Audit Follow-Up of Prior Recommendations – Continuity of Operations Basic Plan

September 28, 2020

Mark S. Swann, City Auditor

Mayor	Council Members	
Eric Johnson	Carolyn King Arnold	Lee M. Kleinman
Mayor Pro Tem	Tennell Atkins	Cara Mendelsohn
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City of Dallas

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Executive Summary

Objective and Scope

The objective and scope of this audit was to evaluate management's implementation of prior audit recommendations as of March 1, 2020.

What We Recommend

Management should continue efforts to implement the remaining four of eight recommendations issued with the last follow-up audit report.

Background

On June 15, 2018, the Office of the City Auditor released the *Audit Follow-Up of Prior Audit Recommendations – Audit of the Design of the City of Dallas' Pandemic Influenza Continuity of Operations Basic Plan.* Despite measurable progress by the Office of Emergency Management and the Department of Information & Technology Services, three recommendations were not fully implemented. The follow-up audit report made eight new recommendations.

What We Found

Four of the eight recommendations were implemented. However, the City continues to lack an overall authoritative position that ensures:

- All departments complete their Continuity of Operations Annex, update them at least annually, and test them.

- Continuity of operations personnel have the appropriate authority and resources.

- A consensus among departments is achieved regarding the information technology systems that must be restored.

The Department of Information & Technology Services lacks a formal Disaster Recovery Plan with measurable interim milestones while it progresses toward its goal of developing 300 sub-disaster recovery plans by 2024.

Audit Results

Four of the eight recommendations issued in the *Audit Follow-Up of Prior Audit Recommendations – Audit of the Design of the City of Dallas' Pandemic Influenza Continuity of Operations Basic Plan* were implemented as of March 1, 2020. Specifically,

- Developed an administrative directive that establishes the City's policy regarding business continuity planning and the Continuity of Operations Basic Plan at both a City-wide and departmental level.

- Established an organizational structure that clearly defines roles, responsibilities, and accountability related to business continuity planning and the Continuity of Operations Basic Plan.

- The Office of Emergency Management implemented SharePoint to monitor departments' Continuity of Operations Annexes with the updates and delinquent notices process performed manually.

- The Office of Emergency Management briefed the City Council's Public Safety & Criminal Justice Committee on City's continuity of operations planning and City-wide exercises.

Progress was made towards implementing the remaining four recommendations as of March 1, 2020, and continued after that date. The Office of Emergency Management believes it has met the intent of the recommendations not implemented by taking various actions to facilitate annex development, updating, training, and exercises. However, additional work is needed in order to assure that the City will be able to demonstrate business continuity when faced with disruptions or emergency events that impact Dallas City Hall and/or City related operations.

The Office of the City Auditor will not conduct any further follow-up of the recommendations not implemented but will consider the risks in determining future audit coverage as part of the annual audit plan. Please see Appendix A for the status of each recommendation.

Methodology

The audit methodology included requesting the Office of Emergency Management and the Department of Information & Technology Services to report on the implementation status of the eight recommendations. The auditors also conducted interviews, reviewed documentation, and performed other tests as deemed necessary.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Major Contributors to the Report

Shino Knowles, CPA – In-Charge Auditor
Rory Galter, CPA – Audit Manager

Appendix A: Status of Implementation as of March 1, 2020

No.	Audit Recommendation	Auditor Verification of Results
We recommend the **City Manager in coordination with the Directors of the Office of Emergency Management and the Department of Information & Technology Services:**		
1-1	Develop an administrative directive that establishes the City's policy regarding business continuity planning and the Continuity of Operations Basic Plan at both a City-wide and departmental level.	Implemented
1-2	Establish an organizational structure that clearly defines roles, responsibilities, and accountability related to business continuity planning and the Continuity of Operations Basic Plan.	Implemented
1-3	Dedicate continuity of operations personnel with the appropriate authority and resources. **Status:** Not all departments have completed a Continuity of Operations Annex and the completed Continuity of Operations Annexes are not updated at least annually and tested indicating the lack of dedicating appropriate authority and resources.	Not Implemented
1-4	Obtain departmental commitment to ensure the City's Continuity of Operations Basic Plan and the departments' Continuity of Operations Annexes are: (1) Complete, including adequate IT resources and other supplies necessary to restore and maintain essential functions for 30 days; (2) Regularly updated (at least annually); and, (3) Properly tested. **Status:** Not all departments have completed a Continuity of Operations Annex and the completed Continuity of Operations Annexes are not updated at least annually and tested indicating the lack of departmental commitment.	Not Implemented
1-5	Develop or obtain IT systems to document the departments' Continuity of Operations Annexes and monitor annual updates.	Implemented[1]

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[1] The Office of Emergency Management uses SharePoint to monitor departments' Continuity of Operations Annexes with the updates and delinquent notices process performed manually. The Annexes' update reminder process would be improved by automating notices by the schedule noted in the Administrative Directive 2-56, *City's Continuity of Operations (COOP) Plan*.

No.	Audit Recommendation	Auditor Verification of Results
We recommend the **City Manager in coordination with the Directors of the Office of Emergency Management and the Department of Information & Technology Services:**		
1-6	Reach a consensus among departments regarding which IT systems must be restored. **Status:** No consensus has been reached.	Not Implemented
We recommend the **City Manager in coordination with the Director of the Department of Information & Technology Services:**		
2	Develop a comprehensive Disaster Recovery Plan by establishing a formal plan that includes measurable interim milestones to demonstrate progress. **Status:** A formal plan that includes measurable interim milestones to demonstrate progress has not be developed.	Not Implemented
We recommend the **City Manager:**		
3	Periodically briefs the City Council on the City's business continuity.	Implemented[2]

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[2] The Office of Emergency Management briefed the City Council's Public Safety & Criminal Justice Committee on City's continuity of operations planning and City-wide exercises. Future briefings on the City's Department of Information & Technology Services Disaster Recovery Plan would be beneficial.

Memorandum

CITY OF DALLAS

DATE: September 24, 2020

TO: Mark S. Swann, City Auditor

SUBJECT: Response to Audit Follow-Up of Prior Recommendations - Continuity of Operations Basic Plan

This letter acknowledges the City Manager's Office received the *Audit Follow-Up of Prior Recommendations - Continuity of Operations Basic Plan* and submitted responses to the recommendations in coordination with the Office of Emergency Management and the Department of Information & Technology Services.

The City has invested significant resources to ensure residents can rely on the City delivering essential services, even in times of difficulty or disaster. The COVID-19 pandemic was and continues to be a substantial real-world test of the City's Continuity of Operations plan. We are pleased with the City's response and its demonstrated ability to provide essential services even in the most difficult and prolonged of conditions.

We believe we implemented or substantially addressed the risks of the auditor's recommendations; however, we recognize there are always opportunities for improvement. We will incorporate the knowledge gained from real-world tests of the City's continuity of operations plan, as well as the auditor's feedback, into future enhancements of the City's continuity of operations plan.

Sincerely,

T.C. Broadnax
City Manager

C: Kimberly Bizor Tolbert, Chief of Staff
M. Elizabeth Reich, Chief Financial Officer
Jon Fortune, Assistant City Manager
Rocky Vaz, Director, Office of Emergency Management
William Zielinski, Director, Information & Technology Services

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