

Office of the City Auditor

Fiscal Year 2022 Auditor Briefing Update



October 25, 2021
Mark S. Swann, City Auditor

Government Performance & Financial Management Committee



Reports Issued to Date – October 2021

Independent Report on Agreed-Upon Procedures for the Department of Dallas Water Utilities Construction Project Procurement - Elm Fork Water Treatment Plant Filter Complex Project CIZ-DWU-220 23

Objective and Scope:

The objective of the agreed-upon procedures is solely to assist the City of Dallas City Council in evaluating the Department of Dallas Water Utilities' and Office of Procurement Services' compliance with Administrative Directive 4-05, *Contracting Standards and Procedures (Interim)*, relevant State of Texas statutes, and City of Dallas contracting and delivery procedures.

The Department of Dallas Water Utilities requested this attestation in accordance with Administrative Directive 4-05, Section 9.5.5, *Attestation Engagement Requirement for All Construction Projects \$50 Million and Greater*.

What We Found:

Dallas Water Utilities determined that the bids received for the project exceeded the available budget. As a result, Dallas Water Utilities requested we discontinue the procedures and release a report on the procedures that had been completed.

At the time Dallas Water Utilities requested discontinuing the agreed-upon attestation procedures, 12 of the 17 agreed-upon procedures had been performed. Procedure (I) had two exceptions. Specifically, rules A and D of the *City's Rules Governing the Receipt of Electronic Submission of Bids and Proposals*, were not followed.

Follow-Up on Prior Briefing

Audit of City Boards and Commissions (Part 1 of 2)

Objectives and Scope:

The objectives of this audit were to determine if:

- 1) Boards and commissions are in compliance with the City's Charter and Code – specifically (a) membership and vacancy; (b) meetings; (c) racial and ethnic diversity; (d) annual reports; (e) conflict of interest and financial disclosure; and, (f) protecting confidential information.
- 2) The City is monitoring the costs to operate boards and commissions.
- 3) All boards and commissions have members' roles and responsibilities defined in bylaws or another authoritative document.

The scope of the audit included management operations in Fiscal Years 2019 and 2020.

What We Found:

Responsibility for ensuring compliance with City requirements is fragmented and shared among multiple offices, departments, and positions.

Processes are in place for the review of board and commission member qualifications, financial and conflict of interest disclosures, and the protection of confidential information.

(see next page)

Follow-Up on Prior Briefing

Audit of City Boards and Commissions (Part 2 of 2)

What We Found: (continued...)

Processes could be improved to ensure:

- Compliance with City requirements.
- Transparent documentation and communication of board and commission operations.
- Monitoring of the costs to operate boards and commissions.

What We Recommend

We recommend City management:

- Establish a single authority that ensures compliance with City requirements.
- Improve procedures to ensure compliance with City requirements and capture all costs to operate the boards and commissions.

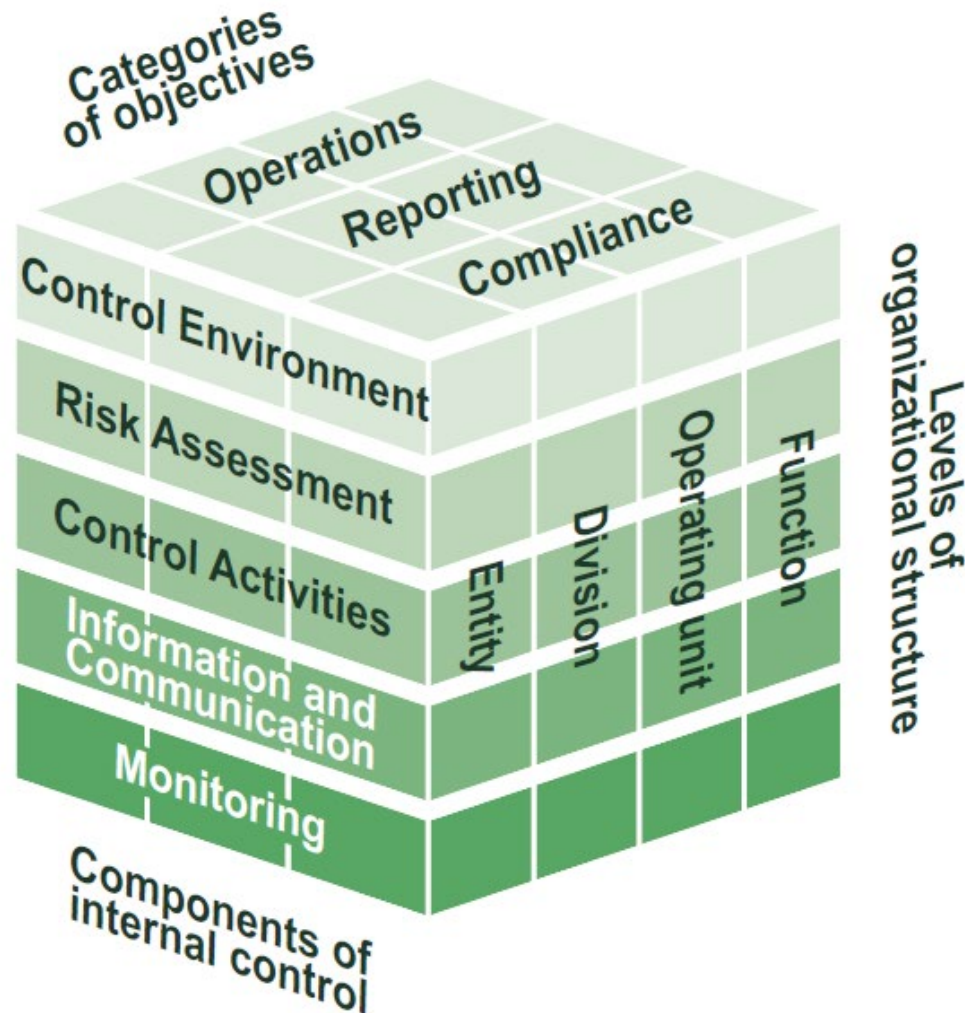
Fiscal Year 2022 Recommended Audit Work Plan



Audit Plan Explained

The Audit Plan attempts to identify the risks that matter and provide City-wide audit coverage by allocating 19,000 resource hours to complete 19 audit or attestation engagements. Also, 5,000 resource hours are required to support matters received on the City's Fraud, Waste, and Abuse Hotline.

Standards for Internal Control in the Federal Government (Green Book)



Fiscal Year 2022 Risk Assessment

No.	Fund Type	Department Abbreviation	Audit Unit Description	FY2022 - Planned Budget	Risk Weight	Risk Weight = Values Only	Audit Plan	Last Audit or Other Review	City Management / Industry Input
1	EF	DWU	DWU-EF: Wastewater Collection & Treatment	77,788,849	1,245	●		Apr-14	2
2	GF	CCO	CCO: Financial Reporting	5,557,371	1,240	●		External Audit	0
3	GF	DPD	DPD: Police Investigations	92,812,229	1,230	●			2
4	EF	DWU	DWU-EF: Water Utilities Customer Account Services	33,348,792	1,230	●	2021	Aug-15	3
5	GF	CCO	CCO: Payroll	2,034,824	1,215	●	2021		3
6	GF	MGT	MGT: 3-1-1 Customer Service Center	5,079,860	1,200	●		Sep-16	5
7	Debt	DEBT	Debt Services	348,776,403	1,200	●			0
8	GF	DFR	DFR:EMS	20,718,565	1,190	●	2022		2
9	GF	DPD	DPD: Police Field Patrol & Support	327,180,806	1,190	●	2022	KPMG 2019 Study	5
10	GF	BMS	BMS: Budget, Utility	2,244,121	1,185	●	2022		1
11	EF	DWU	DWU-EF: Water Production & Delivery	110,722,482	1,185	●		Mar-19	2
12	GF	DFR	DFR: Fire Dispatch & Communications	24,076,886	1,175	●		KPMG 2020 Study	2
13	GF	HR	HR: Consulting	2,625,599	1,160	●			1
14	GF	DPD	DPD: Police Operational Support (9-1-1)	47,045,959	1,135	●		KPMG 2020 Study	5
15	ISF	ITS	ITS-ISF: Public Safety	6,386,221	1,120	●		Ad Hoc Committee	6
16	CAP	CAP	CAP: General Purpose	445,104,717	1,020	●	2022		0
17	ISF	ITS	ITS -ISF: 9-1-1 Technology Services; Public Safety Support	14,341,472	1,075	●		KPMG 2020 Study	6
18	GF	DFR	DFR: Fire-Rescue Response	244,587,486	1,065	●	2022		2
19	GF	MGT	MGT: Emergency & Sustainability	2,044,673	1,035	●			0
20	EF	DWU	DWU-EF: DWU General Expense	136,023,723	1,025	●			0
21	EF	DWU-SDM	DWU-SDM-EF: Storm Water Services	69,314,586	980	●			2
22	EF	AVI	AVI-EF-Dallas Love Field	90,442,605	970	●	2022		0
23	ISF	ITS	ITS-ISF: Employee Support	40,609,996	965	●			6
24	GF	SEC	SEC: Open Records & Records Management	1,484,047	940	●		Feb-20	0
25	EF	SAN	SAN-EF: Citizen Sanitation Services	96,625,171	925	●			0

Links to Reports

Although reports are linked throughout the presentation, here is a list of all reports linked in one place for your convenience.

1. [Audit of City Boards and Commissions](#)
2. [Independent Report on Agreed-Upon Procedures for the Department of Dallas Water Utilities Construction Project Procurement - Elm Fork Water Treatment Plant Filter Complex Project CIZ-DWU-220 23](#)

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