

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DENTON, TEXAS,
APPROVING THE FY17 AUDIT PLAN AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, City Auditor Craig Hametner commenced his employment with the City of Denton on February 27, 2017; and

WHEREAS, since that date, one of his primary goals has been to develop an audit plan for FY17; and

WHEREAS, upon conclusion of developing his FY17 Audit Plan, the City Auditor presented it to City Council on March 28, 2017; 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 FY17 Audit Plan as depicted in the memorandum attached hereto as Exhibit "A".

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

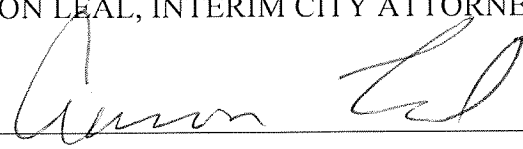
PASSED AND APPROVED this the _____ day of _____, 2017.

CHRIS WATTS, MAYOR

ATTEST:
JENNIFER WALTERS, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
AARON LEAL, INTERIM CITY ATTORNEY

BY:  _____



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 Councilmembers 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**