

# Office of the City Auditor

Preliminary Fiscal Year 2020-2021  
Budget Proposal



May 26, 2020  
Mark S. Swann, City Auditor

Government Performance & Financial Management Committee



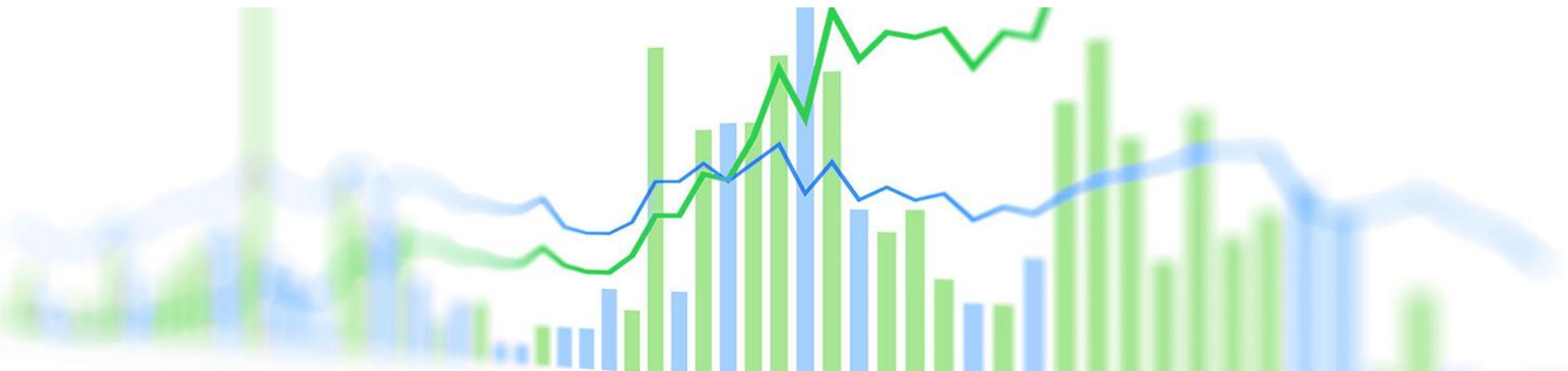
# Preliminary Budget Proposal – City Charter

- The Office of the City Auditor is established by the City of Dallas Charter, Chapter IX as an independent audit function with the primary responsibility of serving at the direction of the City Council.
- **Proposition 5 (11-04-2014) Amended Chapter XI, Section 2**  
*“The city auditor shall furnish a detailed budget estimate of the needs and requirements of the Office of the City Auditor for the coming year directly to the city council, to be approved by the city council, and then consolidated with the city manager’s annual budget estimate.”*  
(Amend. Of 11-08-05, Prop. No. 13; Amend. Of 11-04-14, Prop. No. 5).

# Preliminary Budget Proposal

	FY 2019 – 2020 Budget	FY 2020 – 2021 Planned	Reductions	FY 2020-21 Recommended Budget
Personnel Services	\$2,881,597	\$2,882,619	\$(377,412)	\$2,505,207
Professional Services	220,730	274,193	(54,984)	219,209
Contractual - Other Services	264,840	282,512		282,512
Supplies - Material	31,756	35,120		35,120
<b>Total Expenses</b>	<b>\$3,398,923</b>	<b>\$3,474,444</b>	<b>\$(432,396)</b>	<b>\$3,042,048</b>

# Preliminary Budget Proposal – Notable Items



**\$377,412**

Personnel savings with elimination of three staff positions; two of which are senior level management.

**24 FTEs Reduced to 21 FTEs**

**Impact: 4 to 5 Audit Engagements**

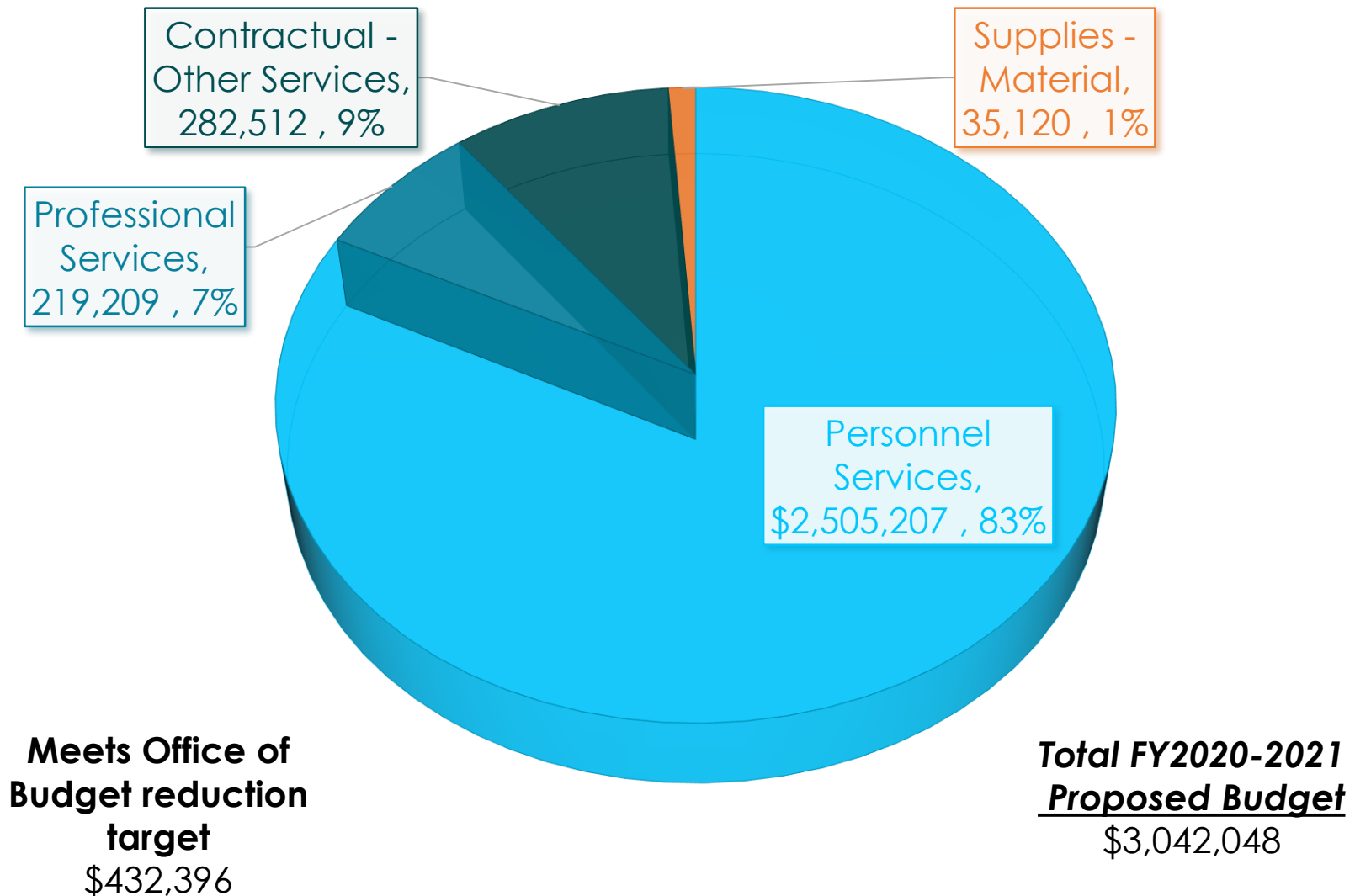
**\$54,984**

Professional Services – Reduction of external auditing/consulting services to augment staff skills.

**20% Reduction to \$219,209**

**Impact: 0.5 Audit Engagement**

# Preliminary Budget Proposal Breakdown



# Preliminary Budget Proposal – Final Adjustments Needed

## ➤ Decision on:

- Pension costs
- Healthcare costs
- Worker's Compensation rates
- Property, casualty, and public liability insurance
- Department of Information and Technology Services' chargebacks

# Preliminary Budget Proposal – Revenue Impact

- Audits provide oversight of controls supporting operational responsibilities of revenue collections.
- Office of the City Auditor administers outsourced audit of sales/use tax compliance contract.
- Office of the City Auditor administers outsourced audit of utility franchise fees.

# Preliminary Budget Proposal – Performance Measures As of May 12, 2020

	FY 2018 – 2019 Target	FY 2018 – 2019 Actual	FY 2019 – 2020 Target	FY 2019 – 2020 YTD Actual
<b>Outputs</b>				
Number of Audit Deliverables	N/A	16	22	12
Percentage of Initial Response for Fraud, Waste, and Abuse Alerts within Three Workdays	N/A	N/A	95%	100%
<b>Efficiency</b>				
Percentage of Available Hours on Direct Projects	N/A	85%	82%	80%



# Preliminary Budget Proposal – Outcomes

## As of May 12, 2020

City management's implementation of Office of the City Auditor's recommendations improves City operations and Delivery of City services.

	FY 2018 – 2019 Target	FY 2018 – 2019 Actual	FY 2019 – 2020 Target	FY 2019 – 2020 YTD Actual
<b>Outcome Measures include:</b>				
Percentage of recommendations Management agrees to implement	100%	87%	90%	88%
Percentage of recommendations implemented in 18 months	N/A	N/A	60%	TBD

# Next Steps



- Recommendation to Council from Government Performance and Financial Management Committee for approval of the Office of the City Auditor's proposed preliminary budget estimate of \$3,042,048\* to be included in the City Manager's annual budget estimate for FY 2020 – 2021.
- City Council Agenda item for Wednesday, June 10, 2020

\*Subject to final citywide adjustments, such as staff benefits, insurance, Department of Information Technology Services' chargebacks, and other items that may affect all City departmental budgets.

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