



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

## **FY2026 Annual Audit Plan**



## **Purpose**

The purpose of the FY2026 Annual Audit Plan is to outline audits and other activities the Department of Internal Audit plans to conduct during the fiscal year. The Plan is developed to satisfy applicable auditing standards and responsibilities established by Section 2-37 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 and Finance Committee will be notified of any significant additions, deletions, or other changes.

## **Audit Coverage**

Audits included in the FY2026 Annual Audit Plan were identified through a general risk assessment. Sources used to identify the audit population primarily consisted of management's responses to the audit plan questionnaire, internal audit staff's knowledge of City of Fort Worth and local government operations, feedback from the Mayor and City Council, citizen survey responses, prior internal and external audits, and a review of City financial documents.

Risk factors taken into consideration included: 1) time since last audit/prior audit results; 2) extent of laws and regulations; 3) potential for negative publicity; 4) organizational, operational and/or technological changes; and 5) liquidity of assets. The 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 FY2026 Annual Audit Plan are based on estimated available audit staff hours, and staff expertise. The 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 and Finance Committee and/or as requested by the City Manager.

## **Internal Audit Process**



## **Audit Objectives**

FY2026 audits 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**

Crime Control and Prevention District (Non-PD Departments)	Payroll Internal Controls
Customer Service Center (311) Operations	Public Warning Dissemination & Communication
Emergency Medical Services Employee On-Boarding/Validation	Software Cost Optimization
Impact of Software Upgrades	Tax Increment Financing Deliverables
Internal Service Billing Process and Cost Allocations	Special Requests
Major Public Event Preparedness	Data Analysis (On-Going)
Overtime Contributing Factors	Follow-Up Audits (On-Going)
Park Maintenance & Safety	

## **Carry-Over Audits**

Artificial Intelligence  
Homelessness Response Efforts  
CCPD (Non-Profits)

### **Follow-Up Audits**

Artificial Intelligence	Implementation of New and Changed Fees
Crime Control and Prevention District (Non-Profits)	Municipal Court Case Processing
Development Services	Neighborhood Services – Affordable Housing
Enterprise-Wide Grants Governance	Public Information Requests
Expending of Transportation Impact Fees	Ransomware Preparedness
Homeless Response Efforts	Social Media
Housing Finance Corporation Expense Review	

Audit/Project	Preliminary Audit Objective(s)	MAYOR AND COUNCIL STRATEGIC GOALS				
		Economic Development	Community Investment	Community Safety	Infrastructure	Responsible Growth
<b>Crime Control and Prevention District (Non-PD Departments)</b>	To assess the effectiveness of internal controls over CCPD funds granted to City departments (other than the Police Department) and to ensure that disbursed funds were spent appropriately and were adequately supported	X	X	X	X	X
<b>Customer Service (311) Operations</b>	To evaluate the effectiveness in which customers' service requests are addressed, monitored, and reported	X	X	X	X	X
<b>Emergency Medical Services Employee On-Boarding/Validation</b>	To ensure management adhered to City on-boarding practices and requirements (e.g., background checks)	X	X	X	X	X
<b>Impact of Software Upgrades</b>	To ensure software upgrades did not introduce risks such as compatibility issues, inaccurate recording/processing, business disruptions, etc.	X	X	X	X	X
<b>Internal Service Billing Process and Cost Allocations</b>	To determine whether internal service charges to departments are accurately calculated and allocated to accurately reflect costs associated with the service provided	X	X	X	X	X
<b>Major Public Event Preparedness</b>	To assess the adequacy and effectiveness of the City ensuring safety and operational efficiency during major public events	X	X	X	X	X
<b>Overtime Contributing Factors</b>	To identify factors leading to substantial overtime	X	X	X	X	X

Audit/Project	Preliminary Audit Objective(s)	MAYOR AND COUNCIL STRATEGIC GOALS				
		Economic Development	Community Investment	Community Safety	Infrastructure	Responsible Growth
<b>Park Maintenance &amp; Safety</b>	To evaluate the City's process of identifying and mitigating risks that could pose potential safety concerns to park patrons	X	X	X	X	X
<b>Payroll Internal Controls</b>	To evaluate internal controls within the City's payroll system that would ensure accurate and complete payroll processing	X	X	X	X	X
<b>Public Warning Dissemination &amp; Communication</b>	To evaluate the process by which the City provides alerts and warnings to Fort Worth residents	X	X	X	X	X
<b>Software Cost Optimization</b>	To assess software licenses and usage and conclude as to whether opportunities exist to consolidate software across departments and/or eliminate redundant software	X	X	X	X	X
<b>Software Upgrade Impact</b>	To determine the effect of software upgrades on daily operations and business continuity	X	X	X	X	X
<b>Tax Increment Financing Deliverables</b>	To evaluate whether programs goals are being met	X	X	X	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>Data Analysis</b>	To help evaluate risks throughout the City, and help identify functions that should be considered for audit and/or activities that should be reviewed by City management	X	X	X	X	X
<b>Crime Control and Prevention District (Non-Profits) Follow-Up</b>	To determine the implementation status of prior internal audit recommendations	X	X	X	X	X

Audit/Project	Preliminary Audit Objective(s)	MAYOR AND COUNCIL STRATEGIC GOALS				
		Economic Development	Community Investment	Community Safety	Infrastructure	Responsible Growth
<b>Development Services Follow-Up</b>	To determine the implementation status of prior internal audit recommendations	X	X	X	X	X
<b>Enterprise-Wide Grants Governance Follow-Up</b>	To determine the implementation status of prior internal audit recommendations	X	X	X	X	X
<b>Expending of Transportation Impact Fees Follow-Up</b>	To determine the implementation status of prior internal audit recommendations	X	X	X	X	X
<b>Homeless Response Efforts Follow-Up</b>	To determine the implementation status of prior internal audit recommendations	X	X	X	X	X
<b>Housing Finance Corporation Expense Review Follow-Up</b>	To determine the implementation status of prior internal audit recommendations	X	X	X	X	X
<b>Implementation of New and Changed Fees Follow-Up</b>	To determine the implementation status of prior internal audit recommendations	X	X	X	X	X
<b>Municipal Court Case Processing Follow-Up</b>	To determine the implementation status of prior internal audit recommendations	X	X	X	X	X
<b>Neighborhood Services - Affordable Housing Follow-Up</b>	To determine the implementation status of prior internal audit recommendations	X	X	X	X	X
<b>Public Information Requests Follow-Up</b>	To determine the implementation status of prior internal audit recommendations	X	X	X	X	X
<b>Ransomware Preparedness Follow-Up</b>	To determine the implementation status of prior internal audit recommendations	X	X	X	X	X
<b>Tree Mitigation Fund Follow-Up</b>	To determine the implementation status of prior internal audit recommendations	X	X	X	X	X



## **On-Going Data Analysis**

The FY2026 Annual Audit Plan 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.

<b>Department</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>
Aviation		X			
City Manager's Office				X	X
Code Compliance	X	X			
Communications & Public Engagement			X		
Development Services	X	X	X	X	
Diversity & Inclusion					
Economic Development				X	
Environmental Services (formerly a section within Code Compliance)	N/A	N/A		X	
Financial Management Services		X	X		X
Fire					X
Human Resources	X		X		
Information Technology Solutions		X	X	X	X
Library			X		
Municipal Court				X	
Neighborhood Services			X		
Park and Recreation	X				X
The FWLab (formerly, Planning and Data Analytics)		X	X		
Police	X	X	X	X	
Property Management	X	X			X
Public Events				X	
Transportation and Public Works	X		X	X	
Water	X	X	X		



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