



# CITY OF SAN ANTONIO

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December 16, 2010

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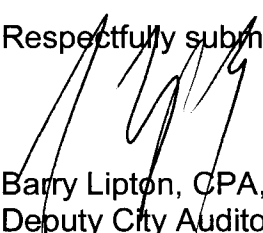
Mayor and Council Members:

SUBJECT: Department of Community Initiatives Follow-Up Audit Report

We are pleased to send you the follow-up audit report of DCI Supportive Services for the Elderly. This audit began in September 2010 and concluded with an exit meeting with department management in November, 2010. Management's verbatim response is included in Appendix C of the report. The Department of Community Initiatives should be commended for its 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,

  
Barry Lipton, CPA, DABFA  
Deputy City Auditor  
City of San Antonio

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



Follow-up Audit of Department of Community Initiatives

Supportive Services for the Elderly Project

Project No. AU10-013F03

December 16, 2010

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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 Department of Community Initiatives (DCI) Supportive Services for the Elderly Project Audit report dated May 7, 2009. The objective of this audit follows:

### **Has DCI management effectively implemented actions to address the audit recommendations?**

We determined DCI management and staff have sufficiently implemented all recommendations in the report. The audit team reviewed management actions for all three audit recommendations with the following results noted in **Table 1** below (see **Appendix B** on page 4 for a detailed summary):

**Table 1: Recommendation Status Summary**

<b>Recommendation Status</b>	<b>Number of Recommendations</b>
Implemented	3
Not Implemented	0
<b>Total Recommendations Reviewed</b>	<b>3</b>

DCI fiscal effectively implemented a review process to monitor accounting and reporting. Program transactions are accurate, consistently classified and complete. Staff receives adequate training to perform SSEP program accounting and reporting.

DCI fiscal and program staff did not prepare a cost-benefit analysis for part-time chauffeur usage; however, SSEP management did analyze the use of taxis and chauffeurs and significantly reduced taxi usage and costs. Based on management's analysis and effective monitoring of taxi use, SSEP staff has successfully implemented corrective action.

DCI reported two previously unreported SSEP claims to AACOG. SSEP personnel implemented a process for reporting incidents and updated their handbook to reflect the new procedures.

Management's verbatim response is included in **Appendix C** on page 5.

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## Background

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In May 2009, the Office of the City Auditor completed an audit of the Department of Community Initiatives' (DCI) Supportive Services for the Elderly Project (SSEP). The objectives of that audit were to determine:

1. Is the SSEP program operating effectively?
2. Is SSEP operating efficiently, and are alternatives such as VIA or outsourcing feasible?

The Office of the City Auditor issued a report that identified opportunities to improve accounting and enhance monitoring of program accounting and reporting. Additionally, the report recommended DCI perform a cost-benefit analysis for taxi usage, report two claims to the Alamo Area Council of Governments (AACOG), and implement and document a formal process for reporting SSEP claims.

DCI's SSEP program provides specialized door-to-door transportation services for persons 60 years and older who reside in Bexar County, primarily for essential medical appointments. The Texas Department of Aging and Disability Services, through the Alamo Area Council of Governments, provides a grant of \$275,250 per year for the program. The program also received a grant of \$20,879 from the Texas Department of Transportation for taxi services for fiscal year 2010. The City of San Antonio contributes matching funds of up to \$140,987 from the General Fund. The service is free to participants; however, donations are encouraged. The program provided approximately 13,000 one-way trips for more than 480 seniors in fiscal year 2009.

## Audit Scope and Methodology

The audit methodology consisted of reviewing DCI fiscal and SSEP policies and procedures related to the Supportive Services for the Elderly Project. Additionally, the audit team observed processes, conducted interviews with appropriate management and employees, and performed testwork regarding accounting, taxi usage, and claim reporting. The team also reviewed training records and other pertinent information.

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 included tests of financial recording and other procedures 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. Our testing covered the period from October 2009 to September 2010.

## Prior Recommendations and Audit Results

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### ***A. Inaccurate Accounting for the Program***

DCI fiscal personnel should review all recorded revenues and expenses for the SSEP program for fiscal year 2008 and fiscal year 2009 to date and make necessary adjustments to ensure SSEP program accounting is consistent, accurate and complete. In addition, DCI fiscal and SSEP personnel should improve monitoring of program accounting and reporting.

#### **Status: Implemented**

DCI fiscal effectively implemented a review process to monitor accounting and reporting. Program transactions are accurate, consistently classified and complete. Staff receives adequate training to perform SSEP program accounting and reporting.

### ***B. Significant Taxi Usage***

As noted in Recommendation A, DCI fiscal personnel should make necessary adjustments to SSEP program accounting and thereafter determine the actual costs associated with the program. Using actual costs such as personnel expenses and vehicle fuel and maintenance, management should perform a cost-benefit analysis to determine if it would be more cost effective to hire another part-time chauffeur to reduce taxi costs.

#### **Status: Implemented**

DCI fiscal and program staff did not prepare a cost-benefit analysis for part-time chauffeur usage; however, SSEP management did analyze the use of taxis and chauffeurs. Program management significantly reduced taxi usage from 22.1% to 8.5% of total trips and taxi costs from 15.1% to 5.9% of the total program budget for fiscal years 2008 and 2010, respectively. Based on management's analysis and effective monitoring of taxi use, SSEP staff has successfully implemented corrective action.

### ***C. Claim Reporting***

DCI should report the two claims to AACOG, implement a formal process for reporting incidents, and update the SSEP Handbook to reflect the new claim reporting process.

#### **Status: Implemented**

DCI reported the two previously unreported SSEP claims to AACOG. SSEP personnel implemented a process for reporting incidents and updated their handbook to reflect their new procedures.

## **Appendix A – Staff Acknowledgement**

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Barry Lipton, CPA, DABFA, Deputy City Auditor

Kevin Barthold, CPA, CIA, CISA, Audit Manager

Dawn Oppermann, CPA, CIA, CGAP, CCSA, Auditor in Charge

## Appendix B – Recommendation Status Summary

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<b>No.</b>	<b><i>Original Report Recommendation</i></b>	<b><i>Current Status</i></b>
<b>A.</b>	DCI fiscal personnel should review all recorded revenues and expenses for the SSEP program for fiscal year 2008 and fiscal year 2009 to date and make necessary adjustments to ensure SSEP program accounting is consistent, accurate and complete. In addition, DCI fiscal and SSEP personnel should improve monitoring of program accounting and reporting.	Implemented
<b>B.</b>	As noted in Recommendation A, DCI fiscal personnel should make necessary adjustments to SSEP program accounting and thereafter determine the actual costs associated with the program. Using actual costs such as personnel expenses and vehicle fuel and maintenance, management should perform a cost-benefit analysis to determine if it would be more cost effective to hire another part-time chauffeur to reduce taxi costs.	Implemented
<b>C.</b>	DCI should report the two claims to AACOG, implement a formal process for reporting incidents, and update the SSEP Handbook to reflect the new claim reporting process.	Implemented

## Appendix C – Management Response

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### CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

Barry Lipton, CPA, DABFA  
Deputy City Auditor  
San Antonio, Texas

RE: Management's Acknowledgement of the DCI Supportive Services for the Elderly Follow-Up Audit

Here are our comments to the subject report.

Fully Agree (provide detailed comments)

The department appreciates the review of the program. The recommendations provided through the initial audit and follow-up have served to improve the Senior Transportation Program's (SSEP's) accounting & programmatic processes.

Agree Except For (provide detailed comments)

Do Not Agree (provide detailed comments)

Sincerely,

Handwritten signature of Peter Zanoni in cursive.

Peter Zanoni  
Assistant City Manager  
City Manager's Office

Handwritten signature of Cindy Schoenmakers in cursive.

Cindy Schoenmakers  
Interim Director  
Department of Community Initiatives