



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

Proposed FY2022 Annual Audit Plan



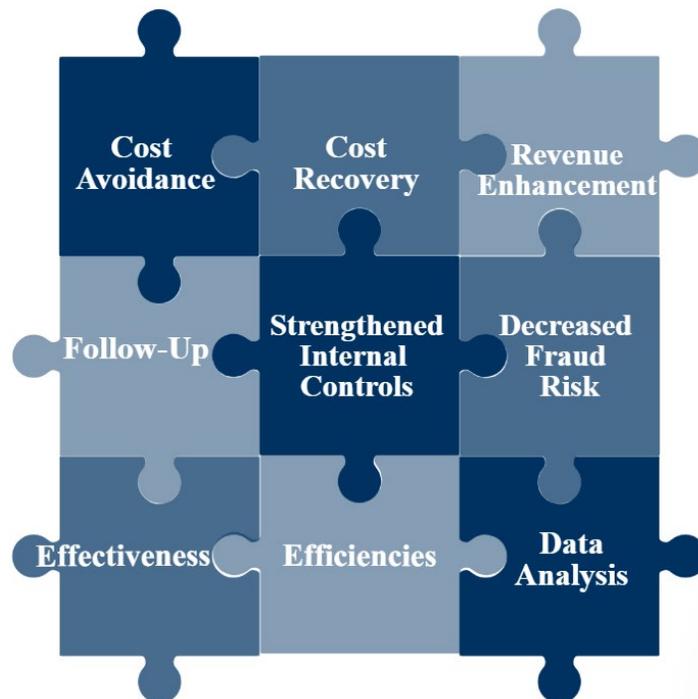
Purpose

The purpose of the Proposed FY2022 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 2-37 (b)(1) 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.

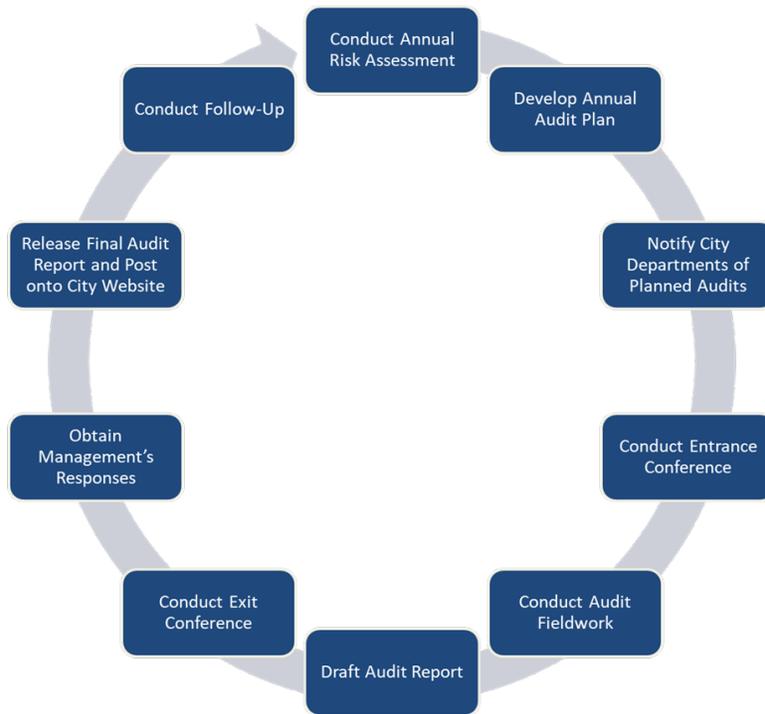
Audit Coverage

Audits included in the FY2022 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) budget/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 FY2022 Annual Audit Plan are based on estimated available audit staff hours, and staff expertise. The Audit Plan also includes 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

Audits for FY2022 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 audited function. At that time, potential issues will be identified and the specific audit objectives and methodology will be developed as deemed necessary.

Audits

Alliance Management Services Contract	Open Counter Software
Building Inspections/Re-Inspections	Permitting Process
Construction (5)	Property Tax Reconciliation
Construction Aggregate Controls	Revenue Estimates
Container Hauling Fees	Special Requests
Controlled Substances	Unemployment Claims Process
Expending of Transportation Impact Fees	Weapons Destruction
Fuel Card Program	Data Analysis (On-Going)
Implementation of Payroll Consultants' Recommendations	Follow-Up Audits (On-Going)

Carry-Over Audit

Remote Access Security

Follow-Up Audits

Accounts Payable	PeopleSoft Procurement Software (Requisitioning and Purchase Order Process)
ActiveNet Software	Police Response Time
Concrete Street Restoration Construction Contract	Street and Bridge Improvements Contract
Cybersecurity	Street Light Repairs and Maintenance
Delegation of Financial Authority	Transportation Impact Fees
Donations	Treasury Operations
Facility Maintenance Costs	Volunteer and Intern Recruitment Program
Healthspace (Health Inspections) Software	Wastewater Diversion Drainage Basin Contract (Eagle Mountain to Big Fossil Creek Main and Gravity Main Sewer)
On-Line Payment Reconciliations	Water Field Operations Inventory
Payroll Adjustments and Corrections	Water Lead Services Replacement Contract

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
Alliance Management Services Contract	To determine whether the vendor complied with contract requirements; To evaluate the City's process of monitoring the contract		X	X	X	X
Building Inspections/Re-Inspections	To determine whether existing controls help ensure that building inspections are completed as required by City policy and applicable legislation	X	X	X	X	X
Construction (5)	To determine whether construction projects were completed in accordance with contract terms; To ensure compliance with applicable legislation	X	X	X	X	X
Construction Aggregate Controls	To evaluate controls over aggregates (e.g., asphalt, sand, gravel, etc.) purchased by the City	X		X	X	X
Container Hauling Fees	To determine whether haulers were billed as required; To determine whether haulers were accurately billed; To determine whether container hauling fees were accounted for and properly recorded	X	X	X		X
Controlled Substances	To determine whether the Animal Services Division complied with City policy and Federal Drug Enforcement Administration (DEA) requirements; To evaluate the effectiveness by which controlled substances are managed within the Animal Service Division	X	X		X	
Expending of Transportation Impact Fees	To ensure that transportation impact fees were expended as required by City policy and applicable legislation	X	X	X	X	X
Fuel Card Program	To evaluate controls over the City's fuel card program			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
Implementation of Payroll Consultants' Recommendations	To determine the implementation status of recommendations made by outside payroll consultants		X			
Open Counter Software	To evaluate controls within the software used to process City permits	X	X	X	X	X
Permitting Process	To determine whether permits were issued in accordance with established policy and applicable legislation; To ensure that existing controls help establish accountability for permits issued	X	X	X	X	X
Property Tax Reconciliation	To determine whether City property tax records and revenue can be reconciled to property tax records within the Tarrant Appraisal District and the Tarrant County Tax Assessor-Collector's Office		X			X
Revenue Estimates	To evaluate the City's process for estimating revenue, and to conclude as to whether revenue assumptions seem reasonable		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
Unemployment Claims Process	To evaluate the process by which unemployment claims are verified by the City; To determine whether City payments made to the State of Texas, for unemployment claims, were accurate		X			
Weapons Destruction	To determine whether weapon destructions are in accordance with City policy and/or applicable legislation; To ensure accountability for weapons designated for destruction; To ensure that weapon destruction records are adequate and properly retained	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
Accounts Payable Follow-Up	To determine the implementation status of prior internal audit recommendations		X			
ActiveNet Software Follow-Up	To determine the implementation status of prior internal audit recommendations		X			
Concrete Street Restoration Construction Contract Follow-Up	To determine the implementation status of prior internal audit recommendations	X	X	X	X	X
Cybersecurity Follow-Up	To determine the implementation status of prior internal audit recommendations		X			
Delegation of Financial Authority Follow-Up	To determine the implementation status of prior internal audit recommendations		X			
Donations Follow- Up	To determine the implementation status of prior internal audit recommendations		X			
External Audit Follow-Up	To determine the implementation status of external auditor recommendations	X	X	X	X	X
Facility Maintenance Costs Follow- Up	To determine the implementation status of prior internal audit recommendations	X		X	X	X
Healthspace (Health Inspections) Software Follow-Up	To determine the implementation status of prior internal audit recommendations	X	X	X	X	X
On-Line Payment Reconciliations Follow- Up	To determine the implementation status of prior internal audit recommendations		X			
Payroll Adjustments and Corrections 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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PeopleSoft Procurement Software (Requisitioning and Purchase Order Process) Follow-Up	To determine the implementation status of prior internal audit recommendations	X	X	X	X	X
Police Response Time Follow-Up	To determine the implementation status of prior internal audit recommendations	X	X	X	X	X
Street and Bridge Improvements Contract Follow-Up	To determine the implementation status of prior internal audit recommendations	X	X	X	X	X
Street Light Repairs and Maintenance Follow-Up	To determine the implementation status of prior internal audit recommendations	X		X	X	X
Transportation Impact Fees Follow-Up	To determine the implementation status of prior internal audit recommendations	X	X	X	X	X
Treasury Operations Follow-Up	To determine the implementation status of prior internal audit recommendations		X			
Volunteer and Intern Recruitment Program Follow-Up	To determine the implementation status of prior internal audit recommendations	X	X	X	X	
Wastewater Diversion Drainage Basin Contract Follow-Up	To determine the implementation status of prior internal audit recommendations	X	X	X	X	X
Water Field Operations Inventory Follow-Up	To determine the implementation status of prior internal audit recommendations	X	X	X	X	X
Water Lead Services Replacement Contract Follow-Up	To determine the implementation status of prior internal audit recommendations	X	X	X	X	X

On-Going Data Analysis

The Proposed FY2022 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. Our proposed on-going data analysis includes tasks such as analyzing general ledger activity, conducting trend analysis, reviewing payroll transactions, 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	FY2018	FY2019	FY2020	FY2021	FY2022
Aviation					x
Code Compliance	x			x	x
Communications & Public Engagement		x			
Development Services (formerly, Planning and Development)	N/A	N/A	N/A	x	x
Diversity & Inclusion	N/A	N/A	N/A		
Economic Development	x	x	x		
Financial Management Services	x	x	x	x	
Fire	x	x			
Human Resources	x			x	x
Information Technology	x	x	x	x	x
Library		x			
Municipal Court	x	x		x	
Neighborhood Services				x	
Park and Recreation			x	x	x
Performance and Budget		x		N/A	N/A
Planning and Data Analytics (formerly, Performance and Budget)	N/A	N/A	N/A	x	x
Planning and Development	x			N/A	N/A
Police		x	x	x	x
Property Management	x		x	x	x
Public Events			x		
Transportation and Public Works	x	x		x	x
Water			x	x	x



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