

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON APPROVING THE FISCAL YEAR 2022-23 ANNUAL INTERNAL AUDIT PLAN; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Denton Charter requires the City Auditor to perform auditing duties assigned by the City Council; and

WHEREAS, on July 25, 2022, the City Auditor presented the Fiscal Year 2022-23 Annual Internal Audit Plan to the Internal Audit Advisory Committee which provided recommendations for the City Council; and

WHEREAS, on July 26, 2022, City Council received a report from and provided direction to the City Auditor regarding the Fiscal Year 2022-23 Annual Internal Audit Plan; and

WHEREAS, the purpose of the Fiscal Year 2022-23 Annual Internal Audit Plan is to outline the auditing duties assigned by the City Council to the City Auditor to conduct during the fiscal year; and

WHEREAS, the City Council finds that this Ordinance is in the public interest; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The recitals and findings contained in the preamble of this Ordinance are incorporated into the body of this Ordinance.

SECTION 2. The City Council hereby approves the City Auditor’s Fiscal Year 2022-23 Annual Internal Audit Plan as depicted in the memorandum attached hereto as Exhibit “A” and directs and authorizes the City Auditor to take necessary actions to complete the audit projects described therein.

SECTION 3. This Ordinance shall become effective immediately upon its passage and approval.

The motion to approve this Ordinance was made by _____ and seconded by _____, the Ordinance was passed and approved by the following vote [___ - ___]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Jesse Davis, District 3:	_____	_____	_____	_____
Alison Maguire, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Chris Watts, At Large Place 6:	_____	_____	_____	_____


PASSED AND APPROVED this the _____ day of _____, 2022.

GERARD HUDSPETH, MAYOR

ATTEST:
ROSA RIOS, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____
 Digitally signed by Scott
Bray
Date: 2022.08.04 16:32:50
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**Exhibit “A”
City of Denton
Internal Audit Department
Fiscal Year 2022-23 Annual Internal Audit Plan**

Audit Project	Details
Solid Waste Operations	Potential objectives include scale house operational effectiveness, waste collection efficiency, asset planning effectiveness, regulatory environment compliance, and vendor contract management effectiveness.
Recreation Facility Operations	Potential objectives include cash handling control effectiveness, effectiveness, efficiency, and equity of youth and adult recreation programs, economy of recreation program fees, and facility maintenance effectiveness.
Fire Prevention	Potential objectives include compliance with relevant laws and regulations, effectiveness of the fire inspection program, effectiveness of fee collection practices, effectiveness of the fire investigation process, and effectiveness of public education programs.
Pedestrian & Cyclist Safety	Potential objectives include effectiveness of sidewalk and bike lane planning and effectiveness of sidewalk, bike lane, and traffic signal maintenance and construction practices.
Fuel Management	Potential objectives include effectiveness of controls over fuel stations and fuel contract management effectiveness.
Staff Recruiting & Hiring	Potential objectives include compliance with laws and regulations and effectiveness and equity of recruitment and hiring processes.
Police Property Room Inventory	Provide routine assurance that Police property room inventory controls are functioning.
Audit Follow-Up Reviews	<p>Provide information on what changes have been made in response to the following issued audits:</p> <ul style="list-style-type: none"> • Utility Street Cuts: Second Review (Aug. 2019); • Police Property Room: Second Review (Jun. 2019); • Capital Projects Administration: Planning & Design (May 2020); • Capital Projects Administration: Construction (May 2020);

	<ul style="list-style-type: none">• COVID-19 Response: Pandemic Preparedness (Sep. 2020);• Municipal Court Payments (Apr. 2021);• Building Permits (Jul. 2021); and• Informal follow-up review on specific audit recommendations from the audits of Customer Service, Roadway Quality Management, Capital Projects Administration: property Acquisition, and Health Insurance Operations.
Ad-Hoc Projects	Carry out fraud, waste, and abuse Investigations and Analysis Requests from the City Council or City Management as needed.

Exhibit “B”
City of Denton
Internal Audit Department
Division of Police Property Room Follow-Up Reviews

Follow-Up Review Type	Recommendation
Procedures	3 Revise the General Order to ensure a background check is performed on all staff before they are assigned to the Property Room.
	4 Annually verify that only authorized employees have electronic access to the Property Room.
	5 Establish a formal policy for checking out evidence items.
	7 Consider requiring the Dispatch Unit to monitor Property Room cameras.
	8 Adjust policy to ensure that at least all high-risk inventory items are reviewed annually.
	9 Work with Technology Services to implement OCR capability of LaserFische software to capture and manage evidence data to ensure the integrity of data and improve controls over evidence.
	10 Eliminate Property Technicians’ privilege to delete system records.
	11 Establish a procedure to notify Property Room Unit superiors if an item is found missing.
	14 Maintain an up-to-date count of currency stored in the Property Room.
	15 Require an independent witness to perform or oversee the verification for high-risk items marked for destruction.
	16 Maintain an independent record of high-risk items marked for destruction.
17 Necessary funding needs to be provided to the Police Department for analyzing of old, untested sexual assault kits.	
Post-Remodel (TBD - Future Audit Plan)	1 Until permanent solution is found, temporarily relocate all property and evidence inventory items to the large empty warehouse behind the Narcotics office to address the short-term, critical need.
	2 Require the Property Room Unit to conduct comprehensive inventory count during the move to account for every item in its inventory with an increased focus on necessary disposals
	6 Store security camera footage for at least three years and require periodic review by someone independent of Property Room staff.
	12 Store all high-risk items, including those marked for destruction or deposit, in locations with enhanced security measures.
	13 Install an adequate ventilation system above all narcotics storage areas.