



CITY OF SAN ANTONIO

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April 2, 2013

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SUBJECT: Audit Report for the follow-up audit of the San Antonio Metropolitan Health District, Vital Statistics Division and the Office of Customer Service/311Community Link Centers – Controls over Cash and Sensitive Documents

Mayor and Council Members:

We are pleased to send you the audit report of the Follow-Up Audit of San Antonio Metropolitan Health District, Vital Statistics Division and the Office of Customer. This audit began in September 2012 and concluded with an exit meeting with department management in February 2013. Management's verbatim response is included in **Appendix C** of the report. The San Antonio Metropolitan Health District, the Office of Customer Service/311, and the Office of the City Clerk 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
City Auditor
City of San Antonio

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CITY OF SAN ANTONIO
OFFICE OF THE CITY AUDITOR



Follow-up Audit of the 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. AU12-018F03

April 2, 2013

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

Executive Summary

As part of our annual Audit Plan, we conducted a follow-up audit of the recommendations made in the initial audit of the San Antonio Metropolitan Health District, Vital Statistics Division¹ (VSD) and the Community Link Service Centers (Link Centers). The audit report was dated November 1, 2011.

The objective of the audit was to review controls over cash handling, payment processing, and safeguarding of sensitive documents. The objective for this follow-up audit is to determine if prior audit recommendations were successfully implemented and working as intended.

The initial audit noted issues with reconciliations of certificate paper, reporting of voided certificates, required proof of identification of applicants, retention of applications, physical access to bank note paper, and user access to system applications.

In total, there were four recommendations made to the Vital Statistics Division. Two of those four were also applicable to the Link Centers. From these recommendations, management developed 17 action plans to address the control weaknesses.

While The Metropolitan Health District has made progress to implement adequate controls addressing the four recommendations, improvement is still needed. See **Appendix A** on page 8 for a detailed status summary.

Table 1: Status of Action Plans identified by Management

Division	# of Recommendations	Total # of Action Plans	# of Action Plans Implemented	# of Action Plans Not Implemented
Vital Statistics	4	12	5	7
Link Centers	2	5	5	0

Areas requiring improvement include maintaining complete and accurate document security logs, controlling blank bank note paper through daily logs, inventory, and reconciliations, limiting user system access according to job responsibilities, and improving controls over mail receipts.

As the Vital Records Division has moved under the direction of the Office of the City Clerk, we have discussed this report with both Metro Health management and the City Clerk. Management concurs with our conclusions and has

¹ Effective October 1, 2012, the Vital Statistics Division reports to the Office of the City Clerk and renamed to the Vital Records Division.

developed a positive action plan to address the issues noted. Management responses are in **Appendix C** on page 12.

Given the recent transition of the Vital Records Division to the Office of the City Clerk, it is important that these issues are addressed as the City Clerk integrates the process into her Office. This will help ensure that any enhancements to policies, procedures, resources, and/or systems will be properly addressed to provide an efficient and effective control environment.

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Background

In November of 2011, the Office of the City Auditor completed an audit of the San Antonio Metropolitan Health District, Vital Statistics Division and the Office of Customer Service/311 System, Community Link Service Centers to assess controls over cash and sensitive documents. The objective of that audit was:

Are payments processed through the Vital Statistics Division appropriately calculated, collected and reported and are adequate controls in place to ensure cash and sensitive documents are properly safeguarded?

The Office of the City Auditor issued a report that found that payments processed through the Vital Statistics Division were appropriately calculated, collected, and reported. Overall, VSD also had controls in place to ensure that cash was properly safeguarded. However, VSD was not sufficiently accounting for printed certificates and had processes that deviate from the City's Administrative Directive 8.1, *Cash Handling*. In addition, VSD and the Link Centers had ineffective controls over the bank note paper (certificate paper) and were not adequately monitoring the access to birth and death certificate data.

Note: Effective October 1, 2012, the Vital Statistics Division was transferred over to the City Clerk's Office and is now called the Vital Records Division. We have communicated the results of this audit to key personnel at the City Clerk's Office.

Audit Scope and Methodology

The audit scope was limited to recommendations made in the original report. The audit methodology consisted of reviewing department policies and procedures adopted as a result of the initial audit relating to the safeguarding of sensitive documents. Activities reviewed included the preparation of the manual control logs, daily reconciliations of bank note paper, and the quarterly inventory counts. Additionally, we reviewed policies and procedures related to the creation of the daily mail logs and the quarterly reviews of user access.

We interviewed appropriate management and staff from the Vital Statistics Division and Link Centers and performed test work regarding the completeness and accuracy of the document security logs, daily reconciliations, manual control logs, quarterly inventory counts of bank note paper, and quarterly reviews of systems user access. Also, we tested the reporting of voided certificates to the State. Our test work of the Link Centers was conducted at two locations: Las Palmas and Valley View.

Additionally, we relied upon observations to determine whether access to the bank note paper is being effectively restricted.

The testing criteria included the Management responses and corrective action plan noted in the prior report, Local Registrar Handbook, the Division's written policies and procedures, and City's Administrative Directive 8.1 *Cash Handling*.

The remediation efforts (i.e. Action Plans) for the Vital Statistics Division (VSD) and the Link Centers were individually addressed in the initial report, therefore, test work and results for this audit were addressed separately for those two areas.

We performed the follow-up audit in accordance with guidance from the Institute of Internal Auditors' (IIA) Professional Practices Framework (Practice Advisory 2500.A1-1) and other procedures that we considered necessary. IIA standards require that we establish a follow-up process to monitor and ensure that management has effectively implemented actions or that senior management has accepted the risk of not taking actions. We performed our testing during September and October of 2012.

Prior Audit Recommendations and Status

A. Insufficient Accountability for Printed Certificates

The Metro Health Director should ensure 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.

Accurate and Complete Document Security Logs

Status: Not Implemented

The document security logs were inaccurate and incomplete. The document security logs should include records of all certificates whether they are issued or voided. We obtained copies of monthly electronic document security logs for September 9, 2011 through August 31, 2012. We noted over 300 gaps in the certificate number sequence and 285 duplicated certificate numbers in the datasets.

Reporting of Voided Certificates

Status: Implemented

VSD is reporting voided certificates to the State on a monthly basis. VSD provided copies of the packets of voided certificates sent to the State for the 1st and 3rd quarter of fiscal year 2012.

Proof of Identification for all Applicants and Record Retention

Status: Implemented

Based on testing performed, VSD is obtaining the required identification and retaining required documents in compliance with State requirements.

B. Ineffective Controls Over Bank Note Paper

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.

Vital Statistics Division:

Physical Access

Status: Implemented

The control in place to safeguard the bank note paper stored in the safe room is working effectively. We physically checked the safe room to ensure it was locked when unoccupied. Additionally, we talked to staff and determined that access to the safe room is limited to management.

Daily Reconciliations of Bank Note Paper

Status: Not Implemented

Daily reconciliations of bank note paper were incomplete. We tested a random sample of 25 reconciliations and determined that 10 (40%) of the 25 tested were incomplete; 4 of the 10 had incomplete documentation attached and the other 6 had unreliable documentation. Additionally, reconciling items were identified, but there was no evidence that the differences were being investigated.

Tracking Procedures

Status: Not Implemented

We determined that tracking procedures are not working as intended. We reviewed the bank note paper log sheet attached to the daily reconciliations reviewed in the prior step and verified that bank note paper log sheets are being created, beginning and ending sheet control numbers were being noted, and log sheets were initialed by a supervisor; however, 3 out of 25 (12%) bank note paper log sheets selected for testing were not included in the reconciliation packets.

Inventory of Bank Note Paper

Status: Not Implemented

We reviewed inventory reconciliations for the 1st and 3rd quarter of FY2012 and concluded a reconciliation between the physical count total and the electronic count total was not completed for 1st quarter and a reconciliation for the 3rd quarter was not performed.

Link Centers:

Physical Access

Status: Implemented

During the prior audit, the Link Centers developed a plan to get approval of this exception from Finance. However, they have since reevaluated their policies and have implemented an action plan that limits access to the safes containing the bank note paper.

Tracking Procedures

Status: Implemented

The Link Centers have created a certificate log to monitor the daily usage of the bank note paper. We obtained samples of certificate logs for 1st and 3rd quarter, 2012 and verified that usage was documented and reviewed with no exception. Additionally, to ensure that Link Centers' records accurately reflected the certificates issued, we tied the certificate numbers recorded on the application to the end of day report that is generated out of the point of sale system and ultimately stored to the document security log. There were no exceptions noted.

Inventory of Bank Note Paper

Status: Implemented

At the start of our test work, we determined that boxes of bank note paper were not being inventoried on a quarterly basis at the link centers. The Link Centers immediately remediated this by creating a spreadsheet to keep track of paper issued/voided on a daily basis. At each Link Center, the tracking sheet is adjusted daily by reducing the running balance by the number of bank note paper issued/voided at the end of the day and by adding the number of sheets received (if needed). We reviewed the process in place for tracking sheets for Las Palmas and Valley View Link Centers during the audit and they appeared to be working as intended.

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

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.

Vital Statistics Division:

Status: Not Implemented

While evidence of consistent quarterly reviews of user access to the State Remote Site system was provided by VSD, similar evidence could not be provided for the BIRX system. We reviewed system generated user lists of both systems. The lists indicated that three employees retained their access to the State Remote Site system after they either separated from the City or transferred to another department. Additionally, two employees retained their access to the BIRX system after they separated from the City.

Link Centers:

Status: Implemented

Management at the Link Centers notified VSD of the need to remove user access to the BIRX system and the State Remote Site system within two business days of an employee's separation. Additionally, we reviewed a current list of user access and determined that Link Centers have successfully limited user access to the LINK system to current employees who require access.

D. Deviations in Cash Handling Practices and Policies

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.

Deviations from Administrative Directive 8.1

Status: Implemented

The Vital Statistics Division obtained approval for deviations from the Administrative Directive 8.1 *Cash Handling*. We obtained a copy of the memo sent to the Finance Department requesting approval to return endorsed checks to the customers when an invalid application is received. This request was approved by the Director of the Finance Department on October 24, 2011.

New Procedures for the Creation of the Mail Log

Status: Not Implemented

Controls over the receipt of payments through the mail are not working as intended. We reviewed the current procedures for the creation of the mail log and verified support documentation. The new procedures state that 2 employees participate in the creation of the mail log; 1 employee endorses the checks and the other employee creates the mail log. Once completed, the mail log is printed and verified by both employees. We selected a judgmental sample of 11 mail logs to test and determined that only 4 of the 11 selected (36%) had been reviewed by 2 employees. The initials indicating review were typed and not signed. Additionally, in some cases there was no evidence that the program manager and/or supervisor participated in the review as specified in the department's procedures.

Appendix A – Action Plan Status Summary

A	VSD - Insufficient Accountability for Printed Certificates	Current Status
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 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.	Not Implemented
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.	Implemented
3 & 4	<p>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.</p> <p>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</p>	Implemented
B	VSD – Ineffective Controls over Bank Note Paper	
1	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.	Implemented
2	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.	Not Implemented
3 & 4	<p>The supervisor uses the bank note 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.</p> <p>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</p>	Not Implemented

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

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	Not Implemented
C	VSD – Inadequate Monitoring of Access to Birth and Death Certificate Data	
1	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 to 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.	Not Implemented
D	VSD – Deviations in Cash Handling Practices and Policies	
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 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	Implemented
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 Manger 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	Not Implemented

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

B	Link Centers – Ineffective Controls over Bank Note Paper	Current Status
1	<p>During the prior audit, the Link Centers developed a plan to get approval of this exception from Finance. However, they have since reevaluated their policies and have implemented an action plan that limits access of safes containing the bank note paper.</p>	Implemented
2-5	<p>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"> 1. Ending sheet number will be written down prior to placement in safe overnight. Numbers will be reverified in the morning prior to placing them in printer and entering range in LINK. 2. Staff is to physically verify sheet number prior to writing down number on BC application versus relying on sheet number displayed on screen. 3. Boxes of note paper are to be inventoried on a quarterly basis. 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. <p>Effective July, 25, 2011, voided birth certificates are being entered into VOID BC data base on regular basis.</p> <p>Effective August 8, 2011, second Friday of the current month is due date for Link Center’s submission of prior month’s voided and original documents to Vital Statistics Division</p>	Implemented
C	Link Centers – Inadequate Monitoring of Access to Birth and Death Certificate Data	
1	<p>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.</p> <p>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.</p> <p>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.</p> <p>September 6, 2011, ITSD scheduled to complete August 25, 2011 work order</p>	Implemented

Appendix B – Staff Acknowledgement

Sandra Paiz, CFE, Audit Manager
Claudia Peña, CFE, Auditor in Charge
Christina Liguori, Auditor

Appendix C – Management Response



CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

February 19, 2013

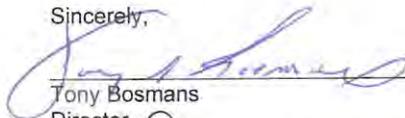
Kevin W. Barthold, CPA, CIA, CISA
City Auditor
San Antonio, Texas

RE: **Customer Service/311** Management's Acknowledgment of the San Antonio Metropolitan Health District, Vital Statistics Division, the Office of Customer Service/311 System, and Community Link Service Centers Controls over Cash and Sensitive Documents Follow-Up Audit

The Office of the Customer Services/311 System has reviewed the follow-up audit report and has provided responses below.

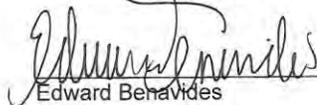
- Fully Agree (provide detailed comments)
 Agree Except For (provide detailed comments)
 Do Not Agree (provide detailed comments)

Sincerely,



Tony Bosmans
Director
Office of the Customer Service/311 System

2 - 19 - 13
Date



Edward Behavides
Chief of Staff
City Manager's Office

2/19/13
Date

Appendix C – Management Response (continued)



CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

March 15, 2013

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

RE: **Metro Health** Management's Acknowledgment of the San Antonio Metropolitan Health District, Vital Statistics Division, the Office of Customer Service/311 System, and Community Link Service Centers Controls over Cash and Sensitive Documents Follow-Up Audit

The Office of the SA Metropolitan Health District has provided responses/action plans below to address the City Auditor's recommendation(s).

#	Recommendation
1	Given the recent transition of the Vital Records Division to the Office of the City Clerk, it is important that the outstanding issues noted in this report are addressed as the City Clerk integrates the process into her Office. This will help ensure that any enhancements to policies, procedures, resources, and/or systems will be properly addressed to provide an efficient and effective control environment.

SA Metropolitan Health District Management Response/Action Plan	Process Owner	Action Plan Completion Date																																																																
<p>A. Insufficient Accountability for Printed Certificates - Document Security Logs are not accurate/complete:</p> <p>Metro Health has improved the accuracy and completeness of the document security log but not up to the standard required by the audit. We have reduced both human and programming errors. Of the 310 records identified with gaps by the follow up audit, staff were able to reconcile all but 5.</p> <table border="1"> <tr> <td>Total Records Sold</td> <td>105,567</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total Gap Records</td> <td>310</td> <td>VView</td> <td>IPalm</td> <td>SPark</td> <td>CBase</td> <td>NACOP</td> <td>VStat</td> </tr> <tr> <td>Void not entered correctly</td> <td>253</td> <td>143</td> <td>51</td> <td>16</td> <td>2</td> <td>7</td> <td>34</td> </tr> <tr> <td>Date sequence errors</td> <td>33</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Data entry error (transposed or incorrect #)</td> <td>12</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>DSI System tracking error</td> <td>6</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Issued at Link sold at Vital</td> <td>1</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Expanding missing program</td> <td>5</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>	Total Records Sold	105,567							Total Gap Records	310	VView	IPalm	SPark	CBase	NACOP	VStat	Void not entered correctly	253	143	51	16	2	7	34	Date sequence errors	33							Data entry error (transposed or incorrect #)	12							DSI System tracking error	6							Issued at Link sold at Vital	1							Expanding missing program	5							<p>Jim Thomas, Special Projects Manager</p>	<p>NA</p>
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Expanding missing program	5																																																																	

Appendix C – Management Response (continued)

<p>B. Ineffective Controls over Bank Note Paper: 1. Daily Reconciliations of Bank Note Paper were incomplete</p> <p>Daily Inventory and Usage Reports that capture daily counts of certificates sold, disbursed or voided improved our ability to account for each certificate but daily reconciliations were not always performed.</p>	<p>Jim Thomas, Special Projects Manager</p>	<p>NA</p>
<p>2. Quarterly Inventories of Bank Note Paper were not performed:</p> <p>Agreed.</p>	<p>Jim Thomas, Special Projects Manager</p>	<p>NA</p>
<p>C. Inadequate Monitoring of Access to Birth/Death Certificate Data - Quarterly reviews of the BIRX System were not performed:</p> <p>Agreed. Five separated or transferred employees retained access inappropriately.</p>	<p>Jim Thomas, Special Projects Manager</p>	<p>NA</p>
<p>D. Deviations in Cash Handling Practices & Policies - Controls over the receipt of payments through the mail are not working as intended.</p> <p>New, electronic systems of control were implemented but did not contain the non-electronic signatures on forms as required by the auditors. This has since been rectified.</p>	<p>Jim Thomas, Special Projects Manager</p>	<p>NA</p>

Metro Health has made additional recommendations to the City Clerk's Office and is available to assist them.

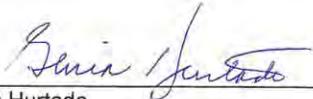
Sincerely,



 Dr. Thomas Schlenker
 Director
 San Antonio Metropolitan Health District

3-15-13

 Date



 Gloria Hurtado
 Assistant City Manager
 City Manager's Office

3-15-2013

 Date

Appendix C – Management Response (continued)



CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

March 19, 2013

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

RE: **Office of the City Clerk** Management's Acknowledgment of the San Antonio Metropolitan Health District, Vital Statistics Division, the Office of Customer Service/311 System, and Community Link Service Centers Controls over Cash and Sensitive Documents Follow-Up Audit

The Office of the City Clerk has reviewed the follow-up audit report and has provided responses/action plans below to address the City Auditor's recommendation(s).

#	Recommendation
1	Given the recent transition of the Vital Records Division to the Office of the City Clerk, it is important that outstanding issues noted in this report are addressed as the City Clerk integrates the process into her Office. This will help ensure that any enhancements to policies, procedures, resources, and/or systems will be properly addressed to provide an efficient and effective control environment.

Office of the City Clerk Management Response/Action Plan	Process Owner	Action Plan Completion Date
<p>Item A1 – The Local Registrar should maintain accurate and complete Document Security Logs (DSL). Effective October 1, 2013, the Office of the City Clerk (OCC) began managing the Vital Records Division. The DSL report accounts for each sales transaction and Bank Note paper associated with each sale. The purpose of daily reconciliation of the DSL is to verify the sequential numbering of the bank note paper.</p> <p>The OCC requested that ITSD also create DSL's for the Community Link Centers. ITSD completed the programming on January 17, 2013. The Vital Records Program Manager reconciles the two Link Center's DSL on a daily basis while the Assistant City Clerk verifies same.</p>	Tina Flores, Local Registrar Carri Wiggins, Program Manager	Completed

Appendix C – Management Response (continued)

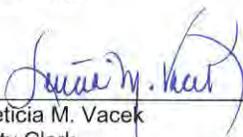
Office of the City Clerk Management Response/Action Plan	Process Owner	Action Plan Completion Date
<p>Item A2 – The Local Registrar should report voided certificates to the State on a monthly basis. The OCC Vital Records Program Manager reports voided certificates to the State on a monthly basis and now maintains a scanned copy of the voided records for their 3 year retention.</p> <p>Item A3 – The Local Registrar should require proof of identification from all applicants. The OCC implemented an additional requirement for proof of relationship.</p> <p>Item A4 – The Local Registrar should retain all applications for three years. The OCC retains applications and supporting documents for the required three year retention period.</p>	<p>Tina Flores, Local Registrar Carri Wiggins, Program Manager</p>	<p>Completed</p>
<p>Item B1 – Ensure that physical access to Bank Note Paper is limited. The Bank Note Paper is secured in a room with video camera surveillance. The Program Manager and two supervisors have a key when access is needed.</p> <p>Item B2 – Ensures that daily reconciliations are being accurately performed. The Program Manager reconciles the bank note paper daily with the DSL while the Assistant City Clerk verifies bank note sheets issued are accounted for through sales, voids, or returns.</p> <p>Item B3 – Ensure that tracking procedures (i.e. checking header and trailer security numbers, physically verifying the document security numbers of the sheets, and recording documents security numbers of paper placed in the printer) are accurately performed. The Program Manager is responsible and ensures all tracking procedures are satisfied.</p> <p>Item B4 – Ensure that quarterly inventories are being accurately performed to monitor and account for all paper. The Program Manager has completed the 1st Quarter of FY2013 inventory of Bank Note Paper and reconciled with the electronic count. The purging of electronic records that have met retention via VPOS has been submitted to ITSD for destruction.</p>	<p>Tina Flores, Local Registrar Carri Wiggins, Program Manager</p>	<p>Completed</p>

Appendix C – Management Response (continued)

Office of the City Clerk Management Response/Action Plan	Process Owner	Action Plan Completion Date
<p>Item C1 – 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. Access is now limited to VPOS, BIRX, LINK, and the State Remote Site System to current COSA Employees who require access. The Program Manager and Assistant City Clerk grant and remove access to VPOS, BIRX, and the State System. Access or removal to LINK will have to be submitted through ITSD's work order process by the Program Manager or Assistant City Clerk.</p>	<p>Tina Flores, Local Registrar Carri Wiggins, Program Manager</p>	<p>Completed</p>
<p>Item D1 – Ensure that VSD follows the Administrative Directive 8.1 and that any necessary deviations should be approved by the Finance Department. (Mail In Requests) The Office of the City Clerk ensures that the Vital Records Division follows Administrative Directive 8.1, <i>Cash Handling</i>. A request for approval was submitted to the Director of Finance on February 14, 2013 for deviations exceeding a \$5.00 cost to be applied to postage. Currently, a \$2.00 deviation is utilized but many mail-in requests require refunds of overage between \$3 to \$4.</p> <p>Item D2 – Ensure that VSD follows best business practices when handling cash. The Program Manager and staff members sign the mail log and ensure that Cash Handling rules are applied.</p>	<p>Tina Flores, Local Registrar Carri Wiggins, Program Manager</p>	<p>Completed</p>

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

Sincerely,



 Leticia M. Vacek
 City Clerk
 Office of the City Clerk

3/20/2013

 Date