

City of San Antonio



AGENDA **Audit Committee**

Media Briefing Room
City Hall
100 Military Plaza
San Antonio, Texas 78205

Tuesday, June 24, 2014

10:00 AM

Media Briefing Room

A MEETING OF THE AUDIT COMMITTEE WILL BE HELD IN THE MEDIA BRIEFING ROOM, CITY HALL, 100 MILITARY PLAZA, SAN ANTONIO, TEXAS 78205 ON TUESDAY, JUNE 24, 2014 AT 10:00 A.M., TO CONSIDER THE FOLLOWING MATTERS FOR DISCUSSION AND POSSIBLE ACTION:

1. Approval of minutes from the May 22, 2014 Audit Committee Meeting

Final Reports to be discussed

2. AU13-024 Audit of Finance Department Payroll
3. AU13-015 Audit of Transportation and Capital Improvements Right of Way Fees

FY 2014 Audit Plan Status

4. FY2014 Audit Plan Status as of May 31, 2014

Executive Session

Consideration of items for future meetings

Next Meeting Date: August 26, 2014

Adjourn

At any time during the Audit Committee Meeting, the committee may meet in executive session regarding any of the matters posted above in compliance with the Texas Open Meetings Act.

DISABILITY ACCESS STATEMENT

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Audit Committee Members

Ivy Taylor, District 2, Chair

Ray Lopez, Dist. 6 | Ron Nirenberg, Dist. 8

Citizen Committee Members: Stephen S. Penley | Donald R. Crews

*** Other members of City Council may attend to observe, but not vote, on matters before the Committee.**

**AUDIT COUNCIL COMMITTEE MEETING
MINUTES
TUESDAY, MAY 22, 2014 HELD AT 11:00 AM
MEDIA BRIEFING ROOM – CITY HALL**

| | |
|--------------------|---|
| Committee Present: | Council Member Ivy Taylor, <i>District 2, Chair</i> Council Member Ron Nirenberg, <i>District 8</i> Citizen Member Donald R. Crews Citizen Member Stephen S. Penley |
| Committee Absent: | Council Member Ray Lopez, <i>District 6</i> |
| Staff Present: | Ben Gorzell, <i>Chief Financial Officer</i> ; Edward Belmares, <i>Assistant City Manager</i> ; Kevin Barthold, <i>City Auditor</i> ; Troy Elliott, <i>Finance Director</i> ; Hugh Miller, <i>ITSD Director</i> ; Dr. Thomas Schlenker, <i>Health Director</i> ; Jeff Coyle, <i>Intergovernmental Relations Director</i> ; Bob Murdoch, <i>Office of Military Affairs Director</i> ; Melinda L. Uriegas, <i>Assistant City Clerk</i> ; Dr. Nathan Vincent, <i>Assistant Health Director</i> ; Steve De La Haya, <i>Assistant CVB Director</i> ; Steve Clanton, <i>VP of Sales</i> ; Bernadette McKay, <i>Deputy City Attorney</i> ; Lisa Biediger, <i>Assistant City Attorney</i> ; Ray Rodriguez, <i>Assistant City Attorney</i> ; Paul Fenstermacher, <i>Assistant to the Director for Health Operations</i> ; Frank Sherman, <i>Project Manager</i> ; Amy Cowley, <i>Department Fiscal Administrator</i> ; Sandy Paiz, <i>Audit Manager</i> ; Buddy Vargas, <i>Audit Manager</i> ; Lorenzo Garza, <i>Auditor</i> ; Maria Cristina Stavely, <i>Auditor</i> ; Christina Hicks, <i>Auditor</i> ; Michelle Garcia, <i>Auditor</i> ; Jesus Garza, <i>City Manager’s Office</i> ; Rebecca De La Garza, <i>City Manager’s Office</i> ; TJ Mayes, <i>City Council Aide</i> ; Torrie Bethany, <i>City Council Aide</i> |

CALL TO ORDER

Chairperson Ivy Taylor called the meeting to order.

I. Approval of Minutes from the April 22, 2014 Meeting

Councilmember Nirenberg moved to approve the minutes of the April 22, 2014 Audit Council Committee Meeting. Committee Member Penley seconded the motion. Motion carried unanimously by those present.

II. Final Reports to be Discussed

A. Project No. AU13-F03 – Health Follow-up Food Permit Fees and Revenues.

Sandy Paiz provided background information on the Audit to include the Scope and Methodology. She noted that as part of the Follow-up Audit, the Auditor's Office determined that controls over the Food Service Permitting Process and collection of Food Permit Fees were not adequate.

Ms. Paiz reported that the following improvements were recommended for implementation:

- **Data inconsistencies between the Digital Health Department (DHD) and SAP Systems** – Data Reconciliations are being conducted between the two systems to identify data inconsistencies; however, the support document used to assist in the reconciliation effort was not accurate and work performed was not documented.

A Payment Exception report was implemented to identify payment data discrepancies between SAP and DHD. It could not determine if the report was an effective control due to the lack of documentation that would serve as support to show that exceptions were cleared.

To assist in ensuring that uncollectable fees were cleared in SAP, an automated control was implemented by setting an "out of business" permit status in DHD that was to automatically cancel the billing in SAP. The automated control was not working. Consequently, a mitigating control was that Fiscal has to manually verify that billings are cancelled in SAP. There was no support to ensure that the verification process was occurring.

- **Information System Controls** – A process was developed for granting and monitoring user access to DHD using role based permission groups, a user access authorization form, and quarterly reviews of user access. However, authorizations for access to DHD were not properly documented and user access was not properly monitored.
- **Contract Administration and Continuity of Operations** – Metro Health and ITSD developed a disaster recovery plan that includes a local version of the DHD software. Procedures for deploying the software are still in draft format and there is no control to validate/verify the completeness of back up data obtained from the software vendor.

A complete contract file for the software vendor was not maintained and a contract monitor has not been assigned to ensure compliance with the City's *Procurement Policy and Procedures Manual*, Section 7.3. The policy requires the Contracting Officer to set up and maintain a contract file. It also states that the contract file should include a copy of the contract agreement and related exhibits.

- **Policies and Procedures** – Metro Health provided evidence that policies and procedures over food permitting operations were developed. However, documentation was not sufficient to address the controls put into place to serve as mitigating processes for data reliability. Current documentation does not provide purpose, context, or supervisory review components for these controls that would increase their overall effectiveness.

It was noted that management from Metro Health concurred with the recommendations and developed a positive Corrective Action Plan.

Dr. Schlenker reported that the only recommendation pending was the development of a process to back-up data as part of a Disaster Recovery Plan.

At the request of Mr. Penley, it was reported that the Health Department collected approximately \$4.6 million annually from the sale of Food Permits.

Ben Gorzell highlighted concerns with the use of Garrison as the City's Software Vendor for processing and monitoring the issuance of Food Permits. Concerns addressed included accessing data if Garrison were to go out of business, the cost of accessing data, and the age of the Software System. Short and long term solutions were discussed and it was noted that cost was a factor in selecting the appropriate solution.

Councilmember Nirenberg requested background information for previously issued Audits on said topic. It was reported that the first Audit was issued in July 2012 with a follow-up report issued in May 2014. Mr. Gorzell highlighted the scope of the Request for Proposal (RFP) which was scheduled to be issued in the Fall of 2014. Hugh Miller stated that the continued use of Garrison as a Software Vendor was not a viable option and reported on solutions implemented which allow for the recovery of data by the Health Department.

Councilmember Nirenberg clarified that there were no health or safety concerns identified in the Audit. Mr. Barthold responded that the Audit was financial in nature and therefore, health and safety issues were not investigated.

Dr. Nathan Vincent noted that the Inspection System currently utilized functioned properly and clarified that the Audit Recommendation is to create a back-up process related to the data in the Garrison software.

Chairperson Taylor requested additional information on the RFP to be issued. Mr. Gorzell reported that the scope of the RFP was inclusive of software utilized by other departments.

Mr. Penley asked of other City software hosted off-site by Vendors. Mr. Miller stated that the HR Recruiting System was just one example of data hosted off-site. He explained that in some situations, having the Vendor host the data off-site was the best solution.

Committee Member Crews moved to accept Audit AU13-F03 as presented. Committee Member Penley seconded the motion. Motion carried unanimously by those present.

B. Project No. AU14-009 – CVB Performance Sales Incentive Compensation

Sandy Paiz provided background information on the Audit to include Scope and Methodology. She noted that the Objective of the Audit was to determine if the Sales Incentive Program was properly managed. Based on the Findings, it was reported that controls were in place and operating as intended to ensure the accurate calculation of Incentive Payments and overall administration of the Program. Overall, CVB Management was ensuring that Program goals were communicated to Sales Personnel and that specified criteria were being met for Incentive Payments.

However, the following items have been identified as opportunities for improvement:

- CVB has a policy in place that outlines the parameters and components of the CVB performance sales incentive program. It noted that some of the requirements used to qualify the validity of a meeting/booking were missing from the current documented sales incentive program policy.

- The CVB sales incentive payout paid in November 2012 utilizing FY13 funding was incorrectly recorded in both the government-wide financial statement and the fund financial statements because the accounting methods used were not in accordance with GASB or City policy. The 2013 payout was correctly recorded in the FY2014 General Ledger.

It was noted that management from the Convention and Visitors Bureau concurred with the recommendations and developed positive Corrective Action Plans.

Steve De La Haya stated that the Convention and Visitor's Bureau created the Incentive Program in 2006 for Sales Team Members and that said Program was similar to those used by other organizations. He reported that based on the findings of the Audit, the Department incorporated all information relating to the Incentive Program into one document and was ensuring that Incentive Payments were issued and reported in compliance with GASB.

Councilmember Nirenberg asked of the staff composition of the Sales Team and Base Salary. Mr. De La Haya reported that the Sales Team consisted of 19 to 20 Staff Members and that Annual Base Salary was between \$60,000 and \$85,000. He noted that Sales Staff Members could earn an additional 30% in incentive pay if individual and team goals were achieved.

At the request of Councilmember Nirenberg, Mr. De La Haya reported that hotel bookings for 2013 were more than in 2012 and highlighted the various factors used to determine bookings. It was noted that Sales Staff Members were booking events into 2026 and explained how Incentive Pay for said bookings was allocated.

Councilmember Nirenberg moved to accept Audit AU14-009 as presented. Committee Member Penley seconded the motion. Motion carried unanimously by those present.

C. Project No. AU14-020 – Office of Military Affairs (OMA) Fiscal Operations

Buddy Vargas reported that the Objective of the Audit was to determine if Grants issued were managed in accordance with Federal, State, and Local requirements. It was determined that the Department was following said requirements and that performance reports and grant deliverables were properly submitted. Mr. Vargas stated that OMA had processes in place to review for allowable grant expenditures and to ensure expenditures were reimbursed to the City.

During the Audit, it was determined that the following items are opportunities for improvement:

- Develop and implement formal written policies and procedures for grants management in accordance to Administrative Directive 8.10 to include but not limited to asset tracking and matching requirements.
- Implement procedures in accordance with Travel AD 8.31.

Mr. Vargas reported that OMA Management concurred with the recommendations and developed a positive Implementation Plan.

Robert Murdoch, Office of Military Affairs Director, noted that within 2 weeks of completion of the Audit, the Department had developed and implemented formal written policies regarding Grants

Management and also implemented procedures for documenting Travel in accordance to the City's travel policies.

Mr. Penley asked of the issuance of future Federal Grants. Mr. Murdoch highlighted Federal Budget constraints and noted how said constraints negatively impacted local economic development. He provided a Plan of Action for securing future Federal Funding for Land Use Studies.

Mr. Penley asked if Funds were saved from previous Budget Years. Mr. Murdoch stated that the Office of Economic Adjustment (OEA) did allow for entities to carry-forward unused Funds to the next Fiscal Year; however, approval was not guaranteed. Mr. Barthold clarified that the Grants awarded to the City were reimbursement-type grants and that the City had to incur the expense before being refunded. As such, funds were required to be spent within the Fiscal Year allotted, and therefore; could not be saved for use in another Fiscal Year.

At the request of Mr. Penley, Mr. Murdoch stated that the Department consisted of 3 Employees - one Full-time and two Part-time Contract Employees.

Committee Member Penley moved to accept Audit AU14-020 as presented. Councilmember Nirenberg seconded the motion. Motion carried unanimously by those present.

III. FY 2014 Audit Plan Status Update

Mr. Barthold reported that a total of 19 Audit Reports had been issued with 2 more to be completed by the end of the May. He emphasized that the Department was on track with meeting its goal despite some Audits being behind schedule and Staff being out.

Mr. Penley requested that "Completed" Reports be coded differently.

Chairperson Taylor asked of the status of Audit AU14-029 regarding SAPD/SAFD Prepaid Legal Plan & Trust. Mr. Barthold reported that the Department was working on gathering additional data. He provided a Project Overview and highlighted challenges encountered in accessing data.

Councilmember Nirenberg asked of the overage in hours utilized for completing AU14-023 and AU14-024 regarding SAFD and SAPD Incentive Pay. Mr. Barthold explained that the review of documentation was a manual process. Therefore said Audits required more hours to complete than initially planned. He noted that the Department would be presenting the Audit Findings to the respective Departments at scheduled Exit Conferences.

At the request of Councilmember Nirenberg, Mr. Barthold reported that AU14-028 regarding the Solid Waste Management Department Transfer Station was Cancelled. He noted that 90% of the items identified for review as part of AU14-028 had already been reviewed in a previous Solid Waste Management Audit.

IV. Other

A. 2014 Office of the City Auditor Peer Review

Mr. Barthold noted that Peer Reviews were required to be conducted every 3 years as part of Auditing Standards. He provided an overview of the Peer Review Program and stated that a Peer Review of COSA Auditors was scheduled for one week in late September or early October 2014.

B. FY 2015 Annual Audit Plan

Mr. Barthold highlighted the Plan of Action to be taken for identifying Audits to be completed in FY 2015. He stated that due to the change in Committee Meeting dates, the Mayor and Council were scheduled to approve the Audit Plan before the Audit Council Committee. As such, it was recommended that Committee Members review and discuss the proposed FY 2015 Audit Plan at the August Meeting with additional discussions to take place via e-mail.

Mr. Barthold also stated that he would present the Departmental Budget at the August Audit Council Committee Meeting and that said Presentation would include staffing levels as well as turnover. He reported that typically said information was presented to the Mayor and Council as part of Budget Process, but would recommend to the Office of Management and Budget that said information be presented to the Audit Council Committee instead.

V. Executive Session

Chairperson Taylor announced that an Executive Session was not scheduled.

VI. Consideration of items for Future Meetings

A. Discuss Future Meeting Date/Time

Chairperson Taylor stated that the next Audit Meeting was scheduled for Tuesday, June 24, 2014.

VII. Adjourn

There being no further discussion, Chairperson Taylor adjourned the meeting at 11:43 am.

ATTEST:

Ivy R. Taylor, Chairperson

*Melinda L. Uriegas, TRMC
Assistant City Clerk*



City of San Antonio

Agenda Memorandum

File Number: 14-1480

Agenda Item Number: 2.

Agenda Date: 6/24/2014

In Control: Audit Committee

AUDIT COMMITTEE SUMMARY
June 24, 2014
Audit of Finance Department Payroll
Report Issued June 9, 2014

Background

The City of San Antonio (CoSA) employs more than 11,000 employees in 36 departments who provide a wide range of municipal services. The Finance Department's Accounting Services group oversees time entry and payroll to support the City's employees.

CoSA utilizes the SAP financial system to manage and process payroll for all City departments. The total payroll for calendar year 2013 was approximately \$446 million, 97% of which was paid by direct deposit and 3% by physical check.

Audit Objective

Are controls over the City's payroll activities adequate?

Audit Scope and Methodology

The audit scope included payroll disbursements from January 2012 to September 2013. We reviewed users and roles within SAP, monthly bank account reconciliations, compliance with IRS reporting requirements, and the physical check printing and disbursement process.

Audit Conclusions

Yes, controls over the City's payroll activities are in place and are working effectively. Payroll personnel ensure that employee pay and deductions are calculated accurately and paid properly in a prompt manner. However we observed areas that could be improved. Payroll duties are not properly segregated and access rights are not properly restricted within the payroll software (SAP). We also noted that controls over physical check printing could be strengthened.

We recommended that the Director of Finance create and implement rules within SAP for Payroll and HR user access roles so that a proper segregation of duties is established. We also recommended that internal controls over the payroll check printing process be strengthened.

The Director of the Finance concurred with our recommendations and developed positive corrective action plans.

CITY OF SAN ANTONIO
OFFICE OF THE CITY AUDITOR



Audit of the Finance Department

Payroll

Project No. AU13-024

June 9, 2014

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

Executive Summary

As part of our annual Audit Plan approved by City Council, we conducted an audit of the Finance Department's payroll process. The audit objective, conclusions, and recommendations follow:

Are controls over the City's payroll activities adequate?

Yes, controls over the City's payroll activities are in place and are working effectively. Payroll personnel ensure that employee pay and deductions are calculated accurately and paid properly in a prompt manner; however we observed areas that could be improved. We determined that:

- Payroll duties were not properly segregated and access rights were not properly restricted within the payroll software (SAP)
- Controls over physical check printing could be strengthened

We recommend that the Director of Finance:

- Create and implement rules within SAP for Payroll and HR user access roles so that a proper segregation of duties is established
- Strengthen internal controls over the payroll check printing process

Finance management's verbatim response is in Appendix B *on page 6*.

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Background

The City of San Antonio (CoSA) employs more than 11,000 employees in 36 departments who provide a wide range of municipal services. The Finance Department is organized into six areas: Accounting Services, Public Utilities, Purchasing & General Services, Compliance & Resolution, Financial Services, and Risk Management. Accounting Services supports and oversees payroll, account receivables, payables, grants, capital projects, time entry, and financial reporting.

The Payroll function administers 4 payroll types: Bi-weekly Civilian, Bi-weekly Uniform (Police and Fire Departments), Bi-weekly Temporary, and School Crossing Guards which are processed monthly. CoSA utilizes the SAP financial system to manage and process payroll for all City departments. A Time and Attendance Manager oversees 3 Time Coordinators and 35 Time Specialists who administer employee time for assigned departments and/or groups within departments. Their responsibility is to make sure employee time is entered accurately and promptly in order to process payroll. A Payroll Administrator oversees 3 Payroll Specialists whose responsibility is to identify errors related to employee time and master data, notify appropriate personnel for correction, and process payroll before established deadlines.

The total payroll for calendar year 2013 was approximately \$446 million, 97% of which was paid by direct deposit and 3% by physical check. See the table below for a breakdown by payroll types.

| Calendar Year 2013 Payroll Totals | | | | | |
|--|-----------------------------|-----------------------------------|-----------------------------|-----------------------------------|----------------------|
| Payroll Type | Direct Deposit Count | Direct Deposit Payroll Sum | Physical Check Count | Physical Check Payroll Sum | Total Payroll |
| Bi-weekly Civilian | 198,556 | \$ 197,425,630 | 8,555 | \$ 8,172,716 | \$205,598,346 |
| Bi-weekly Uniform | 126,117 | \$ 232,201,256 | 620 | \$ 4,202,739 | \$236,403,995 |
| Bi-weekly Temporary | 6,667 | \$ 1,742,118 | 5,659 | \$ 1,920,518 | \$ 3,662,636 |
| Monthly School Crossing Guards | 2,464 | \$ 915,467 | 96 | \$ 189,348 | \$ 1,104,815 |
| Totals | 333,804 | \$ 432,284,471 | 14,930 | \$ 14,485,321 | \$446,769,792 |

Audit Scope and Methodology

The audit scope was from January 2012 to September 2013. We performed testing from October 2013 through December 2013.

We interviewed Finance and Human Resources Department management and staff to gain an understanding of the payroll process including recruitment and hiring, activating new employees, approving time, processing payroll and the disbursement process. Additionally, we also examined Finance Department policies and procedures.

To establish testing criteria, we reviewed the following:

- Finance Department policies and procedures
- Human Resources policies and procedures
- Financial data obtained from SAP
- Fair Labor Standards Act (FLSA) and Texas Labor Laws
- Federal, State, Local Government Divisions of the IRS

During the course of the audit, we reviewed users and roles within SAP with the ability to maintain/update employee data, approve hours worked, process payroll, and edit tax tables.

We verified that monthly bank account reconciliations are performed, reviewed, and accurate based upon statements received from the City's banking institution. Additionally, we verified that the Finance Department is in compliance with IRS reporting requirements.

Furthermore, we reviewed the physical check printing and payroll disbursement processes. Finally, we verified that overtime calculations are in compliance with FLSA provisions and that tax rates are in alignment with IRS requirements.

We relied on computer-processed data in the SAP System, the City's financial and accounting system of record. Our reliance was based on performing direct tests on the data rather than evaluating the system's general and application controls. We do not believe that the absence of testing general and application controls had an effect on the results of our audit.

We conducted this performance 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 findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Results and Recommendations

A. Segregation of Duties / Access to SAP

SAP payroll duties were not properly segregated and access rights were not properly restricted.

The Finance Department's Compliance Office is responsible for establishing "rule books" within Approva. Approva is a tool used for the continuous monitoring of segregation of duties rules in SAP so that violations can be prevented or identified and remediated. Prior to this audit, the Compliance Office initiated the creation of a Payroll and Human Resources rule books project with an anticipated completion of October 2014. As of the end of fieldwork, this project had not been completed and consequently not all access conflicts in SAP had been identified and corrected.

Auditors found 7 active users who inappropriately have the ability to maintain employee data,¹ transfer and approve hours worked, and run payroll. Additionally, 23 active users have inappropriate access to edit employee data, and 5 active users have inappropriate access to process payroll.

A fundamental element of internal control is the segregation of certain key duties. Key duties in payroll processing including approving work hours, processing payroll, and updating personnel master data should be segregated.

In addition, Administrative Directive 7.8E, *User Account Management*, requires that staff only be given system access to the minimum resources necessary to perform the duties associated with their position.

When an inadequate segregation of duties exists, an employee has the ability to conceal errors and/or conduct fraudulent activities. During the audit, Finance Management became aware of these issues through their own internal control procedures and removed the inappropriate and/or excessive SAP payroll access rights.

Recommendation

The Director of Finance should complete the creation and implementation of rules within SAP for Payroll and HR user access roles so that a proper segregation of duties is established. Additionally, access to modify employee master data, approve hours worked, and run payroll should be restricted to only those users who require such access to perform their job duties.

¹Employee data includes but is not limited to organizational assignment, payroll data, address, and bank account information.

B. Physical Check Printing

Controls over physical check printing could be strengthened.

Auditors identified several internal control issues with the check printing process which the Information Technology Services Department (ITSD) oversees on behalf of the Finance Department. In 2013, physical checks represented 3.28%, or \$14 million of all payroll transactions.

- The check stock is not pre-numbered and is stored in a closet under the ITSD Service Monitoring Group's control. This closet also houses IT mobile communication equipment which must be accessible by telecommunications personnel. The closet is left unlocked during normal business hours and is accessible by 5 IT employees who have no responsibility for check printing.
- The check printing process may be assigned to only one employee within the ITSD Service Monitoring Group, depending on who is available. The employee uses a generic user ID and password to release the print job from the spooler to the printer. Furthermore, the printer does not require a user ID and password for printing checks.
- Due to frequent equipment malfunctions, the print job may have to be stopped and restarted which allows duplicate checks to be printed.
- The City's equipment used to fold and glue the checks does not work so the checks are couriered to a third party where they are folded, glued, and couriered to the Finance Department for disbursement.
- The ITSD print room does not have surveillance equipment so video of the check printing process does not exist.

Internal control weaknesses over the check printing process could result in fraudulent physical checks being produced.

Due to the magnitude of these payroll checks, the Finance Department has implemented controls over the check printing process including "Positive Pay." Positive Pay is an automated service that obligates the City's banking institution to match the account number, check number and dollar amount of checks presented for payment against a list of checks previously authorized and issued by the City. All three components² of the check must match exactly or the bank will not honor the check.

Recommendation

The Director of Finance should strengthen internal controls over the payroll check printing process.

² The Finance Department anticipates implementing an additional Positive Pay feature in 2014 whereby the payee name must also match.

Appendix A – Staff Acknowledgement

Mark Bigler, CPA-Utah, CISA, CFE, Audit Manager
Gabriel Trevino, CISA, Auditor in Charge
Michael Hurlbut, Auditor

Appendix B – Management Response



CITY OF SAN ANTONIO

P.O. Box 839966
SAN ANTONIO TEXAS 78283-3966

May 9, 2014

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

RE: Management's Corrective Action Plan for Finance Department's Audit of Payroll

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

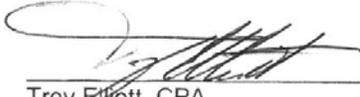
| Recommendation | | | | | |
|----------------|--|-------------------|-----------------|---|-----------------|
| # | Description | Audit Report Page | Accept, Decline | Responsible Person's Name/Title | Completion Date |
| A | <p>Segregation of Duties / Access to SAP</p> <p>Recommendation: The Director of Finance should complete the creation and implementation of rules within SAP for Payroll and HR user access roles so that a proper segregation of duties is established. Additionally, access to modify employee master data, approve hours worked, and run payroll should be restricted to only those users who require such access to perform their job duties.</p> | 3 | Accept | <p>Marion Gee / Asst Director</p> <p>&</p> <p>Melanie Seale / Asst Director</p> | October 2014 |

| Recommendation | | | | | |
|----------------|---|-------------------|-----------------|---------------------------------|-----------------|
| # | Description | Audit Report Page | Accept, Decline | Responsible Person's Name/Title | Completion Date |
| | <p>Action plan:</p> <p>The Finance Department has made significant improvements in strengthening internal controls throughout the City organization over the past several years to include the implementation of shared services and special software to assist in monitoring system user roles and system access.</p> <p>The Implementation of the shared services program was recently completed and included the centralization and standardization of Human Resources and Time positions throughout the City. One of the goals of the Shared Services program was to create specialized positions such as Time Specialists and HR Business Partners. Through the implementation of Shared Services, position based controls were established by aligning system roles with positions therefore improving segregation of duties and limiting system access to functions needed by type of position. For example, prior to Shared Services, the City had over 140 employees across the City processing time for City personnel with duties in addition to time recording. Central Finance employees also possessed access to both time and payroll processing. The Shared Services Program standardized time positions and segregated duties between the time and payroll groups, while consolidating the number of individuals entering and changing employee time to 40 time and attendance employees.</p> <p>In addition to shared services, the Finance Department purchased software called Approva Infor to improve the provisioning of user systems roles and to assist in identifying instances where conflicts exist with users and access to the SAP system. The software was purchased in 2009 and has been steadily being expanded to monitor all functions and roles in SAP. Since that time, the Finance Department in cooperation with the Information Technology Services Department has analyzed and redesigned system roles, and implemented corrective action for the following SAP modules to include: Accounts Payable, Purchasing, Inventory, Fixed Assets, Projects, Sales & Distribution, Accounts Receivable, General Ledger and Finance. The modules remaining include HR/Payroll and Supplier Relationship Management. HR/Payroll was targeted for later implementation in order to allow time for the Shared Services implementation to be completed and for Human Resources to evaluate and complete a potential reorganization. Prior to this audit the Compliance & Resolution Division of the Finance Department had already initiated an analysis of the HR/Payroll roles and had begun the implementation of the rule books for the HR/Payroll functions. The expected completion date to have the revised rule books and HR/Payroll roles operational is September 30, 2014. In the interim, mitigating controls will continue to include the manual review of new roles being provisioned as well as review of user's roles to identify potential access and segregation of duties issues.</p> | | | | |
| B | <p>Physical Check Printing</p> <p>Recommendation: The Director of Finance should strengthen internal controls over the payroll check printing process.</p> | 4 | Accept | Melanie Seale / Asst Director | March 2015 |

| Recommendation | | | | | |
|----------------|---|-------------------|-----------------|---------------------------------|-----------------|
| # | Description | Audit Report Page | Accept, Decline | Responsible Person's Name/Title | Completion Date |
| | <p>Action plan:</p> <p>The City's Finance Department has made great strides in strengthen controls through reduction of the number of printed checks and utilization of fraud prevention services offered by the City's Depository.</p> <p>Since 2007, the Payroll Division of the Finance Department has been diligently working to reduce the number of physical checks printed through the implementation of Employee Self Service, revised employee on-boarding processes and educate employees on the advantages of direct deposit. Since that time, the City has been able to reduce the amount of paper checks printed from approximately 68,000 to 19,000 annually; representing a reduction of approximately 72% in the amount of paper checks being printed.</p> <p>In consultation with the City Attorney's Office, we have been advised that that the City cannot enforce a mandatory citywide direct deposit, as a result of (1) Texas Local Government Code, Section 144.002 that requires the employee's written request to participate in any type of electronic funds transfers; and (2) the Department of Labor's Field Operations Handbook, Section 30c00 Method of [Wages] Payment that requires that employees have the option of receiving payment by cash or check directly from the employer. The Finance Department continues to work with the City Attorney's Office and Human Resources to research additional ways to reduce and ideally eliminate paper checks. Currently, we are surveying individuals who continue to receive paper checks to identify what barriers exist to converting to direct deposit.</p> <p>The Finance Department has in place "Positive Pay" features with its Depository Bank as an additional fraud prevention measure. Positive Pay is an automated fraud detection service that matches the account number, check number and dollar amount of each check presented for payment against a list of checks previously authorized and issued by the City. All three components of the check must match exactly or it will not pay. Positive Pay requires the City to send (transmit) a file of issued checks to the Bank each time checks are written. When a check is presented that does not have a "match" in the file, it becomes an "exception item". The Bank provides an image of the exception item to the City and we instruct the Bank to pay or return the check. The Finance Department is currently working with its Bank to further enhance and strengthen the Positive Pay service to include the addition of the payee as a fourth criteria which must be matched before a check would be paid. It is anticipated this additional feature will have completed testing and be available by June 2014.</p> <p>The Payroll Audit also identified a concern regarding outsourcing of folding and gluing of payroll checks. The City's fold and glue machine utilized to seal employee checks broke November 2013, resulting in the Finance Department utilizing a third party vendor to "tab" close the checks. The Finance Department modified its procedures to require a City representative to stay with the checks while being tabbed by the third party. The Finance Department worked with ITSD to realign the employee name and address printed on the outside of the check to allow checks to be stuffed into windowed envelopes rather than having the checks tabbed and continues to work with ITSD on purchasing a replacement device to seal employee checks.</p> <p>The Finance Department and Information Technology Services Department are also evaluating the movement of check printing from ITSD's facility to the Finance Departments Print Shop to enhance controls and increase efficiency.</p> | | | | |

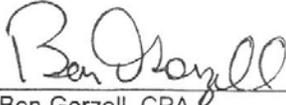
We are committed to addressing the recommendations in the audit report and the plan of actions presented above.

Sincerely,



Troy Elliott, CPA
Finance Director

5/14/2014
Date



Ben Gorzell, CPA
Chief Financial Officer
City Manager's Office

5/14/2014
Date



City of San Antonio

Agenda Memorandum

File Number: 14-1481

Agenda Item Number: 3.

Agenda Date: 6/24/2014

In Control: Audit Committee

AUDIT COMMITTEE SUMMARY

June 24, 2014

Audit of Transportation and Capital Improvements Right of Way Fees

Report Issued June 9, 2014

Background

Right of Way (ROW) is a division within the Transportation and Capital Improvements Department (TCI). ROW is responsible for oversight of construction activity within the City's right-of-way, primarily regulating the activities of utility companies that have a substantial amount of infrastructure in the City's roadways.

ROW regulates construction activity of contractors by issuing permits and conducting inspections. ROW inspects construction activities for adherence to work method guidelines, safety procedures, appropriate street repair, and inconvenience to the public. The City collected approximately \$1.7 million in revenues for ROW street closure permitting activity in FY 13. ROW also offers temporary parking permits and permits for street closures related to block parties. Total revenue collected for these types of permits was approximately \$378,000 in FY 13.

Objective

Are right of way fees accurate and applied according to City policies?

Audit Scope and Methodology

The audit scope included a review of the ROW Division's operations for fiscal years 2012 and 2013. Specifically, we reviewed the controls in place over the construction permits; block party and parking permit operations.

We reviewed the permit invoicing process along with the associated fees such as violations, re-inspections and overtime for accuracy, completeness, timely invoicing and payment. We reviewed for appropriate user access to the permitting system, cash handling procedures and permit safeguards.

Audit Conclusions

No, procedures and controls were not sufficient to ensure right of way fees were accurate and applied according to City policies.

We identified the following areas for improvement:

- The permit invoicing process along with associated fees such as violations, re-inspections and

overtime were inaccurate, not complete and not invoiced or paid timely.

- User access to the permitting system was not adequately managed. User authority could not be defined and policies and procedures were not in place in accordance to AD 7.8E User Account Management.
- Management did not have internal controls in place to ensure the adequate handling and depositing of cash payments. Internal controls were not in place to ensure the proper accounting and safeguarding of permit stock.

The Director of the TCI concurred with our recommendations and developed positive corrective action plans.

CITY OF SAN ANTONIO
OFFICE OF THE CITY AUDITOR



Audit of Transportation and Capital Improvements
Right of Way Fees

Project No. AU13-015

June 09, 2014

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

Executive Summary

As part of our annual Audit Plan approved by City Council, we conducted an audit of the Transportation and Capital Improvements¹ (TCI) Department's Right of Way (ROW) division. The audit objective, conclusions, and recommendations follow.

Are right of way fees accurate and applied according to City policies?

No, procedures and controls were not sufficient to ensure right of way fees were accurate and applied according to City policies.

The Transportation and Capital Improvements ROW division's project invoicing process lacked proper procedures and controls to ensure that project invoicing is complete and accurate. Additionally, procedures and controls were not adequate to ensure the invoicing and payment of permit fees was timely, complete and accurate. Also, ROW did not adequately manage user access to the permitting system. The Transportation and Capital Improvements ROW division was not in compliance with Administrative Directive 8.1 Cash Handling.

We recommend that the Transportation and Capital Improvements Department Director:

- Implement effective controls to ensure invoices for projects and their associated fees are complete, accurate, and billed timely. In addition, establish controls to ensure payments to the City are timely.
- Ensure ROW management identifies the authority granted to each user role and provide staff with only the necessary access within the permitting system to perform individual job responsibilities. Also, develop policies and procedures that will provide guidance concerning responsibilities on how to grant and manage user access and authority in the permitting system.
- Develop internal controls to properly safeguard and account for the permit stock to be in compliance with Administrative Directive 8.1 Cash Handling.

Transportation and Capital Improvements Management's verbatim responses are included in Appendix B on page 8.

¹ Effective January 2, 2014, this department was created by merging the Public Works and Capital Improvements Management Services departments.

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Background

Right of Way (ROW) is a division within the Transportation and Capital Improvements Department. ROW is responsible for managing construction activity within the City's right-of-way, primarily regulating the activities of utility companies that have a substantial amount of infrastructure in the City's roadways.

Through permitting and coordination, ROW ensures that all construction activities are well coordinated and impacts are mitigated to reduce inconvenience to the public, guarantee appropriate street repair, and ensure all regulations are enforced appropriately.

ROW regulations are made available through the ROW ordinance and the City's Utility Excavation Criteria Manual which contain guidelines for work methods and related safety procedures.

ROW regulates construction activity of contractors by issuing permits. They primarily offer temporary street closure permits related to construction activities. These street closure permits are identified as either a point repair or project permit. A point repair permit is needed for street repairs that are less than 50 feet in length. A project permit is needed for street repairs greater than 50 feet in length.

These types of permits are obtained mostly by utility companies that perform construction activity within city roadways. They must inform ROW management at least seven days prior to street closure to ensure correct street barricading for the safety of pedestrians and vehicular traffic.

The City collected approximately \$1.6 million in revenues for ROW permitting activity in FY 11, \$1.35 million in FY 12 and \$1.7 million in FY 13. ROW recently implemented a new fee structure for projects that last longer than 30 days that they believe is more indicative of the business process.

ROW also offers temporary parking permits throughout the downtown area. This type of permit allows a citizen or company to reserve a parking meter for the day or allows a vehicle to park in a commercial loading zone for a period longer than the posted time limit. Finally, permits are available for closure of streets when scheduling block parties. Total revenue collected for these types of permits was approximately \$413,000 in FY 11, \$410,000 in FY 12 and \$378,000 in FY 13.

Audit Scope and Methodology

The audit scope included a review of the Right of Way (ROW) Division's operations for fiscal years 2012 and 2013. Specifically, we reviewed the controls in place over the construction permits and the block party and parking permit operations.

We interviewed the ROW operations manager, who is responsible for both permitting operations. Additionally, we interviewed the construction permitting supervisors, inspectors and accountants. Finally, we interviewed the block party and parking permit supervisor and staff to obtain an understanding of the processes.

We reviewed cash handling procedures for compliance with AD 8.1 Cash Handling. We also performed a cash control questionnaire to determine if cash handling controls were in place to effectively safeguard cash.

We reviewed relevant information technology AD's (i.e. 7.8.1 Information Security Program, 7.8D Account Access Management and 7.8E User Account Manager) to ensure ROW's compliance with managing user access in the ROW Permitting system. We also obtained a list of all system users and corresponding roles and authority to verify appropriate segregation of duties.

We examined the invoicing and payments for overtime work requested, re-inspection fees assessed and violations incurred by contractors. We selected a judgmental sample of 30 permits that had re-inspection and violation fees assessed to ensure they were accurately invoiced and paid through SAP. Additionally, we judgmentally selected 20 permits that incurred overtime fees to ensure they were accurately invoiced and paid through SAP.

We selected a judgmental sample of permits classified as point repairs and projects to determine if they were accurately invoiced and paid in SAP. We tested the accuracy of invoices by ensuring the fee amounts were correct, recalculating totals and vouching each line item to support documentation.

We relied on computer-processed data in the SAP System, the City's principal accounting system, to validate payments submitted to the City by the various contractors. Our reliance was based on performing direct tests on the data rather than evaluating the system's general and application controls. Our direct testing included comparing payments recorded in SAP to source documentation provided by ROW such as invoices, revenue statements and project tracking spreadsheets. We do not believe that the absence of testing application and general controls of the SAP system had an effect on the results of our audit.

We conducted this 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

Audit of Transportation and Capital Improvements ROW Fees

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.

Audit Results and Recommendations

A. Invoicing Process

We reviewed the permit invoicing process along with the associated fees such as violations, re-inspections and overtime and determined fees were inaccurate, not complete and not invoiced or paid timely. We noted the following issues with the invoicing process:

A.1 Project Invoicing

The invoicing of projects was not accurate or complete. We tested a judgmental sample of 38 invoices. We identified discrepancies with 17 of the 38 invoices tested. Specifically, 11 invoices were billed inaccurately, which resulted in under billings of approximately \$4,200. The inaccuracies were due to the number of permits invoiced not agreeing to the permit summary detail in the permitting system.

Additionally, two contractors were not invoiced for their permits in the amounts of \$17,690 and \$840. We noted one contractor was invoiced for a point repair and should have been invoiced for a project. Finally, we noted one invoice was recorded to the wrong general ledger account and two invoices were duplicated and left outstanding in SAP.

ROW does not have effective procedures in place to properly identify incurred fees and effective controls to ensure invoices are billed accurately. Without effective procedures and controls, the ROW division is at risk of losing earned revenue by not invoicing completely and accurately.

A.2 Violation Fee

Invoices for violation fees were not billed and/or paid timely. We tested a judgmental sample of 30 invoices for violations totaling approximately \$31,000.

We identified 17 out of the 30 violations were not paid timely. Invoices for the violations have been past due since February through August 2013. Per AD 8.4, collection efforts should begin at 30 days with phone calls and/or dunning letters being sent to the contractor.

Finally, we noted that 3 of the incurred violations were not known to have occurred by a ROW supervisor and therefore had not been invoiced to the contractor. After discussing this with the supervisor, he confirmed the violations were valid and should have been invoiced. This occurred because the process in place was not adhered to and the accountant never received the notice to invoice the contractor.

A.3 Re-inspections Fee

Invoices for re-inspection fees were not billed and/or paid timely. We selected a judgmental sample of 29 permits that incurred re-inspection fees due to a failed initial inspection.

We identified 14 out of 29 failed inspections that were not invoiced for the re-inspection fee and subsequently not paid and 8 additional invoices that were not paid timely. Four out of the 14 were not invoiced due to the current billing process in place at ROW. The process can take months and allows for the contractor to review the monthly invoicing and dispute errors and omissions prior to receiving the actual invoice from ROW. Additionally, seven out of the 14 were not invoiced because ROW staff responsible for generating the invoice did not know that a re-inspection had occurred. Finally, 3 out of the 14 were not invoiced, which was an oversight by ROW staff.

A.4. Overtime Fee

Overtime fees invoiced to contractors were not accurate. We selected a judgmental sample of 20 permits that incurred overtime fees due to ROW staff performing inspections outside their normal workday. We identified seven out of the 20 overtime invoices tested were inaccurate due to ROW staff applying the incorrect overtime rate. In one instance, ROW invoiced a contractor at a \$200 overtime rate, which resulted in an overcharge of \$530. Additionally, four out of the seven invoices showed that the contractor was billed \$80 for overtime work done on Sunday and holidays, instead of the required \$85. Finally, 2 out of the seven invoices showed the contractors were billed at the standard \$50 even though the work was done on a Sunday and/or holiday. Overtime fees for inspections performed outside normal business hours are set at \$50 per hour and \$85 per hour for Sundays and holidays.

ROW management does not have effective procedures in place to properly identify the existence of incurred permit fees. Additionally, ROW management does not have effective controls to ensure invoices are billed accurately, timely and paid within 30 days. Without effective procedures and controls, the ROW division is at risk of losing earned revenue by not invoicing completely and accurately.

Recommendation:

The Transportation and Capital Improvements Director implement effective controls to ensure invoices for projects and their associated fees are complete, accurate, and billed timely. In addition, establish controls to ensure payments to the City are timely.

B. User Access, Roles and Authority

ROW did not adequately manage user access to the permitting system. We identified the following issues:

B.1 ROW staff could not define User authority. We obtained a list of all system users and their assigned roles. However, the authority granted for each user role could not be determined. Therefore, we could not test user access to ensure users had proper segregation of duties. We did conclude that both accountants had conflicting user access since they had all administrative user roles in the permitting system. Finally, while physically observing various users log in to the permitting system, we noticed that they

were able to edit their own account authority without supervisor approval. Without proper segregated access controls, users have the ability to manipulate data beyond the scope of their approved authority.

B.2 ROW management did not have policies and procedures as guidance to grant and manage user access. Per AD 7.8E User Account Management, business system owners should create and document the process they use to grant and manage user access (e.g., user accounts) to systems under their administration.

Recommendations

The Transportation and Capital Improvements Director should:

B.1. Ensure ROW management identifies the authority granted to each user role and provide staff with only the necessary access within the permitting system to perform individual job responsibilities.

B.2. Develop policies and procedures that will provide guidance concerning responsibilities on how to grant and manage user access and authority in the permitting system.

C. Cash Handling and Permit Safeguards

ROW management did not have internal controls in place to ensure the adequate handling and depositing of cash payments. We observed issues related to the ineffective receiving and processing of cash payments. Additionally, we identified a segregation of duty issue related to the issuance of permits, collection of payments and recording of transactions in SAP. Finally, we observed the lack of safeguards and accounting for block party and parking permit stock. ROW did not have proper internal controls in place to ensure the safeguarding of permit stock in compliance with Administrative Directive 8.1.

Besides the lack of safeguards and accounting, ROW management addressed all other cash handling issues by eliminating the cash handling responsibility from ROW staff. The cash handling is now the responsibility of Finance department cashiers located at the Development Services Department One Stop Center.

Recommendation:

The Transportation and Capital Improvements Director should develop internal controls to properly safeguard and account for the permit stock to comply with Administrative Directive 8.1 Cash Handling.

Appendix A – Staff Acknowledgement

Baltazar Vargas, CFE, Audit Manager
Danny Zuniga, CPA, CIA, Auditor in Charge
Cristina Stavley, Auditor

Appendix B – Management Response



CITY OF SAN ANTONIO

P.O. Box 839966
SAN ANTONIO TEXAS 78283-3966

May 9, 2014

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

RE: Management's Corrective Action Plan for the Audit of Transportation and Capital Improvements Right of Way Fees

Management within the City Manager's Office requested the audit of Right of Way fees after the calculation methodology changed in 2013. The Transportation and Capital Improvements Department has reviewed the audit report and has developed the Corrective Action Plans below corresponding to report recommendations.

| Recommendation | | | | | |
|----------------|--|-------------------|-----------------|--|--|
| # | Description | Audit Report Page | Accept, Decline | Responsible Person's Name/Title | Completion Date |
| 1 | <p>The invoicing of project fees was inaccurate, not complete and not invoiced or paid timely.</p> <p>Recommendation: Implement effective controls to ensure invoices for projects and their associated fees are complete, accurate, and billed timely. In addition, establish controls to ensure payments to the City are timely.</p> | 4 | Accept | Debbie Sittre, Assistant Director of TCI | <p>Interim Standard Operating Procedures May 1, 2014</p> <p>New Permit System September 30, 2015</p> |

Audit of Transportation and Capital Improvements ROW Fees

| Recommendation | | | | | |
|----------------|---|-------------------|-----------------|--|--|
| # | Description | Audit Report Page | Accept, Decline | Responsible Person's Name/Title | Completion Date |
| 1 | <p>Action plan: The current permitting system was developed in 2001 to accommodate the fee structure in place at that time. In 2013, a new fee structure was developed for Right of Way (ROW) permitting. Due to limitations in the software, the system requires manual reconciliations. TCI is coordinating with Development Services Department's to include the replacement of the ROW permitting system as a part of the Enterprise Permit System Replacement project. We anticipate this new system to be available to ROW October 2015.</p> <p>In the interim, TCI has developed and implemented Standard Operating Procedures to ensure proper identification and invoicing of fees incurred. The invoicing procedures provide instructions to reconcile the incurred fees as reported by the ROW Permit System. Controls include a two-person review in order to ensure the accuracy of the billing. Fees will be invoiced monthly as required by City Finance Directives. The reviewing of payment status will dictate the necessary actions up to and including account suspension.</p> | | | | |
| 2 | <p>ROW did not adequately manage user access to the permitting system.</p> <p>Recommendation: C.1) Ensure ROW management identifies the authority granted to each user role and provide staff with only the necessary access within the permitting system to perform individual job responsibilities.</p> | 6 | Accept | Debbie Sittre, Assistant Director of TCI | Interim Standard Operating Procedures April 9, 2014 New Permit System September 30, 2015 |
| 2 | <p>C.2) Develop policies and procedures that will provide guidance concerning responsibilities on how to grant and manage user access and authority in the permitting system.</p> | 6 | Accept | Debbie Sittre, Assistant Director of TCI | Interim Standard Operating Procedures April 4, 2014 New Permit System September 30, 2015 |
| 2 | <p>Action plan: TCI has developed and implemented procedures to ensure proper role access is granted to each user within the ROW Permit System to only perform individual job responsibilities. One individual has been assigned the role of "system administrator". As a part of these procedures, the System Administrator must receive a <i>Permit Site Access Authorization Form</i> signed by the Operations Manager prior to the creation of a user's account. The procedures also include the step-by-step process for administrative staff to deactivate Permit Site users.</p> | | | | |

Audit of Transportation and Capital Improvements ROW Fees

| Recommendation | | | | | |
|----------------|---|-------------------|-----------------|---|--|
| # | Description | Audit Report Page | Accept, Decline | Responsible Person's Name/Title | Completion Date |
| 3 | <p>ROW management did not have internal controls in place to ensure the adequate handling and depositing of cash payments.</p> <p>Recommendation: Develop internal controls to properly safeguard and account for the permit stock to comply with Administrative Directive 8.1 Cash Handling.</p> | 6, 7 | Accept | Anthony Chukwudolue, Assistant Director of TCI | <p><i>Cash Handling and Deposits:</i> Completed September 12, 2013</p> <p><i>Safeguard Permit Stock:</i> May 1, 2014</p> |
| 3 | <p>Action plan:</p> <p>Prior to the completion of the Audit Review, Right of Way Management implemented the utilization of the Finance Department's Cashiers at the Development Services One-Stop to handle all payments for ROW fees. Develop and implement a Standard Operating Procedure that details the proper safeguarding and accounting for Parking Permit stock in compliance with A.D. 8.1 Cash Handling. All other ROW permits are maintained online.</p> | | | | |

Thanks to City Auditor for their thorough review. We are committed to addressing the recommendations in the audit report and the plan of actions presented above.

Sincerely,



Mike Frisbie, P.E.
City Engineer / Director
Transportation and Capital Improvements Department

5-9-14

Date



Peter Zanoni
Deputy City Manager
City Manager's Office

5-12-14

Date

Project: FY2014 Annual Audit Plan - May 31
As of 5/31/2014

| ID | Audit Project Number | Audit Department | Audit Project | Budget Hours | Actual Hours | Planned or Actual | Current Status | Oct '13 | Nov '13 | Dec '13 | Jan '14 | Feb '14 | Mar '14 | Apr '14 | May '14 | Jun '14 | Jul '14 | Aug '14 | Sep '14 | Oct '14 |
|----|----------------------|------------------|-----------------------|--------------|--------------|-------------------|----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | | | | | | | | | | | | | | | | | | | | |
| 1 | | | | | | | | | | | | | | | | | | | | |
| 2 | AU14-001 | ACS | Dispatching & Opera | 800 | | Planned | | | | | | | | | | | | | | |
| 3 | | | | | | Actual | | | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | | | | | | | | | |
| 5 | AU14-002 | ACS | ACS Contracts | 800 | | Planned | | | | | | | | | | | | | | |
| 6 | | | | | | Actual | | | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | | | | | | | | | |
| 8 | AU14-003 | Aviation | Airline Agreements/ C | 800 | 78.5 | Planned | | | | | | | | | | | | | | |
| 9 | | | | | | Actual | | | | | | | | | | | | | | |
| 10 | | | | | | | | | | | | | | | | | | | | |
| 11 | AU14-004 | BES/Public V | Fleet Maintenance | 1,200 | 1,925.75 | Planned | | | | | | | | | | | | | | |
| 12 | | | | | | Actual | | | | | | | | | | | | | | |
| 13 | | | | | | | | | | | | | | | | | | | | |
| 14 | AU14-005 | CIMS | On-Call Contracts | 800 | | Planned | | | | | | | | | | | | | | |
| 15 | | | | | | Actual | | | | | | | | | | | | | | |
| 16 | | | | | | | | | | | | | | | | | | | | |
| 17 | AU14-006 | CIMS | Convention Center E | 1,000 | 394.5 | Planned | | | | | | | | | | | | | | |
| 18 | | | | | | Actual | | | | | | | | | | | | | | |
| 19 | | | | | | | | | | | | | | | | | | | | |
| 20 | AU14-007 | CIMS | Edwards Aquifer Prof | 800 | 220.50 | Planned | | | | | | | | | | | | | | |
| 21 | | | | | | Actual | | | | | | | | | | | | | | |
| 22 | | | | | | | | | | | | | | | | | | | | |
| 23 | AU14-008 | City Clerk | Vital Records | 1,000 | | Planned | | | | | | | | | | | | | | |
| 24 | | | | | | Actual | | | | | | | | | | | | | | |
| 25 | | | | | | | | | | | | | | | | | | | | |
| 26 | AU14-010 | Downtown | Parking Revenue | 800 | 1,549.5 | Planned | | | | | | | | | | | | | | |
| 27 | | Operations | | | | Actual | | | | | | | | | | | | | | |
| 28 | | | | | | | | | | | | | | | | | | | | |
| 29 | AU14-011 | Finance | Revenue Refunds | 1,000 | 510.5 | Planned | | | | | | | | | | | | | | |
| 30 | | | | | | Actual | | | | | | | | | | | | | | |
| 31 | | | | | | | | | | | | | | | | | | | | |
| 32 | AU14-012 | Finance | Local Preference Pro | 800 | | Planned | | | | | | | | | | | | | | |
| 33 | | | | | | Actual | | | | | | | | | | | | | | |
| 34 | | | | | | | | | | | | | | | | | | | | |
| 35 | AU14-013 | Finance | Inner City Reinvestm | 800 | 379 | Planned | | | | | | | | | | | | | | |
| 36 | | | | | | Actual | | | | | | | | | | | | | | |
| 37 | | | | | | | | | | | | | | | | | | | | |

Planned is Green

Actual is Blue



Project: FY2014 Annual Audit Plan - May 31
As of 5/31/2014

| ID | Audit Project Number | Audit Department | Audit Project | Budget Hours | Actual Hours | Planned or Actual | Current Status | Timeline | | | | | | | | | | | |
|-----|----------------------|------------------|----------------------|--------------|--------------|-------------------|----------------|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | | | | | | | | Oct '13 | Nov '13 | Dec '13 | Jan '14 | Feb '14 | Mar '14 | Apr '14 | May '14 | Jun '14 | Jul '14 | Aug '14 | Sep '14 |
| 111 | | | | | | | | | | | | | | | | | | | |
| 112 | | | | | | | | | | | | | | | | | | | |
| 113 | AU14-028 | SWMD | TDS Transfer Station | 800 | 61.5 | Planned | Cancelled | | | | | | | | | | | | |
| 114 | | | | | | Actual | | | | | | | | | | | | | |
| 115 | | | | | | | | | | | | | | | | | | | |
| 116 | AU13-010 | Intergovernm | Contracts | 750 | 290 | Planned | Complete | | | | | | | | | | | | |
| 117 | | Relations | | | | Actual | | | | | | | | | | | | | |
| 118 | | | | | | | | | | | | | | | | | | | |
| 119 | AU13-015 | Public Works | Right of Way Inspect | 900 | 1324 | Planned | Complete | | | | | | | | | | | | |
| 120 | | | | | | Actual | | | | | | | | | | | | | |
| 121 | | | | | | | | | | | | | | | | | | | |
| 122 | AU13-020 | SAPD | Uniform Crime Statis | 1300 | 1,576.75 | Planned | Complete | | | | | | | | | | | | |
| 123 | | | | | | Actual | | | | | | | | | | | | | |
| 124 | | | | | | | | | | | | | | | | | | | |
| 125 | AU13-023 | DCCD | Cultural Agency Coni | 900 | 988 | Planned | Complete | | | | | | | | | | | | |
| 126 | | | | | | Actual | | | | | | | | | | | | | |
| 127 | | | | | | | | | | | | | | | | | | | |
| 128 | AU13-024 | Finance | Payroll | 1200 | 1,081.5 | Planned | Complete | | | | | | | | | | | | |
| 129 | | | | | | Actual | | | | | | | | | | | | | |
| 130 | | | | | | | | | | | | | | | | | | | |
| 131 | AU13-F03 | SAMHD | Follow-up Food Perr | 350 | 867 | Planned | Complete | | | | | | | | | | | | |
| 132 | | | | | | Actual | | | | | | | | | | | | | |
| 133 | | | | | | | | | | | | | | | | | | | |
| 134 | AU13-F04 | Human | Follow-up Haven for | 350 | 697.50 | Planned | Complete | | | | | | | | | | | | |
| 135 | | Services | | | | Actual | | | | | | | | | | | | | |
| 136 | | | | | | | | | | | | | | | | | | | |
| 137 | AU13-F06 | SWMD | Follow-up Recycling | 350 | 487 | Planned | Complete | | | | | | | | | | | | |
| 138 | | | | | | Actual | | | | | | | | | | | | | |
| 139 | | | | | | | | | | | | | | | | | | | |
| 140 | AU13-F07 | SAPD | Follow-up GTU | 350 | 644.5 | Planned | Complete | | | | | | | | | | | | |
| 141 | | | | | | Actual | | | | | | | | | | | | | |

Planned is Green

Actual is Blue

Planning

Fieldwork



Reporting

Mgmt's Response



Planning

Fieldwork



Reporting

Mgmt's Response

