

Internal Controls Policy

I. Authority

The Fort Worth City Council is responsible for legislation, policy formulation, and overall direction setting of the government. This includes the approval of financial policies which establish and direct the operations of the City of Fort Worth ("City"). The City Manager is responsible for carrying out the policy directives of the City Council and managing the day- to-day operations of the executive departments, including the Financial Management Services Department ("FMS"). This policy shall be administered on behalf of the City Manager and Assistant City Managers by the Chief Financial Officer/Director of FMS ("CFO").

II. Purpose

This policy is intended to establish guidelines to maintain an internal control structure designed to provide reasonable assurance that City assets are safeguarded and that the possibilities for material errors in the City's financial records are minimized.

III. Applicability and Scope

This policy shall apply to all funds under the budgetary and fiscal control of the City Manager and the Mayor and City Council.

IV. Glossary

See definitions related to this policy provided in the Glossary for Financial Management Policy Statements.

V. Proper Authorizations

Procedures shall be designed, implemented and maintained to ensure that financial transactions and activities are properly reviewed and authorized.

VI. Separation of Duties

Job duties will be adequately separated to reduce, to an acceptable level, the opportunities for any person to be in a position to both perpetrate and conceal errors or irregularities in the normal course of assigned duties.

Internal Controls Policy

VII. Proper Recording

Procedures shall be developed and maintained to ensure financial transactions and events are properly recorded, and that all financial reports may be relied upon as accurate, complete and up-to-date.

VIII. Access to Assets and Records

Procedures shall be designed and maintained to ensure that adequate safeguards exist over the access to and use of financial assets and records.

IX. Independent Checks

Independent checks and audits will be made on staff performance to ensure compliance with established procedures and proper valuation of recorded amounts.

X. Costs and Benefits

Internal control systems and procedures must have an apparent benefit in terms of reducing and/or preventing losses. The cost of implementing and maintaining any control system should be evaluated against the expected benefits to be derived from that system.

Internal Controls Policy

XI. Revision History

Responsible Party – Financial Reporting Coordinator, Financial Reporting

Standard Statement: Revisions are detailed in the table. The revision number reflects the sequential order of updates and is archived under the corresponding fiscal year. The “Revision Date” refers to the date the change was made, which may differ from the “Effective Date” which is the first day of the subsequent Fiscal Year, as formal enactment is determined by Mayor and Council (M&C) action. The “Revision Summary” field specifies the nature of the change and may include a rationale.

Revision Number	Revision Date	Revision	M&C
1	9/15/2020	Adopt FMPS Internal Controls Policy	M&C 20-0645
2	8/24/2021	Adopt FMPS Internal Controls Policy	M&C 21-0591
3	9/13/2022	Adopt FMPS Internal Controls Policy	M&C 22-0660
4	9/26/2023	Adopt FMPS Internal Controls Policy	M&C 23-0842
5	9/17/2024	Adopt FMPS Internal Controls Policy	M&C 24-0805
6	9/16/2025	Applied standardized FMP template	M&C 25-0837
7	9/15/2026	Adopt FMPS Internal Controls Policy	M&C 26-1055