

# **Gas Well Funds Management Follow-Up Audit**

**May 2018**

City Auditor, Lori Brooks Jaquess, CPA, CIA, CGAP, CRMA  
Internal Auditor, Lee Hagelstein, CGAP



May 22, 2018

Honorable Mayor and Members of the City Council:

The City Auditor's Office has completed the Gas Well Funds Management Follow-Up Audit. The audit objective was to determine the implementation status of the audit recommendation presented in the original audit report.

Audit follow-up procedures indicate management has implemented the recommendation.

We would like to thank the Community Development and Planning Department staff for their assistance and cooperation.

*Lori Brooks Jaquess*

Lori Brooks Jaquess, CPA, CIA, CGAP, CRMA  
City Auditor

c: Trey Yelverton, City Manager  
Jim Parajon, Deputy City Manager  
Gilbert Perales, Deputy City Manager  
Jennifer Wichmann, Interim Deputy City Manager  
Gincy Thoppil, Interim Director of Community Development and Planning  
Mike Finley, CFO

# Gas Well Funds Management Follow-Up Audit

## Table of Contents

	<u>Page</u>
Background.....	2
Audit Scope and Methodology .....	2
Status of Prior Audit Recommendation Matrix .....	3

## ***Background***

The City Auditor's Office conducted a follow-up audit of the Gas Well Funds Management Audit completed in October 2016. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate, evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. The audit objective was to determine the implementation status of the prior audit recommendation.

Management concurred with the audit recommendation in the initial audit report. Audit follow-up procedures indicate management has implemented the recommendation.

## ***Audit Scope and Methodology***

The scope of the project was limited to following up on management's implementation of the previous audit recommendation. Our methodology included reviewing relevant supporting documentation provided by management.

The matrix on the following page illustrates the results of the follow up procedures.

**Status of Prior Audit Recommendation**

AUDIT RECOMMENDATION	CONCUR/ DO NOT CONCUR	MANAGEMENT RESPONSE	RESPONSIBLE PARTY	DUE DATE	CURRENT IMPLEMENTATION STATUS
1. The City Auditor’s Office recommends that the Director of Community Development & Planning and the Chief Financial Officer develop written policies and procedures concerning the daily activities related to gas well funds management.	Concur	Policies and Procedures will be drafted for management approval by the end of the second quarter fiscal year 2017.	Stuart Young, Real Estate Manager  Amy Trevino, Controller	3/30/2017	<b>Implemented.</b>  Management has developed appropriate written policies and procedures.