

ORDINANCE NO. 21-1833

AN ORDINANCE OF THE CITY OF DENTON APPROVING THE FISCAL YEAR 2021-22 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, the City Auditor presented the Fiscal Year 2021-22 Annual Internal Audit Plan to City Council on October 6, 2021 and received City Council's direction; and

WHEREAS, the purpose of the Fiscal Year 2021-22 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 2021-22 Annual Internal Audit Plan as depicted in the memorandum attached hereto as Exhibit "A" and Exhibit "B."

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

The motion to approve this Ordinance was made by Jesse Davis and seconded by Brian Beck, the Ordinance was passed and approved by the following vote [7 - 0]:

	Aye	Nay	Abstain	Absent
Gerard Hudspeth, Mayor:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vicki Byrd, District 1:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Brian Beck, District 2:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jesse Davis, District 3:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alison Maguire, District 4:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deb Armintor, At Large Place 5:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Paul Meltzer, At Large Place 6:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PASSED AND APPROVED this the 12th day of October, 2021.


GERARD HUDSPETH, MAYOR

ATTEST:
ROSA RIOS, CITY SECRETARY

BY: 



APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY


BY:  Digitally signed by
Mack Reinwand
Date: 2021.10.06
17:45:00 -05'00'

Exhibit "A"
City of Denton
Internal Audit Department
Fiscal Year 2021-22 Annual Internal Audit Plan

Audit Project	Details
Denton Municipal Electric Energy Management Office Administration	Review energy management control activities to ensure they are operating effectively and efficiently.
Technology Services Series	Review the efficiency and effectiveness of the Technology Services Department's operations, including but not limited to preventing and responding to cyber security threats.
Police Body-Worn Camera Usage	Review body-worn camera usage to provide assurance that these tools are used in accordance with the Police Department's general orders and best practices.
Wastewater Operations	Review efficiency and effectiveness of the planning, maintenance, and construction processes of wastewater collection and reclamation infrastructure.
Warehouse Operations	Review control activities to ensure that warehouse inventory is adequately maintained and tracked in order to safeguard City assets and ensure assets can be effectively utilized by departments.
Overflow Audit – Emergency Services: Billing & Collections	Review effectiveness of emergency medical services billing and collections operations.
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"> • Overflow – Police Property Room: Procedures (Jun. 2019); • Overflow – Roadway Quality Management (Oct. 2019); • Overflow – Police Overtime (Oct. 2019); • Procurement Process (Aug. 2019); • Economic Development: Recruitment & Expansion (Jan. 2020); • Capital Projects Administration: Property Acquisition (May 2020); • Facilities Maintenance (Jun. 2020); • Grants Management (Jun. 2020); and

	<ul style="list-style-type: none">• Utility Payment Assistance Program (Apr. 2021).
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.
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.