

## **2: Rory Galter**

To Whom It May Concern:

I am applying for the City Auditor position. I believe my combination of financial and operational experience in all sizes of organizations along with external and internal audit experience gives me the skill set you seek. Since joining the City of Dallas Office of the City Auditor I have been involved in several of the most high-profile audit projects. My experience covers all of the job requirements in the posting.

I look forward to discussing the position with you.

Sincerely,

Rory J. Galter

RORY J. GALTER, CPA  
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#### Summary of Accomplishments

Established the internal audit function for fast growing international public companies with revenues of approximately \$400 million that focused on evaluations of business processes for efficiency, effectiveness, and operational and financial risks associated with the processes.

Managed and performed various requested audits and reviews to ensure that financial and regulatory statements, and internal management reports were properly stated, determine the occurrence and extent of fraudulent activity and assess the effectiveness of internal audit departments for public and private national and international companies with revenues ranging into the billions of dollars.

Presented various reports to the Board of Directors, Audit Committee of the Board of Directors, and senior management as required.

Developed financial, treasury and operational systems for several start-up companies in various industries with revenues of approximately \$500,000 to \$35 million that employed approximately 15 to 800 people in 1 to 66 locations.

#### Employment History

Audit Manager, City of Dallas, Office of the City Auditor, Dallas, Texas - 11/2015 – Present - Manage staff auditors on performance audits of various City of Dallas Departments based on the annual audit plan. Administratively responsible for four staff auditors and perform various office administrative functions.

Internal Review Specialist-FDIC, Dallas, Texas - 11/2013 to 7/2015 - Perform reviews of Division of Resolutions and Receiverships (DRR) program areas, functions resources and projects to evaluate the efficiency and effectiveness of operations and programs, assess the adequacy, efficiency and effectiveness of systems of internal controls and ensure compliance with prescribed laws, regulations, delegations of authority and policies and procedures governing DRR activities. Financial Institutional Accountant – 8/2010 – 11/2013 - Performed various functions in the Interim Servicing Department of DRR. The Department is responsible for accounting for loans retained by the FDIC until the loans are sold or transferred to an outside loan servicer.

Project Consultant – Quantum/J&A Joint Venture. Houston, Texas - 5/2009 – 7/2010 - Performed various functions in the Interim Servicing Department of the FDIC.

Project Consultant - MMC Group, L.P., Irving, Texas - 7/2008 – 5/2009 - Performed various functions in preparing proforma financial statements as part of the FDIC's closing of failed banks.

Vice President-Finance and Administration – I. M. Systems Group, Inc., Rockville, Maryland - 11/2000 - 3/2007 - IT and scientific consulting government contractor with 250 people working in 21 states and annual revenues of approximately \$28 million. Established the accounting, management reporting, treasury, human resource and insurance functions, and internal controls.

Project Consultant – Accounting Principals, Dallas, Texas - 9/1999 – 9/2000 - Performed various functions on a Corporate Trust bond reconciliation project for a major bank. Trained temporary and permanent employees on reconciliation procedures for past bearer and registered payment systems. Wrote reconciliation procedure manuals for the past bearer and registered payment systems.

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Self Employed Project Consultant, Annapolis, Maryland - 11/1997 - 7/1998 - Designed treasury, financial and operational systems and procedures, including proper internal controls, for a \$20 million subsidiary of the publicly held Fortune Financial Systems, Inc. Hired and trained the accounting staff. Prepared consolidated financial statements for the subsidiary and the Corporation including all footnote disclosures required for a securities filing with the Securities and Exchange Commission (SEC).

Audit Manager - The Outsourcing Partnership, L.L.C., Langhorne, Pennsylvania - 1/1996 – 10/1997 - Company provided internal audit services for entities that do not have an internal audit department. Established the internal audit function for two fast growing international public companies in the retail loss prevention and infomercial businesses, with revenues of approximately \$400 million that focused on evaluations of business processes for efficiency effectiveness, and operational and financial risks associated with the processes. Performed a peer review of the internal audit department of a \$2 billion international public clothing manufacturer and a regional bank that focused on the effectiveness of the audit schedule in relation to business and financial risks, the adequacy of internal audit staff experience assigned to each audit and work paper documentation. Performed due diligence services for a financial services company. Presented findings to the Audit Committee of the Board of Directors and senior management.

Self Employed Project Consultant, Annapolis, Maryland -6/1994 - 10/1995 - Managed approximately 15 staff in the audits of 210 Medicaid Cost Reports of the second largest nursing home provider for Coopers & Lybrand, L.L.P. under a contract with the State of Pennsylvania to audit 1,500 nursing home Medicaid Cost Reports dating from 1988.

Vice President-Finance and Administration - Capitol Restaurant Group, Rosslyn, Virginia - 4/1993 - 10/1993 - Area developer of Boston Markets with four locations operating less than one year and two in development. Established the accounting, management reporting, treasury, human resource and insurance functions, and internal controls.

Manager - Grant Thornton L.L.P., Washington, D.C. - 7/1992 - 4/1993 - Managed various functions under contracts with the Resolution Trust Corporation (RTC).

Director of Internal Audit - Petra International Banking Corporation, Washington, D.C. - 3/1990 - 6/1992 - Company was a U.S. Edge Act Corporation owned by the second largest bank in Jordan. Established the internal audit function as required by the Federal Reserve. Performed a fraud and abuse audit as required by the Federal Reserve. Participated in various activities to liquidate the corporation.

CFO - Clark Melvin Securities Corporation, Annapolis, Maryland - 10/1988 - 10/1989 - Wrote the first 10K, 10Q's, proxy statements, and quarterly and annual reports. Performed due diligence on private placements. Performed shareholder relations duties.

Vice President-Finance - Primedical Corporation, Annapolis, Maryland - 5/1987 - 9/1988 - Operator of 66 ambulatory care locations in 7 states with approximately 850 employees and revenues of approximately \$35 million. Established the accounting, management reporting, treasury, human resource and insurance functions, and internal controls.

Internal Audit Manager - InterFirst Corporation, Dallas, Texas – 1/1984 – 5/1987 - Company was the 18th largest commercial bank. Responsible for the audits of the financial reporting, deposit, investment and international operations of the \$9 billion Dallas, Texas bank. Performed the Singapore and London branch audits. Established the training program for the 90-person internal audit department. Administratively responsible for training, audit personnel matters, monthly performance reports and recruiting.

Senior Auditor - Arthur Andersen & Co. Cleveland, Ohio and New Orleans, Louisiana – 9/1978 – 1/1984 –

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Performed audit examinations, reviews and preparation of financial statements in a wide range of industries. Reviewed tax returns, SEC and shareholders' reports. Wrote management letters. Evaluated internal controls and accounting systems.

#### EDUCATION

MBA - Accounting - 1978 - University of Wisconsin, Madison  
BS Business Administration - Accounting and Marketing - 1977 - The Ohio State University - Graduated Summa Cum Laude

Certified Public Accountant - Texas - 1979 Certificate of Distinction in the Elijah Watts Sells Competition for the November 1978 Uniform Certified Public Accountant Examination

**Candidate Questionnaire**

<b>Name</b>	Rory J. Galter	<b>Primary Phone</b>	972-475-8176
<b>Email</b>	roryjgalter@yahoo.com		
<b>Education</b>	MBA - Accounting - 1978 - University of Wisconsin, Madison BS Business Administration - Accounting and Marketing - 1977 - The Ohio State University		

	<b>Current (Most Recent) Position</b>	<b>Previous Position</b>	<b>Previous Position</b>
<b>Title</b>	Audit Manager	Internal Review Specialist	Financial Institutional Accountant
<b>Dates of Employment</b>	11/2015 - Present	11/13 to 7/2015	8/2010 – 11/13
<b>Organization &amp; Location</b>	City of Dallas, Dallas Texas	FDIC, Dallas, Texas	<b>FDIC</b> , Dallas, Texas
<b>Reason for Separation/Desire to Separate</b>	Still employed	Term contract was not renewed	Moved to the Internal Review department of the FDIC
<b>Jurisdiction Population</b>	1.3 million	N/A	N/A
<b>Reports To (Title)</b>	City Auditor	Internal Review Manager	Financial Institutional Manager
<b># of Department Staff</b>	21	8	6
<b># of Direct Reports</b>	5	none	none
<b>Department Budget</b>	\$3.2 million	Not known	Not known
<b>Organization Budget</b>	\$3.8 Billion	Not known	Not known
<b>Explain any Employment Gaps</b>	Looking for next position 7/2015 to 11/2015		

**Instructions:**

The purpose of this questionnaire is to provide us with additional information about you as a candidate and to gather examples of professional work that illustrate your background and experience. This information will be shared with hiring officials and others involved in making decisions about candidates selected to move forward in the selection process.

Please respond to each of the following questions by providing pertinent information. Some questions ask you to provide examples; please be sure to describe your direct level of involvement in the project or initiative. **Please be succinct – limit your responses to 300 words per question.**

1.	<b>Why are you interested in this specific position at this specific time?</b>
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	<p>I have wanted to run a city audit department since 2018 when the prior Dallas City Auditor retired. While I have received job offers, none of the opportunities were the right fit. This opportunity seems like the right fit. The location, city size and budget and the audit department size and budget meet my position requirements.</p>
<p>2.</p>	<p><b>Describe your current scope of responsibilities and explain how these responsibilities prepare you to take on the leadership and management responsibilities of the City Auditor position.</b></p> <p>I am administratively responsible for five staff auditors. As one of three audit managers I am involved in all aspects of the Office’s operations (developing office policies and procedures, hiring, performance reviews, developing the audit plan, approving expenses, etc.).</p>
<p>3.</p>	<p><b>Describe an experience where you demonstrated strong leadership in promoting governance, accountability, transparency, and diversity, equity and inclusion (DEI) in your work as an Auditor.</b></p>
	<p>Newly hired, I was asked to lead the first of a series of performance audits the City of Dallas Office of the City Auditor calls business partners audits. These audits are focused on the monitoring of contracts with outside organizations that manage and operate city owned facilities. The first audit was of the business partners at Fair Park. This audit consisted of auditing the monitoring activities of two city departments – Cultural Affairs, and Parks and Recreation and reviewing the financial viability and performance of six outside non-profit organizations. This was a high-profile audit with a lot of media attention once the report was issued. It found that the city departments were not properly monitoring the contracts and three of the non-profit organizations had financial viability issues. Finally, the audit program established became a template for future business partner audits. The staff person working with me was newly hired and from Eastern Europe. Several of the non-profit organizations were run by minority founders. Throughout the audit I communicated with all stakeholders and made sure all were fairly treated and respected. We consider diversity, equity and inclusion in all of our audits but unless there is a finding/recommendation it is not specifically mentioned.</p>
<p>4.</p>	<p><b>Provide an example of how you've established and maintained effective working relationships with individuals from various backgrounds, including government officials, colleagues, and the general public.</b></p>
	<p>The example given in question 3, also applies to this question. I had to work with a newly hired staff person from Eastern Europe, founders and CEOs of various non-profit organizations that were from various backgrounds and motivations. One of the non-profits, was the State Fair of Texas (State Fair) which had a bad reputation with the general public because the general public did not believe the State Fair was paying the City of Dallas enough. There were several organizations trying to get information from the State Fair through open records requests to prove it was not treating the City of Dallas fairly. The State Fair claimed it was not subject to open records requests since it was a non-profit organization. The State Fair was reluctant to give us the information requested for the audit, because they believed this was an “end-run” around the open records request. I had to convince them our workpapers were not subject to open records requests. The findings written in the audit report related to the State Fair and all non-profits were written in a fair and balanced manner. Before the final audit report was issued, I met with all non-profit organizations that were part of the audit, as a courtesy to make them aware what was written about their organization in the audit report to make sure it was correct, and they could prepare for any questions they may receive about the audit report once it was issued. The audit report was issued timely, received media coverage and much discussion by City Council.</p>
<p>5.</p>	<p><b>Because of the nature of internal performance auditing, employees and those responsible for the operations targeted for a review can sometimes feel threatened. What techniques do you employ to minimize resistance by employees and a specific operation or department?</b></p>
	<p>The key technique is open communications that is transparent and honest, that is followed up with actions consistent with what was communicated. The fact that the audit is not meant to identify poor employee performance and get employees fired is emphasized. The fact the audit is meant to identify improvements in</p>

<p>operations to make the operations more efficient and effective, when applicable be in compliance with laws and policies and procedures, safeguard City assets, and add value. Finally periodic status reports (generally weekly) are provided to the auditee to make them aware of the work performed, planned work, outstanding data requests, potential findings, and reportable findings. The status reports give the auditee full transparency of the audit process and ability to respond to the audit results as soon as possible.</p>	
6.	<p><b>Describe a challenging situation where you had to make a difficult ethical decision. How did you navigate this situation while maintaining the independence and objectivity required for internal auditing?</b></p>
<p>I have never been in a situation where I had to make a difficult ethical decision. Whenever I have found myself in a situation that may put my independence and objectivity at risk, I am quick to point out my need to stay independent and objective.</p>	
7.	<p><b>Describe your approach to building and maintaining relationships with members of your organization’s management team.</b></p>
<p>The answer to question five also applies to this question. The key approach is open communications that is transparent and honest, that is followed up with actions consistent with what was communicated. Understanding the management teams operational goals and issues and how audit can help is important. Learning about and showing true interest in the management teams personal lives helps develop the relationship. Regular meetings with the management team are important to timely resolve any concerns they have and understand their achievement of their goals and issues they are facing. Taking a customer service approach, with the management team being the customer, helps build and maintain a good relationship with the management team. A customer service approach, means responding to their emails and requests to meet timely, keeping them informed of current audits status and significant findings and recommendations and be willing to accept audit report edit requests from the management team when possible.</p>	
8.	<p><b>Describe an instance where you collected, assessed, and blended information from various sources to make informed recommendations or decisions.</b></p>
<p>A current audit of housing inventory, which we will release shortly, required us to report the number of single family and multi-family homes and changes in the last three years in the City of Dallas. This audit was requested by City Council due to the inconsistency of the various housing numbers they receive in committee briefings. To get the necessary data we had to survey various City departments, five difference county property tax assessment districts and the US Census. Once the information was obtained, we performed various tests to ensure the accuracy of the data. Finally, given the struggles we encountered to obtain the necessary data we made several recommendations to ensure the City had the needed data to provide this information on a going forward basis.</p>	
9.	<p><b>Describe your philosophy and approach to employee development, motivation, and performance evaluation.</b></p>
<p>I am a hands-on manager. I communication daily with staff to make sure any issues in the work performed is addressed as soon as possible and issues are resolved timely. I am committed to developing staff through training and development. My philosophy is as follows.</p> <ul style="list-style-type: none"> <li>• Show a true commitment to developing their professional skills.</li> <li>• Show a true commitment to developing an office environment that is open and flexible to the staff's needs. This means taking a customer service approach to the staff. I try to answer their emails within an hour from receiving the email. I get answers to questions they have that I cannot immediately answer as soon as possible.</li> <li>• Set clear expectations.</li> <li>• Give immediate feedback on performance issues.</li> </ul>	



	<ul style="list-style-type: none"> <li>• Take accountability and responsibility for staff actions if I have previously approved the actions. In other words, do not “throw them under the bus”.</li> <li>• Make sure the staff has the “tools” to do their job.</li> <li>• Open communication.</li> </ul>
10.	<p><b>What steps have you taken in your organization to build a culture that fosters teamwork, communication, and an appreciation for diversity?</b></p>
	<p>First, is making sure all members of the team are included in important communications and decisions. Second, being open minded and flexible when addressing staff personal and work-related issues. Third, respecting staff opinions and accommodating their requests whenever possible. Fourth, regular meetings to ensure all staff are informed and involved in the Office operations.</p>
11.	<p><b>Tell us about the feedback you have received from peers, supervisors, and subordinates with whom you work regarding both your strengths and areas for improvement as a professional leader and manager.</b></p>
	<p>In terms of strengths, I am a clear and concise communicator. I am open minded and flexible. I will admit when I am wrong and take full responsibility for my actions. I show a real interest in the person as a person. In terms of areas of improvement, I tend to be overbearing when presenting my point of view (passionate). Sometimes I appear to not be approachable (always look busy/do not want to interrupt). I have a dry humor.</p>
12.	<p><b>Describe any other areas of expertise or experiences that are relevant to this position that have not been addressed in previous questions.</b></p>
	<p>I believe my combination of financial and operational experience in all sizes of organizations along with external and internal audit experience gives me the skill set you seek. Having operational experience in start-up organizations gives me the perspective of the operations manager and allows me to understand the operations from the manager’s perspective. Seeing all sizes of organizations operations gives me the understanding that goals and objectives can be achieved in many ways and need to stay focused on achieving the goal or objective, not how the goal or objective is achieved. It means be open minded and flexible. My financial background in start-ups makes me aware of being cost effective and efficient.</p>