



# CITY OF SAN ANTONIO

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November 1, 2011

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Councilman, District 10

SUBJECT: Audit Report of the Vital Statistics Division and the Community Link Service Centers' Controls over Cash and Sensitive Documents

Mayor and Council Members:

We are pleased to send you the audit report of the Vital Statistics Division and the Community Link Service Centers' Controls over Cash and Sensitive Documents. This audit began in February 2011 and concluded with an exit meeting with department management in August 2011. Management's verbatim response is included in Appendix B of the report. The San Antonio Metropolitan Health District and the Office of Customer Service/311 System should be commended for their cooperation and assistance during this audit.

The Office of the City Auditor is available to discuss this report with you individually at your convenience.

Respectfully submitted,

Kevin W. Barthold, CPA, CIA, CISA  
Acting City Auditor  
City of San Antonio

Distribution:

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Edward Benavides, Chief of Staff, Office of the City Manager  
Donald Crews, Audit Committee Member  
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**CITY OF SAN ANTONIO**  
**OFFICE OF THE CITY AUDITOR**



Audit of San Antonio Metropolitan Health District, Vital Statistics  
Division and the Office of Customer Service/311 System, Community  
Link Service Centers

Controls over Cash and Sensitive Documents,  
Project No. AU11-001

November 1, 2011

Kevin W. Barthold, CPA, CIA, CISA  
Acting City Auditor

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## Executive Summary

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As part of our annual Audit Plan, we conducted an audit of the Vital Statistics Division of the San Antonio Metropolitan Health District and the Community Link Service Centers of the Office of Customer Service/311 System. The audit objectives, conclusions, and recommendations follow:

### **Are payments processed through the Vital Statistics Division appropriately calculated, collected, and reported?**

Yes, payments processed through the Vital Statistics Division are appropriately calculated, collected, and reported.

### **Are controls in place to ensure cash is properly safeguarded at the Vital Statistics Division?**

Yes, overall, controls are in place to ensure cash is properly safeguarded; however, payments are accepted for more than the amount due and not all checks are endorsed and deposited upon receipt. These deviations from Administrative Directive 8.1, *Cash Handling* are not approved by Finance.

### **Are controls in place to ensure sensitive documents are properly safeguarded at the Vital Statistics Division and the Community Link Centers?**

No, sensitive documents are not properly safeguarded at the Vital Statistics Division and the Community Link Service Centers.

We observed that:

- The Local Registrar does not maintain accurate and complete document security logs<sup>1</sup>, report voided certificates to the State on a monthly basis, require proof of identification from all applicants, or retain all applications for three years.
- Physical access to the bank note paper<sup>2</sup> is not sufficiently limited. Daily reconciliations, tracking procedures, and quarterly inventories are not being accurately performed to monitor and account for all paper.

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<sup>1</sup> Audit logs used to account for all issued and voided certificates.

<sup>2</sup> Bank note paper is used for birth and death certificates. It has security features (e.g. sequential numbering, watermarks, and a raised seal) that help prevent fraud.

- Program managers are not limiting access to BIRX, LINK, and the State Remote Site System<sup>3</sup> to current COSA employees who require access.

We recommend that the San Antonio Metropolitan Health District Director:

- Ensures that the Local Registrar complies with the *Local Registrar Handbook*<sup>4</sup>. The Local Registrar should maintain accurate and complete document security logs, report voided certificates to the State on a monthly basis, require proof of identification from all applicants, and retain all applications for three years.
- Ensures that the Vital Statistics Division follows Administrative Directive 8.1, *Cash Handling* and best practices when handling cash. Any necessary deviations should be approved by the Finance Department.

We also recommend that the San Antonio Metropolitan Health District Director and the Office of Customer Service/311 System Director:

- Ensure that physical access to the bank note paper is limited and that daily reconciliations, tracking procedures (i.e. checking header and trailer security numbers, physically verifying the document security numbers of the sheets, and recording document security numbers of paper placed in the printer), and quarterly inventories are being accurately performed to monitor and account for all paper.
- Ensure that program managers limit access to VPOS<sup>5</sup>, BIRX, LINK, and the State Remote Site System to current COSA employees who require access. Program managers should perform quarterly reviews of user access.

The San Antonio Metropolitan Health District and the Office of Customer Service/311 System Management's verbatim response will be in **Appendix B** on page 8.

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<sup>3</sup> LINK is the Link Centers' point-of-sale system and BIRX is the system used to maintain Bexar County birth and death certificate data. The State Remote Site System is used to look up and print non-local birth records within the state.

<sup>4</sup> The *Local Registrar Handbook* contains instructions on collecting, recording, transcribing, compiling, and preserving vital statistics. It was created by the State Registrar to serve as the authoritative guidance for the Local Registrars.

<sup>5</sup> VPOS is the Vital Statistics Division's point-of sale system.

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## Background

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The San Antonio Metropolitan Health District (Metro Health) administers public health initiatives in San Antonio and surrounding Bexar County areas. One of Metro Health's responsibilities is the issuing and safeguarding of birth and death certificates. These services are provided by the Vital Statistics Division (VSD), as well as by the City's five Community Link Service Centers (Link Centers). Gross revenue from the issuance of birth and death certificates totaled \$1.9 million in fiscal year (FY) 2010 and \$2.1 million in FY2009.

VSD maintains records of births and deaths that occurred in San Antonio and Bexar County. Metro Health contracts with the Texas Department of State Health Services to obtain on-line access to non-local birth records within the state via the State Remote Site System.

By State law, birth and death certificates are confidential records with restricted access. Birth and death records can only be issued to qualified applicants, such as the registrant or an immediate family member, guardian, legal representative, etc. Birth and death certificates are printed on bank note paper. The paper contains security features, including sequential numbering, watermarks, and a raised seal.

## Audit Scope and Methodology

The audit scope was FY2010 (October 2009 to September 2010). Additionally, testwork on birth and death certificates provided free of charge was expanded to March 31, 2011, while testwork on voided certificates printed from the State Remote Site System was expanded to November 2008 through June 2011.

We interviewed personnel from VSD and the Link Centers. We also observed processes at VSD and three of the five Link Centers. We reviewed relevant documentation, including the *Local Registrar Handbook (Revised December 2010)*, City Ordinances, Administrative Directive 8.1, *Cash Handling*, and a 2008 memorandum sent to VSD from the Texas Department of State Health Services.

At VSD, we observed the collections, receipting, and recording processes to determine if they were performed in accordance with A.D. 8.1. For all FY2010 regular (i.e. not void or free of charge) VPOS transactions, we identified the type of record requested, quantity requested, and appropriate fee and then recalculated the transaction totals to determine if recalculated amounts agreed to transaction amounts per VPOS. We relied on computer-processed data in VPOS to validate the payments processed through VSD. Our reliance was based on performing direct tests on the data and limited testing of the general controls, rather than evaluating all of the system's general and application

controls. We don't believe that the absence of testing all of the general and application controls had an effect on the results of our audit.

We selected a statistically valid sample of FY2010 voided VPOS transactions for testing. We reviewed support documentation for sampled items to determine if they were appropriately voided by a supervisor. We also selected a statistically valid sample of FY2010 free of charge transactions for testing; however, because applications based on subpoenas and other legal or business requests were not retained beyond the end of each fiscal year, testwork was expanded to March 31, 2011. Within FY2010, we also expanded testwork on free of charge transactions for veterans to include all FY2010 requests after February 16, 2010, the date that VSD stopped providing copies to funeral homes (that were acting on behalf of veterans) and began requiring documentation directly from the Texas Veterans Commission or a Veterans County Service Officer.

We selected a judgmental sample of 12 daily deposits (one daily deposit per month) and performed testing to determine if the amounts per deposit slip agreed to amounts posted in SAP and to the VPOS end of day reports. Also, testing was performed to determine if collections were deposited within one day.

We obtained and evaluated lists of users with access to VPOS, LINK, and BIRX to determine if access is appropriate based on business needs. Using the VPOS user access list, we evaluated user roles for conflicting duties. We reviewed VSD procedures for removing VPOS users and evaluated the timeliness of access removal for staff who separated from VSD in FY2010. We also evaluated City of San Antonio (COSA) access to the State Remote Site System to determine if it is properly controlled and managed.

We obtained and reviewed support documentation for all bank note paper orders placed in FY2010 to determine if orders were properly authorized and if deliveries were accepted by someone independent from the ordering process to ensure appropriate segregation of duties.

We reviewed VSD's log of bank note paper (i.e. paper that is added/removed from the printer) to identify lapses in document security numbers and the FY2010 audit logs of issued and voided certificates (i.e. State required document security logs) provided by the Information Technology Services Department (ITSD) to determine if all document security numbers are accounted for. We also observed and documented the disposal process for voided certificates.

We conducted this audit from February 2011 to August 2011 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 audit results and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our audit results and conclusions based on our audit objectives. Our audit included tests of management controls that we considered necessary under the circumstances.

## Audit Results and Recommendations

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### A. Insufficient Accountability for Printed Certificates

**A.1** FY2010 document security logs are inaccurate and incomplete. The *Local Registrar Handbook* states, “Every Local Registrar must account for each certified copy issued from his or her office by maintaining a document security log.” The errors in VSD’s document security log were not identified due to a lack of management review. Additionally, due to miscommunications between VSD and the Link Centers, the Link Centers were reviewing daily printouts of the logs, but not maintaining or correcting the electronic versions. Without accurate and complete security logs, the Local Registrar is unable to account for all printed (i.e. sold or voided) certificates.

**A.2** Voided certificates were not reported to the State from November 2008 through June 2011; however, as a result of this audit, the division has begun reporting these voids. In a November 7, 2008 memo, the State Registrar wrote, “Each city and county within the State of Texas is required to put together a STATE OF TEXAS VOID PACKET, for submittal, on a monthly routine.” The memo continues, “Please note, failure to follow the void criteria, or failure to turn in a complete STATE OF TEXAS VOID PACKET by the monthly due date...may lead to the loss of your rights within the REMOTE SITE SYSTEM (RSS).” Without these rights, VSD cannot access or print non-local Texas birth certificates. Consequently, citizens would lose a valuable service and COSA would lose a source of revenue. A failure to turn in voids could also result in records that are erroneously marked as abused<sup>6</sup>.

**A.3** Identification is not requested from applicants who present Veterans Affairs forms or subpoenas as required by the State. The *Local Registrar Handbook* states that “every applicant must present: (A) One piece of primary identification, or (B) Two pieces of secondary identification of different types, or (C) One piece of secondary identification plus two pieces of support identification of different types.” Requiring proof of identification helps to ensure that only qualified applicants obtain vital records.

**A.4** Record requests made via subpoenas are not retained for three years. The *Local Registrar Handbook* states, “The Local Registrar must retain the application including date issued, document security number(s), and the applicant’s name, address and form of identification for a minimum of three years from the date issued.” The application is retained as evidence of issuance and as an audit trail for the document security number.

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<sup>6</sup> The *Local Registrar Handbook* (pg. 49) state that “any birth record that has had 10 certifications issued since the original date of filing shall be considered as an abused record.”

## Recommendation

**A.1-4** The Metro Health Director should ensure that the Local Registrar complies with the *Local Registrar Handbook*. The Local Registrar should maintain accurate and complete document security logs, report voided certificates to the State on a monthly basis, require proof of identification from all applicants, and retain all applications for three years.

### **B. Ineffective Controls over Bank Note Paper**

**B.1** Daily reconciliations of the bank note paper are not performed at VSD. Reconciliations help management to effectively monitor the bank note paper and serve as a control to help deter and detect theft. VSD cannot account for all the bank note paper and no assurance can be provided that all paper was properly issued or voided (i.e. not stolen). Additionally, lack of daily reconciliations has resulted in ongoing system and user errors that are not remediated.

**B.2** As discussed in **A.1**, the Link Centers are not updating the document security logs when reviewing the prior day's activity. Consequently, the total count of certificates issued or voided does not always match the document security logs. The Link Centers we tested are also not checking the header and trailer document security numbers on the daily printouts of the logs or consistently verifying that the number illustrated in the system (and recorded in the document security log) agreed to the actual document security number that was issued. Without these controls, the Link Centers cannot effectively track and monitor the bank note paper.

**B.3** VSD's log of bank note paper is incomplete. When loading and unloading the printers with bank note paper, VSD is not always recording the document security number ranges. Documentation of the starting and ending document security numbers would allow VSD to determine the number of sheets that were used. It also would allow VSD to verify that there are no gaps between the ranges of document security numbers. Without documentation of all the ranges, accurate reconciliations cannot be performed and gaps in sequence are not identified.

**B.4** Physical security of the bank note paper is insufficient. During the audit, VSD took steps to improve the security over the bank note paper; however, access to the safe room, where the bank note paper is stored, is not sufficiently restricted. Although keys are limited to the program manager and two supervisors, the room is left unsupervised when staff uses it to create mail logs. Auditors observed one instance in which the safe room was left unoccupied and unlocked after staff left the safe room without closing the door. At the Link Centers, access to the safes is not restricted. Administrative Directive 8.1, *Cash Handling*, requires that "access to departmental safes...shall be restricted to a small number of employees." Insufficient safeguarding of bank note paper increases the risk of theft.

**B.5** Inventory procedures are not sufficient to identify missing bank note paper. VSD has been performing inventory counts since 4<sup>th</sup> quarter FY2010; however, staff does not include sufficient documentation regarding the count (i.e. date, time, and document security numbers). Additionally, management does not verify that the physical count equals the book count (total of starting inventory plus orders minus processed orders and voids). The quarterly inventory counts provide an opportunity to verify that the daily reconciliations and physical access controls are operating effectively. Without management oversight, missing bank note paper is not detected, investigated, or reported.

### **Recommendation**

**B.1-5** The Metro Health Director and the Customer Service/311 Director should ensure that physical access to the bank note paper is limited and that daily reconciliations, tracking procedures (i.e. checking header and trailer security numbers, physically verifying the document security numbers of the sheets, and recording document security numbers of paper placed in the printer), and quarterly inventories are being accurately performed to monitor and account for all paper.

### **C. Inadequate Monitoring of Access to Birth and Death Certificate Data**

Application access to COSA's birth and death certificate data is not sufficiently monitored. To access the birth and death certificate data, users must go through the applications VPOS, BIRX, or LINK. While access to VPOS was appropriately limited to current employees of VSD and ITSD support staff, we identified 22 of 60 LINK user IDs and 1 of 30 BIRX user IDs with inappropriate access.

Additionally, access to the State Remote Site System is not sufficiently monitored. We identified 19 of 49 active COSA user IDs in the State Remote Site System that are for Link Center employees who are no longer employed by COSA.

Birth and death certificate data is sensitive and should be limited based on business needs. Inadequate monitoring of users makes this data vulnerable to misuse. Also, failure to update COSA's State Remote Site System users could result in the loss of COSA's access. Thus, citizens would lose a valuable service and COSA would lose a source of revenue.

### **Recommendation**

**C.** The Metro Health Director and the Customer Service/311 Director should ensure that program managers limit access to VPOS, BIRX, LINK, and the State Remote Site System to current COSA employees who require access. Program managers should perform quarterly reviews of user access.

## **D. Deviations in Cash Handling Practices and Policies**

At VSD, payments are accepted for more than the amount due and not all checks are endorsed and deposited upon receipt. These deviations in cash handling practices and policies are not approved by Finance.

Per Administrative Directive 8.1, *Cash Handling*,

- “All checks...shall be accepted only in the amount of the sale or transaction.”
- “Checks, traveler’s checks, money orders and other negotiable financial instruments shall be endorsed as they are received.”
- “The general operating standard for deposit of negotiable instruments and cash with the depository bank shall be within twenty four hours of receipt.”
- “Any deviation(s) from this Administrative Directive must be approved by the Finance Department...”

The deviations relate to payments received through the mail. If the check received is for more than the amount due, VSD will process the transaction and refund the difference. If the check received is for less than amount due, the check is left unendorsed and returned to the customer. Additionally, when the VSD program manager opens the mail, a record of the checks and cash received (or a check count) is not created. Instead the mail is stapled and organized and then given to staff to log and endorse. Best practices include having two staff members open the mail together immediately upon receipt; one creates the mail log, while the other endorses the checks. With the current controls, the risk of lost or stolen checks is increased.

### **Recommendation**

**D.** The Metro Health Director should ensure that VSD follows the Administrative Directive 8.1, *Cash Handling* and best practices when handling cash. Any necessary deviations should be approved by the Finance Department.

## Appendix A – Staff Acknowledgement

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Andre C. DeLeon, CPA, Audit Manager  
Rebecca Moulder, CIA, Auditor in Charge  
Claudia Peña, CFE, Auditor

## Appendix B – Management Response



# CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

September 26, 2011

Kevin W. Barthold, CPA, CIA, CISA  
 Acting City Auditor  
 San Antonio, Texas

RE: Management's Corrective Action Plan for the Audit of Controls over Cash and Sensitive Documents

The San Antonio Metropolitan Health District reviewed the audit report and has developed the Corrective Action Plans below corresponding to report recommendations.

Recommendation					
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
A	<p><b>Insufficient Accountability for Printed Certificates</b></p> <p>The San Antonio Metropolitan Health District Director should ensure that the Local Registrar complies with the <i>Local Registrar Handbook</i>. The Local Registrar should maintain accurate and complete document security logs, report voided certificates to the State on a monthly basis, require proof of identification from all applicants, and retain all applications for three years.</p>	3	Accept	Sam Torres-Program Manager	September 9, 2011
<p><b>Action plan:</b></p> <ol style="list-style-type: none"> <li>1. Accurate and complete "document security logs" are now being maintained. Information required for maintenance of the audit log is entered by the clerks as they tender the sale in the Vital Point of Sale (VPOS) electronic cashier register. Throughout the day the supervisor records voided sheet forms in the VPOS audit file to account for those forms. Each morning the supervisor receives a customized report from ITSD that lists the previous day's vital record forms sold or voided. The document security log is then filed with the application forms of that day and retained for three years in accordance with the records retention schedule. (Refer to B1.)</li> <li>2. The backlog of State of Texas Birth Certificate (TBC) voids is now current through July 31, 2011 and all future voided certificates will be reported to the State no later than one month after they are voided. This requirement has been included in the division's policy and procedure manual.</li> <li>3. Veteran Affairs Office applicants and Bexar County District Attorney Office staff are asked to provide proof of identification when a request is received from their offices. A copy of their identification document is kept with the request and retained for three years in accordance with the records retention schedule.</li> <li>4. Subpoenas are now treated as a record request, filed with the application forms, and retained for three years in accordance with the records retention schedule.</li> </ol>					

<b>Recommendation</b>					
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
<b>B</b>	<p><b>Ineffective Controls over Bank Note Paper</b></p> <p>The San Antonio Metropolitan Health District Director should ensure that physical access to the bank note paper is limited and that daily reconciliations, tracking procedures (i.e. checking header and trailer security numbers, physically verifying the document security numbers of the sheets, and recording document security numbers of paper placed in the printer), and quarterly inventories are being accurately performed to monitor and account for all paper.</p>	<b>4</b>	Accept	Sam Torres – Program Manager	September 9, 2011
<p><b>Action plan:</b></p> <ol style="list-style-type: none"> <li>1. A formal request to ITSD has been made to completely automate the "document security log" report in order to enable the prompt reconciliation of the bank note paper by the supervisor. Currently, staff manually reconciles the document security log to the bank note paper log sheet and the VPOS End of Day report. If a sheet number is missing, it is investigated and reconciled. Sheet numbers found to be out of sequence attributed to a clerk's input error at the point of sale result in supervisory counseling of the employee on the impact it has on the effort to reconcile the bank note paper. The Fiscal Operations division staff will conduct random audits to verify that this procedure is being adhered to.</li> <li>2. The supervisor uses the banknote paper log sheet to verify that the sheet listed in the sales report printout was the sheet that was placed in the printer for certificate issued.</li> <li>3. A log sheet is used daily to note the beginning and ending sheet control numbers for the batch of 100 vital record sheets placed in each of the three printers. When the printers need to be replenished with more vital record sheets the log sheet is again noted with the batch's beginning and ending numbers. Each log sheet is noted with the sheet numbers not used at the end of the day.</li> <li>4. The room with the safe is used to create the daily mail log. Access to the safe room is limited to the program manager, supervisors and "supervised staff" who ensure that the room remains locked when not in use.</li> <li>5. A manual process to control the inventory of bank note paper on-hand, sheets issued to the link managers, and shipments of boxes received is in place using a new form created for this purpose until ITSD can complete the enhancements to generate an electronic inventory report. On a quarterly basis the "book" count will be reconciled to the physical count. In addition, the Metro Health Fiscal Operations Division staff will conduct random physical counts of the bank note paper to compare with the electronic inventory report to verify that the control procedures are in place and adhered to.</li> </ol>					
<b>C</b>	<p><b>Inadequate Monitoring of Access to Birth and Death Certificate Data</b></p> <p>The San Antonio Metropolitan Health District Director should ensure that the program manager limits access to VPOS, BIRX, and the State Remote Site System to current COSA employees who require access. The program manager should perform quarterly reviews of user access.</p>	<b>5</b>	Accept	Sam Torres - Program Manager	September 9, 2011

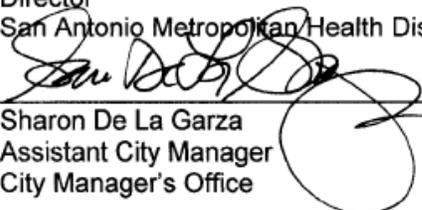
Recommendation					
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
<p><b>Action plan:</b>                      The list of employees with access to the State Remote Site and the BIRX mainframe system is now current. When a staff member departs or no longer needs access the State's Remote Site, the Security Manager will be informed via email to remove the individual's access to this site within 2 working days. In addition, the program manager will delete that individual from the BIRX access file at that time. A quarterly (Mar, Jun, Sep, and Dec) review of employee access to the State Remote Site and BIRX will be accomplished by the program manager.</p>					
D	<p><b>Deviations in Cash Handling Practices and Policies</b></p> <p>The Metro Health Director should ensure that VSD follows the Administrative Directive 8.1, <i>Cash Handling</i> and best practices when handling cash. Any necessary deviations should be approved by the Finance Department.</p>	6	<u>Accept</u>	Sam Torres - Program Manager	September 6, 2011
<p><b>Action plan:</b></p> <ol style="list-style-type: none"> <li>For mail in orders, where a customer does not tender the correct amount due or when an application cannot be processed due to missing documentation or similar reasons, Vital Statistics staff, within 24 hours, will prepare and send a letter to the customer indicating why the order cannot be processed. All checks and documents will be secured in the safe in the event that they are not returned to the customer the same day. This procedure has been approved by the Finance Department. In addition, staff will review the Metro Health/Vital Statistics website to ensure that the information related to mail-in applications is clear about payment and documentation requirements. Staff will also make clear that if checks are not the correct amount, they will be returned to the customer.</li> <li>Effective September 6 a new procedure was implemented at Vital Statistics Division for the accounting of funds received through the mail. For all mailed applications, the Program Manager and one of the two supervisors will open the mail together on the day the mail is received; and one will endorse the checks, traveler's checks, money orders and other negotiable financial instruments and the other will create the mail log in the safe room and under surveillance of the camera. Upon completion of the process the mail log will be printed and reviewed by both parties to insure all funds received were logged and verified.</li> </ol>					

We are committed to addressing the recommendations in the audit report and the plan of actions presented above.

Sincerely,

  
 \_\_\_\_\_  
 Dr. Thomas Schlenker  
 Director  
 San Antonio Metropolitan Health District

9-29-11  
 \_\_\_\_\_  
 Date

  
 \_\_\_\_\_  
 Sharon De La Garza  
 Assistant City Manager  
 City Manager's Office

9/26/2011  
 \_\_\_\_\_  
 Date



## CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

October 17, 2011

Kevin W. Barthold, CPA, CIA, CISA  
 Acting City Auditor  
 San Antonio, Texas

RE: Management's Corrective Action Plan for the Audit of Controls over Cash and Sensitive Documents

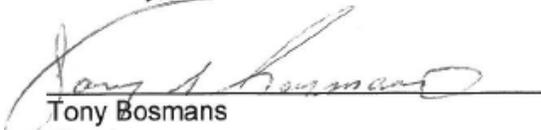
The Office of Customer Service/311 System reviewed the audit report and has developed the Corrective Action Plans below corresponding to report recommendations.

Recommendation					
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
<b>B</b>	<p><b>Ineffective Controls over Bank Note Paper</b></p> <p>The Office of Customer Service/311 System Director should ensure that physical access to the bank note paper is limited and that daily reconciliations, tracking procedures (i.e. checking header and trailer security numbers and physically verifying the document security numbers of the sheets), and quarterly inventories are being accurately performed to monitor and account for all paper.</p>	<b>4</b>	Accept	Laura J. Davis Special Projects Manager	August 8, 2011

Recommendation					
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
	<p><b>Action plan:</b>                      Effective June 29, 2011, Community Link Managers instructed to perform the following actions as part of regular operating procedures:</p> <ol style="list-style-type: none"> <li>1. Ending sheet number will be written down prior to placement in safe overnight. Numbers will be reverified in morning prior to placing them in printer and entering range in LINK.</li> <li>2. Staff is to physically verify sheet number prior to writing down number on BC application versus relying on sheet number displayed on screen.</li> <li>3. Boxes of note paper are to be inventoried on a quarterly basis.</li> <li>4. Vital Statistics staff is to e-mail Link Managers questions regarding any birth certificate application and to attach scanned copy of document in question.</li> </ol> <p>Effective July 25, 2011, voided birth certificates are being entered into VOID BC data base on regular basis.                      Effective August 8, 2011, second Friday of current month is due date for Link Center's submission of prior month's voided and original documents to Vital Statistics Division.</p>				
C	<p><b>Inadequate Monitoring of Access to Birth and Death Certificate Data</b></p> <p>The Office of Customer Service/311 System Director should ensure that the program manager limits access to LINK to current COSA employees who require access. The program manager should perform quarterly reviews of user access.</p>	5	Accept	Laura J. Davis Special Projects Manager	September 6, 2011
	<p><b>Action plan:</b>                      Effective August 8, 2011, e-mail to be sent to Vital Statistics whenever a LINK employee leaves division in order for Vital Statistics to delete employee's access to BIRX and state system.                      August 23, 2011, all extraneous names deleted from LINK access. Access now limited to current LINK staff and those ITSD employees who are charged with supporting LINK applications.                      August 25, 2011, work order submitted to ITSD for report of all employees with LINK access to be generated automatically on a quarterly basis. Report will be used to review LINK access quarterly and highlight any employee who should not have access to LINK.                      September 6, 2011, ITSD scheduled to complete August 25, 2011 work order.</p>				

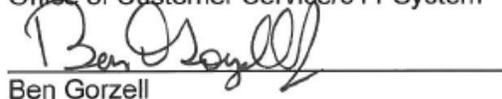
We are committed to addressing the recommendations in the audit report and the plan of actions presented above.

Sincerely,

  
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Tony Bosmans  
Director  
Office of Customer Service/311 System

10-17-11  
Date

  
\_\_\_\_\_

Ben Gorzell  
Chief Financial Officer  
City Manager's Office

10/18/2011  
Date



# CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

September 26, 2011

Kevin W. Barthold, CPA, CIA, CISA  
Acting City Auditor  
San Antonio, Texas

RE: Management's Corrective Action Plan for the Audit of Controls over Cash and Sensitive Documents

The San Antonio Metropolitan Health District reviewed the audit report and has developed the Corrective Action Plans below corresponding to report recommendations.

Recommendation					
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
A	<p><b>Insufficient Accountability for Printed Certificates</b></p> <p>The San Antonio Metropolitan Health District Director should ensure that the Local Registrar complies with the <i>Local Registrar Handbook</i>. The Local Registrar should maintain accurate and complete document security logs, report voided certificates to the State on a monthly basis, require proof of identification from all applicants, and retain all applications for three years.</p>	3	Accept	Sam Torres-Program Manager	September 9, 2011
<p><b>Action plan:</b></p> <ol style="list-style-type: none"> <li>1. Accurate and complete "document security logs" are now being maintained. Information required for maintenance of the audit log is entered by the clerks as they tender the sale in the Vital Point of Sale (VPOS) electronic cashier register. Throughout the day the supervisor records voided sheet forms in the VPOS audit file to account for those forms. Each morning the supervisor receives a customized report from ITSD that lists the previous day's vital record forms sold or voided. The document security log is then filed with the application forms of that day and retained for three years in accordance with the records retention schedule. (Refer to B1.)</li> <li>2. The backlog of State of Texas Birth Certificate (TBC) voids is now current through July 31, 2011 and all future voided certificates will be reported to the State no later than one month after they are voided. This requirement has been included in the division's policy and procedure manual.</li> <li>3. Veteran Affairs Office applicants and Bexar County District Attorney Office staff are asked to provide proof of identification when a request is received from their offices. A copy of their identification document is kept with the request and retained for three years in accordance with the records retention schedule.</li> <li>4. Subpoenas are now treated as a record request, filed with the application forms, and retained for three years in accordance with the records retention schedule.</li> </ol>					

**Recommendation**

#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
B	<p><b>Ineffective Controls over Bank Note Paper</b></p> <p>The San Antonio Metropolitan Health District Director should ensure that physical access to the bank note paper is limited and that daily reconciliations, tracking procedures (i.e. checking header and trailer security numbers, physically verifying the document security numbers of the sheets, and recording document security numbers of paper placed in the printer), and quarterly inventories are being accurately performed to monitor and account for all paper.</p>	4	Accept	Sam Torres – Program Manager	September 9, 2011
<p><b>Action plan:</b></p> <ol style="list-style-type: none"> <li>1. A formal request to ITSD has been made to completely automate the "document security log" report in order to enable the prompt reconciliation of the bank note paper by the supervisor. Currently, staff manually reconciles the document security log to the bank note paper log sheet and the VPOS End of Day report. If a sheet number is missing, it is investigated and reconciled. Sheet numbers found to be out of sequence attributed to a clerk's input error at the point of sale result in supervisory counseling of the employee on the impact it has on the effort to reconcile the bank note paper. The Fiscal Operations division staff will conduct random audits to verify that this procedure is being adhered to.</li> <li>2. The supervisor uses the banknote paper log sheet to verify that the sheet listed in the sales report printout was the sheet that was placed in the printer for certificate issued.</li> <li>3. A log sheet is used daily to note the beginning and ending sheet control numbers for the batch of 100 vital record sheets placed in each of the three printers. When the printers need to be replenished with more vital record sheets the log sheet is again noted with the batch's beginning and ending numbers. Each log sheet is noted with the sheet numbers not used at the end of the day.</li> <li>4. The room with the safe is used to create the daily mail log. Access to the safe room is limited to the program manager, supervisors and "supervised staff" who ensure that the room remains locked when not in use.</li> <li>5. A manual process to control the inventory of bank note paper on-hand, sheets issued to the link managers, and shipments of boxes received is in place using a new form created for this purpose until ITSD can complete the enhancements to generate an electronic inventory report. On a quarterly basis the "book" count will be reconciled to the physical count. In addition, the Metro Health Fiscal Operations Division staff will conduct random physical counts of the bank note paper to compare with the electronic inventory report to verify that the control procedures are in place and adhered to.</li> </ol>					
C	<p><b>Inadequate Monitoring of Access to Birth and Death Certificate Data</b></p> <p>The San Antonio Metropolitan Health District Director should ensure that the program manager limits access to VPOS, BIRX, and the State Remote Site System to current COSA employees who require access. The program manager should perform quarterly reviews of user access.</p>	5	Accept	Sam Torres - Program Manager	September 9, 2011

**Recommendation**

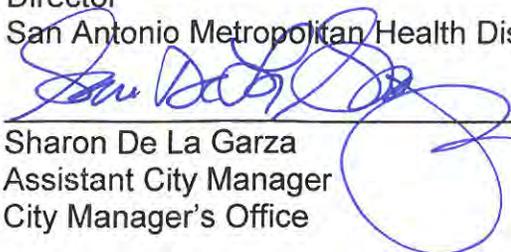
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
<p><b>Action plan:</b>                      The list of employees with access to the State Remote Site and the BIRX mainframe system is now current. When a staff member departs or no longer needs access the State's Remote Site, the Security Manager will be informed via email to remove the individual's access to this site within 2 working days. In addition, the program manager will delete that individual from the BIRX access file at that time. A quarterly (Mar, Jun, Sep, and Dec) review of employee access to the State Remote Site and BIRX will be accomplished by the program manager.</p>					
D	<p><b>Deviations in Cash Handling Practices and Policies</b></p> <p>The Metro Health Director should ensure that VSD follows the Administrative Directive 8.1, <i>Cash Handling</i> and best practices when handling cash. Any necessary deviations should be approved by the Finance Department.</p>	6	<u>Accept</u>	Sam Torres - Program Manager	September 6, 2011
<p><b>Action plan:</b></p> <ol style="list-style-type: none"> <li>1. For mail in orders, where a customer does not tender the correct amount due or when an application cannot be processed due to missing documentation or similar reasons, Vital Statistics staff, within 24 hours, will prepare and send a letter to the customer indicating why the order cannot be processed. All checks and documents will be secured in the safe in the event that they are not returned to the customer the same day. This procedure has been approval by the Finance Department. In addition, staff will review the Metro Health/Vital Statistics website to ensure that the information related to mail-in applications is clear about payment and documentation requirements. Staff will also make clear that if checks are not the correct amount, they will be returned to the customer.</li> <li>2. Effective September 6 a new procedure was implemented at Vital Statistics Division for the accounting of funds received through the mail. For all mailed applications, the Program Manager and one of the two supervisors will open the mail together on the day the mail is received; and one will endorse the checks, traveler's checks, money orders and other negotiable financial instruments and the other will create the mail log in the safe room and under surveillance of the camera. Upon completion of the process the mail log will be printed and reviewed by both parties to insure all funds received were logged and verified.</li> </ol>					

We are committed to addressing the recommendations in the audit report and the plan of actions presented above.

Sincerely,

  
 \_\_\_\_\_  
 Dr. Thomas Schlenker  
 Director  
 San Antonio Metropolitan Health District

9-26-11  
 \_\_\_\_\_  
 Date

  
 \_\_\_\_\_  
 Sharon De La Garza  
 Assistant City Manager  
 City Manager's Office

9/26/2011  
 \_\_\_\_\_  
 Date



# CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

October 17, 2011

Kevin W. Barthold, CPA, CIA, CISA  
Acting City Auditor  
San Antonio, Texas

RE: Management's Corrective Action Plan for the Audit of Controls over Cash and Sensitive Documents

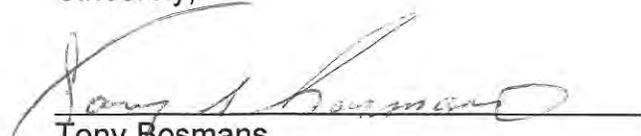
The Office of Customer Service/311 System reviewed the audit report and has developed the Corrective Action Plans below corresponding to report recommendations.

Recommendation					
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
B	<b>Ineffective Controls over Bank Note Paper</b>  The Office of Customer Service/311 System Director should ensure that physical access to the bank note paper is limited and that daily reconciliations, tracking procedures (i.e. checking header and trailer security numbers and physically verifying the document security numbers of the sheets), and quarterly inventories are being accurately performed to monitor and account for all paper.	4	Accept	Laura J. Davis Special Projects Manager	August 8, 2011

Recommendation					
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
	<p><b>Action plan:</b>  <b>Effective June 29, 2011, Community Link Managers instructed to perform the following actions as part of regular operating procedures:</b></p> <ol style="list-style-type: none"> <li>1. Ending sheet number will be written down prior to placement in safe overnight. Numbers will be reverified in morning prior to placing them in printer and entering range in LINK.</li> <li>2. Staff is to physically verify sheet number prior to writing down number on BC application versus relying on sheet number displayed on screen.</li> <li>3. Boxes of note paper are to be inventoried on a quarterly basis.</li> <li>4. Vital Statistics staff is to e-mail Link Managers questions regarding any birth certificate application and to attach scanned copy of document in question.</li> </ol> <p>Effective July 25, 2011, voided birth certificates are being entered into VOID BC data base on regular basis.  Effective August 8, 2011, second Friday of current month is due date for Link Center's submission of prior month's voided and original documents to Vital Statistics Division.</p>				
C	<p><b>Inadequate Monitoring of Access to Birth and Death Certificate Data</b></p> <p>The Office of Customer Service/311 System Director should ensure that the program manager limits access to LINK to current COSA employees who require access. The program manager should perform quarterly reviews of user access.</p>	5	Accept	Laura J. Davis Special Projects Manager	September 6, 2011
	<p><b>Action plan:</b>  <b>Effective August 8, 2011, e-mail to be sent to Vital Statistics whenever a LINK employee leaves division in order for Vital Statistics to delete employee's access to BIRX and state system.</b>  <b>August 23, 2011, all extraneous names deleted from LINK access. Access now limited to current LINK staff and those ITSD employees who are charged with supporting LINK applications.</b>  <b>August 25, 2011, work order submitted to ITSD for report of all employees with LINK access to be generated automatically on a quarterly basis. Report will be used to review LINK access quarterly and highlight any employee who should not have access to LINK.</b>  <b>September 6, 2011, ITSD scheduled to complete August 25, 2011 work order.</b></p>				

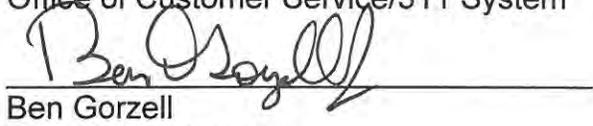
We are committed to addressing the recommendations in the audit report and the plan of actions presented above.

Sincerely,



Tony Bosmans  
Director  
Office of Customer Service/311 System

10-17-11  
Date



Ben Gorzell  
Chief Financial Officer  
City Manager's Office

10/18/2011  
Date