



# City of Denton

City Hall  
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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Internal Audit  
**CITY AUDITOR:** Madison Rorschach  
**DATE:** March 21, 2023

### **SUBJECT**

Receive a report, hold a discussion, and give staff direction regarding Audit Project 031 – Recreation Facility Operations.

### **BACKGROUND**

City of Denton Charter Article VI, Section 6.04 states, the City Internal Auditor is responsible for providing an independent appraisal of City operations as directed by the City Council. These audits are conducted in accordance with *Generally Accepted Government Auditing Standards* promulgated by the US Government Accountability Office.

Per *Government Auditing Standards*, internal auditors should make audit reports available to the public and should communicate results to the parties who can ensure that the results are given due consideration. In order to meet these *Government Auditing Standards*, the City of Denton's Internal Audit Procedures Manual requires finalized audit reports to be presented to the City Council. Once presented, all published reports can be found on the City of Denton's [Internal Audit Webpage](#).

### **DISCUSSION**

This audit project is intended to evaluate the effectiveness of the City's warehouse inventory management processes and to provide assurance that the City has established effective policies and procedures to appropriately manage recreation programs, employee training and access, and ensure cash and other assets are managed and safeguarded appropriately. The City's Recreation Division is responsible for managing recreation programs, processing program applications, payments, and refund transactions, and safeguarding recreation assets. Just over \$2.5 million in revenue was accepted at the City's six recreation facilities in fiscal year 2021-22. Initial, detailed findings from this audit project phase are presented in the attached Audit of Recreation Facility Operations report.

### **RECOMMENDATION**

Staff recommends closing Audit Project 031 – Recreation Facility Operations until a follow-up review is conducted to assess the implementation of the 19 issued recommendations. This follow-up review will likely take place in the next eighteen to thirty-six months.

### **PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

This audit project was approved as part of the fiscal year 2022-23 Audit Plan adopted on August 16, 2022.

### **EXHIBITS**

1. Agenda Information Sheet

2. Audit of Recreation Facility Operations
3. Presentation

Respectfully submitted:  
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City Auditor