



CITY OF SAN ANTONIO

P. O. BOX 839966
SAN ANTONIO, TEXAS 78283-3966

June 13, 2008

TO: Barry Lipton, Deputy City Auditor

FROM: Debbie Sittre, Assistant Director
Capital Improvements Management Services Department

RE: Management's Corrective Action Plan for the Audit of San Antonio River Authority
Interlocal Agreements

Capital Improvements Management Services Management has reviewed the audit report and has developed the Corrective Action Plan below corresponding to the report recommendation.

Recommendation					
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
A	<p>Interlocal Agreement Terms</p> <p>Include clearly defined terms in future ILAs with SARA regarding cost allocations to the City and reimbursement of overhead costs.</p> <p>Action plan: San Antonio River Authority (SARA) uses Maximus software to determine overhead costs. This software is generally accepted by most government entities for determination of indirect cost rates. While this particular project was difficult to define cost allocations in the ILA due to legal requirements related to funding provided by Bexar County, SARA has begun providing detailed backup documentation that will allow a more clear identification of the cost allocation method. In future ILA's with SARA, Capital Improvements Management Services Department (CIMS) will require a more clearly defined cost allocation methodology and will require the allocations to be clearly identifiable in the invoices.</p>	4	Accept	Denise Shaffer Contracts Administrator	N/a

We are committed to addressing the valid recommendation in the audit report and the plan of action presented above.


Debbie Sittre
Assistant Director
Capital Improvements Management Services Department


Penny Postoak Ferguson
Assistant City Manager
City Manager's Office



**SAN ANTONIO
RIVER AUTHORITY**
Water Brings Us Together

May 30, 2008

Barry Lipton, Deputy City Auditor
City of San Antonio
PO Box 839966
San Antonio, TX 78283-3966

RE: Audit of the interlocal agreements between the City of San Antonio and the San Antonio River Authority

Dear Mr. Lipton,

The San Antonio River Authority is in receipt and has reviewed the draft report on the audit of the San Antonio River Authority interlocal agreements on the San Antonio River Improvements Project and the Bexar Regional Watershed Management Program. The River Authority prides itself on providing effective project management of the joint projects we have engaged in with the City of San Antonio. The findings of the audit confirm that our project management processes and financial controls ensure that project costs remain within budgetary constraints and support the River Authority's compliance with the terms of the interlocal agreements. We follow consistent and professionally accepted financial management standards in the invoicing and management of contracts and interlocal agreements; however the ideas and suggestions of your audit team helped to further refine our procedures. The River Authority strives to be responsive to information requested by the City and takes every effort to report the information in a timely and thorough manner.

The River Authority concurs with the recommendations to more clearly define the terms of future interlocal agreements as outlined in the draft report. We will work with City staff to determine how best to strengthen the terms relating to cost allocation and reimbursement of overhead costs to promote better understanding of the accounting and management of project expenses.

Thank you for this opportunity to share with the City the fiscal management processes and procedures utilized to accomplish these important projects for our community.

Sincerely,

Sharon L. McCoy-Huber
Financial Services Manager

Suzanne B. Scott
General Manager

cc: Sheryl L. Sculley, City Manager
Michael S. Frisbie, Director,
Capital Improvements Management Services Department

EXECUTIVE
COMMITTEE



CHAIRMAN
Thomas G. Weaver

VICE CHAIRMAN
Adair R. Sutherland

SECRETARY
Sally Buchanan

TREASURER
Gaylon J. Oehlke

MEMBER AT LARGE
A.D. Kollodziej, Jr.
Roberto G. Rodriguez



BOARD OF DIRECTORS

BEXAR COUNTY
DISTRICT 1
Náizinte Rubén Pérez

DISTRICT 2
Roberto G. Rodriguez

DISTRICT 3
Vacant

DISTRICT 4
Thomas G. Weaver

AT LARGE
Sally Buchanan
Hector R. Morales

WILSON COUNTY
A.D. Kollodziej, Jr.
Vacant

KARNES COUNTY
Gaylon J. Oehlke
H.B. Ruckman III

GOLIAD COUNTY
Terry E. Baunonte
Adair R. Sutherland



GENERAL MANAGER
Suzanne B. Scott