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## **FY2018 Annual Audit Plan**

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

## **Purpose**

The purpose of the FY2018 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 FY2018 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 FY2018 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.

## **Audit Objectives**

Audits for FY2018 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

Grants Management	Property Tax Exemptions
Hotel Occupancy Tax Revenue	Public Improvement Districts
Hyperion Software	Revenue Sharing Agreement (DFW Airport)
Municipal Court Software Pre-System Implementation	Special Requests
Overtime Usage and Controls	Telephone Expense
Parking Garage Revenue	Travel and Training Expense Reporting
Property Tax Abatements	

## Carryover Audit

Street Maintenance and Repairs

## Follow-Up Audits

Annual External Audit	Golf Operations
Case Management – Code Compliance	Hangar Leases
Contract Management	Hotel Occupancy Tax Revenue
Delinquent Accounts	Public Improvement Districts (6 & 7)
ERP II Post-System Implementation	Street Maintenance and Repairs
Fixed Assets Dispositions	Subrogation Recoveries
Fleet Maintenance	Tuition Reimbursement

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>Grants Management</b>	To evaluate the effectiveness and efficiency of administering (i.e., monitoring, coordination between staff, compliance with grant requirements, etc.) grant funds	X	X	X	X	X
<b>Hotel Occupancy Tax Revenue</b>	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			
<b>Hyperion Software</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	X	X	X	X
<b>Municipal Court Software Pre-System Implementation</b>	To evaluate internal control design and to ensure that reports generated from the new system are accurate and reliable		X		X	
<b>Overtime Usage and Controls</b>	To assess whether internal controls over overtime usage is adequate and appropriate and in compliance with City policies and procedures		X			
<b>Parking Garage Revenue</b>	To review the efficiency and effectiveness of parking garage operations; to evaluate existing internal controls; to verify accurate receipting and reporting of parking garage revenue		X			
<b>Property Tax Abatements</b>	To determine whether property owners have complied with requirements imposed by the City Council in return for granting property tax abatements		X			X
<b>Property Tax Exemptions</b>	To determine whether property tax exemptions were granted in accordance with City policy and to ensure accurate calculation of tax exemptions	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
<b>Public Improvement Districts (PIDs)</b>	To evaluate the City's process for overseeing PIDs and to verify the accuracy of City reimbursements to PIDs;	X	X			X
<b>Revenue Sharing Agreement</b>	To evaluate the CFW's management of the revenue sharing process and to determine whether shared revenues submitted to the CFW were accurate, paid timely and properly recorded		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>Street Maintenance and Repairs</b>	To evaluate the process by which streets are identified and selected for maintenance and repair	X	X	X	X	X
<b>Telephone Expense</b>	To determine whether billings for telephones expenses are accurate and reasonable and to determine whether the oversight and management of the telephone expense process is effective and efficient		X			
<b>Travel and Training Expense Reporting</b>	To evaluate the effectiveness and efficiency of the travel and training expense reporting process and to ensure that expenses paid were reasonable and in accordance with existing policy		X			
<b>Annual External Audit Follow-Up</b>	To determine implementation status of prior internal audit recommendations	X	X	X	X	X
<b>Case Management – Code Compliance Follow-Up</b>	To determine implementation status of prior internal audit recommendations	X	X		X	X
<b>Contract Management Follow-Up</b>	To determine implementation status of prior internal audit recommendations		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
<b>Delinquent Accounts Collections Follow-Up</b>	To determine implementation status of prior internal audit recommendations		X			
<b>ERP II Post-System Implementation Follow-Up</b>	To determine implementation status of prior internal audit recommendations		X			
<b>Fixed Assets Dispositions Follow-Up</b>	To determine implementation status of prior internal audit recommendations		X			
<b>Fleet Maintenance Follow-Up</b>	To determine implementation status of prior internal audit recommendations			X	X	
<b>Golf Operations Follow-Up</b>	To determine implementation status of prior internal audit recommendations		X			
<b>Hangar Leases Follow-Up</b>	To determine implementation status of prior internal audit recommendations		X	X		
<b>Hotel Occupancy Tax Revenue Follow-Up</b>	To determine implementation status of prior internal audit recommendations		X			
<b>Public Improvement Districts (6 &amp; 7) Follow-Up</b>	To determine implementation status of prior internal audit recommendations	X	X		X	
<b>Subrogation Recoveries Follow-Up</b>	To determine implementation status of prior internal audit recommendations		X			

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<b>Tuition Reimbursements Follow-Up</b>	To determine implementation status of prior internal audit recommendations		X			

## On-Going Data Analysis

The FY2018 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.

<b>Department</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>
Aviation		X			
City Attorney's Office	X				
City Manager's Office			X		
City Secretary's Office	X				
Code Compliance		X			
Communications & Public Engagement				X	
Economic Development	X	X	X	X	X
Financial Management Services	X	X	X	X	X
Fire				X	
Human Resources		X			
Information Technology	X		X		
Library		X			
Municipal Court		X	X		
Neighborhood Services	X	X			
Park and Recreation	X	X			
Performance Office		X	X		
Planning and Development	X		X		
Police	X			X	
Property Management		X			
Public Events					X
Transportation and Public Works	X	X	X	X	X
Water	X	X		X	X
<b>City-Wide Audits</b>					
Revenue Collection Process	X				
ERP II Post-System Implementation	X	X			
Asset Verifications	X				
Contract Management	X				



Delinquent Account Collections	x				
Fixed Asset Dispositions		x			
Tuition Reimbursements		x			
Travel and Training Expense Reporting			x		
Overtime Usage and Controls			x		
Grants Management			x		



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