

Office of the City Auditor

Fiscal Year 2021 Quarter 1 Update:
October 1, 2020 – December 31, 2020

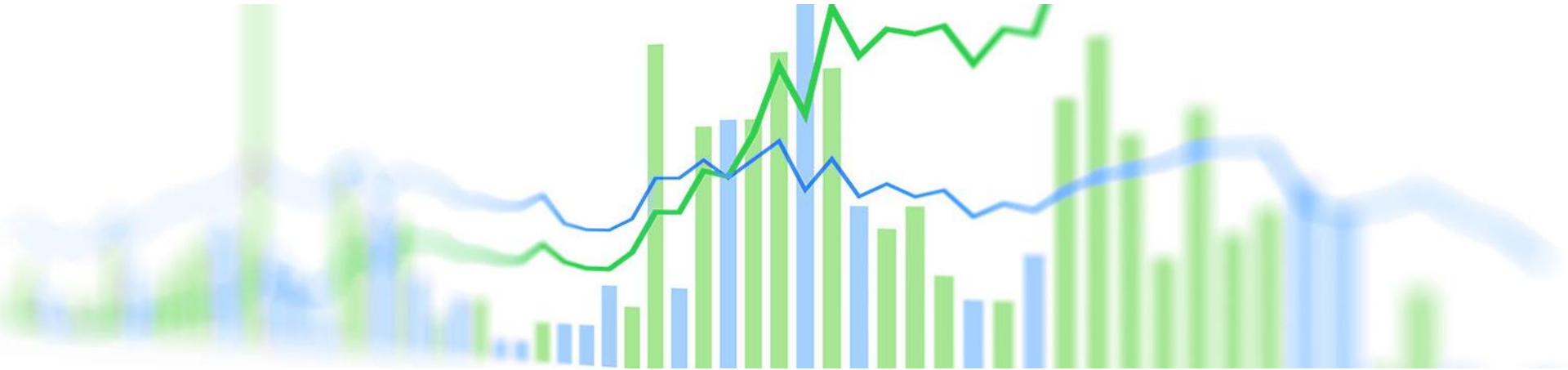


January 25, 2021
Mark S. Swann, City Auditor

Government Performance & Financial Management Committee



Overview



1

Reports Issued

TBD

Management
Agreement to
Recommendations

21

Projects in Progress

Reports Issued

[Audit of the Dallas County Motor Vehicle Child Safety Fee](#)

Objective:

The audit objective was to determine if the Dallas County Motor Vehicle Child Safety Fee is complete and accurately remitted to the City of Dallas, including the accuracy of the administrative expense deducted by Dallas County. The scope of the audit was management operations for October 1, 2018, through December 31, 2019.

What We Found:

Dallas County has accurately remitted the City of Dallas' portion of the Dallas County Motor Vehicle Child Safety Fee for Calendar Year 2019. No recommendations were identified.

Approximately \$1.4 million was remitted to the City of Dallas for Calendar Year 2019.

Investigative Services

Fraud, Waste, and Abuse Hotline Alerts		
Received	Closed	Outstanding
25	25	35

In Quarter 1, Investigative Services closed 25 complaints. Of those closed, none were substantiated.

Management Agreement

One of the performance measures for the Office of the City Auditor is to add value by achieving over 90 percent agreement to audit recommendations.

The *Audit of the Dallas County Motor Vehicle Child Safety Fee* had no recommendations for management to agree to.

To date, our percentage for this performance measure is to be determined (TBD).

Projects in Progress

Audits on the horizon for release in Quarter 2 include:

- Audit of the Department of Aviation's Noise Abatement Program
- Audit of the TexasCityServices, LLC Contract
- Audit of Department of Information Services' AT&T Datacomm LCC Contract Monitoring Process
- Audit of Landfill Closure and Post-Closure Liability and Monitoring Expense
- Audit of Dallas Police Department Property and Evidence



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City Auditor Responsibility and
Administrative Procedures Update



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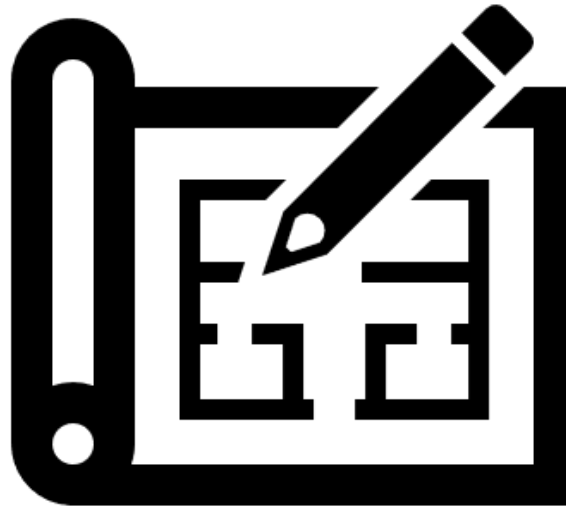
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Purpose

Council Resolution 904027 - *City Auditor Responsibilities and Administrative Procedures*

Last updated December 1990



Time to Refresh Responsibilities and Procedures to
Mirror Current Practices

City Charter Chapter IX

City Auditor

1. Conduct audits and investigations
2. Any entity receiving funds
3. Ensuring quality and accuracy of information and improve processes and controls
4. Monitor and evaluate accounting and property records
5. Examine books city officers, city funds, and trust funds
6. Appraising financial records, statements, and reports follow generally accepted accounting principles
7. Evaluate adequacy of city's accounting system and controls
8. Reporting any irregularities or failures to maintain adequate and accurate records
9. City council requested studies on efficiency, economy, and effectiveness of city programs, projects or departments
10. Liaison to external audit agencies
11. Special audits city officer turnover



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Other Legislation Related to the Office of the City Auditor

City Charter

- Chapter III, Section 18, Investigations (see Council Resolution 98-0751, City of Dallas Fraud, Waste and Abuse Policy and Procedure)
- Chapter XI, Section 2, Budget Estimates and Financial Procedures Relating Thereto

Dallas City Code

- Section 2-17.2, Selection of City Auditor; Nominating Commission
- Section 12A-26(g), Code of Ethics
- Section 40A-2(c)(1)(C), ERF Board—The City Auditor

Council Resolution

- 90-4027, City Auditor Responsibilities and Administrative Procedures
- 92-0779, Fraud Hotline in the City Auditor's Office
- 98-0751, City of Dallas Fraud, Waste and Abuse Policy and Procedure

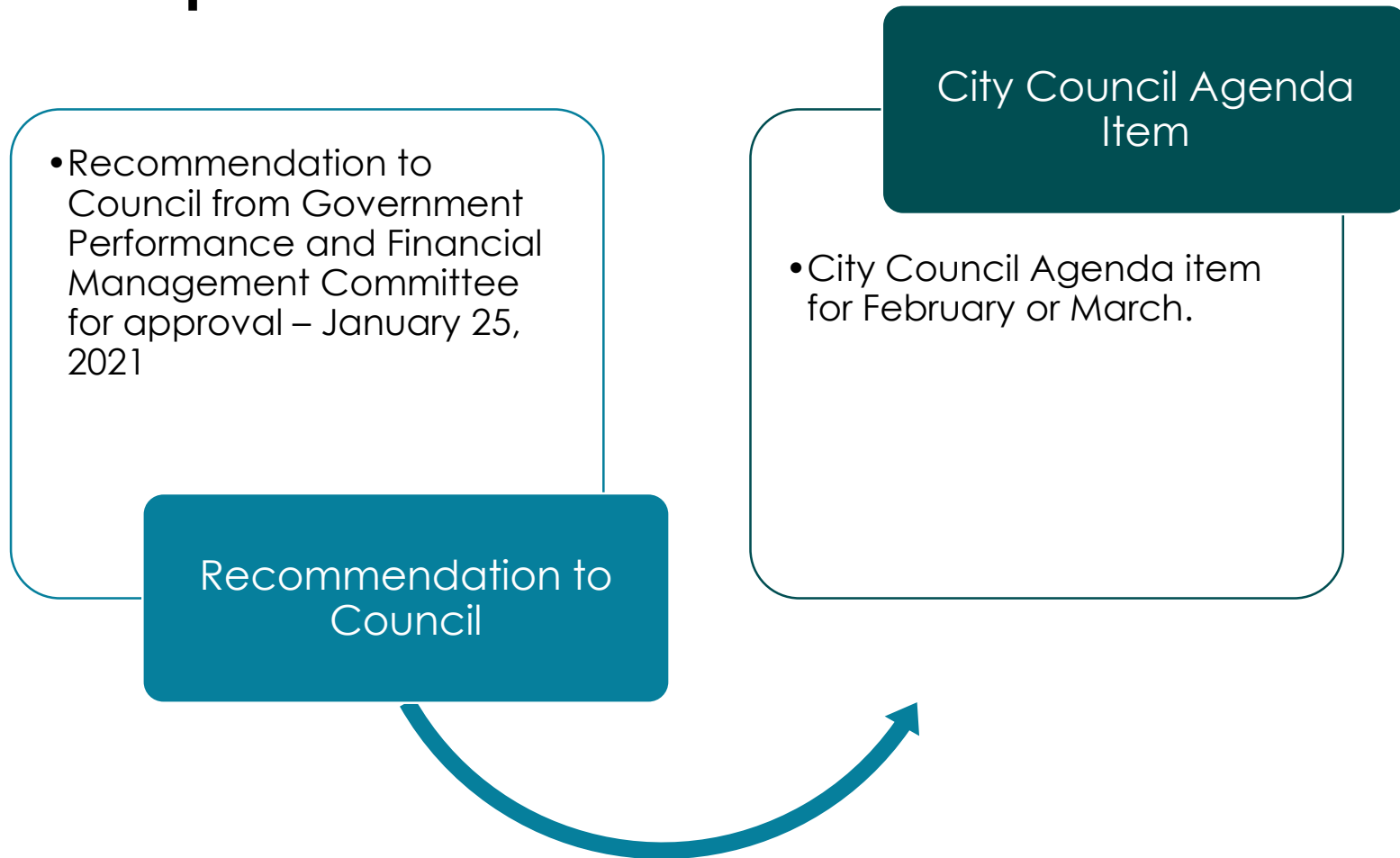


City Council Rules of Procedures

- Section 2.9, City Auditor Participation
- Section 14.13(b), Absences from City Council Meetings
- Section 22.10, Executive Sessions

Comment Period: 1st Round - July 13, 2020 to August 31, 2020; 2nd Round – December 24, 2020 to January 11, 2021

Next Steps



Office of the City Auditor

City Auditor Responsibility and
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APPENDIX – City Auditor Responsibility and Administrative Procedures Update

Summary of Noteworthy Revisions

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Section 3

- The scope of audit services was summarized into broad categories, less prescriptive.

Section 4

- Highlighted the objective and scope of work for investigation services.

Section 5

- Acknowledge City's external financial audit is managed by the Chief Financial Officer.

Summary of Noteworthy Revisions

Section 6

- Acknowledge responsibility for monitoring and evaluating the City's accounting and property records, funds, general accounting system and records will be accomplished by periodic reviews of City's continuous monitoring programs.

Section 8

- Responsibilities for strategic planning revised to be less prescriptive.

Section 9 (b)

- The requirement to verify the reasonableness of revenue estimates included in the proposed budget is revised from an annual requirement to City Council request review of revenue estimates.

Summary of Noteworthy Revisions

Section 10 (b)

- Requests the Office of the City Auditor is notified of all financial, performance, operational, and other audit activities or external consulting assessments conducted on behalf of the City.

Section 15 (b)

- City management response to the final draft report is revised from 30 calendar days to 15 business days.

Section 16(a)

- Requires implementation follow-up requirement for only high-impact audit recommendations or a specific request by the City Council or a committee of the City Council.

Summary of Noteworthy Revisions

Section 17

- Provides more precise detail regarding the right to access employees, records, and properties. Instruction is directed to City Auditor personnel responsibility for maintaining the confidentiality of the information they receive.

Section 19

- Directs the Office of the City Auditor to provide an annual report in the first quarter of every fiscal year to report on the prior fiscal year's progress to Council and prescribes what the annual report should include.

Section 20

- Establishes alignment with Chapter XI, Section 2 of the City Charter for City Auditor's annual budget and describes protocol for submitting the annual budget.