



CITY OF FORT WORTH

DEPARTMENT OF INTERNAL AUDIT

Proposed FY2020 Annual Audit Plan



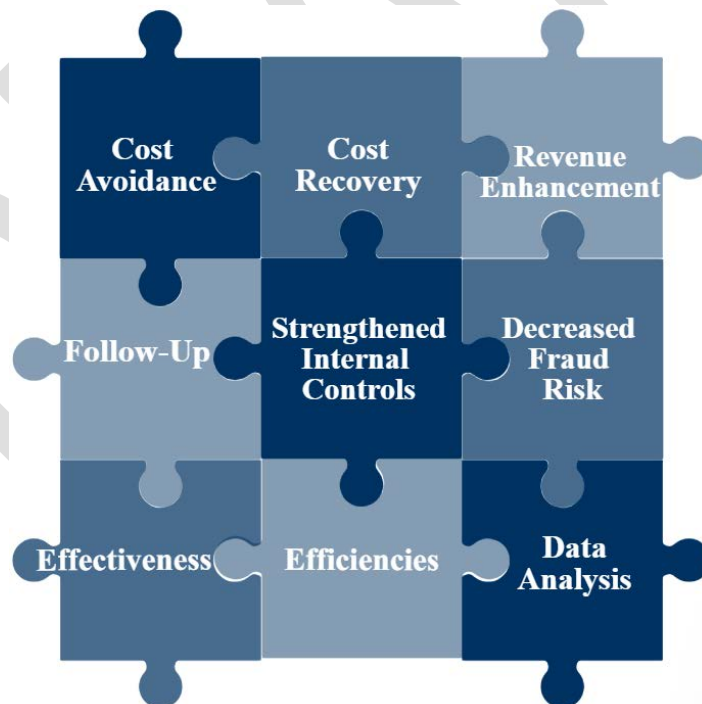
Purpose

The purpose of the Proposed FY2020 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.

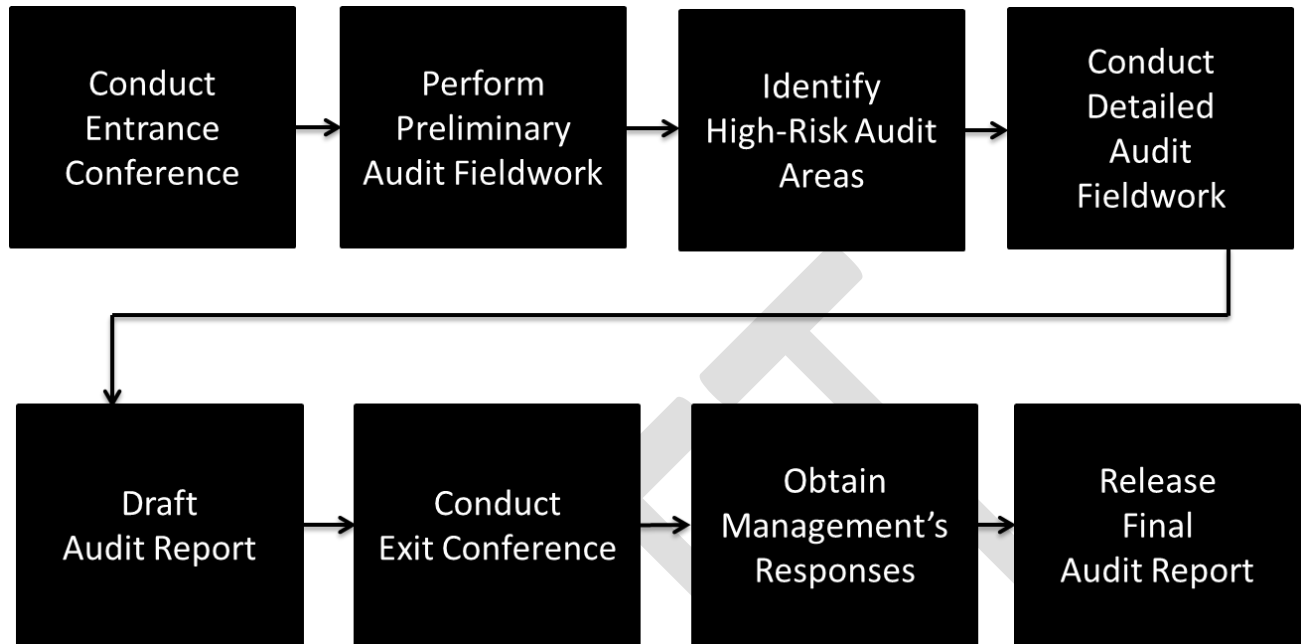
Audit Coverage

Audits included in the Proposed FY2020 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 effectiveness and efficiency, internal controls, compliance with applicable laws, policies and procedures and regulations, follow-up to prior internal and external audits, and on-going data analysis.



Audits included in the Proposed FY2020 Annual Audit Plan are based on estimated available audit staff hours, and staff expertise. The Proposed Audit Plan also includes a total of 1,200 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.

Internal Audit Process



Audit Objectives

Proposed audits for FY2020 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

Accounts Payable	Sales Tax Paid by City of Fort Worth
Criminal Warrant Processing	Service Center Operations
Cybersecurity	Special Requests
Gas Utility Expense	Treasury Operations
Late Fees	Water Field Operations Inventory
On-Line Payment Reconciliations	Data Analysis (On-Going)
Police Unclaimed Funds	Follow-Up Audits (On-Going)
Revenue Estimates	

Proposed Carry-Over Audits

Construction

Healthspace (Health Inspections) Software

PeopleSoft Procurement Software (Requisitioning and Purchase Order Process)

Proposed Agreed Upon Procedures

Responsible Authority for City of Fort Worth Revenue Sources

Proposed Follow-Up Audits

Annual External Audit	Parking Garage Revenue
Annual Fire Inspections	Police Property and Evidence
Equipment Leases	Public, Educational and Governmental Access Channels Funding
Facility Rentals – Park and Recreation	Public Improvement District #14
Facility Rentals – Public Events	Ticket Accountability
Grants Management	Vendor Access Controls
Library Cash Handling	Water Utility Billings and Adjustments
Overtime Usage and Controls	

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Audit/Project	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
Accounts Payable	To determine whether invoices were paid in accordance with vendors' bids, price lists, etc.; To ensure that payments were not duplicated; To ensure that payments were adequately supported; To evaluate internal controls over the City's accounts payable/ACH process		X			
Construction	To determine whether construction projects are being completed in accordance with contract terms; To ensure compliance with applicable legislation	X	X	X	X	X
Criminal Warrant Processing	To evaluate the City's processing of criminal warrants		X		X	
Cybersecurity	To evaluate the effectiveness and efficiency of existing controls that would help deter, prevent and/or respond to cyberattacks		X			
Gas Utility Expense	To determine whether billings for gas utility expenses are accurate and reasonable; To evaluate the oversight and maintenance of the gas utility expense process		X			
Healthspace (Health Inspections) Software	To evaluate internal controls within the City's public health software; To determine whether existing controls ensure accountability for health inspection revenue	X	X	X	X	X
Late Fees	To identify the financial impact of untimely payments to City vendors; To determine whether late fees are adequately tracked and monitored		X			

Audit/Project	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
On-Line Payment Reconciliations	To ensure accountability for revenue received via on-line payments; To ensure accuracy and applicableness of associated fees; To ensure reconciliation of unmatched transactions		X			
PeopleSoft Procurement Software (Requisitioning and Purchase Order Process)	To evaluate internal controls related to the process for requisitioning and ordering goods and services	X	X	X	X	X
Police Unclaimed Funds	To ensure that monies accounted for as a liability in an unclaimed fund do not represent revenue that can be realized by the City of Fort Worth and/or paid to another agency		X		X	
Responsible Authority for City of Fort Worth Revenue Sources	To determine whether departments noted as being responsible for specific revenue sources (listed within the City's Revenue Manual) are appropriately designated		X			
Revenue Estimates	To evaluate the City's process for estimating revenue and to conclude as to whether revenue assumptions seem reasonable		X			
Sales Tax Paid by City of Fort Worth	To identify the financial impact of sales taxes unnecessarily paid to City vendors		X			
Service Center Operations	To evaluate controls over inventory; To ensure proper recording of fixed assets			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
Treasury Operations	To evaluate the City's process for managing revenue accounts (e.g., escalating non-compliant accounts, NSF check processing, reconciliations between City revenue and City sub-systems, and reconciliations between City revenue and third party data)		X			

Audit/Project	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
Water Inventory	To verify the existence of water inventory; To evaluate the effectiveness and efficiency of the City's controls over water inventory	X	X	X	X	X
Annual External Audit Follow-Up	To determine the implementation status of prior external audit recommendations	X	X	X	X	X
Annual Fire Inspections Follow-Up	To determine the implementation status of prior internal audit recommendations	X		X	X	X
Equipment Leases Follow-Up	To determine the implementation status of prior internal audit recommendations		X			X
Facility Rentals – Park and Recreation Follow-Up	To determine the implementation status of prior internal audit recommendations	X	X	X	X	X
Facility Rentals – Public Events Follow-Up	To determine the implementation status of prior internal audit recommendations		X			
Grants Management Follow-Up	To determine the implementation status of prior internal audit recommendations	X	X	X	X	X
Library Cash Handling Follow-Up	To determine the implementation status of prior internal audit recommendations		X			
Overtime Usage and Controls Follow-Up	To determine the implementation status of prior internal audit recommendations		X			

Audit	Preliminary Audit Objective(s)	MAYOR AND COUNCIL STRATEGIC GOALS				
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Parking Garage Follow-Up	To determine the implementation status of prior internal audit recommendations		X		X	
Police Property and Evidence Follow-Up	To determine the implementation status of prior internal audit recommendations		X		X	
Public, Educational and Governmental Access Channels Follow-Up	To determine the implementation status of prior internal audit recommendations		X			
Public Improvement District #14 Follow-Up	To determine the implementation status of prior internal audit recommendations	X	X	X	X	X
Ticket Accountability Follow-Up	To determine the implementation status of prior internal audit recommendations		X		X	
Vendor Access Controls Follow-Up	To determine the implementation status of prior internal audit recommendations		X			
Water Utility Billing and Adjustments Follow-Up	To determine the implementation status of prior internal audit recommendations		X			

On-Going Data Analysis

The Proposed FY2020 Annual Audit Plan also includes on-going data analysis to identify anomalies: 1) within City of Fort Worth automated systems and 2) between City and third party (e.g., Texas State Comptroller) data. On-going data analysis also includes tasks such as analyzing general ledger activity, conducting trend analysis, etc. 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 each operating department is audited at least once every five (5) years. The following table depicts our plan to accomplish this objective.

Department	FY2016	FY2017	FY2018	FY2019	FY2020
Aviation		X			
Code Compliance		X	X		X
Communications & Public Engagement				X	
Economic Development	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	X
Neighborhood Services	X				
Park and Recreation		X			X
Performance and Budget Office				X	X
Planning and Development	X	X	X		
Police		X		X	X
Property Management			X		X
Public Events				X	X
Transportation and Public Works	X	X	X	X	
Water	X				X
Based on actual or anticipated audit report release dates					
City-Wide Audits					
Asset Verifications					
Delinquent Account Collections					
ERP II Post-System Implementation					
Equipment Leases					
Fixed Asset Dispositions					
Gas Utility Billings					
Grants Management					
Overtime Usage and Controls					
Revenue Collection Process					
Telephone Expense					
Travel & Training Expense Reporting					
Tuition Reimbursements					
Vendor Access Control					



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