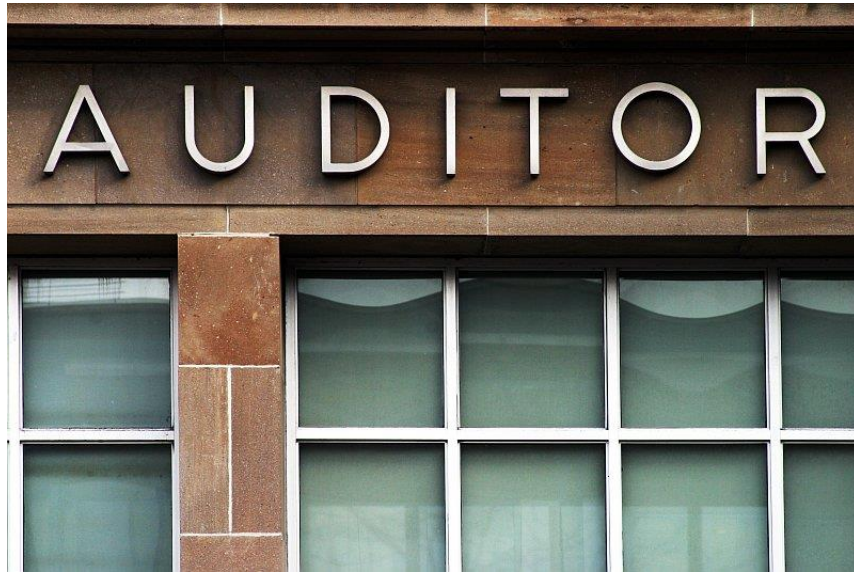




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**Proposed FY2019 Annual Audit Plan**

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

## **Purpose**

The purpose of the Proposed FY2019 Annual Audit Plan is to outline audits and other activities the Department of Internal Audit proposes to conduct during the fiscal year. The proposed Plan is developed to satisfy applicable auditing standards and responsibilities established by Section 2-134 (b) of the Fort Worth City Code.

The proposed 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 Proposed FY2019 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 proposed 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 Proposed FY2019 Annual Audit Plan are based on estimated available audit staff hours and staff expertise, with the Plan including 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 during the year.

## **Audit Objectives**

Proposed audits for FY2019 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.

## Proposed Audits

Construction Contracts	Public, Educational and Government Access Channels Funding *
Facility Rentals – Park and Recreation	Public Improvement District #1
Facility Rentals – Public Events	Public Improvement District #14
Fire Re-Inspections	Revenue Estimates
Healthspace (Health Inspections) Software	Special Requests
PeopleSoft Procurement	Ticket Accountability
Police Property and Evidence	Vendor Access Controls
Property Tax Abatements and Chapter 380 Agreements	Water Utility Billings and Adjustments

\*Limited Scope Audit

## Proposed Follow-Up Audits

Annual External Audit	Parking Garage Revenue
Audiovisual Equipment Accountability	Property Tax Exemptions
Commercial Fire Inspections	Public Improvement District #6
Contract Management	Public Improvement District #7
Grants Management	Public Improvement District #8
Hotel Occupancy Tax Revenue	Public Improvement District #11
Library Cash Handling	Street Maintenance and Repairs
Municipal Court State Reporting	Telephone Expenses
Overtime Usage and Controls	Travel and Training Expense Reporting

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
<b>Construction Contracts</b>	To determine whether construction projects are being completed in accordance with contract terms; and to ensure compliance with applicable legislation	X	X	X	X	X
<b>Facility Rentals – Park and Recreation</b>	To determine whether existing policies and procedures provide necessary guidance for the rental of City facilities and to evaluate internal controls over the assessment, collection and returning (e.g., deposits) of park facility rental fees	X	X			
<b>Facility Rentals – Public Events</b>	To determine whether existing policies and procedures provide necessary guidance for the rental of City facilities and to evaluate internal controls over the assessment, collection and returning (e.g., deposits) of public events rental fees	X	X			
<b>Fire Re-Inspections</b>	To evaluate the City’s fire re-inspection process and to determine whether fire re-inspections were conducted in accordance with applicable policies, rules and regulations	X	X	X	X	X
<b>Healthspace (Health Inspections) Software</b>	To evaluate internal controls within the City’s public health software	X	X	X	X	X
<b>PeopleSoft Procurement</b>	To evaluate internal controls; determine accuracy and completion of data; and to ensure that reports generated from the system are accurate, reliable and useful		X			
<b>Police Property and Evidence</b>	To evaluate the City’s process and internal controls over the intake, storage, safeguarding and disposition of property				X	

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
<b>Property Tax Abatements and Chapter 380 Agreements</b>	To determine whether property owners have complied with requirements imposed by the City Council in return for granting property tax abatements and/or 380 grant payments		X			X
<b>Public, Educational and Government Access Channels Funding</b>	A limited scope audit to determine whether expenditures were made in accordance with program requirements and to determine the current account/fund balance		X			
<b>Public Improvement District #1 (Downtown)</b>	To evaluate the City's process for overseeing PIDs and to verify the accuracy of City reimbursements to PID management companies	X	X			X
<b>Public Improvement District #14 (Trinity Bluff)</b>	To evaluate the City's process for overseeing PIDs and to verify the accuracy of City reimbursements to PID management companies	X	X			X
<b>Revenue Estimates</b>	To evaluate the City's process for estimating revenue and to conclude as to whether assumptions seem reasonable		X			
<b>Special Requests</b>	As directed by the Mayor, City Council or Audit Committee, and/or as requested by the City Manager	X	X	X	X	X
<b>Ticket Accountability</b>	To determine whether tickets issued for traffic and non-traffic violations are accounted for	X	X	X	X	
<b>Vendor Access Controls</b>	To evaluate the adequacy of security controls over vendor access to City of Fort Worth systems/data		X			
<b>Water Utility Billing and Adjustments</b>	To evaluate the City's water utility billing process (including adjustments) and to ensure that water billing adjustments are properly supported		X			
<b>Annual External Audit Follow-Up</b>	To determine implementation status of prior external audit recommendations	X	X	X	X	X

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
<b>Audiovisual Equipment Accountability Follow-Up</b>	To determine implementation status of prior internal audit recommendations		X			
<b>Commercial Fire Inspections Follow-Up</b>	To determine implementation status of prior internal audit recommendations	X	X	X	X	X
<b>Contract Management Follow-Up</b>	To determine implementation status of prior internal audit recommendations		X			
<b>Grants Management Follow-Up</b>	To determine implementation status of prior internal audit recommendations	X	X	X	X	X
<b>Hotel Occupancy Tax Revenue Follow-Up</b>	To determine implementation status of prior internal audit recommendations		X			
<b>Library Cash Handling Follow-Up</b>	To determine implementation status of prior internal audit recommendations		X			
<b>Municipal Court State Reporting Follow-Up</b>	To determine implementation status of prior internal audit recommendations		X		X	
<b>Overtime Usage and Controls Follow-Up</b>	To determine implementation status of prior internal audit recommendations		X			
<b>Parking Garage Revenue Follow-Up</b>	To determine implementation status of prior internal audit recommendations		X			
<b>Property Tax Exemptions Follow-Up</b>	To determine implementation status of prior internal audit recommendations	X	X	X	X	X

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
<b>Public Improvement Districts Follow-Ups</b>	To determine implementation status of prior internal audit recommendations	X	X			X
<b>Street Maintenance and Repairs Follow-Up</b>	To determine implementation status of prior internal audit recommendations	X	X	X	X	X
<b>Telephone Expenses Follow-Up</b>	To determine implementation status of prior internal audit recommendations		X			
<b>Travel and Training Expense Reporting Follow-Up</b>	To determine implementation status of prior internal audit recommendations		X			

**On-Going Data Analysis**

The Proposed FY2019 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 and comparable data 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, if necessary.

**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.

<b>Department</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>
Aviation	x			x	
City Attorney's Office				x	
City Manager's Office			x		
City Secretary's Office				x	
Code Compliance	x		x		
Communications & Public Engagement		x			x
Economic Development	x	x	x	x	x
Financial Management Services	x	x	x	x	x
Fire		x	x		
Human Resources	x			x	
Information Technology		x			x
Library		x			x
Municipal Court		x	x		
Neighborhood Services	x			x	
Park and Recreation	x		x		
Performance and Budget Office	x	x	x		
Planning and Development		x			x
Police			x		x
Property Management	x			x	
Public Events			x		x
Transportation and Public Works	x	x	x		
Water	x		x		
<b>City-Wide Audits</b>					
Asset Verifications					
Contract Management					
Delinquent Account Collections					
ERP II Post-System Implementation					
Fixed Asset Dispositions					
Grants Management					
Overtime Usage and Controls					
Revenue Collection Process					
Travel & Training Expense Reporting					
Tuition Reimbursements					
Vendor Access Control					





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