



CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

City Auditor
San Antonio, Texas

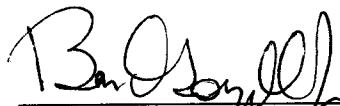
RE: Management's Corrective Action Plan for the Citywide Cash Handling

Finance Department Management has reviewed the audit report and has developed the Corrective Action Plans below corresponding to the recommendations.

| Recommendation | | | | | |
|---|---|-------------------|-----------------------------------|--|------------------|
| # | Description | Audit Report Page | Accept, Partially Accept, Decline | Responsible Person's Name/Title | Completion Date |
| A | Internal Control Issues Over Cash Collections | 4 | | | |
| | Ensure that operating procedures are updated to fully implement Administrative Directive 8.1. | 4 | Accept | Troy Elliott, Assistant Finance Director | October 31, 2008 |
| <p>Action plan:</p> <p>On February 1, 2008 the City implemented a Centralized Financial Services Model. This model creates a direct financial reporting relationship between the Finance Department and the Fiscal Planning Managers (FPMs) and Fiscal Operations Managers (FOMs) that work and are located in each City Department. These positions now operate under the direct supervision of the Finance Department and provide control over the department resources responsible for the fiscal management of each department. This model facilitates the implementation of any necessary corrective actions, introduction of new standards and enforcement of existing directives such as Administrative Directive 8.1. A required training will be held on September 19th for all FPMs and FOMs on the requirements of Administrative Directive 8.1. Upon conclusion of the training the FPMs and FOMs will evaluate their respective departments operating procedures and make the necessary adjustments to become compliant with the requirements of the Administrative Directive.</p> | | | | | |
| B | Change Fund Amounts Differ from the City's Accounting System | 4 | | | |
| B.1 | Appoint an individual with custodial responsibility over citywide change funds. | 5 | Accept | Margaret Villegas, Assistant Finance Director | October 31, 2008 |

| Recommendation | | | | | |
|--|--|-------------------|-----------------------------------|--|------------------|
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| B.2 | Perform periodic verifications of change funds; including unannounced spot checks. | 5 | Accept | Troy Elliott, Assistant Finance Director | Completed |
| B.3 | Implement procedures to periodically recertify the accountability and need for change funds. | 5 | Accept | Troy Elliott, Assistant Finance Director | October 31, 2008 |
| <p>Action plan:</p> <p>The Finance Department has appointed Mike Martinez, Collections Manager as the individual with custodial responsibility over citywide change and petty cash funds. This role complements his current duties and the new responsibilities will be fully transferred to him by October 31st.</p> <p>In the Reorganization of the Finance Department, a new group was created called Compliance and Resolution with the responsibilities of monitoring departmental compliance and to assist departments in identifying resolution to control issues. An annual work plan is developed which includes periodic and unannounced verifications of change and petty cash funds. In the current fiscal year the Compliance and Resolution Group has completed 43 verifications of change and petty cash funds.</p> <p>Procedures will be implemented by October 31st to periodically recertify the accountability and need for petty cash and change funds.</p> | | | | | |

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



 Ben Gorzell Jr. CPA
 Director,
 Finance Department



 Pat DiGiovanni
 Deputy City Manager