



City of Dallas

Audit Recommendation Implementation

**Government Performance and
Financial Management Committee
January 23, 2023**

Sheri Kowalski, City Controller
Kevin Ann Mullen, Assistant Director
City Controller's Office
City of Dallas

Presentation Overview



- Purpose
- Team
- Work
- Progress
- Future



Purpose – Why we exist



- For audit recommendations from 2016 through 2018, the City Auditor's Office reported a 40% implementation rate
- To address this concern, the City Manager's Office transferred positions from the Internal Control Task Force to the City Controller's Office in May 2018 to improve audit implementation rates and internal controls
- In 2019, the City Manager approved a reorganization of this group and created the Financial Compliance, Auditing and Monitoring ("FCAM") group within the City Controller's Office
- This newly formed group added an Assistant Director to lead the team of the three (3) audit professionals



The Team – Who we are



**Kevin Ann Mullen, CPA –
Assistant Director
(January 2022)**

Experience

- Municipal Government – 12 years
 - Capital Projects – \$350M reporting
 - Accounting / Finance – ACFR, SEFA, and compliance reporting.
 - Treasury – Debt, Investments and full banking services.
- Other Industries:
 - Financial services
 - Commercial construction
 - Real estate
 - Manufacturing
 - Electrical & renewable energy

Education & Certifications

- University of Texas at Austin – B.B.A. in Accounting
- Texas Certified Public Accountant (CPA)

Professional Memberships & Awards

- Governmental Finance Officers Association (GFOA)
- Whatever It Takes Award – City of Denton
- Leadership Excellence Award – City of Denton
- Office of Emergency Management Appreciation Award for FEMA work



**Yesenia Lopez, CPA – CCO
Program Administrator
(April 2022)**

Experience

- Municipal Government – 2 years
 - Controller and Assistant Controller
- Public Accounting – 5 years
 - External auditor and supervisor of ACFR, Single Audits, and compliance audits
 - Specialization in public sector clients that included airports, healthcare, state and local entities, and universities

Education & Certifications

- University of Texas at Dallas – B.S. & M.S. in Accounting
- Texas Certified Public Accountant (CPA)

Professional Memberships & Awards

- American Institute of Certified Public Accountants (AICPA)



The Team – Who we are



JK Brill
Financial Compliance Manager
(March 2013)

Experience

- City of Dallas, Manager – 9 years
 - Audit support, writing procedures and process narratives, special projects
 - Administrative Directives – Administer the AD process
 - Internal Control reviews
- Prior Experience – 5 years
 - Internal audit
 - Attestation
 - Special projects

Education & Certifications

- University of Oklahoma, M.B.A.
- Texas Christian University, B.B.A. in Finance and Marketing

Professional Memberships & Awards

- Institute of Internal Auditors



Scott Vigil
Senior Auditor
(January 2023)

Experience

- State Agency, Auditor – 5 years
 - Excise tax and compliance audits
 - Compliance inspections
 - Complaint investigations

Education & Certifications

- Texas A&M International University, B.B.A. in Accounting

Professional Memberships & Awards

- TABC 2019 Regional Best of the Best award



Work – What we do



- Partner with departments and the City Auditor's Office in all phases of an audit
- Assist departments in responding to and implementing audit recommendations
- Review all audit recommendations becoming due in a fiscal year and work with the departments to validate that the audit recommendations have been implemented and that the associated risks in the audit report have been mitigated





- Measure key metrics to improve internal controls, drive change and improve financial operations
- Lead monthly Executive Finance Controls Committee meeting with Deputy City Managers and Assistant City Managers
- Updating administrative directives



- Conducting annual internal control self-assessment review
- Consultation and training
- Automating processes related to audit recommendations and internal control self-assessment

Progress – What we have gotten done



- From FY19 through FY22 the FCAM group reviewed departmental responses to every audit recommendation
- The implementation rate based on the due date of the recommendation increased to over 90%



Progress – Update on 2016 through 2018 audit recommendations



- At the 11/15/22 GPFM the City Auditor reported that 85 audit recommendations from 2016 through 2018 had not been implemented
- The FCAM team immediately began reviewing the 85 open recommendations and began contacting the 19 city departments to determine the implementation status of these recommendations
- At the 12/13/22 GPFM meeting we reported the FCAM group had reviewed over 50% of the open recommendations and that over 77% of those reviewed had been implemented and that the City Auditor had granted and extensions for the remainder



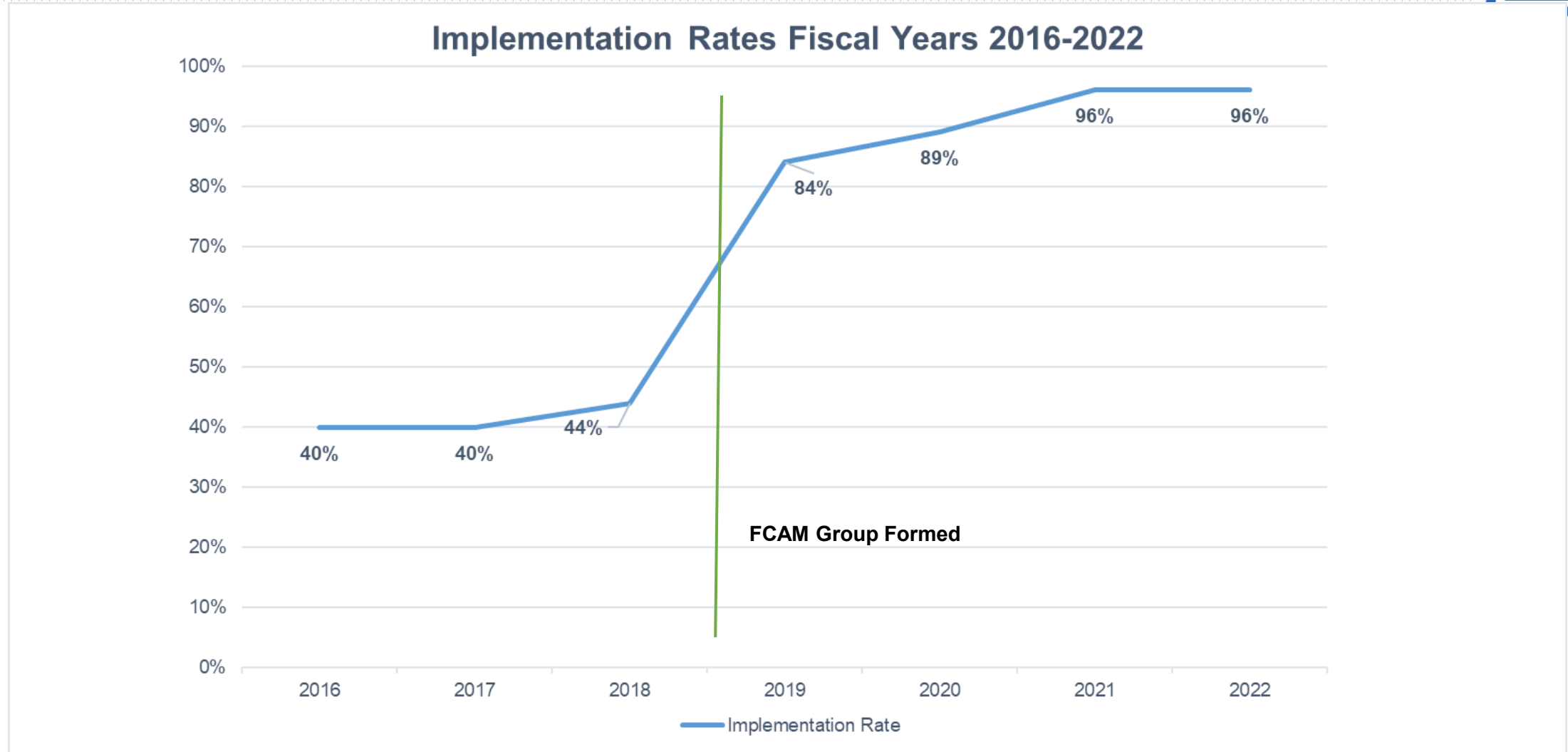
Progress – Update on the 2016 through 2018 audit recommendations



- As a result of this review and the efforts of the 19 departments involved, the FCAM group determined that 62 of the 85 or 73% of recommendations have been implemented
- For the remaining 23 of the 85 recommendations (listed in the Appendix), the City Auditor has granted extensions to complete the recommendations
- The FCAM group will continue to monitor the completion of the remaining 2016 through 2018 audit recommendations



Progress – What we have gotten done



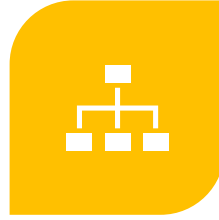
Implementation rate is measured as the percentage of recommendations completed by their due dates.



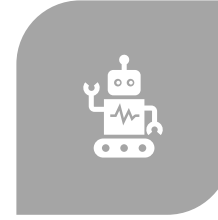
The Future of 2023 – What we are working on/



DEVELOPING TOOLS FOR
DEPARTMENTS TO USE IN
IMPLEMENTATION



COORDINATING AUTOMATED
DIRECTOR REPORTS



AUTOMATING
IMPLEMENTATION
MATERIAL PROCESS



CREATING LEADERSHIP
DASHBOARDS



WORK WITH DEPARTMENTS TO
INCREASE IMPLEMENTATION
SPEED



CONDUCTING BIENNIAL
REVIEW WITH INTERNAL AUDIT



DEVELOPING DEPARTMENTAL
GUIDES FOR MITIGATING RISK



Appendix – Outstanding Audit Recommendations

Department	CCO Record No.	Audit Name	FY Issued	Audit Report Rec No.	Audit Recommendation	CCO Status
DFD	CCO-0185	Audit of Department of Dallas Fire-Rescue's Fleet Maintenance Management	FY2016	7b	We recommend the DFR Fire Chief: (2) Retains training records to verify each mechanic has completed the minimum training requirements.	Not Implemented
DFD	CCO-0187	Audit of Department of Dallas Fire-Rescue's Fleet Maintenance Management	FY2016	6b	We recommend DFR Fire Chief: (2) Implements a compensation structure with guidance from the City's Department of Human Resources (HR) to ensure high-performing mechanics are rewarded for their performance, years of experience, and certifications.	Not Implemented
DFD	CCO-0188	Audit of Department of Dallas Fire-Rescue's Fleet Maintenance Management	FY2016	6a	We recommend DFR Fire Chief: (1) Creates incentives to encourage mechanics to obtain relevant certifications.	Not Implemented
DFD	CCO-0192	Audit of Department of Dallas Fire-Rescue's Fleet Maintenance Management	FY2016	4a	We recommend the DFR Fire Chief coordinates with the Director of EBS to: (1) Segregate MGMT roles between the Fleet Section Manager and the Automotive Parts Warehouse Manager.	Not Implemented
DFD	CCO-0194	Audit of Department of Dallas Fire-Rescue's Fleet Maintenance Management	FY2016	1b	We recommend the DFR Fire Chief ensures PM services are performed timely and in accordance with the NFPA's and the manufacturers' recommended schedules for all DFR emergency vehicles by: (2) Creating reports to periodically evaluate when PM services are due	Not Implemented
DFD	CCO-0197	Audit of Department of Dallas Fire-Rescue's Fleet Maintenance Management	FY2016	3	We recommend the DFR Fire Chief ensures the DFR Maintenance Division (Division) mechanic supervisors consistently perform quality control procedures for all PM services by preparing, signing, and retaining the Division's checklists.	Not Implemented

DWU	CCO-0202	Audit of Department of Dallas Water Utilities' Maintenance of Infrastructure	FY2016	1	We recommend the Director of DWU reviews water pipeline replacement needs and develops and regularly reports on one water pipeline target replacement rate.	Not Implemented
DPD	CCO-0226	Audit of the Performance Measures Process for the Dallas Police Department	FY2016	4b	We recommend the Chief of Police: • Strengthen supervisory review of data input and calculations	Not Implemented
DPD	CCO-0227	Audit of the Performance Measures Process for the Dallas Police Department	FY2016	4a	We recommend the Chief of Police: • Develop comprehensive written procedures for performance measures	Not Implemented
DPD	CCO-0228	Audit of the Performance Measures Process for the Dallas Police Department	FY2016	3b	We recommend the Chief of Police: • Develop and document comprehensive procedures that include consistent use of a single methodology	Not Implemented
DPD	CCO-0229	Audit of the Performance Measures Process for the Dallas Police Department	FY2016	3a	We recommend the Chief of Police: • Clarify the definition of the performance measure by including a timeframe	Not Implemented
DPD	CCO-0233	Audit of the Performance Measures Process for the Dallas Police Department	FY2016	1c	We recommend the Chief of Police: • Strengthen supervisory review controls	Not Implemented
DPD	CCO-0234	Audit of the Performance Measures Process for the Dallas Police Department	FY2016	1b	We recommend the Chief of Police: • Provide continuity and training on the performance measurement process during leadership rotations and/or transfers	Not Implemented
DPD	CCO-0235	Audit of the Performance Measures Process for the Dallas Police Department	FY2016	1a	We recommend the Chief of Police: • Develop comprehensive written procedures for performance measures	Not Implemented
DEV	CCO-0239	Audit of Building Permits	FY2016	2	We recommend the Director of SDC retains evidence to show that the City is complying with the TLGC requirements for processing timely permits.	Not Implemented

DEV	CCO-0240	Audit of Building Permits	FY2016	1	We recommend the Director of SDC ensures building permits are reviewed and processed within 45 days in accordance with TLGC requirements, including making other SDC Units aware of the TLGC requirements and establishing standards for timely completion.	Not Implemented
AVI	CCO-0273	Audit of Leasing, Concessions, and Other Activities for the Department of Aviation	FY2016	1	We recommend the Director of the Department of Aviation (AVI) develops and implements formal (written, signed, and dated) contract monitoring	Not Implemented
PKR	CCO-0295	Audit of the Department of Park and Recreation Internal Controls over Regulatory, Safety, and Maintenance - Aquatic Facilities	FY2016	4b	We recommend the Director of PKR: • Develops and implements internal controls to ensure compliance with City Code Compliance	Not Implemented
DPD	CCO-0317	Audit of the Design of Controls over the Dallas Police Department's Police Personnel and Training Services	FY2017	3	We recommend the Chief of Police, in consultation with the City Attorney's Office, improves documentation to demonstrate compliance with DPD's Personnel and Development Division Standard Operating Procedure sections related to recruiting and the President	Not Implemented
OEM	CCO-0501	Audit Follow-Up of Prior Audit Recommendations – Audit of the Design of the City of Dallas' Pandemic Influenza Continuity of Operations Basic Plan	FY2018	1k	We recommend the City Manager in coordination with the Directors of OEM and CIS: • Reach a consensus among departments regarding which IT systems must be restored	Not Implemented
OEM	CCO-0503	Audit Follow-Up of Prior Audit Recommendations – Audit of the Design of the City of Dallas' Pandemic Influenza Continuity of Operations Basic Plan	FY2018	1g	We recommend the City Manager in coordination with the Directors of OEM and CIS: • Obtain departmental commitment to ensure: (1) the City's COOP Basic Plan and the departments' annexes are complete, including adequate IT resources and other supplies necessary to restore and maintain essential functions for 30 days; (2) regularly updated (at least annually); and (3) properly tested	Not Implemented

OEM	CCO-0504	Audit Follow-Up of Prior Audit Recommendations – Audit of the Design of the City of Dallas’ Pandemic Influenza Continuity of Operations Basic Plan	FY2018	1e	We recommend the City Manager in coordination with the Directors of OEM and CIS: • Dedicate continuity of operations personnel with the appropriate authority and resources	Not Implemented
DPD	CCO-0730	City's Open Records Request Process - Dallas Police Department	FY2020	F.1	We recommend the Dallas Police Department determine information request patterns using word analysis tools for open data posting.	Not Implemented