



CITY AUDITOR'S OFFICE \* 215 E. McKinney \* Denton, TX 76201 \* 940-349-8158

## **MEMORANDUM**

**DATE:** March 28, 2017

**TO:** Mayor and City Council

**FROM:** Craig Hametner, City Auditor

**SUBJECT:** FY17 Internal Audit Plan

### **Basis for Plan**

The basis for this first Internal Audit plan comes from auditor observations and inquiries with City Council members and members of management based on likelihood and impact to the organization. Likelihood and impact were assigned risk factors based on certain criteria such as: complexity, materiality, concerns of Council and management, past issues.

Additionally, the available resources to complete audits were examined. The hours required to perform the work plan are estimated hours. After considering hours that are unavailable for audits due to paid time off, administrative duties, required in-house and external training, meetings

and other time off, the net available hours for audits are determined.

Combining available hours and audits yielded the audit plan.

Total hours are considered to be 1,040.

Administrative hours which include items such as: preparing for and attending meetings, budget reviews, In-house and external training and general management functions are estimated at 175 hours.

Time-off includes vacation, sick, holidays and other available absences. This is estimated at 40 hours.

This leaves 825 hours available for audits, reviews, agreed-upon procedures, investigations and advisements.

## **FY17 INTERNAL AUDIT PLAN**

### **AUDITS/REVIEWS/PROSPECTIVE ANALYSIS/ AGREED-UPON PROCEDURES ENGAGEMENTS**

Contract Administration Audit – Evaluate the process and determine if accountability is in place – 400 Hours

Agreed-Upon Procedures Engagements – Evaluate certain contracts/bids/purchases, etc. - 150 Hours

Vendor Master File Audit – Determine if controls are designed properly and operating effectively - 200

Total Audit/Reviews/Agreed-Upon Procedures Hours = 750 Hours

### **INVESTIGATIONS/ADVISEMENTS/RISK ASSESSMENT/ANNUAL AUDIT PLAN/ANNUAL REPORTS**

This section is estimated at 75 Hours

**TOTAL AUDITS/REVIEWS/PROSPECTIVE  
ANALYSIS/AGREED-UPON  
PROCEDURES/INVESTIGATIONS/ADVISEMENT/  
RISK ASSESSMENT/ANNUAL AUDIT  
PLAN/ANNUAL REPORTS = 825 HOURS**