

Memorandum



CITY OF DALLAS
(Report No. A18-007)

DATE: March 23, 2018
TO: Honorable Mayor and Members of the City Council
SUBJECT: Audit of Special Collections Operations¹

In response to a cash theft identified by the Department of Dallas Water Utilities (DWU) in February of 2015, DWU implemented additional internal controls over cash handling (See Attachment I). These internal controls significantly improved the DWU Special Collections Section's (SCS) daily cash collections operations. The Office of the City Auditor, however, identified opportunities to further improve certain internal controls as follows:

- Segregation of cash handling duties
- Establishment of Systems, Applications and Products System Incorporated (SAP System) user profiles and access privileges
- Annual monitoring of SAP System user profiles and access privileges

Background

The Special Collections is a section of the Department of Water Utilities' (DWU) Revenue and Business Systems Division. The Special Collections Section (SCS) is responsible for the billing and collection of multiple general fund revenues including: (1) hotel occupancy tax; (2) security alarm permits; (3) land based receivables such as demolitions and weed liens; (4) Dallas Police Department's vice-controlled licenses such as sexually oriented businesses; (5) multi-tenant registrations and inspections; (6) beer and liquor licenses; and, (7) others.

In Fiscal Year (FY) 2015, FY 2016, and FY 2017, the SCS processed revenues of approximately \$10.2 million, \$9.7 million, \$9.3 million, respectively.

Source: DWU

¹ This audit was conducted under the authority of the City Charter, Chapter IX, Section 3 and in accordance with the Fiscal Year 2017 Audit Plan approved by the City Council. The audit objective was to determine whether internal controls are adequate to ensure cash receipts are timely deposited and accounted for properly. The scope of this audit included management operations from Fiscal Year (FY) 2015 through the first quarter of FY 2017; however, certain other matters, procedures, and transactions outside that period were reviewed to understand and verify information during the audit period. This audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based upon our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. To achieve the audit objective, we interviewed personnel from the following departments: (1) Dallas Water Utilities (DWU); and, (2) Equipment and Building Services (EBS). We reviewed DWU's and EBS' policies and procedures as well as relevant Administrative Directives; tested all transactions or random samples of transactions; and performed various analyses.

The issues and associated recommendations resulting from this audit are discussed in more detail on the following pages and in Attachment I.

Segregation of Duties over Cash Handling, SAP System User Profiles, and Access Privileges Are Not Completely Established and Monitored

The SCS does not have certain internal controls in place to ensure:

- Cash handling duties are adequately segregated and properly maintained
- SAP System² user profiles and access privileges are established to properly define cash handling roles and responsibilities
- SAP System user profiles and access privileges are monitored annually, including documenting the monitoring results and actions taken to investigate and correct errors or fraud

Control Activities for Security Management

Segregation of Duties: Segregation of duties helps prevent fraud, waste, and abuse in the internal control system. Management considers the need to separate control activities related to authority, custody, and accounting of operations to achieve segregation of duties. In particular, segregation duties **can** address the risk of management override. Management override circumvents existing control activities and increases fraud risk.

Unique User Identification (profiles): Management designs control activities to limit user access to information technology through authorization control activities such as providing a *unique user identification* or token to authorized users. These control activities may restrict authorized users to the applications or functions commensurate with their assigned responsibilities, supporting an appropriate *segregation of duties*. Management designs other controls to promptly update access rights when employees change job functions or leave the entity.

Control Activity for Reviews: Reviews by management at the functional or activity level compare actual performance to planned or expected results throughout the organization and analyze significant differences

Source: *Standards for Internal Control in the Federal Government*

As a result, the risks are increased that: (1) a cash misappropriation could occur and remain undetected; and, (2) individuals could access the SAP System without appropriate authorization.

The SCS uses City of Dallas (City) job descriptions and communicates expectations for each Customer Service Representative in their Annual Performance Evaluation. The SCS job descriptions, however, do not include specific cash handling duties and responsibilities to clearly document appropriate segregation of duties. In addition, SCS has not established SAP System user profiles and access privileges³, such as a role-based security matrix that maps SCS cash handling personnel's roles and

² In February 2008, the SAP System was implemented to automate billings, payment collections, and provide customer services for the City of Dallas (City). The SAP System application management and hosted infrastructure services were outsourced to Deloitte Consulting LLP in FY 2013.

³ During the audit, DWU was in the process of obtaining assessment services from Deloitte Consulting LLP for *the City of Dallas SAP System Security Landscape*. The assessment services include an evaluation of the current security design, including roles, user profiles, and the security configuration within the SAP System. In August 2017, Deloitte Consulting LLP initiated the assessment. As of December 1, 2017, the assessment was still in progress.

responsibilities with user profiles and access privileges, which are necessary to effectively perform annual monitoring.

The Administrative Directive 4-09, *Internal Control* (AD 4-09) requires each department to establish and document a system of internal control procedures specific to its operations, mission, goals, and objectives. The AD 4-09 requires each department to establish the internal controls in accordance with *Standards for Internal Control in the Federal Government by the Comptroller General of the United States* (Green Book).

According to the Green Book, management should consider the organizational structure and roles when determining appropriate user profiles for a business process and develop standard user access profiles that could withstand new additions and changes in the business processes. Management should also divide or segregate duties and responsibilities among different people to reduce the risk of error, misuse, or fraud. In particular, segregation of duties should address the risk of management override. If segregation of duties is not practical, management should design alternative control activities to address the risk of fraud, waste or abuse in operations.

The Administrative Directive 2-24, *Computer Security* requires the: (1) department director ensures access rights to resources are reviewed and are appropriately applied, on an annual basis; (2) managers and supervisors evaluate all information systems for security risks, identify and implement corrective measures, and perform audits to ensure effectiveness of controls; and, (3) data owners review access privileges annually for owned data, perform a risk analysis of data at least annually, select appropriate controls for information, and implement and use any access control methods and security measures that the City has provided, including system and application specific controls.

We recommend the Director of DWU further improves:

- I. Segregation of duties by specifying appropriate job descriptions for cash handling personnel in SCS job descriptions
- II. SCS cash handling controls by:
 - Developing a role-based security matrix to establish SAP System user profiles and access privileges. If business process changes result in the need to modify existing user profiles, management should evaluate these modifications for inadequate segregation of duties.
 - Monitoring SAP System user profiles and access privileges at least annually

- Documenting the monitoring results of the SAP System user profiles and access privileges and actions taken to investigate and correct errors or fraud
- III. Compliance and oversight of cash collections processes by implementing the recommendations stated in Attachment I

Please see Attachment II for Background information and Attachment III for Management's Response to the recommendations made in this report.

Security related issues and the associated recommendations omitted from this report have been communicated to the appropriate Department of Equipment and Building Services personnel in the *Confidential Limited Use Report: Audit of Special Collections Operations*, Report No. A18-007a. Our decision to exclude this information is based on Government Auditing Standards, December 2011 Revision, Section 7.39 - 7.43 *Reporting Confidential and Sensitive Information*.

We would like to acknowledge management's cooperation during this audit. If you have any questions or need additional information, please contact me at 214-670-3222 or Carol Smith, First Assistant City Auditor, at 214-670-4517.

Sincerely,



Craig D. Kinton
City Auditor

Attachments

- C: T.C. Broadnax, City Manager
Kimberly Bizor Tolbert, Chief of Staff
Majed Al-Ghafry, P.E., Assistant City Manager
Terry S. Lowery, Interim Director – DWU
Sheila Delgado, Assistant Director – DWU
Trinita Houser, Senior Program Manager – DWU, SAP Business Consulting Division
Denise Wallace, Senior Program Manager – DWU, Revenue and Business Systems Division
Ulundra (Shon) Bowers, Manager III - DWU, Revenue and Business Systems Division
Sarai Vasquez, Manager II – DWU, SCS

Summary of the Department of Water Utilities’ Implemented Procedures and Forms Reviewed in Response to 2015 Cash Theft and Recommendations

No.	Implementation Date Per Department of Dallas Water Utilities’ Management Response to Report No. I16-008	Department of Dallas Water Utilities’ Procedures and Forms	Auditor’s Assessment Results As of October, 2017	Recommendations
1.	Updated International Organization for Standardization (ISO) procedures related to Change Fund Orders from Bank ⁴ – March 2015	<p>DWU-PRO-185-RB, <i>Change Fund Orders From Bank</i> (DWU-PRO-185-RB) requires the Supervisor or Manager to:</p> <ul style="list-style-type: none"> • Recount and verify return cash deposit and sign the Cash Receipt • Sign the DWU-FRM-067-RB, <i>Change Fund Orders From Bank</i> (DWU-FRM-067-RB) confirming the funds were reimbursed 	<p>The DWU-PRO-185-RB does not require additional verification of money received from the bank and the placement of the money in the safe (Change Fund). Currently, only the Deposit Clerk, who receives the money, counts and places the money in the safe. As a result, there is an opportunity to misappropriate the Change Fund and conceal the fraud. Although there are some controls to reduce this risk, these controls are not working effectively (see No. 3 on page 3).</p> <p>Additionally, the DWU-PRO-185-RB does not include any guidance for Change Fund Order audits. Currently, after a Change Fund Order process is complete (see footnote 4), the supervisor or manager audits the change fund order package that includes documentation for both the money received from and returned to the bank. The purpose of the audit is to ensure all required documentation are completed and accurate.</p>	<p>Recommendation III.A</p> <p>We recommend the Director of Department of Water Utilities (DWU) update the DWU-PRO-185-RB and the DWU-FRM-067-RB by requiring SCS’ Supervisor or Manager to:</p> <ul style="list-style-type: none"> • Recount the money when received from the bank • Ensure the Deposit Clerk secures the money in the safe • Document these actions on form, DWU-FRM-067-RB • Complete form, DWU-FRM-067-RB for both money received from and returned

⁴ The Special Collections Section (SCS) maintains a Change Fund of \$2,250 in pre-established denominations. SCS initiates a “Change Order Request” to the bank as needed to maintain the pre-established denominations. At that time, SCS returns the same amount of money to the bank. The DWU-FRM-067-RB, *Change Fund Order from Bank*, is used to record Change Fund Order activities including: (1) a manager’s approval of a change order request; (2) a deposit clerk’s verification of the money received; (3) a supervisor’s review of documentation to ensure the same amount is returned to the bank; and, (4) a supervisor’s or manager’s review to verify documentation completeness for both the money received by SCS and returned to the bank. Between March 2015 and June 2017, SCS processed 26 change order requests totaling \$17,000. **Source:** DWU

Audit of Special Collections Operations

No.	Implementation Date Per Department of Dallas Water Utilities' Management Response to Report No. I16-008	Department of Dallas Water Utilities' Procedures and Forms	Auditor's Assessment Results As of October, 2017	Recommendations
			<p>Without clear and complete procedures, Special Collections Section (SCS) personnel cannot effectively perform their job duties, particularly when there are personnel changes.</p> <p>Also, between July 6, 2016 and January 24, 2017, the SCS did not use the DWU-FRM-067-RB as required by the DWU-PRO-185-RB. Without compliance with the procedure and the form, SCS cannot effectively reduce financial risk and properly safeguard cash receipts.</p>	
2.	<ul style="list-style-type: none"> • Updated ISO procedures related to Preparation of Daily Bank Deposit – March 2015 • Implemented daily verification of deposit amount by a second employee – March 2015 • Implemented daily confirmation by supervisor that deposit bag is placed in courier pick-up box - May 2015 	<p>DWU-PRO-001-RB, <i>Preparation of Daily Bank Deposit</i> requires Deposit Clerk #2 delivers the sealed bag to the Deposit Supervisor who in turn places the bag directly in the Courier drop box and initials the Dunbar "The Redbook" tracking log (Log)⁵ confirming the drop.</p>	<p>The Office of the City Auditor selected the continuous Log from the first quarter of Fiscal Year 2017 for testing. The results showed the Deposit Supervisor did not consistently initial and date the Log.</p> <p>Without compliance with the procedure, SCS cannot effectively reduce financial risk and properly safeguard cash receipts.</p>	<p>Recommendation III.B</p> <p>We recommend the Director of DWU requires the Deposit Supervisor consistently initial and date the Log.</p>

⁵ Currently "The Redbook" tracking log records the following information: bag number, description, amount (shipper's information); signature, time, and date (Dunbar); barcode and barcode label (shipper).
Source: DWU

Audit of Special Collections Operations

No.	Implementation Date Per Department of Dallas Water Utilities' Management Response to Report No. I16-008	Department of Dallas Water Utilities' Procedures and Forms	Auditor's Assessment Results As of October, 2017	Recommendations
3.	<ul style="list-style-type: none"> Created new ISO procedure: Supervisor and Manager Monthly / Quarterly Audit – May 2015 Implemented monthly / quarterly audits by supervisor and manager of the Change Fund – May 2015 	<p>DWU-PRO-187-RB, <i>Working Fund Audit Reconciliation</i> requires “audits are to be performed once a month by supervisor and quarterly by Manager. Audits should be unannounced on randomly selected date.”</p>	<ul style="list-style-type: none"> Between September 8, 2016 and May 31, 2017, the SCS Supervisor did not conduct monthly Working Fund Audit Reconciliations for four of nine months, or 44 percent For the same period, the SCS Manager consistently performed quarterly Working Fund Audit Reconciliations Between October 1, 2014 and December 31, 2016, the DWU Financial Planning Division did not conduct quarterly independent Change Fund audits⁶ for three of nine quarters, or 33 percent <p>These surprise audits are particularly important in an environment such as SCS's where: (1) daily verification of the Change Fund; and, (2) no additional verification of money received from the bank and the placement of this money in the safe are required. Currently, only the Supervisor, who receives the money, counts and places the money in the safe. Therefore, possible cash theft can be concealed if the surprise audits are not consistently performed.</p> <p>Without compliance with the procedure and the Administrative Directive 4-19, <i>Petty Cash and Change Funds</i>, SCS cannot effectively reduce financial risk and properly safeguard cash receipts.</p>	<p>Recommendation III.C</p> <p>We recommend the Director of DWU improves compliance and oversight of cash collections processes by requiring:</p> <ul style="list-style-type: none"> SCS to perform and document the monthly Change Fund audit consistently Financial Planning Division to perform and document quarterly independent audits consistently

⁶ The Administrative Directive 4-19, *Petty Cash and Change Funds* requires the department director ensure a quarterly audit is conducted on an on-going basis by a manager not involved in the handling or direct supervision of cash handling procedures.

Audit of Special Collections Operations

No.	Implementation Date Per Department of Dallas Water Utilities' Management Response to Report No. I16-008	Department of Dallas Water Utilities' Procedures and Forms	Auditor's Assessment Results As of October, 2017	Recommendations
4.	Not included in the DWU's management response	<p>DWU-PRO-086-RB, <i>Manual Receipts</i>⁷ (DWU-PRO-086-RB) requires SCS personnel to:</p> <ul style="list-style-type: none"> • Enter receipt number, name, date and signature on the DWU-FRM-064-RB, <i>General Receipt Log</i>⁸ (General Receipt Log) • Use a new general receipt log every month • Conduct an audit monthly (by the supervisor) 	<p>Between November 2015 and July 2017, the SCS did not comply with the DWU-PRO-086-RB. Specifically,</p> <ul style="list-style-type: none"> • Between November 30, 2015 and March 15, 2017, the SCS did not use a correct General Receipt Log. • SCS started using a correct General Receipt Log on March 15, 2017; however, until July 2017, the SCS did not: (1) close a General Receipt Log at the end of each month; and, (2) create a new General Receipt Log for the next month. • Between November 30, 2015 and June 2017, the SCS did not audit the use of manual receipts and General Receipt Logs for 18 months. <p>Without compliance with the procedure, SCS cannot properly safeguard cash receipts. For example, the General Receipt Log (November 2015 and March 2017) included errors, such as out of sequence dates and missing information. A copy of one issued manual receipt was physically present but was not recorded in the General Receipt Log.</p> <p>Also, certain documentation requirements in the DWU-PRO-086-RB are not clear. Specifically, the DWU-PRO-086-RB did not specify what information should be</p>	<p>Recommendation III.D</p> <p>We recommend the Director of DWU:</p> <ul style="list-style-type: none"> • Updates the DWU-PRO-086-RB by clarifying what information should be recorded in the "Name" field of a General Receipt Log • Requires the SCS to follow the updated DWU-PRO-086-RB consistently including: (1) documentation requirements for a General Receipt Log; and, (2) a monthly audit (by the supervisor)

⁷ The SCS uses manual receipts when: (1) payments for ambulance and Hotel Occupancy Tax (HOT) are received; and, (2) SAP is not operating to process other types of payment such as security alarms, water bills, liens, etc. Ambulance payments are processed by a third party and hotel payments are processed by the City Controller's Office. **Source:** DWU

⁸ All issued manual receipts are recorded in a General Receipt Log. Between November 30, 2015 and December 31, 2016, SCS recorded 145 manual receipts as follows: 10 voids; 83 HOT payments; 18 ambulance payments, three missing, and 31 other payments totaling \$11,577 processed by SCS. **Source:** DWU

Audit of Special Collections Operations

No.	Implementation Date Per Department of Dallas Water Utilities' Management Response to Report No. I16-008	Department of Dallas Water Utilities' Procedures and Forms	Auditor's Assessment Results As of October, 2017	Recommendations
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documented for the "Name" column in a General Receipt Log. Therefore, all General Receipt Logs documented between November 2015 and September 2017 included inconsistent information. For example, some cashiers wrote their names or initialed in the "Name" column of the General Receipt Logs while others documented businesses' or customers' names in the same column.

Without clear and complete procedures, SCS personnel will not be able to effectively perform their job duties, particularly when there are personnel changes.

5. Not included in the DWU's management response
- DWU-PRO-086-RB, *Manual Receipts* (DWU-PRO-086-RB) states that:
 - "Cashier will attach pink copy to Manual Receipt Payment Log"
 - "If SAP is running on a different day, cashier will complete a manual payment log"
 - DWU-PRO-056-RB, *SAP Downtime Process* (DWU-PRO-065-RB) states that "each cashier will log each payment they have taken in during the cut over period in a spreadsheet provided by supervisor."

In the DWU-PRO-086-RB and DWU-PRO-056-RB, the SCS did not consistently use the same name for the document that is used for a closing process when the SAP System is still not operating at the end of the day. As noted in the previous column, the same document has the following different names: "Manual Receipt Payment Log", "manual payment log", and "spreadsheet".

According to SCS, between November 2015 and July 2017, they did not use the document because they did not experience significant SAP System downtime. The use of different names may be confusing for SCS personnel when these procedures need to be followed.

Without clear and complete procedures, SCS personnel will not be able to effectively perform their job duties, particularly when there are personnel changes.

Recommendation III.E

We recommend the Director of DWU updates the DWU-PRO-086-RB and DWU-PRO-056-RB by using a consistent name for the document that is used for a closing process when the SAP System is still not operating at the end of the day.

Audit of Special Collections Operations

No.	Implementation Date Per Department of Dallas Water Utilities' Management Response to Report No. I16-008	Department of Dallas Water Utilities' Procedures and Forms	Auditor's Assessment Results As of October, 2017	Recommendations
6.	Not included in the DWU's management response	N/A	<p>Between October 2014 and July 2017, the SCS did not completely follow the Administrative Directive 4-20, <i>Cash Handling and Cash Receipts</i> (AD 4-20)⁹. Specifically, the SCS did not change the key or combination lock for the safe when an employee possessing the key or having knowledge of the combination lock leaves the SCS. For example, a Payment Processing Supervisor who had the safe key retired from the City of Dallas (City) on October 12, 2016; however, the SCS did not start following the AD 4-20 requirement until July 2017.</p> <p>(Note: SCS started using the combination lock in July 2017. It previously used a key for safe access.)</p>	<p>Recommendation III.F</p> <p>We recommend the Director of DWU consistently follows the AD 4-20 requirement to change the key or combination lock for the safe when an employee with this responsibility leaves SCS.</p>

⁹ The Administrative Directive 4-20, *Cash Handling and Cash Receipts* requires changing the combination if any employee having knowledge of the combination leaves the employment of City of Dallas.

ATTACHMENT II

Background

Special Collections is a section of the Department of Water Utilities' (DWU) Revenue and Business Systems Division. The Special Collections Section (SCS) is responsible for the billing and collection for multiple general fund revenues including: (1) hotel occupancy tax; (2) security alarm permits; (3) land based receivables such as demolitions and weed liens; (4) Dallas Police Department's vice-controlled licenses such as sexually oriented businesses; (5) multi-tenant registrations and inspections; (6) beer and liquor licenses; and, (7) others. In Fiscal Year (FY) 2015, FY 2016, and FY 2017, the SCS processed cash receipts of approximately \$10.2 million, \$9.7 million, \$9.3 million, respectively.

As of November 2017, the SCS has:

- A supervisor and seven Customer Service Representatives (CSR) - Lobby Cashiers
- A supervisor and three CSR - Back Office
- A supervisor and seven CSR including six permanent and one temporary - Payment Processing
- A Billing Specialist
- A Manager II
- A Manager III

Memorandum

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FEB 26 2018

City Auditor's
Office



CITY OF DALLAS

DATE: February 26, 2018
TO: Craig D. Kinton, City Auditor
SUBJECT: Response to Audit Report:
Audit of Special Collections Operations

Our responses to the audit report recommendations are as follows:

Recommendation I

We recommend the Director of DWU further improves segregation of duties by specifying appropriate job descriptions for cash handling personnel in SCS job descriptions.

Management Response / Corrective Action Plan

Agree Disagree

DWU will request Human Resources (HR) department to evaluate the Classification Specifications for cash handling positions in SCS, to determine if changes can be incorporated or sub-codes created to include specific cash handling duties and responsibilities to clearly document segregation of duties. Should there be a need to develop new sub-codes or new Classification Specifications, the process will require City Council approval. As an alternative, if HR recommends not to modify existing Classification Specifications or create additional sub-codes, DWU will revise the Annual Performance Plans of those positions to more directly address segregation of duties.

Implementation Date
December 2019

Responsible Manager
Denise Wallace

Recommendation II

We recommend the Director of DWU further improves SCS cash handling controls by:

- Developing a role-based security matrix to establish SAP System user profiles and access privileges. If business process changes result in the need to modify existing user profiles, management should evaluate these modifications for inadequate segregation of duties.
- Monitoring SAP System user profiles and access privileges at least annually
- Documenting the monitoring results of the SAP System user profiles and access privileges and actions taken to investigate and correct errors or fraud

Management Response / Corrective Action Plan

Agree Disagree

CIS/DWU are in the process of engaging Deloitte Consulting LLP for a redesign of the user roles in the SAP system. Once this project is completed we will use the details to prepare a role-based security matrix for the SCS cash handling function. In addition, CIS/DWU, will procure a software tool to implement periodic monitoring, at least annually, of user profiles and access privileges; and document the monitoring results and actions taken.

Implementation Date
December 2019

Responsible Manager
Denise Wallace

Recommendation III

We recommend the Director of DWU further improves compliance and oversight of cash collections processes by implementing the recommendations stated in Attachment I.

Recommendation III.A

We recommend the Director of DWU update the DWU-PRO-185-RB and the DWU-FRM-067-RB by requiring SCS' Supervisor or Manager to:

- Recount the money when received from the bank
- Ensure the Deposit Clerk secures the money in the safe
- Document these actions on form, DWU-FRM-067-RB
- Complete form, DWU-FRM-067-RB for both money received from and returned

Management Response / Corrective Action Plan

Agree Disagree

Implementation Date
September 2018

Responsible Manager
Denise Wallace

Recommendation III.B

We recommend the Director of DWU requires the Deposit Supervisor consistently initial and date the Log.

Management Response / Corrective Action Plan

Agree Disagree

Implementation Date

September 2018

Responsible Manager

Denise Wallace

Recommendation III.C

We recommend the Director of DWU improves compliance and oversight of cash collections processes by requiring:

- SCS to perform and document the monthly Change Fund audit consistently
- Financial Planning Division to perform and document quarterly independent audits consistently

Management Response / Corrective Action Plan

Agree Disagree

Implementation Date
September 2018

Responsible Manager
Denise Wallace and Sunil King

Recommendation III.D

We recommend the Director of DWU:

- Updates the DWU-PRO-086-RB by clarifying what information should be recorded in the "Name" field of a General Receipt Log
- Requires the SCS to follow the updated DWU-PRO-086-RB consistently including: (1) documentation requirements for a General Receipt Log; and, (2) a monthly audit (by the supervisor)

Management Response / Corrective Action Plan

Agree Disagree

Implementation Date
September 2018

Responsible Manager
Denise Wallace

Recommendation III.E

We recommend the Director of DWU updates the DWU-PRO-086-RB and DWU-PRO-056-RB by using a consistent name for the document that is used for a closing process when the SAP System is still not operating at the end of the day.

Management Response / Corrective Action Plan

Agree Disagree

Implementation Date
September 2018

Responsible Manager
Denise Wallace

Recommendation III.F

We recommend the Director of DWU consistently follows the AD 4-20 requirement to change the key or combination lock for the safe when an employee with this responsibility leaves SCS.

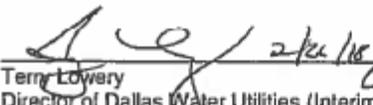
Management Response / Corrective Action Plan

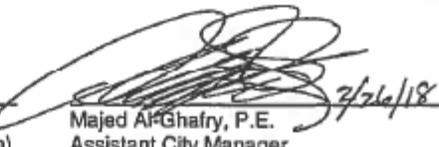
Agree Disagree

Implementation Date
September 2018

Responsible Manager
Denise Wallace

Sincerely,

 2/26/18
Terry Lowery
Director of Dallas Water Utilities (Interim)

 3/26/18
Majed Al-Ghafry, P.E.
Assistant City Manager

C: