



OFFICE OF THE CITY AUDITOR

FISCAL YEAR 2023
RECOMMENDED AUDIT WORK PLAN

October 24, 2022

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CITY AUDITOR

The Office of the City Auditor shines light on City government operations.



FISCAL YEAR 2023 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 2023 Recommended Audit Work Plan (Audit Plan) is designed to address risks related to the 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 2023.

This Audit Plan is based on a risk prioritization assessment updated in Summer 2022 and requests received from City management, council members, and audit staff. 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 and other advisory services.

This Audit Plan is a working document in which the City Auditor is authorized to amend the Audit Plan when deemed necessary by the City Auditor's professional judgment. The City Council will be notified concerning additions to, deletions, or other changes to this Audit Plan. The Audit Plan includes audits, attestation engagements, and other advisory 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) is presented fairly and follows 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 following generally accepted government auditing standards. These additional professional services include:

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 recommendation 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 in committees, task force groups, 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, 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 concerning any audit work that might be conducted at the Employees' Retirement Fund. If applicable, the effects of this independence concern on audit work will be identified in any final reports.

COMPETENCY AFFIRMATION

The City Auditor reviewed the recommended Audit Plan. The City Auditor believes the Office of the City Auditor staff and contracted specialists possess 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.

No.	Department/ Division	Topic	Preliminary Objective(s)	Hours Estimate
Fiscal Year 2023 Audit Work Plan				
1	311	311 Customer Service	→ Are common customer service calls closed out timely and effectively?	900
2	City Controller's Office	Debt Management Process	<ul style="list-style-type: none"> → Is the City compliant with its Financial Management Performance Criteria for Capital and Dept Management? → Are the debt management policies, practices, and processes reflective of the Government Finance Officers Association's best debt management practices? → Are bond issuances in compliance with regulatory agencies and Securities and Exchange Commission Rule 15c2-12? → Are service agreements and fee structures with the City's debt service providers in the City's best interest? → How do the City's debt management practices compare with the other peer cities in Texas? 	900
3	City Controller's Office / Procurement Services	Unusual Financial Transactions	<ul style="list-style-type: none"> → Are there duplicate payments without refunds? → Are there employees and vendors with matching banking information? → Are there unusual credit card purchases? → Are there any unexplainable duplicate tax identification numbers in the vendor address master file? → Are there unexplainable additions, deletions, or changes to the vendor address master file? → Are City vendors complying with business license requirements? 	900
4	Dallas Fire-Rescue	Payroll Process	→ Are controls in place to ensure worked hours were accurately recorded and approved?	900

No.	Department/ Division	Topic	Preliminary Objective(s)	Hours Estimate
Fiscal Year 2023 Audit Work Plan				
			<ul style="list-style-type: none"> → Are injuries in the line of duty approved, recorded, and paid following City Personnel Rules? → Are act-in-charge events recorded and paid following City Personnel Rules? → Are new hires, increments, and class changes approved, recorded, and paid following Personnel Rules? → Was there any unusual overtime usage that indicates waste or abuse? → Does Dallas Fire-Rescue manage overtime in a way that limits the financial and operational impact on Department service delivery objectives? 	
5	Dallas Fire-Rescue and Dallas Police	911 Communications	<ul style="list-style-type: none"> → Are 911 calls received and responded to timely? → Are 911 calls coded correctly and consistently? → Are performance measures accurately captured, tracked, and reported to appropriate parties to evaluate and manage actual performance? → Are 911 center employees trained to meet job expectations and monitored to ensure proper protocols and procedures are followed? 	900
6	Dallas Police	Body-Worn and In-Car Camera Operations	<ul style="list-style-type: none"> → Are controls in place to ensure body-worn camera users comply with the Dallas Police Department's directives for body-worn cameras? → Are controls in place to ensure compliance with the Dallas Police Department's directives for in-car cameras? 	900
7	Dallas Water Utilities	Wastewater Collections and Treatment	<ul style="list-style-type: none"> → Is the Department complying with reporting requirements for 	900

No.	Department/ Division	Topic	Preliminary Objective(s)	Hours Estimate
Fiscal Year 2023 Audit Work Plan				
			wastewater collection and treatment?	
8	Human Resources / Civil Service	Human Capital Management	<ul style="list-style-type: none"> → Do the City-wide talent retention and development practices reflect best practices? → What is the history of human capital management-related assessments in the City, and where do recommendations align and diverge? → What organizational structure will best enable the City to recruit, retain and develop talent efficiently and effectively? → Do succession plans exist for City Council direct reports and City department directors? 	900
9	Information and Technology Services	Cybersecurity	<ul style="list-style-type: none"> → Does the Information and Technology Services' cybersecurity capabilities benchmark with the Cybersecurity Capability Maturity Model (C2M2), Version 2 Toolkit at Maturity Level 1 – Basic Safeguards? <ul style="list-style-type: none"> a) Asset, Change, and Configuration Management b) Threat and Vulnerability Management c) Risk Management d) Identity and Access Management e) Situational Awareness f) Event and Incident Response, Continuity of Operations g) Third-Party Risk Management h) Workforce Management i) Cybersecurity Architecture j) Cybersecurity Program Management 	900
10	Information and Technology	Cloud Computing Cybersecurity	→ Do the City's cloud computing contract requirements reflect best	900

No.	Department/ Division	Topic	Preliminary Objective(s)	Hours Estimate
Fiscal Year 2023 Audit Work Plan				
	Services, and Other Departments		practices to protect the City's information assets? → Are the City's largest cloud computing vendors complying with contract requirements regarding cybersecurity?	
11	Procurement Services	Procurement Advertisement Practice	→ Does the procurement advertisement practice reflect best practices to promote competition and competitive pricing? → Are scopes of work or specifications written to promote competition and competitive pricing?	600
12	Office of Bond and Construction Management	2017 Bond Program	→ Are the 2017 Bond Program meeting expectations for project delivery?	900
13	Office of Budget & Management Services	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
14	Office of Budget & Management Services	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.	300
15	Office of Homeless Solutions	Homeless Response System Strategy and Coordination	→ Is the Office of Homeless Solutions making progress toward its strategic goals? ○ Is the scattered site housing model working to keep people housed? ○ Is the City adding additional housing units with wrap-around services? ○ Are the people and families provided housing assistance by the Office of Homeless Solutions Rapid ReHousing Program during fall 2020 still living in housing in fall 2022?	900

No.	Department/ Division	Topic	Preliminary Objective(s)	Hours Estimate
Fiscal Year 2023 Audit Work Plan				
			→ Is the coordination between key partners in the regional effort to end homelessness working?	
16	Office of Emergency Management	Emergency Management Operations Center Activation	→ Is the activation of the Office of the Emergency Management Operations Center following procedures? → Are plans and policies for activation current?	900
17	Office of Environmental Quality and Sustainability	Climate Action Plan	→ Does the Climate Action Plan prioritize activities that will have the most impact? → Are oversight mechanisms in place to help the City meet its Climate Action Plan goals? → Is the Office of Environmental Quality and Sustainability reporting regularly on its progress toward Climate Action Plan Goals?	900
18	Office of Equity and Inclusion	Racial Equity Plan	→ Does the Racial Equity Plan prioritize activities that will have the most impact? → Are oversight mechanisms in place to help the City meet its Racial Equity Plan goals? → Is the Office of Equity and Inclusion reporting regularly on its progress toward Racial Equity Plan Goals?	900
19	Sanitation Services	Personnel	→ Are department procedures effective in ensuring the fair application of personnel decision-making processes (hiring, promotion, discipline, termination, etc.)? → Do department procedures support fairness in the assignment of equipment, work assignments, and other personnel benefits (Uniform Vouchers, etc.)?	900
20	Small Business Center	Minority and Women-Owned Business Enterprise Participation	→ Are City procurements meeting the City's goals for Minority and Women-Owned Business Enterprise participation?	900

No.	Department/ Division	Topic	Preliminary Objective(s)	Hours Estimate
Fiscal Year 2023 Audit Work Plan				
			→ If goals are not met, is the City documenting the good faith effort?	
21	Youth Commission	Youth Services	<ul style="list-style-type: none"> → Are there opportunities to increase the effectiveness of the City's limited youth services resources? → Is the City coordinating with other service providers to reduce duplication of services? 	900
22	Multiple Departments	Fiscal Year Budget Revenue Estimates	→ Does the City of Dallas have effective processes to ensure reasonable proposed budget revenues are included in the City Manager's <i>Fiscal Year 2023-24 Proposed Annual Budget</i> ?	900
23	Multiple Departments	Domestic Violence Prevention and Response Coordination and Effectiveness	<ul style="list-style-type: none"> → Are the departments working to prevent domestic violence and support victims coordinating effectively? → Are domestic violence prevention programs achieving the intended results? 	900
24	Department to be Determined	Housing Inventory	<ul style="list-style-type: none"> → What is the number of single-family housing units in the City? → What is the number of multi-family housing units in the City? → What is the three-year average of additions and reductions for single-family housing units? → What is the three-year average of additions and reductions for multi-family housing units? → Is the City adding sufficient housing attainable for people exiting homelessness? 	900
25	Department to be Determined	Capital Project	→ Are controls implemented to ensure fiscal management and administrative oversight for individual major construction projects?	900

No.	Department/ Division	Topic	Preliminary Objective(s)	Hours Estimate
Fiscal Year 2023 Audit Work Plan				
			<ul style="list-style-type: none"> → Are costs charged to the construction project supported, reviewed, and approved? → Are costs closed out and capitalized in the City's fixed asset records? 	

No.	Department/ Division	Topic	Potential Objective(s)	Hours Estimate
In-Progress Engagements from Fiscal Year 2022 Audit Work Plan				
1	Aviation	Cybersecurity	<p>→ Does the Aviation Department's cybersecurity capabilities benchmark with the Cybersecurity Capability Maturity Model (C2M2), Version 2 Toolkit at Maturity Level 1 – Basic Safeguards?</p> <ul style="list-style-type: none"> a) Asset, Change, and Configuration Management b) Threat and Vulnerability Management c) Risk Management d) Identity and Access Management e) Situational Awareness f) Event and Incident Response, Continuity of Operations g) Third-Party Risk Management h) Workforce Management i) Cybersecurity Architecture j) Cybersecurity Program Management 	700
2	City Attorney – Community Court	Community Courts Treatment Services	<p>→ Are controls in place to ensure that the financial activities of the Community Court comply with applicable City of Dallas financial policies?</p> <p>→ Are case files identified, tracked, and monitored for changes in case disposition authorized by a judge and changes in disposition recorded?</p> <p>→ Are case files secured?</p>	100
3	City Controller's Office	Short-Term Rental and Hotel Occupancy Tax Collections	<p>→ Are processes in place to ensure updated and complete populations for collections?</p> <p>→ Are internal controls in place and effective to ensure all payments received are recorded and deposited timely?</p>	250

No.	Department/ Division	Topic	Potential Objective(s)	Hours Estimate
In-Progress Engagements from Fiscal Year 2022 Audit Work Plan				
4	Civil Service	Personnel Appeals	→ Are policies and procedures effective in ensuring the fair application of internal employee appeals and appeals of terminations and demotions of City employees?	125
5	Dallas Fire-Rescue	Uniform Personnel Recruitment and Candidate Selection	→ Are candidate sourcing strategies and community outreach effective? → Does the candidate selection process reflect best practices and promote a quality hire?	125
6	Dallas Police	Uniform Personnel Recruitment and Candidate Selection	→ Are candidate sourcing strategies and community outreach effective? → Does the candidate selection process reflect best practices and promote a quality hire?	125
7	Development Services	Enterprise Fund Expenses	→ What are the top ten expense categories the Development Services Enterprise Fund uses? Do the uses promote the public good? → Are there unusual financial transactions where the public benefit cannot be explained?	400
8	Equipment and Fleet Maintenance	Fleet Downtime Performance Monitoring	→ Is downtime/availability performance and rental data complete, accurate, monitored, and supported by evidence? → Is downtime/availability performance and rental data complete, accurate, monitored, and supported by evidence? → Is the data reviewed for accuracy/completeness? → Are availability performance measures accurate? If not, why?	100
9	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?	300

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In-Progress Engagements from Fiscal Year 2022 Audit Work Plan				
10	Human Resources / Civil Service	Talent Acquisition	<ul style="list-style-type: none"> → Is the talent acquisition process efficient? → Are candidate sourcing strategies and community outreach effective? → Does the candidate selection process reflect best practices and promote a quality hire? → Are candidate sourcing strategies aligned with the City's diversity strategy? 	125
11	Information and Technology Services	SAP Business Consulting Division/ Deloitte Consulting	<ul style="list-style-type: none"> → Is SAP user-provisioning managed and access maintained using the principle of least privilege? → Are the Deloitte Consulting contract performance and billings to contract pricing terms monitored? → Is contracting with a third party efficient for this service? 	900
12	Office of Environmental Quality & Sustainability	Environmental Stewardship Training	<ul style="list-style-type: none"> → Is the environmental stewardship training program effective and efficient? 	250
13	Office of Risk Management	General Liability and Subrogation Claims Administration	<ul style="list-style-type: none"> → Do citizens have a fair and accessible means to address claims? → Are claims reserve amounts and insurance coverage methodically determined? → Do controls ensure subrogation amounts and/or insurance claims are identified, investigated, and collected? 	550

No.	Department/ Division	Topic	Potential Objective(s)	Hours Estimate
Prescribed Assurance or Other Services				
1	Multiple Departments	Special Audits	Conduct audits under <i>Chapter IX, Section 4</i> of the City Charter of officers who vacate their offices due to death, resignation, removal, or expiration of term.	900
2	Multiple Departments	Attestations	Conduct audits under City Administrative Directive 4.5 - <i>Contracting Standards and Procedures</i> , of all construction projects with an estimated contract award of \$50 million and greater, before City Council consideration.	600
3	Multiple Departments	Prior Audit Follow-Up	City Auditor Responsibilities and Administrative Procedure Requirements to evaluate City Management's implementation of high-impact prior audit recommendations.	1,200
4	Multiple Departments	Council and Management Assistance	Unplanned assurance or advisory services requested by the Mayor, Council Members, or City management. Review Council annual attendance records in accordance with <i>Council Rules of Procedures 4.13</i> .	2,000

Audit Plan Total Estimated Work Hours 29,550

Available Resource Work Hours 22,000