



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

## **Proposed FY2023 Annual Audit Plan**



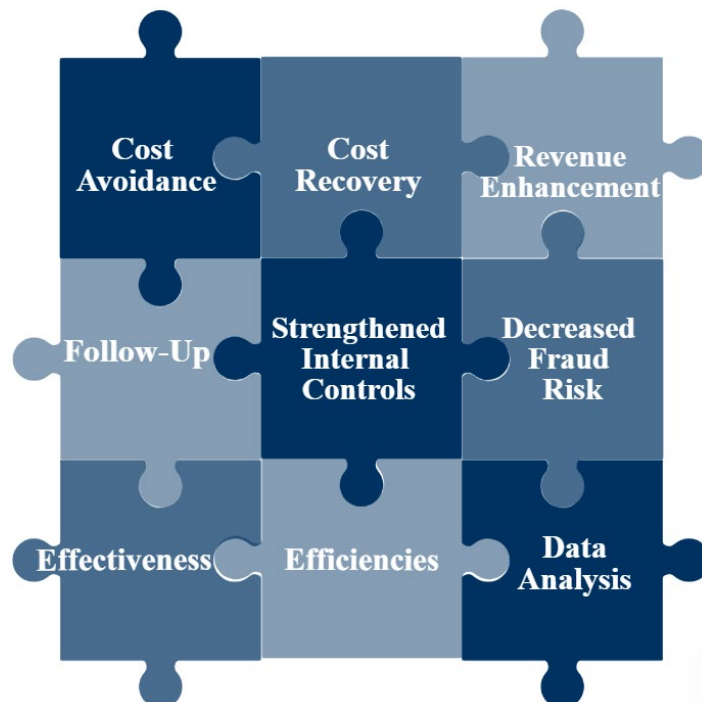
## **Purpose**

The purpose of the Proposed FY2023 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.

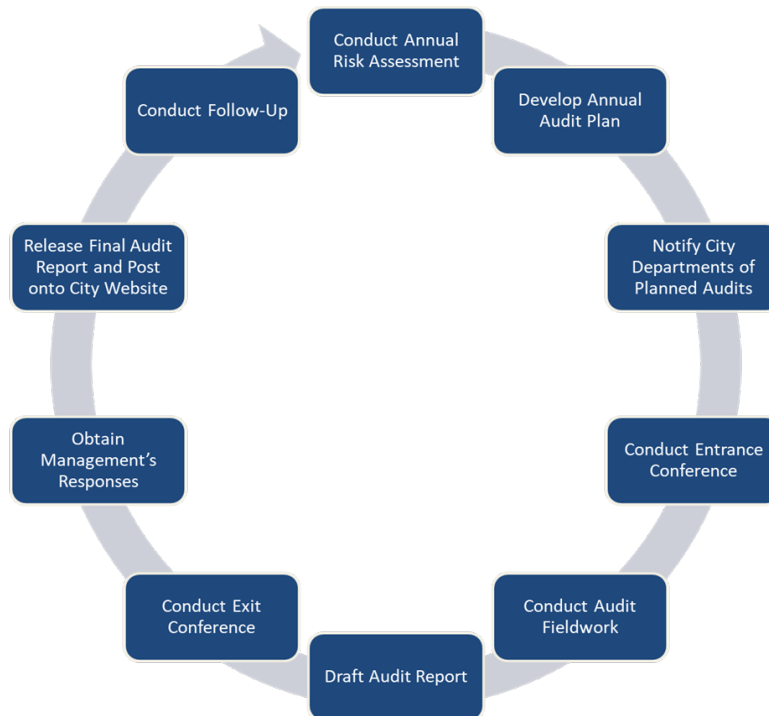
## **Audit Coverage**

Audits included in the Proposed FY2023 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 FY2023 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 FY2023 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**

Building Access Security	Ransomware Preparedness
City Vehicle Accident Prevention	Revenue Estimates
Construction (Property Management)	Special Requests
Construction (Transportation and Public Works)	Tree Mitigation Fund
Construction (Water)	Utility Franchise Fees
Delinquent Account Collection	Vendor Management and Controls
Department Level Grants Management	Data Analysis (On-Going)
Inventory Controls	Follow-Up Audits (On-Going)
Operational Resilience	

### **Carry-Over Audits**

Building Inspections/Re-inspections  
Expending of Transportation Impact Fees

### **Follow-Up Audits**

Alliance Management Services Contract	PeopleSoft Procurement Software (Requisitioning and Purchase Order Process)
Construction Aggregate Controls	Permitting Process
Container Hauling Fees	Remote Access Security
Controlled Substances	Unemployment Claims Process
Fuel Card Program	Weapons Destruction
Implementation of Payroll Consultants' Recommendations	

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
<b>Building Access Security</b>	To evaluate effectiveness of building security; To analyze access and monitoring controls				X	
<b>Building Inspections/Re-Inspections</b>	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
<b>City Vehicle Accident Prevention</b>	To determine whether prevention and mitigation strategies are adequate			X	X	
<b>Construction (Property Management)</b>	To determine whether construction projects were completed in accordance with contract terms; To determine whether the project was performed in accordance with contract terms and applicable laws	X	X	X	X	X
<b>Construction (Transportation and Public Works)</b>	To determine whether construction projects were completed in accordance with contract terms; To determine whether the project was performed in accordance with contract terms and applicable laws	X	X	X	X	X
<b>Construction (Water)</b>	To determine whether construction projects were completed in accordance with contract terms; To determine whether the project was performed in accordance with contract terms and applicable laws	X	X	X	X	X
<b>Delinquent Account Collection</b>	To evaluate the effectiveness of delinquent account collection efforts; To identify opportunities to improve collections		X			X
<b>Department Level Grants Management</b>	To evaluate the effectiveness and efficiency of departmental grants management; To evaluate compliance with grant requirements		X		X	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
<b>Expending of Transportation Impact Fees</b>	To ensure that transportation impact fees were expended as required by City policy and applicable legislation	X	X	X	X	X
<b>Inventory Controls</b>	To evaluate the effectiveness and efficiency of controls over inventories; To verify general ledger balances		X			X
<b>Operational Resilience</b>	To evaluate whether preparedness efforts are adequate for the City to function in an extended emergency		X	X	X	X
<b>Ransomware Preparedness</b>	To evaluate the adequacy of the City's security defenses against ransomware attacks		X		X	
<b>Revenue Estimates</b>	To determine whether assumptions and the revenue estimate for budgeted revenue are reasonable		X			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>Tree Mitigation Fund</b>	To determine the controls in place to ensure that the City collects all tree mitigation fees that should be collected	X	X	X		X
<b>Utility Franchise Fees</b>	To determine whether the City receives all franchise fees due		X			X
<b>Vendor Management and Controls</b>	To verify that the process for adding, changing and removing vendor data is adequately controlled		X			X
<b>Alliance Management Services Contract Follow-Up</b>	To determine the implementation status of prior internal audit recommendations		X	X	X	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
<b>Construction Aggregate Controls Follow- Up</b>	To determine the implementation status of prior internal audit recommendations	X		X	X	X
<b>Container Hauling Fees Follow-Up</b>	To determine the implementation status of prior internal audit recommendations	X	X	X		X
<b>Controlled Substances Follow-Up</b>	To determine the implementation status of prior internal audit recommendations	X	X		X	
<b>Fuel Card Program Follow-Up</b>	To determine the implementation status of prior internal audit recommendations			X		
<b>Implementation of Payroll Consultants' Recommendations Follow-Up</b>	To determine the implementation status of prior internal audit recommendations		X			
<b>Permitting Process Follow-Up</b>	To determine the implementation status of prior internal audit recommendations	X	X	X	X	X
<b>PeopleSoft Procurement Software (Requisitioning and Purchase Order Process) Follow-Up</b>	To determine the implementation status of prior internal audit recommendations	X	X	X	X	X
<b>Remote Access Security Follow-Up</b>	To determine the implementation status of prior internal audit recommendations		X		X	
<b>Unemployment Claims Process Follow-Up</b>	To determine the implementation status of prior internal audit recommendations		X			
<b>Weapons Destruction Follow-Up</b>	To determine the implementation status of prior internal audit recommendations	X			X	



## **On-Going Data Analysis**

The Proposed FY2023 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	FY2019	FY2020	FY2021	FY2022	FY2023
Aviation				x	
Code Compliance			x	x	
Communications & Public Engagement	x				
Development Services (formerly, Planning and Development)	N/A	N/A	x	x	x
<b>Diversity &amp; Inclusion</b>	N/A	N/A			
Economic Development	x	x			
Financial Management Services	x	x	x		x
Fire	x				x
Human Resources			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	N/A
Planning and Data Analytics (formerly, Performance and Budget)	N/A	N/A	x	x	x
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	x



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