



Proposed FY2017 Annual Audit Plan



**CITY OF FORT WORTH
DEPARTMENT OF INTERNAL AUDIT**

Purpose

The purpose of the FY2017 Annual Audit Plan is to outline audits and other activities the Department of Internal Audit proposes to conduct during the fiscal year. The Plan is developed to satisfy applicable auditing standards and responsibilities established by Section 2-134 (b) of the Fort Worth City Code.

The Plan is a working document in that the City Auditor may make changes to the Plan, as deemed necessary in professional judgment, to reflect changing risks. However, the Audit Committee will be notified of any significant additions, deletions, or other changes.

Audit Coverage

Audits included in the FY2017 Annual Audit Plan were identified through a general risk assessment. Sources used to identify the audit population primarily consisted of a review of City budgetary, financial and organizational documents, prior internal and external audits, internal audit staff's knowledge of City of Fort Worth and local government operations, and feedback from the Mayor and City Council and management. Risk factors taken into consideration included: 1) liquidity of assets; 2) potential for negative publicity; 3) organizational, operational and/or technological changes; 4) extent of laws and regulations; and 5) time since last audit/prior audit results. The Audit Plan includes audits related to operational efficiency and effectiveness, internal controls, reporting, compliance with laws, policies and procedures, follow-up to prior internal and external audits, and on-going data analysis.

Audits included in the FY2017 Annual Audit Plan are based on estimated available audit staff hours, staff expertise and include a total of 1,000 unassigned hours that have been set aside to perform special audits, investigations, projects, etc. as directed by the Mayor, City Council, Audit Committee and/or as requested by the City Manager. The Plan also includes a total of 1,200 hours to allow for the implementation of automated work paper software and related staff training, and 400 hours to provide consultation regarding enterprise risk management. Audits from within the approved FY2016 Annual Audit Plan, that are not expected to be completed by the end of FY2016, are listed as carryover audits in the FY2017 Annual Audit Plan.

Audit Objectives

Audits for FY2017 are listed, alphabetically, on the following pages. While general audit objectives are noted, these objectives may change once staff has established more familiarity with the department and/or function. At that time, potential issues will be identified and the specific audit objectives and methodology will be developed as deemed necessary.

Audits

Case Management – Code Compliance	Hotel Occupancy Tax Revenue
Community Services Grant	McLeland Tennis Center
Construction	Property Tax Abatements
Designated Fee Usage	Special Requests
Fixed Assets Dispositions	Subrogation Recoveries
Fleet Maintenance	Tuition Reimbursement
Hangar Leases	

Carryover Audits*

ERP II Post-System Implementation	Street Maintenance and Repairs
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Follow-Up Audits

Alcoholic Beverage Permits	Golf Operations
Annual External Audit	Hotel Occupancy Tax Revenue
Auto Pound Operations	Planning & Development Software
Construction	Procurement Process
Contract Management	Summer & After-School Programs
Delinquent Accounts Collections	

* Audits included in the FY2016 Annual Audit Plan, but not expected to be completed by FYE2016

Audit	Preliminary Audit Objective(s)	MAYOR AND COUNCIL STRATEGIC GOALS				
		Clean, Attractive City	Strong Economic Base/Future Workforce Dev./Job Opportunities	Mobility & Air Quality	Safest Major City	Orderly & Sustainable Development
Case Management – Code Compliance	To determine the effectiveness and efficiency of code enforcement case management oversight, tracking and complaint resolution	X	X		X	X
Community Services Grant	To determine whether expenditures charged against grants for social service programs were eligible, allocable and reasonable		X		X	X
Construction	To determine whether construction projects are being completed effectively, efficiently and in accordance with contract terms; and to ensure compliance with applicable legislation	X	X	X	X	X
Designated Fee Usage	To determine whether fees assessed and collected for specific purposes (i.e., environmental protection, storm water, etc.) are being used for the purposes intended	X	X	X		
ERP II Post-System Implementation	To determine whether functional objectives and benefits were/are being met and that information generated from the system is complete, accurate and meets the City’s needs		X			
Fixed Assets Dispositions	To assess the adequacy of internal controls related to the disposition of fixed assets; to ensure accurate reporting of fixed asset dispositions		X			
Fleet Maintenance	To determine the effectiveness and efficiency of vehicle maintenance practices (i.e., preventative maintenance, routine inspections, etc.); evaluate effectiveness of reporting practices; and ensure that charge backs are properly allocated to the appropriate departments			X	X	
Hangar Leases	To ensure compliance with hangar lease agreement terms and conditions		X	X		

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		Clean, Attractive City	Strong Economic Base/Future Workforce Dev./Job Opportunities	Mobility & Air Quality	Safest Major City	Orderly & Sustainable Development
Hotel Occupancy Tax Revenue	To determine whether hotels are submitting hotel occupancy tax revenue as required and to determine whether hotel occupancy tax exemptions are in accordance with applicable city and state law		X			
McLeland Tennis Center	To review close-out items related to the City's contract with the current tennis contractor; and to determine whether there are current contract oversight issues that should be improved upon with the new tennis contractor and contract.	X	X			
Property Tax Abatements	To determine whether property owners have complied with requirements imposed by the City Council in return for granting property tax abatements		X			X
Special Requests	As directed by the Mayor, City Council or Audit Committee, and/or as requested by the City Manager	X	X	X	X	X
Street Maintenance and Repairs	To evaluate the process by which streets are identified and selected for maintenance and repair	X	X	X	X	X
Subrogation Recoveries	To determine the effectiveness of the City's process for seeking subrogation recoveries from claims involving damaged City property		X			
Tuition Reimbursements	To determine whether tuition reimbursements are adequately supported and properly authorized; to determine whether tuition reimbursements and/or repayments are processed in accordance with existing City policy		X			
Alcoholic Beverage Permits Follow-Up	To determine implementation status of prior internal audit recommendations				X	
Annual External Audit Follow-Up	To determine implementation status of prior internal audit recommendations	X	X	X	X	X

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		Clean, Attractive City	Strong Economic Base/Future Workforce Dev./Job Opportunities	Mobility & Air Quality	Safest Major City	Orderly & Sustainable Development
Auto Pound Operations Follow-Up	To determine implementation status of prior internal audit recommendations	X		X	X	
Construction Follow-Up	To determine implementation status of prior internal audit recommendations	X	X	X	X	X
Contract Management Follow-Up	To determine implementation status of prior internal audit recommendations		X			
Delinquent Accounts Collections Follow-Up	To determine implementation status of prior internal audit recommendations		X			
Golf Operations Follow-Up	To determine implementation status of prior internal audit recommendations		X			
Hotel Occupancy Tax Revenue Follow-Up	To determine implementation status of prior internal audit recommendations		X			
Planning and Development Software Follow-Up	To determine implementation status of prior internal audit recommendations		X		X	X
Procurement Process Follow-Up	To determine implementation status of prior internal audit recommendations		X			
Summer & After School Food Programs Follow-Up	To determine implementation status of prior internal audit recommendations				X	

On-Going Data Analysis

The FY2017 Annual Audit Plan also includes on-going data analysis to identify anomalies: 1) within City of Fort Worth automated systems and 2) between City data that is comparable to that of other agencies. Results that indicate a need for an audit will be presented to the Audit Committee, with a recommendation to amend the Annual Audit Plan.

Audit Cycle

An objective of the Department of Internal Audit is to establish a cycle that ensures every department is audited at least once every five (5) years. The following table depicts our plan to accomplish this objective.

Department	FY2015	FY2016	FY2017	FY2018	FY2019
Aviation			X		
City Attorney's Office		X			
City Manager's Office				X	
City Secretary's Office		X			
Code Compliance			X		
Economic Development	X	X			
Finance	X	X	X	X	X
Fire				X	
Human Resources			X		
Information Technology		X		X	
Library				X	
Municipal Court				X	
Neighborhood Services	X	X	X		
Parks		X	X		
Performance Office					X
Planning and Development	X	X			
Police	X	X			X
Property Management			X		
Public Events	X				
Traffic/Public Works	X	X	X	X	X
Water	X	X	X	X	X
City-Wide Audits					
Revenue Collection Process		X			
ERP II Post-System Implementation	X	X	X	X	
PeopleSoft Payroll Processing	X				
Procurement Cards	X				
Asset Verifications		X			
Contract Management		X			
Delinquent Account Collections		X			
Fixed Asset Dispositions			X		
Tuition Reimbursements			X		

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