

Fort Worth



1964 • 1993 • 2011

**Mayor**

Betsy Price

**Council Members**

Carlos Flores, District 2

Brian Byrd, District 3<sup>++</sup>

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Gyna Bivens, District 5

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Dennis Shingleton, District 7<sup>++</sup>

Kelly Allen Gray, District 8

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<sup>†</sup> Audit Committee Chair

<sup>++</sup> Audit Committee Member

**FY2019 Data Analysis Results**

October 4, 2019



**City of Fort Worth  
Department of Internal Audit**

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## FY2019 DATA ANALYSIS RESULTS

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The Department of Internal Audit completed the following data analysis projects during fiscal year 2019. These projects were not audits and were, therefore, not conducted in accordance with government auditing standards. Instead, these projects were conducted to help evaluate risks throughout the City, and to help identify functions that should be considered for audit.

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### **Property Tax Payments – Public Improvement Districts (PIDs)**

Internal Audit compared GIS data to property tax data maintained by the Tarrant Appraisal District. Results were then reviewed to determine whether property owners, within a specified PID, paid PID assessments.

**Results:** *Based on our analysis, owners of 35 properties did not appear to have paid PID assessments for their specified PID.*

**Action Taken:** *The Financial Management Services Department was informed of these anomalies, which appeared in PIDs 1, 6, 11, 12, 15 and 17.*

*The Financial Management Services Department informed Internal Audit that owners of 14 properties questioned for PID 1 should have paid PID 1 assessments, but did not due to a 2014 replatting. As of 9/30/2019, the Tarrant County website indicated that a total of \$6,201.28 was now due from owners of properties within PID 1.*

*Questioned properties within the remaining PIDs are to be researched by the Financial Management Services Department.*

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### **Payroll Terminal Leave Payments**

Internal Audit judgmentally selected a sample of 31 terminal leave payments for the period 10/01/2018 through 07/30/2019. We then performed independent calculations to determine accuracy.

**Results:** *Based on our recalculations and follow-up with applicable departments, 11 terminal payouts were miscalculated.*

*Nine (9) employees were overpaid a gross total of \$323,104.62.*

- *Three of the overpayments (grossing a total of \$265,095.84) had already been detected after one of the former employees reportedly informed City staff of the overpayment. City staff conducted research and identified two additional overpayments. Two of these three overpayments have been reimbursed to the City.*
- *Management was unaware of the remaining six overpayments.*

*We also identified two (2) underpayments. The underpaid gross terminal leave payments totaled \$2,165.03.*

**Action Taken:** *The Financial Management Services, Human Resources, and Information Technology Solutions Departments were informed of the overpayments and underpayments. Management then determined why the overpayments and underpayments occurred.*

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### **Retainage Payable Accounts**

Internal Audit identified 36 retainage payable accounts, within the general ledger, that remained unchanged for over two consecutive fiscal years – FY2017, FY2018 and as of June 30, 2019.

**Results:** *Based on our analysis, the 36 general ledger accounts (totaling \$399,181.93) had retainage payable balances that remained unchanged for at least two consecutive years. Since retainage helps ensure that work is completed per the contract, Internal Audit concluded that these balances might represent amounts due to contractors -- although this would seem unlikely due to the amount of time that has elapsed. Alternatively, retainage balances not reduced to zero after a project is complete may have resulted from accounting errors, failure to properly close projects, contractor disputes and/or other circumstances. We did note that several of the unchanged balances were transferred from the MARS accounting system that was in use prior to the City's transition to PeopleSoft that occurred in FY2015.*

**Action Taken:** *The 36 retainage payable accounts were listed and provided to the Financial Management Services, Transportation and Public Works and Water Departments for follow-up. As of 9/30/2019, the \$399,181.93 remained unchanged.*

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### **Duplicate Payments**

Internal Audit judgmentally selected 54 payments to City vendors between July 2018 and August 2019. The judgmental selection was based on invoices that Internal Audit perceived as possible duplicates.

**Results:** *Internal Audit identified \$14,393.21 in duplicate payments that had not been detected by user departments.*

- *In two instances, duplicate payments resulted during a PeopleSoft transition, as one invoice was processed through the BuySpeed software and the other through PeopleSoft.*
- *Duplicate payments also resulted after the City's alteration of the vendor's invoice number or date. For example, one vendor's invoice was paid using the date shown on the invoice. However, the duplicated invoice was paid using an invoice date that was changed by City staff. See [Exhibit I](#)*
- *In other instances, duplicate payments of eight invoices resulted after the City paid the vendor's final invoice, but also paid from a different document that was not labeled "final invoice" and appeared to have been a carbon. The "carbon" invoice included the same invoice description, invoice amount and root invoice number. However, the invoice number on the "carbon" invoice had preceding zeros. See an example at [Exhibit II](#). In two of these instances, two different departments paid the same vendor invoices. A total of \$294.30 was duplicated on the eight invoices.*

*Internal Audit identified an additional \$5,371.96 in duplicate payments. However, departments had already identified these duplicates, and had thus received and/or requested refunds or invoice credits.*

**Action Taken:** *Departments were notified of the \$14,393.21 in duplicates and began requesting refunds and/or invoice credits.*

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### **Unclaimed Funds**

In February 2019, Internal Audit reviewed the State Comptroller's website to identify escheated funds where the owner's name was listed as the City of Fort Worth and/or were recorded under an address belonging to the City of Fort Worth.

**Results:** *Based on our review, escheated funds totaling \$85,107.49 were potentially due to the City of Fort Worth.*

**Action Taken:** *The Financial Management Services Department indicated that claims were submitted to the State Comptroller, but only \$15,632.32 has been retrieved to-date. The Financial Management Services Department requested that the City Attorney's Office assist in retrieving the remaining funds.*

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### **Delinquent Employee Citations**

Internal Audit conducted an analysis of Municipal Court data to identify City employees with delinquent citations on file within the Municipal Court.

**Results:** *Approximately 50 City employees had delinquent citations on file with the Municipal Court.*

**Action Taken:** *The City Manager's Office directed Department Heads to begin efforts to collect amounts due from City employees.*

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### **Wire Transfers**

Internal Audit identified and reviewed wire transfers recorded within PeopleSoft between 10/1/2018 and 6/19/2019.

**Results:** *Internal Audit identified one wire transfer that appeared questionable. However, upon inquiry with management and review of additional documentation, the wire transfer appeared valid.*

**Action Taken:** *None. No exceptions noted.*

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### **Top 25 Vendors**

Internal Audit conducted an analysis of vendor payments (between 10/1/2018 and 7/30/2019 -- via PeopleSoft and procurement cards) to determine whether vendors who received the most dollars from the City seemed appropriate. Internal Audit took into consideration the types of services provided by the vendors (e.g., expenses related to the Regional Water District, Internal Revenue Service, insurance, construction, telephone service, contractual supplies, office supplies, retirement fund, etc.).

**Results:** *Based on our review, vendors who received the most dollars from the City of Fort Worth seemed appropriate when taking into consideration the types of services provided by those vendors.*

**Action Taken:** *None. No exceptions noted.*

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## Acknowledgements

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The Department of Internal Audit would like to thank all city departments for their cooperation, assistance and prompt follow-up to the results of our data analysis projects.

## Exhibit I – Duplicate Payment (Invoice Date Changed)

PO# 3390 Receipt 10149 created 06/19/19 HO

Account Number: 0122568827  
 Invoice Number: 09F0122568827  
 Delivered From: 06/07/19 - 06/06/19  
**Billing Date: 06/10/19**  
 Delivery Address: CITY OF FORT WORTH WATER DEPT  
 3716 WATONGA ST  
 PO #4848  
 FORT WORTH TX 76107

**Total Amount Due by 06/28/19 \$89.80**

PREVIOUS BALANCE \$67.35  
 PAYMENT / ADJUSTMENT \$67.35  
 CURRENT ACTIVITY \$89.80  
 PAY THIS AMOUNT \$89.80

To pay your bill or for any questions visit us at **ReadyRefresh.com**  
 Or call 1-800-274-5282

Upcoming Deliveries:  
 THU- JUN 27 Access your delivery calendar at  
 MON- JUL 29 [ReadyRefresh.com](http://ReadyRefresh.com)

Date	Ticket #	Qty	Description	Amount
5/31	EA5013018		PREVIOUS BALANCE	67.35
			PAYMENT RECEIVED	-67.35
5/29	1165728203	20	OZARKA BRAND SPRING WATER .5 LITER CASE OF 24	89.80

### Review Document Status

#### Voucher Document Status

Business Unit CFW01

Invoice ID 09F0122568827

Gross Amount 89.80

Supplier ID 0000004885

Location RMT-ACH-06

Same Invoice ID, Same Amount

Voucher ID 00051891

Invoice Date 06/10/2019

Approval Status Approved

Document Type Voucher

Status Posted

### Review Document Status

#### Voucher Document Status

Business Unit CFW01

Invoice ID 09F0122568827

Gross Amount 89.80

Supplier ID 0000004885

Location RMT-ACH-06

Same Invoice ID, Same Amount

Voucher ID 00056040

Invoice Date 06/19/2019

Approval Status Approved

Document Type Voucher

Status Posted

- Same Invoice ID
- Same Gross Amount
- **Different Invoice Date**

NOTE: As shown in this illustration, the date on the vendor's invoice was 6/10/2019.

Exhibit II – Duplicate Payment (Invoice Number With & Without Preceding Zeros)

**aramark** INVOICE CUSTOMER SERVICE (800) 272-6275

Deliver To > WATER SERVICES CENTER-STATION  
2201 Daggett Ave.  
FORT WORTH, TX 76104

CUSTOMER 792371101  
**INVOICE 001157766156**  
DATE 11/23/18  
PAGE 1 of 1

ROUTE	STOP	TERMS	GARMENT ID	0-30 DAYS	31-60 DAYS	OVER 60 DAYS
118	50	2	4034	23345	00	8550
ARR INV	SERVICE DAY	PREVIOUS BALANCE				
0	.....F	31895				

(817) 392-8302 *Reg # 1891 PO # 2490*

SERVICE	WEARER # LR	ITEM DESCRIPTION / NAME	INVENTORY	DELIVERY QUANTITY	BILL QUANTITY	RATE	TOTAL CHARGE	ADD'L AMOUNT	CREDIT AMOUNT	ADJ CODE	LINE NO	TRN CODE	REPLACE RATE	INV AD	% OF INV
WKLY		PO # PO-18-00104623 11/30/19													
WKLY		MAT_NYLON/RUBBER DKGY 3X4		10	5	125	625				3		3499		50%
WKLY		MAT_NYLON/RUBBER DKGY 4X6		10	5	225	1125				5		5999		50%
WKLY		FENDER_SEAT_COVER REDD 36X60		30	15*	60	900				1		2070		50%
WKLY		WET_MOP BLUE 1XLR		4	2*	90	180				7		2000		50%
WKLY		MOP_SYNTHETIC_BLN REDD 36		6	3*	75	225				8		2000		50%
WKLY		BATH_TISSUE_2PLY WHIT CASE		1		4098	00				641				
WKLY		SHOP_TOWEL_PLAIN WHIT 18X18		600	300*	04	1200				2		40		50%

DO YOU HAVE OTHER LOCATIONS?

RECEIVED  
FEB 15 2019  
By: *MNG*

AMOUNT DUE > 4255.00 < TOTAL ADJUSTMENT  
FINAL INVOICE 4255.00 < ADJUSTED AMOUNT DUE

Delivery received by: *Delivery made on 11/23/18*  
Visit us at www.ARAMARK-Uniform.com \*Minimum bill quantity

Payable To > ARAMARK UNIFORM SERVICES  
PO BOX 731676  
DALLAS, TX 75373-1676

CUSTOMER NAME WATER SERVICES CENTER-ST  
CUSTOMER / MASTER 792371101 / 298894000  
INVOICE 11/23/18 001157766156

PLEASE INCLUDE INVOICE NUMBER WITH CHECK  
FOR ARAMARK ROUTE USE ONLY  
CASH OR CHECK NUMBER NET AMOUNT  
00

Preceding zeros in invoice number

"FINAL INVOICE" appears on the invoice

**aramark** INVOICE CUSTOMER SERVICE (800) 272-6275

Deliver To > WATER SERVICES CENTER-STATION  
2201 Daggett Ave.  
FORT WORTH TX 76104  
(817) 392-8302

CUSTOMER 792371101  
**INVOICE 1157766156**  
DATE 11/23/18  
PAGE 1 of 01

ROUTE	STOP	TERMS	GARMENT ID	0-30 DAYS	31-60 DAYS	OVER 60 DAYS
118	50	2	4034	23345	00	8550
ARR INV	SERVICE DAY	PREVIOUS BALANCE				
0	.....F	31895				

SERVICE	WEARER # LR	ITEM DESCRIPTION / NAME	INVENTORY	DELIVERY QUANTITY	BILL QUANTITY	RATE	TOTAL CHARGE	ADD'L AMOUNT	CREDIT AMOUNT
WKLY		PO # PO-18-00104623 11/30/19							
WKLY		MAT_NYLON/RUBBER DKGY 3X4		10	5	125	625		
WKLY		MAT_NYLON/RUBBER DKGY 4X6		10	5	225	1125		
WKLY		FENDER_SEAT_COVER REDD 36X60		30	15*	60	900		
WKLY		WET_MOP BLUE 1XLR		4	2*	90	180		
WKLY		MOP_SYNTHETIC_BLN REDD 36		6	3*	75	225		
WKLY		BATH_TISSUE_2PLY WHIT CASE		1		4098	00		
WKLY		SHOP_TOWEL_PLAIN WHIT 18X18		600	300*	04	1200		

DO YOU HAVE OTHER LOCATIONS?

AMOUNT DUE > 42.55 < TOTAL ADJUSTMENT  
CUSTOMER INVOICE < ADJUSTED AMOUNT DUE

Visit us at: www.aramarkuniform.com <http://www.aramarkuniform.com> \*Minimum bill quantity

Payable To > ARAMARK UNIFORM SERVICES  
PO BOX 731676  
DALLAS TX 75373-1676

CUSTOMER NAME WATER SERVICES CENTER  
CUSTOMER / MASTER 792371101 / 298894000  
INVOICE 11/23/18 1157766156

TERMS: NET 10 DAYS  
NOT A REMITTANCE  
PLEASE INCLUDE INVOICE NUMBER WITH CHECK

FOR ARAMARK ROUTE USE ONLY  
CASH OR CHECK NUMBER NET AMOUNT

No preceding zeros in invoice number

Carbon-like appearance. Doesn't appear on the final invoice

"FINAL INVOICE" does not appear on invoice