



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: City Auditor's Office

CITY AUDITOR: Madison Rorschach

DATE: April 29, 2024

SUBJECT

Receive a report, hold a discussion, and take necessary action regarding the completion and closure of Audit Project 006 – Roadway Quality Management.

BACKGROUND

In accordance with the City of Denton Ordinance 21-2035, the Internal Audit Advisory Committee is responsible for providing oversight of the internal audit function, including monitoring follow-up on reported findings to assure corrective action is taken by management.

DISCUSSION

An audit project of the City's roadway quality management processes was originally conducted and reported to the City Council in October 2019. This audit identified several risks including inadequate quality control and assurance activities for in-house roadway maintenance projects, potential improvements to bond project planning and accounting practices, and some roadway maintenance work order data consistency issues.

Since the issuance of this audit, several significant improvements have been made to the City's procurement process including:

- Implementation of procedures to consistently document the selection and approval of street maintenance activities based on overall condition index and actual site conditions;
- Implementation of a required, standardized inspection process for street maintenance activities;
- Improved work order data including estimated install dates for old street segments, a process for updating install dates after reconstruction, and improved work order consistency due to training; and
- Certain administrative improvements to align with procurement policy requirements and streamline the Department's reporting structure.

Internal Audit generally evaluated these process improvements as part of the October 2021 and July 2023 follow-up reviews and believes that these improvements adequately address the recommendations issued as part of the original Audit of Roadway Quality Management.

RECOMMENDATION

Staff recommends approval of the attached Audit Project Completion Form and final closure of Audit Project 006 – Roadway Quality Management. These processes will continue to be considered for review annually as part of the Annual Internal Audit Plan development process.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Aug. 20, 2019: Audit/Finance Committee recommended forwarding the Audit to City Council

Oct. 8, 2019: Audit of Roadway Quality Maintenance presented, and Project 006 closed till follow-up by Council

Oct. 12, 2021: Audit of Roadway Quality Maintenance: Follow-Up Review presented; Council directed Project 006 be closed till the performance of an informal follow-up review

Jul. 21, 2023: Fiscal Year 2022-23 Informal Follow-Up Review distributed to City Council via the Friday Report – included information on Project 006

EXHIBITS

1. Agenda Information Sheet
2. Audit Project Completion Form – 006 Roadway Quality Management
3. Audit of Roadway Quality Management
4. Audit of Roadway Quality Management: Follow-Up Review

Respectfully submitted:
Madison Rorschach, 940-349-7228
City Auditor