

Office of the City Auditor

Auditor Briefing Update

Reports Released between February 18, 2023,
and March 10, 2023

March 21, 2023
Mark S. Swann, City Auditor

Government Performance & Financial Management Committee





Audit of the Office of Environmental Quality and Sustainability's Environmental Education and Awareness

February 27, 2023

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 – February 27, 2023

Audit of Office of Environmental Quality and Sustainability's Environmental Education and Awareness

Objective and Scope

The objective of this audit was to determine if the Office of Environmental Quality and Sustainability's environmental education and awareness program is efficient and effective.

The scope was from October 1, 2020, to December 31, 2021.

Report Issued – February 27, 2023

Audit of Office of Environmental Quality and Sustainability's Environmental Education and Awareness

Observed Conditions

The compliance training program has shared oversight and does not monitor costs, making it difficult to know if the program is efficient.

The Environmental Management System is implemented under out-of-date administrative directives. The administrative directives have not been updated to support standards revised in 2015 or the City's *Comprehensive Environmental & Climate Action Plan*.

Report Issued – February 27, 2023

Audit of Office of Environmental Quality and Sustainability's Environmental Education and Awareness

Recommendations

A.1: Evaluate the environmental education and awareness programs to increase efficiency in training delivery methods, content, and document retention. This may include developing performance measures. **(Agree)**

A.2: Expand the environmental education and awareness program to departments not currently in the Environmental Management System to support a clean, safe, and healthy environment. **(Agree)**

A.3: Track the annual cost of the Office of Environmental Quality and Sustainability environmental education and awareness program, which may include other departments' training costs. **(Agree)**

B.1: Review and update the Environmental Policy, administrative directives, and internal procedures for the Environmental Management System, as appropriate, to meet current standards, requirements, and City priorities, such as the *Comprehensive Environmental & Climate Action Plan*. **(Agree)**

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APPENDIX – Audit Reports

Here is the final report and link for your reference.

March Update:

- [Audit of Office of Environmental Quality and Sustainability's Environmental Education and Awareness](#)



Audit of the Office of Environmental Quality and Sustainability's Environmental Education and Awareness

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Executive Summary

Objective and Scope

The objective of this audit was to determine if the Office of Environmental Quality and Sustainability's environmental education and awareness program is efficient and effective.

The scope was from October 1, 2020, to December 31, 2021.

Recommendations

Management should:

- Improve the availability of environmental training courses.
- Monitor the cost for environmental education and awareness.
- Update administrative directives and develop internal policies for ensuring compliance.
- Review the emerging risk related to implementing environmental stewardship.

Background

The Dallas Environmental Policy states that the City is committed to a clean, safe, and healthy environment.

The policy aligns with the need to comply with federal and state requirements. A 2006 Environmental Management Consent Decree (Consent Decree) with the U.S. Department of Justice on behalf of the U.S. Environmental Protection Agency and Texas Commission on Environmental Quality requires that the City maintain an environmental compliance program. According to management, the City will continue the compliance program even if the Consent Decree requirements are removed.

Environmental education and awareness are important to create and maintain an ongoing clean, safe, and healthy environment.

The Office of Environmental Quality and Sustainability has met compliance requirements, and no violations were stated by an external audit performed by DQS Management Systems Solutions in November 2020 and a Texas Commission on Environmental Quality compliance review in April 2022.

Observed Conditions

The compliance training program has shared oversight and does not monitor costs, making it difficult to know if the program is efficient.

The Environmental Management System is implemented under out-of-date administrative directives. The administrative directives have not been updated to support standards revised in 2015 or the City's *Comprehensive Environmental & Climate Action Plan*.

Important Definitions

Compliance obligations are legal requirements that the organization must comply with and other requirements that an organization must or chooses to comply with.

Effectiveness is the extent to which planned activities are realized and planned results achieved.

Environmental Management System is a system used to manage environmental aspects, fulfill compliance obligations, and address risk and opportunities.

Training is the act of teaching a particular skill or type of behavior.

Objectives and Conclusions

1. Is the Office of Environmental Quality and Sustainability's environmental education and awareness program effective?

Generally, yes. The City's compliance efforts are working well, as reflected by recent audits performed by an external auditor and the Texas Commission on Environmental Quality. However, dated administrative directives may limit environmental education and awareness activities. (See [Observation B.](#))

2. Is the Office of Environmental Quality and Sustainability's environmental education and awareness program efficient?

Generally, no. The compliance training program provides limited content because it is solely related to compliance, availability of on-demand training is limited, and the costs are not tracked as indicated in the governing Administrative Directive. (See [Observation A.](#))

Audit Results

City Council Resolution 88-3428 and Administrative Directive 4-09, *Internal Control*, prescribe policy for the City to establish and maintain an internal control system. The following audit observations listed are offered to assist management in fulfilling their internal control responsibilities.

Observation A: Environmental Education and Awareness Program

The Office of Environmental Quality and Sustainability's compliance training program has several challenges that reduce the program's effectiveness and efficiency offered to City employees and the public. The audit's entire scope was during the COVID-19 pandemic, which impacted all City programs. Specific challenges include:

Oversight: Responsibility for environmental training compliance is distributed to each of the 15 departments participating in the Environmental Management System. The departments are responsible for ensuring their staff is trained and the method each department demonstrates compliance can vary. The 15 departments represent over 10,000 employees and oversee 79 facilities with environmental compliance assessments required annually.

The Office of Environmental Quality and Sustainability's Environmental Management System training program includes training provided by the office and a core-competence training matrix that outlines compliance training requirements for the 15 departments. The Office of Environmental Quality and Sustainability then conducts audits of the departments' training but does not collect or maintain related departmental training data.

There are other departments with potential impacts on the environment, such as Development Services and Housing and Neighborhood Revitalization, that are not currently participating in the Environmental Management System and do not have environmental training requirements.

Course Content: The training courses are primarily focused on environmental compliance and limited to stormwater permit management, landfill and waste management operations, construction operations, and pollution and spill prevention. While these courses are essential for employees to meet daily responsibilities, these training courses' content does not support educating other City employees without Environmental Management System responsibilities in promoting environmental awareness.

Course Availability: A City-wide email is sent each month that provides a schedule of available environmental course offerings for that month. During the audit period, these classes were offered on the Microsoft Teams platform. Four of the 27 environmental stewardship courses are also offered on the City's online training platform, City University, as on-demand training for employees. The remaining courses are unavailable at the City University or in electronic format. Enrolling in courses for the public can involve creating a log-on account and password, increasing complexity.

Document Retention: The Office of Environmental Quality and Sustainability does not track all environmental training course attendance and their costs to the City as required by Administrative Directive 3-73, *Environmental Management Program, Section 5.6.5*. The Office of Environmental Quality and Sustainability monitors attendance of the training it provides but does not track related costs. The Office of Environmental Quality and Sustainability has established procedures that require other departments to track their employee's environmental training. The requirements of Administrative Directive 3-73 and the internal procedures are not regularly communicated to the departments.

Cost: The Office of Environmental Quality and Sustainability does not break out the cost of training in its annual budget. The training costs are included within larger program areas, such as the Environmental Management System or public education, outreach, involvement, and participation costs for the stormwater management team, each with an annual budget of \$800,000 to \$900,000.

Criteria

- ❖ Administrative Directive 3-73, *Environmental Management Program*
- ❖ Standards for Internal Control in the Federal Government, *Principle 4 – Demonstrate Commitment to Competence*

Assessed Risk Rating:

Moderate

We recommend that the **Director of the Office of Environmental Quality and Sustainability**:

A.1: Evaluate the environmental education and awareness programs to increase efficiency in training delivery methods, content, and document retention. This may include developing performance measures.

A.2: Expand the environmental education and awareness program to departments not currently in the Environmental Management System to support a clean, safe, and healthy environment.

A.3: Track the annual cost of the Office of Environmental Quality and Sustainability environmental education and awareness program, which may include other departments' training costs.

Observation B: Policy, Administrative Directives, and Procedures

The City's requirements for environmental programs are based on administrative directives that are dated and need revisions. Current environmental policy and procedure documents are also dated and may need revision. Outdated administrative directives and other policy or procedure documents may limit environmental education and awareness activities.

Environmental Policy. The highest-level environmental requirements are established in the Environmental Policy, initially approved by the City Council in 2005 and signed by the city manager in 2018. The policy has not been updated since its approval in 2005. See [Appendix B](#) for this document.

Administrative Directives. The second level of more detailed internal requirements are established in three administrative directives. The relevant administrative directives cover the City's Environmental Management System and spill prevention practices, which have not been updated since 2008. At least one requirement related to environmental training is no longer used and conflicts with current operations. The environmental administrative directives are:

- Administrative Directive 3-73, *Environmental Management Program*, was developed and updated in 2004.
- Administrative Directive 2-49, *Environmental Management System*, was developed and updated in 2008.
- Administrative Directive 3-74, *Environmental Spill Prevention*, was developed and updated in 2004.



The relevant standard for environmental management systems, the International Organization for Standardization (ISO) Standard ISO 14001, was significantly updated in 2015 and the administrative directives have not been updated to reflect the new standard.

Internal ISO-Related Procedures. The third level of internal requirements is established through 16 city-wide ISO-based standard procedures that cover topics under the Administrative Directives such as environmental training and internal audits. These procedures have been updated in 2017 or 2020 after the new ISO 14001:2015 standard, but may not reflect more recent city priorities, such as the City's *Comprehensive Environmental & Climate Action Plan*, approved in 2020.

Criteria

- ❖ Administrative Directive 2-1, *Administrative Directives*
- ❖ Administrative Directive 3-73, *Environmental Management Program*
- ❖ Standards for Internal Control in the Federal Government: *Principle 1 Demonstrate Commitment to Integrity and Ethical Values*
- ❖ International Organization for Standardization 14001: 2015 *Environmental Management Systems*

Assessed Risk Rating:

Moderate

We recommend the **Director of the Office of Environmental Quality and Sustainability:**

B.1: Review and update the Environmental Policy, administrative directives, and internal procedures for the Environmental Management System, as appropriate, to meet current standards, requirements, and City priorities, such as the *Comprehensive Environmental & Climate Action Plan*.

Emerging Risk

An emerging risk could impact the internal controls, effectiveness, and efficiency of activities performed by the Office of Environmental Quality and Sustainability or other departments:

Implementing Environmental Stewardship

Environmental stewardship is the responsible use and protection of the natural environment through conservation and sustainable practices to enhance ecosystem resilience and human well-being. The City's environmental outreach programs do not fully incorporate environmental stewardship functions.

The City could implement a framework for environmental stewardship using current industry standards and develop an inventory of environmental aspects (direct and indirect) and impacts on areas of local environmental stewardship.

Areas Working Well

The Office of Environmental Quality and Sustainability has met compliance requirements, and no violations were stated by an external audit performed by DQS Management Systems Solutions in November 2020 and a Texas Commission on Environmental Quality compliance review in April 2022.

The Office of Environmental Quality and Sustainability measures its internal efficiency and effectiveness of the environmental training program through:

- Ongoing monitoring of quarterly scorecards.
- Reduction in the penalties and fees from noncompliance at construction sites.
- Number of attendees at public outreach activities.

An annual performance measure for increasing outreach by at least 10 percent from the prior year was met in Fiscal Year 2021. The audit did not include validating this performance measure.

Appendix A: Background and Methodology

Background

The City's environmental policy establishes that the City of Dallas is committed to a clean, safe, and healthy environment. The City's environment and sustainability strategic goal is to be a global leader focused on sustainability, conservation, climate change, and environmental justice to build a more resilient city. See [Appendix B](#) for more information about the environmental policy.



Training helps people better understand how to perform their duties in the best way possible. Environmental stewardship training is used to communicate the environmental laws, policies, and expectations needed for employees and public members to meet the City's environmental goals.

The City's *Comprehensive Environmental and Climate Action Plan* is also consistent with the requirements of a 2006 Environmental Management Consent Decree (Consent Decree) the City entered with the United States Department of Justice, on behalf of the United States Environmental Protection Agency and the Texas Commission on Environmental Quality. The Consent Decree has specific requirements, including that certain training efforts are maintained and performed as part of a broader environmental program to prevent pollution. The Texas Commission on Environmental Quality conducted a compliance review in April 2022 and stated that no violations had been identified.

The Consent Decree included requirements to implement an Environmental Management System meeting the requirements of the International Organization for Standardization Method 14001: 2004 *Environmental Management Systems* for the City facilities specifically listed in Appendix D of the Consent Decree.

Training Administration

The City's environmental administrative directives establish the important roles city departments and the Office of Environmental Quality and Sustainability, formerly the Office of Environmental Quality, serve in the environmental programs.

Department Directors assume responsibility for training employees and the employee's actions regarding environmental compliance. They are also responsible for implementing and maintaining a pollution prevention program within their departments.

The Office of Environmental Quality and Sustainability also has the following key responsibilities:

- Administer the City's Environmental Compliance Program.
- Assist and advise each City department in implementing, administering, and maintaining environmental programs.
- Develop, implement, and coordinate City-wide training programs.
- Maintain comprehensive City incident, training, and cost records.
- Prepare and provide regular reports based on such data to appropriate management personnel.

Also, in October 2018, significant organizational changes occurred, and the Office of Environmental Quality was renamed the Office of Environmental Quality and Sustainability and grew in budget and number of personnel, incorporating the sustainability-related functions from the former Trinity Watershed Management Department, Dallas Water Utilities, and Sanitation Services Department. These departments have or had several Consent Decree facilities, increasing the importance of compliance for the Office of Environmental Quality and Sustainability.

Methodology

The audit methodology included: (1) interviewing personnel from the Office of Environmental Quality and Sustainability and other city departments; (2) reviewing policies and procedures, the *Texas Local Government Code*, applicable administrative directives, and best practices; and (3) performing various analyses. This audit was performed as a design assessment. In addition, we considered all five components of *Standards for Internal Control in the Federal Government*.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based upon our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Major Contributors to the Report

Dan Genz, CIA, CFE – In-Charge Auditor

Mamatha Sparks, CIA, CISA, CISSP, CRISC – Engagement Manager

Jennifer Phung, CIA – Auditor

Appendix B: Dallas Environmental Policy



Environmental Policy

The City of Dallas is committed to a clean, safe, and healthy environment. As such, we will exercise environmental stewardship in our dealings with employees, other governments, citizens, City contractors, business and others in the community for our world today as well as for future generations. Caring for the environment is one of our core values, and this is demonstrated by ensuring our activities are in harmony with the natural world around us.

This commitment is embodied by the following actions:

- ❖ Implementation of programs and procedures with an intent to meet or exceed all applicable environmental laws and regulations.
- ❖ Continual improvement of our environmental performance through proactive environmental management and self-assessments and/or third-party assessments.
- ❖ Prevention of pollution at its source through implementation of best management practices and resource conservation measures to reuse, reclaim, and recycle materials we generate.
- ❖ Utilization of Environmental Management Systems, as appropriate for our operations, to provide a framework for systematically reviewing and reducing our environmental footprint.
- ❖ Employees will abide by all environmental regulations and demonstrate environmental compliance in their daily work practices.
- ❖ Educate City employees on Dallas' environmental policies and motivate and encourage employees to practice environmental stewardship by raising awareness and sensitivity to environmental issues through City policies, regulations, training, and interactive dialogue.
- ❖ Outreach to the citizens and businesses of our community by communication of this Policy and education on the importance of environmental stewardship for clean air and water and sustainable development for the City of Dallas.

Signed _____

T.C. Broadnax
City Manager

3/21/2018
Date

Approved by Dallas City Council January 26, 2005



Política Ambiental

La Ciudad de Dallas tiene el compromiso de mantener un medio ambiente limpio, seguro y sano. Y por ende atenderemos al cuidado ambiental en nuestras relaciones con los empleados, otros gobiernos, ciudadanos, contratistas de la Ciudad, negocios y otros individuos de la comunidad, para bien de nuestro mundo de hoy y de las futuras generaciones. El cuidado del medio ambiente es uno de nuestros valores esenciales, y eso se demuestra asegurando que nuestras actividades estén en armonía con el mundo natural que nos rodea.

Este compromiso se manifiesta en las siguientes medidas:

- ❖ Puesta en práctica de programas y procedimientos con la intención de cumplir con, o rebasar en el cumplimiento de, todas las leyes y reglamentaciones ambientales pertinentes.
- ❖ Mejora continua de nuestro desempeño ambiental a través de control ambiental proactivo y de autoevaluaciones y/o evaluaciones de terceros.
- ❖ Prevención de la contaminación en su origen mediante la puesta en práctica de las mejores prácticas de control y de medidas de conservación de recursos para reutilizar, recuperar y reciclar materiales que generamos.
- ❖ Utilización de Sistemas de Control Ambiental (Environmental Management Systems), según sea apropiado para nuestras operaciones, a fin de proveer una estructura para revisar y reducir de forma sistemática las huellas que dejamos en el medio ambiente.
- ❖ Los empleados deberán respetar todas las reglamentaciones ambientales y demostrar cumplimiento con lo establecido respecto al medio ambiente en sus prácticas laborales diarias.
- ❖ Educar a los empleados de la Ciudad con relación a las políticas ambientales de Dallas, y motivar y exhortar a los empleados a practicar el cuidado del medio ambiente a través de la elevación de la conciencia y la sensibilidad respecto a los asuntos ambientales mediante políticas, reglamentaciones, capacitación y diálogo interactivo por parte de la Ciudad.
- ❖ Llegar a los ciudadanos y negocios de nuestra comunidad a través de la comunicación de esta Política y de educación sobre la importancia del cuidado del medio ambiente para tener aire y agua limpios y desarrollo sostenible de la Ciudad de Dallas.

Firmado por


T.C. Broaghax
Administradora de la Ciudad

3/21/2018
Fecha

Aprobado por el Concejo de la Ciudad de Dallas el 26 de enero de 2005

Appendix C: Management's Response

Memorandum



CITY OF DALLAS

DATE: February 15, 2023
TO: Mark S. Swann – City Auditor
SUBJECT: Response to Audit of the Office of Environmental Quality and Sustainability's Environmental Education and Awareness

This letter acknowledges the City Manager's Office received the *Audit of the Office of Environmental Quality and Sustainability's Environmental Education and Awareness* and submitted responses to the recommendations in consultation with the Office of Environmental Quality and Sustainability.

City management appreciates the hard and valuable work of the City Auditor and his staff, and we recognize the importance of effective and efficient internal and external outreach and engagement efforts that encompass the breadth of environmental compliance, environmental stewardship, and environmental justice.

The Office of Environmental Quality and Sustainability has demonstrated the effectiveness of the environmental and awareness programs and meets compliance requirements. For example, no violations were cited in DQS Management Systems Solutions November 2020 external audit or the Texas Commission on Environmental Quality compliance review in April 2022.

Additionally, we are proud of the ongoing outreach and engagement efforts to support environmental compliance with the City's Environmental Management Consent Decree that the City entered into with the US Department of Justice (DOJ) and the US Environmental Protection Agency (EPA) in 2006. Moving forward, the City will continue to operate the Environmental Management System program as a critical component for the City's ongoing compliance with the City's Stormwater Management Plan and the permit that permits the City to discharge drainage runoff into waters of Texas and the United States.

While City management agrees with the auditor's recommendations, we believe the risk ratings for the recommendations should be low due to the City's demonstrated effectiveness in meeting compliance requirements, the recommendations' limited financial risk, the department's operational awareness of programmatic opportunities for improvement, and management's commitment to fund the expansion of the department's outreach and engagement efforts, including, but not limited to the expansion of training efforts around sustainability and environmental stewardship.

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Response to Audit of the Office of Environmental Quality and Sustainability's Environmental Education and Awareness

February 15, 2023

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In summary, City management agrees to implement the auditor's recommendations by increasing training efficiency, expanding course marketing and content geared to departments that are not part of the Environmental Management System, tracking OEQS's annual cost supporting education and training costs, and ensuring policies, procedures, and other authoritative documents are current and accurate.

Sincerely,



T.C. Broadnax
City Manager

C: Genesis D. Gavino, Chief of Staff
Jack Ireland, Chief Financial Officer
Elizabeth Cedillo-Pereira, Assistant City Manager
Carlos Evans, Director, Office of Environmental Quality & Sustainability

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Assessed Risk Rating	Recommendation	Concurrence and Action Plan	Implementation Date	Follow-Up/ Maturity Date
Moderate	We recommend the Director of the Office of Environmental Quality and Sustainability:			
	A.1: Evaluate the environmental education and awareness programs to increase efficiency in training delivery methods, content, and document retention. This may include developing performance measures.	Agree: The Office of Environmental Quality and Sustainability ("OEQS") will formally evaluate the environmental education and awareness programs to increase efficiency and may develop performance measures. Additionally, OEQS is improving efficiency by increasing the availability of online training courses for departments using tools like City University and for external stakeholders using tools like YouTube.	12/31/2023	12/31/2024 (Timeframe allows for assessment of full year's efforts)
	A.2: Expand the environmental education and awareness program to departments not currently in the Environmental Management System to support a clean, safe, and healthy environment.	Agree: Recognizing that OEQS courses are already open to all employees, OEQS will expand course marketing and content geared to Non-EMS departments to better ensure a healthy, clean, and safe environment. Specifically, OEQS will begin increasing access to appropriate training courses for departments, including non-EMS departments, using City University and other tools. In addition, OEQS is developing a Comprehensive Environmental & Climate Action Plan (CECAP) Education, Engagement, and Outreach Plan. OEQS anticipates leveraging the plan's content for internal training to departments, including non-EMS departments.	12/31/2023	12/31/2024

Assessed Risk Rating	Recommendation	Concurrence and Action Plan	Implementation Date	Follow-Up/ Maturity Date
Moderate	We recommend the Director of the Office of Environmental Quality and Sustainability:			
	A.3: Track the annual cost of the Office of Environmental Quality and Sustainability environmental education and awareness program, which may include other departments' training costs.	Agree: OEQS will work with appropriate departments to add a project code which OEQS will use to assess its training costs. However, OEQS does not have the ability to track costs in other departments.	12/31/2023	12/31/2024 (Timeframe is intended to capture a full fiscal year of activity)
	B.1: Review and update the Environmental Policy, administrative directives, and internal procedures for the Environmental Management System, as appropriate, to meet current standards, requirements, and City priorities, such as the <i>Comprehensive Environmental & Climate Action Plan</i> .	Agree: OEQS will review and update the Environmental Policy, administrative directives, and internal procedures to meet current standards, requirements, and City priorities. Specifically, OEQS has already begun to address the recommendation by drafting revisions to the administrative directives and related procedures.	12/31/2023	12/31/2024