191850

WHEREAS, on November 5, 2019, the City Auditor, Mark S. Swann, briefed the Government Performance and Financial Management Committee, and the Committee recommended approval by the City Council.

Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the City Auditor is hereby authorized to carry out the audits as described in the attached Fiscal Year 2020 Audit Plan.

SECTION 2. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

APPROVED BY
CITY COUNCIL

DEC 1 1 2019

CITY SECRETARY
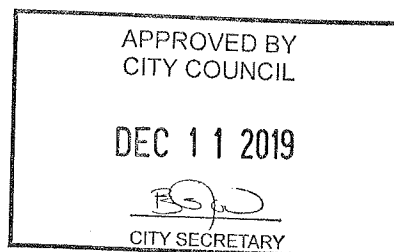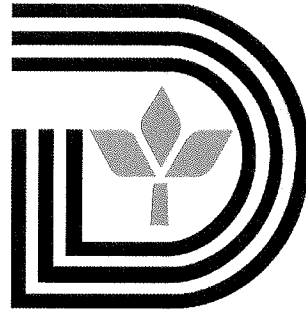
OFFICE OF THE CITY AUDITOR

FISCAL YEAR 2020 RECOMMENDED AUDIT WORK PLAN

MARK S. SWANN

CITY AUDITOR

The Office of the City Auditor is an objective lens serving the public interest.

FISCAL YEAR 2020 RECOMMENDED AUDIT WORK PLAN

The Office of the City Auditor's mission is to collaborate with elected officials and employees to elevate public trust in government by providing objective assurance, investigation, and advisory services.

The City of Dallas (City) Office of the City Auditor performs work for and under the direction of the Dallas City Council. The Fiscal Year 2020 Recommended Audit Work Plan (Audit Plan) is designed to address risk related to delivery of City services and satisfy responsibilities established by the Dallas City Charter, meet the needs of the City Council, and outline the professional services that the Office of the City Auditor plans to initiate and/or complete during the Fiscal Year 2020.

This Audit Plan is based on a risk prioritization assessment updated in Summer 2019 and requests received from city management, council members, and audit staff. The Audit Plan attempts to identify the risk that matter and provide City-wide audit coverage by allocating 26,700 resource hours to complete 22 audit or attestation engagements. Also, 4,100 resource hours are required to support matters received on the City's Fraud, Waste, and Abuse Hotline.

This Audit Plan is a working document in that the City Auditor is authorized, when deemed necessary in his professional judgment, to amend the Audit Plan. The Dallas City Council will be notified in writing concerning additions to, deletions from, or other changes to this Audit Plan. The Audit Plan includes audits, attestation engagements, and other professional services.

AUDIT AND ATTESTATION SERVICES

The Office of the City Auditor complies with generally accepted government auditing standards when performing audits and attestation engagements. These standards provide a framework for conducting high-quality audits and attestation engagements with competence, integrity, objectivity, and independence. The types of audits and attestation engagements performed under these standards include:

PERFORMANCE AUDITS

The Office of the City Auditor conducts performance audits to provide objective analysis to assist City Management and those charged with governance and oversight to: (1) improve program performance and operations; (2) reduce costs; (3) facilitate decision-making by parties with responsibility to oversee or initiate corrective action; and, (4) contribute to public accountability. Performance audit objectives vary widely and can include assessments of

program effectiveness, economy, and efficiency; internal control; compliance; and, prospective analyses.

ATTESTATION ENGAGEMENTS

The Office of the City Auditor conducts attestation engagements to address a broad range of financial or non-financial objectives. An attestation engagement results in an examination, a review, or an agreed-upon procedures report on a subject matter or an assertion about a subject matter that is the responsibility of another party.

FINANCIAL AUDITS

The Office of the City Auditor conducts financial audits to provide an independent assessment of whether an entity's reported financial information (e.g., financial condition, results, and use of resources) are presented fairly and in accordance with recognized criteria. Financial audits provide users with statements concerning the reliability of information and provide information about internal control over financial reporting, and compliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements.

OTHER PROFESSIONAL SERVICES

The Office of the City Auditor provides other professional services which may or may not be performed in accordance with generally accepted government auditing standards. These other professional services include:

INVESTIGATIVE SERVICES

The Office of the City Auditor provides investigative services to evaluate and investigate allegations of fraud, waste, and abuse and maintains a Hotline as a tool for the confidential reporting of allegations. Investigations are conducted in accordance with *Quality Standards for Inspection and Evaluation* issued by the Council of the Inspectors General on Integrity and Efficiency. Criminal allegations are referred to appropriate law enforcement authorities. Significant findings of fraud are reported to the Mayor, the Chair of the Government Performance & Financial Management Committee, the City Attorney, and City Management as required by Council Resolutions and Administrative Directives.

CITY COUNCIL SUPPORT

The Office of the City Auditor is authorized to conduct audits, attestation engagements, or other professional services for individual City Council Members, provided the request will not impact the completion of the Audit Plan. If, in the judgment of the City Auditor, a request will impact the completion of the Audit Plan, the City Auditor is to request that the Council Member submit the request in writing for consideration and approval by the Government Performance &

Financial Management Committee, or its equivalent, and the City Council as an amendment to the Audit Plan. All work products will be produced at the direction of the City Auditor.

MANAGEMENT ASSISTANCE

The Office of the City Auditor is authorized to perform audits and attestation services and other professional services at the request of City Management to assist in carrying out City Management's responsibilities. These services may include, but are not limited to, providing technical advice, such as participating on committees, task forces, panels, and focus groups. The Office of the City Auditor may provide City Management assistance based on consideration of the impact on auditor independence and audit plan completion.

LITIGATION SUPPORT

The Office of the City Auditor is authorized to perform audits and attestation services and other professional services at the request of the City Attorney. The services provided by the Office of the City Auditor depend on the needs of the City Attorney. These services may include, but are not limited to, research, analysis, and computer forensics.

INDEPENDENCE DISCLOSURES

Section 40-A.2.(c)(C) of the Dallas City Code designates the City Auditor as a voting member of the Employees' Retirement Fund Board of Trustees. Generally accepted government auditing standards require the Office of the City Auditor to disclose impairments to independence. The Office of the City Auditor lacks independence in relation to any audit work that might be conducted at the Employees' Retirement Fund. To the extent that audits and attestation engagements are performed in this area, the Office of the City Auditor is not independent. The effects of this independence concern on audit work will be clearly identified in any final reports, if applicable.

COMPETENCY AFFIRMATION

The City Auditor reviewed the recommended Audit Plan and believes the Office of the City Auditor staff, along with contracted specialists, possess the adequate professional competence to address potential audit engagement objectives. Also, the City Auditor believes the Office of the City Auditor can maintain objectivity while performing the recommended audit engagements.

Table was resorted by Department/Division and audit engagements renumbered to total 29 new engagements.

No.	Department/ Division	Topic	Preliminary Objective(s)	Hours Estimate
Fiscal Year 2020 Audit Work Plan				
1	Aviation	Noise Abatement Program	Is the noise abatement program effective and efficient?	900
2	Building Services	Elevator Inspection and Maintenance for City-Owned and Leased Buildings	Are elevators in City-owned and leased buildings inspected and maintained within industry standards?	900
3	City Attorney – Community Court	Community Courts Treatment Services	→ Are controls in place to ensure that the financial activities of the Community Court comply with applicable City of Dallas financial policies? → Are case files identified, tracked, and monitored for changes in case disposition authorized by a judge, and changes in disposition recorded? → Are case files secured?	900
4	City Controller's Office	City of Dallas Investment Pool Management	→ Are interest-income-received calculations accurate? → Are fund account balances correct and transactions posted timely? → ~~Are investment expenses supported and for a public purpose?~~ Are expenses to manage the Dallas Investment Pool supported and for a public purpose?	900
5	Office of Budget	Franchise Fees Compliance	Verify franchise fees (which may include utilities, cable, and telephone), identified by a third-party vendor on a percentage of recovery basis, are received by the City and vendor invoices are accurate.	100
6	Office of Budget	Sales/Use Tax Compliance	Verify sales/use taxes, identified by a third-party vendor on a percentage of recovery basis, are received by the City and vendor invoices are accurate.	100

No.	Department/ Division	Topic	Potential Objective(s)	Hours Estimate
Fiscal Year 2020 Audit Work Plan				
7	Code Compliance – Consumer Health Division	Food Safety Services	→ Is the risk-based food safety inspection program working as intended? → Are the City's food safety inspection costs efficient in comparison with peer cities?	900
8	Dallas County Tax Office	Dallas County Motor Vehicle Child Safety Fee	→ Is the Dallas County Motor Vehicle Child Safety Fee administrative charge complete and remitted to the City of Dallas? → Is the administrative expense charged by Dallas County to collect the Dallas County Motor Vehicle Child Safety Fee accurate?	600
9	Dallas Fire-Rescue	Fire Hydrant Inspection, Flow-Testing, and Maintenance Process for City-Owned and Private Hydrants	→ Are public and private fire hydrants inspected in accordance with applicable code, procedures, and industry standards as outlined by the National Fire Prevention Association and the American Water Works Association? → Are program costs efficient in comparison with peer programs?	900
10	Information Technology Services	SAP Business Consulting Division/ Deloitte Consulting	→ Is SAP user-provisioning managed, and access maintained using the principle of least privilege? → Is ~~Dallas Water Utility monitoring~~ the Deloitte Consulting contract performance and ~~verifying~~ billings to contract pricing terms monitored? → Is contracting with a third party efficient for this service?	900

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No.	Department/ Division	Topic	Potential Objective(s)	Hours Estimate
		Fiscal Year 2020 Audit Work Plan		
11	Dallas Water Utility	Storm Water Billing Calculations	Are property storm water impervious area determinations and fees in accordance with procedures and rate classification?	900
12	Economic Development	Economic Development Incentive Programs	→ Are development incentives managed to provide maximum public good? - Payment in lieu of taxes - Discounted land sales and land write-downs - Development/ redevelopment district creation - Permit fee waivers - Tax increment financing - Development infrastructure grants	900
~~13~~	~~Equipment and Fleet Maintenance~~	~~Equipment and Fleet Planning, Procurement, Deployment, Usage, and Service~~	~~→ Are vehicles and equipment operational objectives being achieved?~~ ~~→ Is vehicle deployment efficient and effective?~~ ~~→ Is vehicle and equipment utilization and preventive maintenance monitored?~~ ~~→ Are fiscal resources managed?~~	~~900~~
14	Equipment and Fleet Maintenance	Fuel Services Planning, Procurement, Deployment, and Delivery	→ Are fuel management operational objectives being achieved? → Is fuel deployment efficient and effective? → Is fuel consumption and storage monitored? → Are fiscal resources related to fuel purchase managed?	900

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No.	Department/ Division	Topic	Potential Objective(s)	Hours Estimate
			Fiscal Year 2020 Audit Work Plan	
15	Housing and Neighborhood Revitalization	Home Buying and Preservation Assistance	→ Does the Homebuyer Assistance Program: (1) align with governance requirements; and, (2) meet the City's objectives for the program? → Does the Home Improvement and Preservation Program: (1) align with governance requirements; and, (2) meet the City's objectives for the program?	900
16	Human Resources	Language Incentive and Jury Duty Pay	→ Does documentation support employee language incentive and jury duty compensation? → Is language incentive and jury duty compensation calculated correctly? → Are there other best practices or alternative incentives to ensure City employees can communicate with our citizens?	600
17	Information and Technology Services	9-1-1 Telecommunications	→ Are 9-1-1 emergency communication operations effective and efficient? → Is the 9-1-1 communications operations meeting recognized standards for emergency communication centers? → Does the 9-1-1 emergency communication operations training program prepare call takers/dispatchers? → Is the 9-1-1 emergency communication operations network and data protected from unauthorized use?	1,200

No.	Department/ Division	Topic	Potential Objective(s)	Hours Estimate
		Fiscal Year 2020 Audit Work Plan		
18	Information and Technology Services	AT&T Datacomm LLC Contract Monitoring Process	→ Is ~~Information Technology Services monitoring~~ the AT&T Datacomm LLC contract performance and ~~verifying~~ billings to contract pricing terms monitored? → Is contracting with a third party efficient for this service	900
19	Information and Technology Services	Directory Services – City Domain	→ Is city domain user-provisioning managed, and access maintained using the principle of least privilege? → Do directory services satisfy the operational needs for the City? → Do controls exist to enforce contractor network account authentication, access, and removal at end of the contract service term?	600
20	Information and Technology Services	Incident Response Plan	→ Is the computer incident response plan documented, communicated, and practiced helping minimize the impact of harmful computer incidents? → Are backup logs complete and reviewed for exceptions?	600
21	Information and Technology Services	Mobile Devices	→ Is remote access to City technology resources secured and authorized? → Are there controls in place to prevent data loss? → Are controls in place to prevent malware on mobile devices? → Is there an inventory of authorized mobile devices? → Are mobile data usage charges monitored and verified to contract pricing schedules?	900

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No.	Department/ Division	Topic	Potential Objective(s)	Hours Estimate
			Fiscal Year 2020 Audit Work Plan	
22	Mayor and City Council	City Advisory Boards and Commissions	→ Are advisory boards and commissions membership/vacancy, meetings, and conflict of interest provisions in compliance with the City code?	600
23	Multiple Departments	Collaboration with Non-Profit Entities	→ Is collaboration with non-profit entities working as intended, or is additional rigor needed to manage relationships with non-profit organizations? *Potential Scope:* non-profit organizations that exist because the City exists (Friends of XXX Park, Friends of the Library, Safer Dallas Better Dallas, etc.)	900
24	Senior Services	Senior Services	→ Are there opportunities to increase effectiveness of the City's limited senior services resources? → Are senior services coordinated with other entities to prevent duplication of services?	900
25	Procurement Services	Vendor Master File	→ Are vendor master file maintenance and internal controls for additions, changes, and deletions effective? → Are high risk vendors identified and vetted?	600

No.	Department/ Division	Topic	Potential Objective(s)	Hours Estimate
**Fiscal Year 2020 Audit Work Plan**			
26	Public Works	Construction Contract Compliance – Top Four by Annual Expenditure	→ Are contractors selected on a competitive basis? → Do contractor charges align with contract, purchase agreement, or other terms? → Are their instances of non-compliance with City of Dallas ethics, conflict of interest, acceptance of gifts, or standards of conduct policy?	1,200
27	Public Works	Road-Paving Engineering, Construction, Inspection, Maintenance, and Repair Costs	→ Are paving costs (cost per linear mile, percentage allocated to engineering consulting, engineering and inspection) comparable with peer organizations? → Does documentation exist to support reported paving performance indicators? → Is the road work prioritization process equitable? → Are street cuts for utility work coordinated and repairs inspected?	900
28	Sanitation Services	Landfill Closure and Post-Closure Liability and Monitoring Expense	→ Are monitoring contractors selected on a competitive basis? → Do monitoring contractor charges align with contract, purchase agreement, or other terms? → Is the booked financial liability determined by a methodical methodology and consistent with industry practice?	900

No.	Department/ Division	Topic	Potential Objective(s)	Hours Estimate
Fiscal Year 2020 Audit Work Plan				
29	To Be Determined	Capital Project X 1	→ Are controls implemented to ensure the fiscal management and administrative oversight for individual major construction projects? → Are costs charged to the construction project supported, reviewed, and approved? → Are costs closed out and capitalized in the City's fixed asset records?	600
30	Transportation	Traffic Signals, Signs, Pavement-Marking, Traffic Control, and Streetlight Maintenance	→ Is there a systematic traffic signal and traffic sign selection process? → Are pedestrian cross walks maintained and incidents investigated for lessons to be learned? → Are there controls to prevent unauthorized access to traffic signal control systems? → Are there controls to prevent overcharges for electric services for traffic signals and streetlights? → Is the response time for emergency and non-emergency repairs within industry standards? → Is the maintenance program for traffic signals, traffic signs, pavement marking, and streetlights within industry standards?	900

No.	Department/ Division	Topic	Potential Objective(s)	Hours Estimate
Carry-Over Engagements from Fiscal Year 2019 Audit Work Plan				
1	Community Care	Community Centers	Evaluate the financial, operational, and program performance of the community centers.	250

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No.	Department/ Division	Topic	Potential Objective(s)	Hours Estimate
Carry-Over Engagements from Fiscal Year 2019 Audit Work Plan				
2	Mayor and City Council	Special Audits - Mayor and Council Member Transition	Conduct audits, under *Chapter IX, Section 4* of the City Charter, of officers who vacate their offices due to death, resignation, removal, or expiration of term. → Were the accounts of the former Mayor and City Council members disposed of properly by City management? → Are adequate processing controls in place related to the termination of the former City officials?	200
3	Multiple Departments	Online Payments	Does the City follow the Payment Card Industry requirements to secure credit card data—whether it is collected online or through of point of sale?	200
4	Dallas Police	Property and Evidence Custody	Are the Police Property and Evidence Unit's internal controls adequate and effective to ensure proper: a) physical security, b) system access, c) inventory management, and d) storage of property and evidence?	700
5	Dallas Public Library	Facility Planning	→ How does Dallas Public Library's long-term facility planning adapt to public library industry changes in technology, community use, and customer expectations? → How has Dallas Public Library implemented its 2001-2010 Master Facility Plan? → How does Dallas Public Library compare with peer cities on its number of libraries, number of materials, circulation, and other key measures?	400

No.	Department/ Division	Topic	Potential Objective(s)	Hours Estimate
**Carry-Over Engagements from Fiscal Year 2019 Audit Work Plan**			
6	Park and Recreation	Park Maintenance and Safety	Evaluate the processes Park and Recreation uses to ensure City parks are properly maintained and safety risks are appropriately managed	400
7	City Secretary	Open Records Requests	→ Does the City meet the minimum statutory requirements in responding to requests? → Can the City reduce employee time and cost by pooling certain topics for public posting? → Are City employees receiving training so that information that is released adheres to City's confidentiality restrictions?	900
8	Aviation	Taxicab and Transportation Network	Does Dallas Love Field comply with the State of Texas requirements when collecting fees Taxicabs and other ground transportation?	800
9	Fair Housing and Human Rights	Complaint Process	Evaluate the complaint process from intake through final disposition.	600

No.	Department/ Division	Topic	Potential Objective(s)	Hours Estimate
**Prescribed Assurance or Other Services**			
1	Multiple Departments	Fiscal Year Budget Revenue Estimates	City Auditor Responsibilities and Administrative Procedure Requirement to review the reasonableness of revenue estimates included in the City Manager's *Fiscal Year 2020-21 Proposed Annual Budget.*	600
2	Multiple Departments	Special Audits	Conduct audits, under *Chapter IX, Section 4* of the City Charter, of officers who vacate their offices due to death, resignation, removal, or expiration of term.	400

No.	Department/ Division	Topic	Potential Objective(s)	Hours Estimate
Prescribed Assurance or Other Services				
3	Multiple Departments	Special Audits	Conduct audits, under City Administrative Directive 4.5 - *Contracting Standards and Procedures*, of all construction projects with an estimated contract award of $50 million and greater, prior to City Council consideration.	600
4	Multiple Departments	Prior Audit Follow-Up	City Auditor Responsibilities and Administrative Procedure Requirement to evaluate City Management's implementation of high impact prior audit recommendations.	1,000
5	Multiple Departments	Fraud, Waste and Abuse Investigations	Evaluate allegations of fraud, waste, and abuse, conduct investigations, and educate employees.	4,100
6	Multiple Departments	Council and Management Assistance	Unplanned assurance or advisory services requested by the Mayor, Council Members, or City Management.	2,000

Total Estimated Work Hours ~~37,050~~ 36,150

Planned Available Project Work Hours 30,800