Years	15 %
More than Two to Five Years	55 %
More than Five to Ten Years	15 %
More than Ten Years	15 %
Staff Years of Professional Experience*	
Two to Five Years	10 %
More than Five to Ten Years	20 %
More than Ten to 20 Years	25 %
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	50 %
Doctor of Jurisprudence	5 %
Professional Certifications/Designations*	
Certified Public Accountant (CPA)	20 %
Certified Internal Auditor (CIA)	45 %
Certified Information Systems Auditor (CISA)	25 %
Certified Fraud Examiner (CFE)	35 %
Licensed Attorney	5 %
Other Certifications	25 %

*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	15 %	16 %	24 %
Hispanic	15 %	29 %	42 %
Race - Other	15 %	10 %	5 %

Sources: Office of the City Auditor and censusreporter.org

Staff Changes

Welcome New Staff

Matthew Cheadle, CIA, CFE - Joined the Office of the City Auditor in March 2021, serving as a Senior Auditor. Mr. Cheadle previously worked as an auditor for local governments and the State of Georgia.

Carron Perry, CIA - Joined the Office of the City Auditor in July 2021, serving as a Senior Auditor. She is responsible for conducting performance audits and attestation engagements. Ms. Perry brings over 25 years of internal auditing expertise to the City of Dallas. In her past roles, she managed teams of auditors in the manufacturing, restaurant, and retail industries. Some of her professional strengths include project management, risk management, strategic planning, general accounting, financial analysis, operational cost savings, SOX, and relationship building.

Thank You for Your Service

Lina Wang, CPA - Continues service to the City as an accountant in the City Controller’s Office. Ms. Wang contributed to several audit engagements during her two years with the Office of the City Auditor.

Bob Smith, CPA – Left the Office of the City Auditor in May 2021 to pursue an accounting and finance career in industry. Mr. Smith contributed to numerous audit engagements during his six years with the Office of the City Auditor.

Notable Accomplishments by Office Staff

Professional Designations

Earned

- Mamatha Sparks earned the Certified Information Systems Security Professional (CISSP) designation.
- Frank Mayhew and Holly Hart earned the Certified Internal Auditor (CIA) designation.
- Enrique Fuentes, Laura Miller, and Daniel Genz earned the Certified Fraud Examiner (CFE) designation.

In Process

- Yzalida Hiley and Kimberly Bernsen Williams are pursuing the Certified Internal Auditor (CIA) designation.

Executive MBA Program

- Bob Smith completed the University of Texas at Dallas Executive MBA program.

Subject Matter Experts

- Daniel Genz is working towards becoming a subject matter expert in Construction Auditing.
- Mamatha Sparks started acquiring additional knowledge of the Workday time tracking module.
- Kimberly Bernsen Williams is working towards becoming a subject matter expert in AMS.

Values Ambassador Program

Two Auditors were 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

- Rory Galter and Dan Genz collaborated to publish an article included in the University of Illinois Chicago Government Finance Research Center Blog related to keys to effective Board and Commission Management.
- Anatoli Douditski served on the Association of Local Government Auditors' (ALGA) Advocacy Committee.

- Daniel Genz served as an ALGA 2022 Annual Conference Committee member. The conference will be held in downtown Dallas, Texas, in May 2022.
- Holly Hart served on ALGA's Professional Issues Committee.
- Shino Knowles served as Treasurer for the Dallas Chapter of the Association of Government Auditors (AGA) and was selected AGA Volunteer of the Year – Dallas Chapter.

Summary of Investigative Services

In Fiscal Year 2021, Investigative Services received 188 Speak Up Line alerts (the City of Dallas' fraud, waste, and abuse hotline) and closed 163 alerts, with 47 percent referred to City departments for review. Of the 163 alerts closed, 7 were substantiated, resulting in 5 corrective administrative actions.

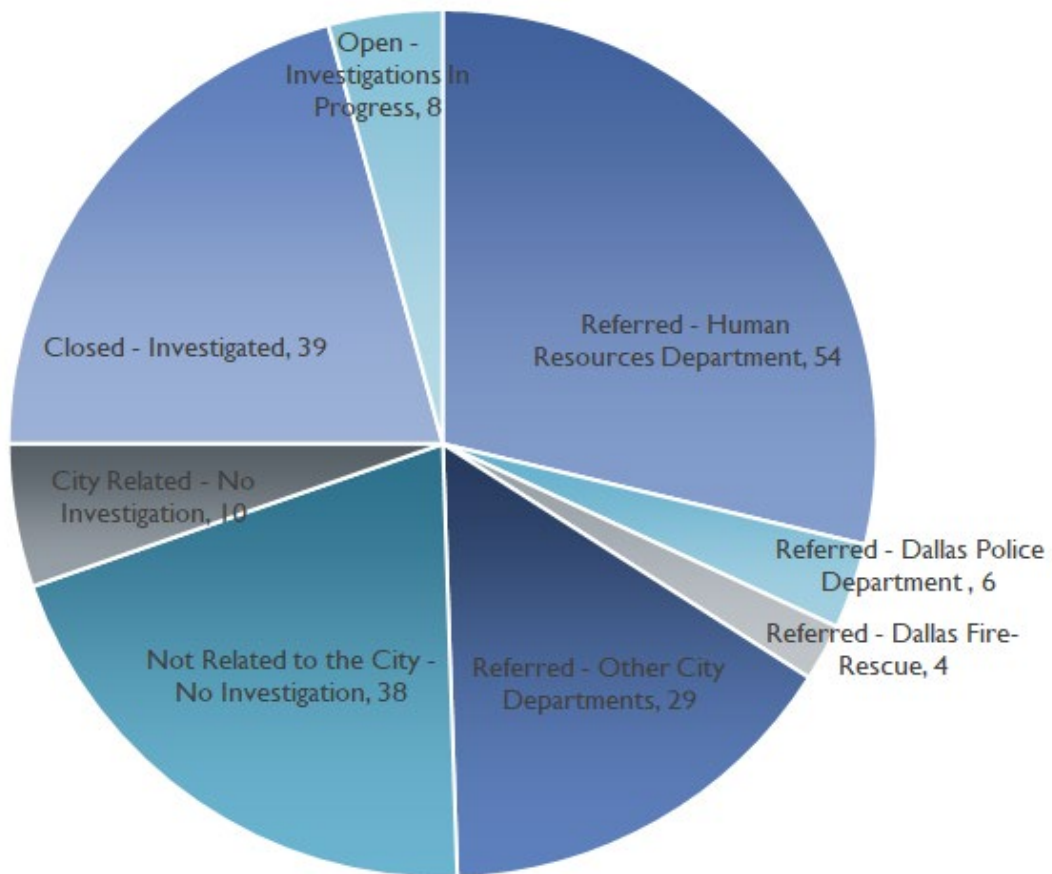
Exhibit 4:

Fraud, Waste, and Abuse Hotline Alerts		
Quarter	Received	Closed*
1	37	25
2	39	28
3	40	46
4	72	64
Total:	188	163

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

Exhibit 5:

Disposition of Fraud, Waste and Abuse Hotline Alerts Received in Fiscal Year 2021



Summary of Non-Audit Services






The Office of the City Auditor provided administrative support for the City Council Ad Hoc Committee on General Investigating and Ethics. Support for this Committee involves scheduling meetings, hosting the WEBEX virtual meeting, and maintaining the meeting minutes.







Summary of Performance Audit Projects







Below is an overview of all projects in Fiscal Year 2021 (October 2020 through September 2021). [Exhibit 6](#) provides an overview of management's agreement to recommendations for reports released to date.

Exhibit 6:

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 Dallas County Motor Vehicle Child Safety Fee	October 26, 2020	0	N/A	-
2	2	 Audit of the TexasCityServices LLC Contract	January 15, 2021	0	N/A	-
	3	 Audit of Department of Information and Technology Services' AT&T Datacomm LLC Contract Monitoring Process	February 4, 2021	7	7	100%
	4	 Audit of the Department of Aviation's Noise Abatement Program	March 2, 2021	4	2	50%
	5	 Audit of Coronavirus Aid, Relief, and Economic Security (CARES) Act – Interim Report 101	March 4, 2021	0	N/A	-

Quarter Issued	#	Audit Plan Year October 2019 to September 2020	Release Date	No. Recommendations*	No. Management Agreed to Implement	Agreement %
	7	 Audit of Police Property and Evidence	March 11, 2021	7	6	86%
	8	 Audit of Landfill Closure and Post Closure Liability and Monitoring Expense	March 17, 2021	6	6	100%
3	9	 Audit of Fuel Services Planning, Procurement, Deployment, and Delivery	April 16, 2021	0	N/A	-
	10	 Audit of Mobile Devices – Smartphones	May 14, 2021	14	9	64%
	11	 Audit of the Interlocal Agreement for Public Health Services	May 14, 2021	0	N/A	-
	12	 Audit of Census 2020 Interlocal Agreement with Dallas County	June 16, 2021	0	N/A	--

Quarter Issued	#	Audit Plan Year October 2019 to September 2020	Release Date	No. Recommendations*	No. Management Agreed to Implement	Agreement %
4	13	 Audit of City Boards and Commissions	August 4, 2021	14	4	29%
	14	 Audit of City Investment Pool Management	August 11, 2021	0	N/A	-
	15	 Audit of Senior Services	September 1, 2021	5	4	80%
	16	 Audit of DPD Overtime – Interim Report	September 10, 2021	0	N/A	--
	17	 Audit of Proposed Budget Revenues Included in the Fiscal Year 2021-22 Proposed Annual Budget for City of Dallas	September 10, 2021	0	N/A	-
	18	 Audit of Homeless Solutions	September 17, 2021	3	3	100%
Running Total (Q1 – Q4):				60	41	68%

* Number includes confidential recommendations.

**Location**

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Dallas, TX 75201

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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 2021 Annual Report* is not an audit report and does not adhere to generally accepted government auditing standards.