

**Office of the City Auditor  
Preliminary Fiscal Year 2019-2020  
Budget Proposal**

**Government Performance & Financial  
Management Committee  
June 3, 2019**

**Mark S. Swann, City Auditor  
Office of the City Auditor  
City of Dallas**



# Preliminary Budget Proposal – City Charter

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- 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 Ch. XI, Sec 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 11-8-05, Prop. No. 13; Amend. of 11-4-14, Prop. No. 5)

# Preliminary Budget Proposal – Mission and Purpose

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## Mission

To promote public trust and advance accountability through independent, objective, and useful professional services

## Purpose

To assist the City Council with oversight responsibilities and management with operational responsibilities

Objective assessments provide information regarding:

- ❑ Accountability for City resources
- ❑ Adequacy of internal controls
- ❑ Accuracy of information
- ❑ Efficiency and effectiveness of City programs, projects, and departments

# Preliminary Budget Proposal - Overview

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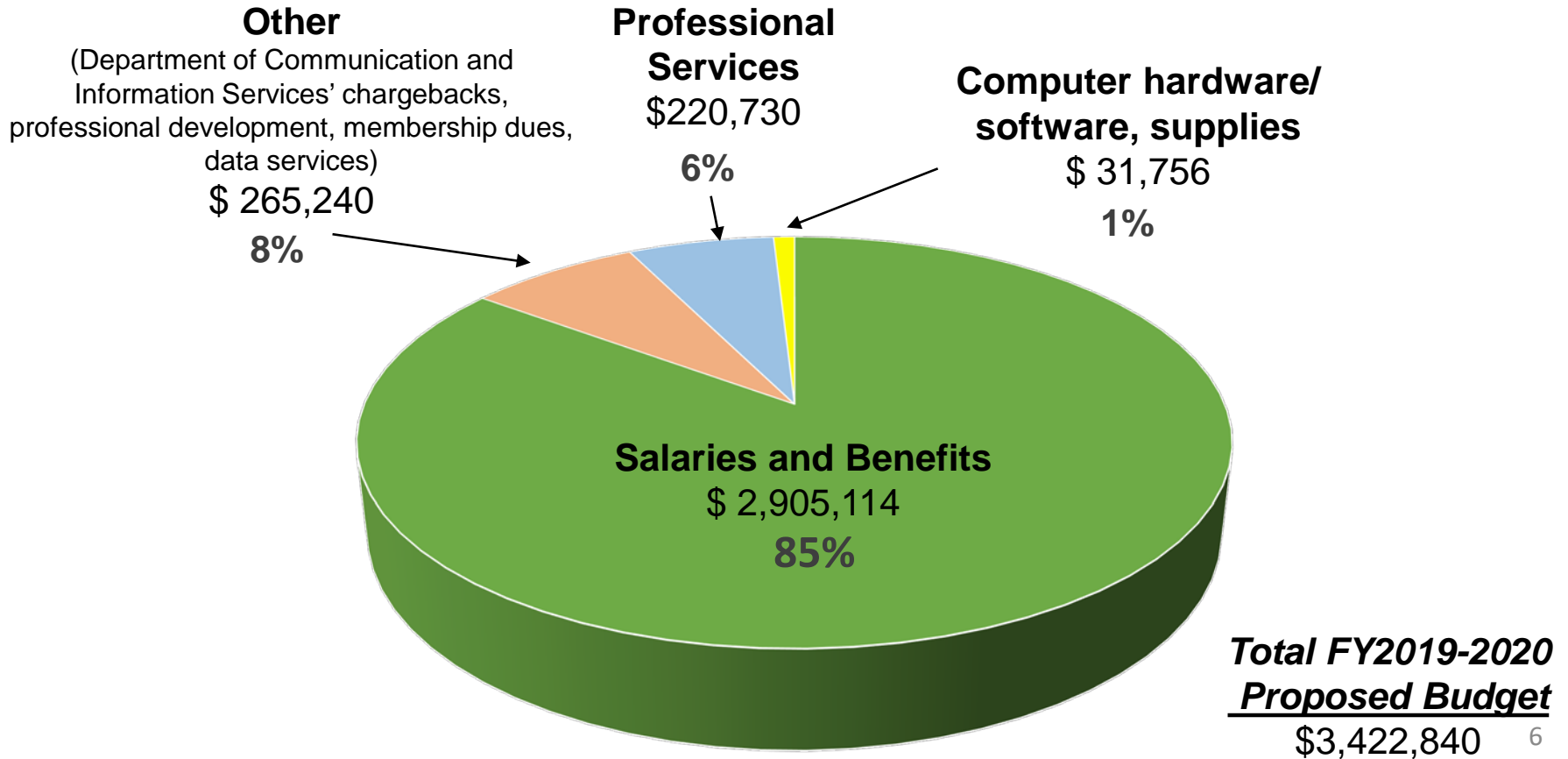
	<b>FY 2018-2019 Adopted</b>	<b>FY 2018-2019 Estimate (as of 03/31/2019)</b>	<b>FY 2019-2020 Proposed</b>
<b>Total Expenditures</b>	\$ 3,367,314	\$ 3,338,295	\$ 3,422,840
<b>Total FTEs</b>	26	20	24

## Preliminary Budget Proposal – Notable Items

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- \$70,776 – Full-year funding of FY 2020 merit increases effective January 2020
- \$220,730 – Professional Services – Repurpose two vacant auditor positions

# Preliminary Budget Proposal – Breakdown



# Preliminary Budget Proposal – Final Adjustments Needed

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- Decision on:
  - Merit increases
  - Pension costs
  - Healthcare costs
  - Worker's Compensation rates
  - Property, casualty, and public liability insurance
  - Department of Communication and Information Services' chargebacks

# Preliminary Budget Proposal – Revenue Impact

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



# Preliminary Budget Proposal – FY 2018 Results

	FY 2017- 2018 Target	FY 2017- 2018 Actual	FY 2018- 2019 Target	FY 2018- 2019 YTD Actual
<b>Outputs</b>				
Performance Audits	16	15	16	10
Attestations	0	2	0	0
Investigative Reports	18	26	18	15
Nonaudit Services	16	27	16	23
<b>Efficiency</b>				
Percentage of Hours on Direct Projects	75%	78%	75%	72%
Hourly Billable Rate	\$93	\$83	\$89	\$94

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# Preliminary Budget Proposal

## Outcomes

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

	FY 2017- 2018 Target	FY 2017- 2018 Actual	FY 2018- 2019 Target	FY 2018- 2019 YTD Actual
<b>Outcome Measures Include:</b>				
Percentage of Recommendations Management Agrees to Implement	82%	100%	100%	86%
Percentage of Recommendations Implemented by Management	90%	44%	90%	TBD
Percentage of Substantiated Fraud/Waste/Abuse Complaints Resulting in Accountability Actions	100%	100%	100%	100%

## Next Steps

- Recommendation to City Council from the Government Performance & Financial Management Committee for approval of the Office of the City Auditor's proposed preliminary budget estimate of \$3,422,840\* to be included in the City Manager's annual budget estimate for FY 2019-2020
- City Council Agenda item for Wednesday, June 12, 2019

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

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