



# CITY OF SAN ANTONIO

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January 27, 2014

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Councilman, District 8

SUBJECT: Audit Report of the Follow-Up Audit of the San Antonio Police Department Ground Transportation

Mayor and Council Members:

We are pleased to send you the final report of the Follow-Up Audit of the San Antonio Police Department Ground Transportation. This audit began in September 2013 and concluded with an exit meeting with department management in December 2013. Management's verbatim response is included in Appendix B of the report. The San Antonio Police Department management and staff 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,

A handwritten signature in cursive script, appearing to read "Kevin W. Barthold".

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

Distribution:

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**CITY OF SAN ANTONIO**  
**OFFICE OF THE CITY AUDITOR**



Follow-Up Audit of the San Antonio Police Department  
Ground Transportation Unit

Project No. AU13-F07

January 27, 2014

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

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## Executive Summary

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As part of our annual Audit Plan approved by City Council, we conducted a follow-up audit of the recommendations made in the Audit of the San Antonio Police Department (SAPD) Ground Transportation Unit (GTU) dated February 12, 2013. The objective for this audit follows:

### **Has SAPD Management successfully implemented action plans to address the prior audit recommendations?**

Yes, SAPD management has successfully implemented action plans that address all recommendations from the previous audit.

The prior audit observations included multiple control deficiencies related to GTU's fiscal management, driver and vehicle permitting, safety of staff, information systems, and efficiency of operations.

SAPD Management's verbatim response is in Appendix B on page 7.

## Table of Contents

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Executive Summary .....	i
Background.....	1
Audit Scope and Methodology .....	2
Prior Audit Recommendations and Status .....	3
A. GTU Fiscal Management .....	3
B. Driver and Vehicle Permitting .....	3
C. Staff Safety (Facilities).....	4
D. GTU Information System .....	4
E. GTU System Resources .....	4
F. Operational Performance Measures .....	5
G. Chapter 33 City Code Amendments.....	5
Appendix A – Staff Acknowledgement .....	6
Appendix B – Management Response.....	7

## Background

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In February of 2013, the Office of the City Auditor completed an audit of the San Antonio Police Department (SAPD) Ground Transportation Unit (GTU). The objective of that audit was as follows:

Is SAPD adequately managing its ground transportation permit fees and inspection program?

The Office of the City Auditor issued a report that found SAPD management did not adequately manage its ground transportation permit fees and inspection program. There were multiple control deficiencies related to the fiscal components of GTU's operations; specifically, revenue verification, late fee assessment, horse carriage permit fee collection, permit decal tracking and the retention of required liability documentation. GTU lacked the proper controls for the vehicle and driver permitting process, vehicle driver records, and permitting enforcement efforts. In addition, GTU did not implement sufficient controls related to the safety of staff, functionality of the GTU Information System, and efficiency of operations.

## Audit Scope and Methodology

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The audit scope was limited to the recommendations made in the original report and corresponding action plans implemented between October 2012 and September 2013.

We reviewed GTUs updated standard operating procedures related to the vehicle for hire and driver permitting processes. Additionally, we interviewed GTU staff and observed their processes related to the enforcement of City Municipal Code Chapter 33 *Vehicles for Hire* (City Code). We performed direct tests of data to determine the accuracy and completeness of company and driver records. We evaluated data reliability, user access, and the system enhancements to the GTU system.

We relied on computer-generated data in the GTU system to identify populations of driver and vehicle permit holders to perform our testing. We also relied on the City's SAP system to validate vehicle permit fees collected by GTU. Our reliance was based on performing direct tests on the data rather than evaluating the general and application controls of the system. We do not believe that the absence of additional testing of general and application controls had an effect on the results of our audit.

We conducted this follow-up 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 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.

## Prior Audit Recommendations and Status

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### A. GTU Fiscal Management

The Police Chief should develop and implement procedures to improve the controls over the fiscal components of GTU operations. These procedures should address:

- Accounting for and documenting revenues
- Consistency in the application of late fees
- Managing permit inventory
- Receipt, approval, and retention of liability documentation

The Police Chief should also immediately develop and implement a process to charge for and collect horse carriage operator permit fees.

#### **Status: Implemented**

GTU has developed a comprehensive permit tracking verification process that ensures permit fees are collected and recorded accurately and appropriately. These permit fees include the assessment of late fees and collection of horse carriage permit fees.

In addition, adequate measures have been taken to properly maintain the inventory of unissued pre-numbered permit decals, track and monitor issued permit decals, and maintain required liability documentation.

### B. Driver and Vehicle Permitting

The Police Chief should implement proper controls to ensure that drivers and vehicles are properly permitted. These controls should include, but not be limited to, maintaining sufficient documentation of the driver screening process to ensure that drivers are qualified and properly permitted. They should also include developing documented processes for collecting and recording permit holder information to ensure that information is complete and accurate. Finally, the Police Chief should increase the level of proactive enforcement activity.

#### **Status: Implemented**

GTU has implemented adequate controls for driver and vehicle permitting. Enhancements to the GTU system have improved the permitting and enforcement activities for collecting and maintaining current required vehicle and driver record information. In addition, the work schedule of Field Inspectors has been adjusted to increase the efficiency and productivity of the staff.

### **C. Staff Safety (Facilities)**

The Police Chief should improve the safety components of the GTU facilities and operations to increase protection of GTU staff and assets.

#### **Status: Implemented**

GTU successfully implemented security enhancements to the GTU facility. This includes the installation of a glass partition, two metal doors and iron bars on all exterior windows. As a further enhancement, GTU is also in the process of installing a remote access gate around the facility.

### **D. GTU Information System**

The Police Chief should collaborate with ITSD to define GTU key business processes and facilitate development of a sufficient information system that meets GTU needs. The Chief should also work with ITSD to define criteria for functional user access and develop appropriate user access controls that will reduce the potential for unauthorized changes to GTU and Wrecker Services data. Where such controls are not feasible, develop mitigating controls, such as the use of user activity reports or other methods for monitoring changes to the data.

#### **Status: Implemented**

Enhancements made to the GTU system have enabled staff to more effectively manage and enforce vehicle and driver requirements. The GTU system now has the ability to generate reports to allow staff to identify upcoming expiring company, driver and vehicle records

The GTU system has also been enhanced to link each vehicle and driver to their respective company. This provides staff with the ability to search by company, vehicle or driver. In addition, user access controls to the GTU system have been implemented and are working as intended. To gain or have access removed from the GTU system; the same security form is used and must be approved by the GTU manager.

### **E. GTU System Resources**

The Chief of Police should equip GTU staff with laptops and other necessary equipment to increase efficiencies of operations.

#### **Status: Implemented**

Field inspectors are now equipped with direct mobile access to the GTU system and Municipal Court's Tyler system with the implementation of iPADs. In addition to the iPADs, GTU inspectors have also been issued bicycles. The implementation of these resources has increased the efficiency of the department to ensure drivers and vehicles are in compliance with City Code and the GTU system is current with driver and vehicle information.

#### **F. Operational Performance Measures**

The Police Chief should develop appropriate performance measures and clear goals for GTU. Actual results should be measured against established performance measures and reviewed regularly.

##### **Status: Implemented**

GTU management created performance measures. GTU implemented a daily activity log to assist in measuring staff's work load and performance.

#### **G. Chapter 33 City Code Amendments**

The Police Chief, in coordination with the City Attorney's Office, should reevaluate the authoritative governance of GTU operations to identify areas to increase the efficiency and precision of its operations.

##### **Status: Implemented**

City Council approved amendments to the City Code in August 2013, which increased the efficiency of GTU operations. The amended changes to the City Code were made through a collaborative effort between the City and the industry to clarify guidelines, for example how late fees are to be assessed and the annual permit fee for horse carriages.

## **Appendix A – Staff Acknowledgement**

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Buddy Vargas, CFE, Audit Manager  
Rosalia Vielma, CFE, Auditor in Charge  
Lorenzo Garza, Auditor

## Appendix B – Management Response

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### CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

December 19, 2013

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

RE: Management's Corrective Action Plan for the Follow-Up Audit of San Antonio Police Department  
Ground Transportation Unit

San Antonio Police Department has reviewed the audit report and provided its comments to the auditors. As there are no recommendations for management, no management responses are required.

San Antonio Police Department:

Fully Agrees (provide detailed comments)

Does Not Agree (provide detailed comments)

Sincerely,

William McManus  
Chief of Police  
San Antonio Police Department

19 Dec 13  
Date

Erik Walsh  
Deputy City Manager  
City Manager's Office

12/19/13  
Date