January 25, 2011

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 Comprehensive Nutrition Program. This audit began in September 2010 and concluded with an exit meeting with department management in December 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
Distribution:

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Peter Zanoni, Assistant City Manager
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CITY OF SAN ANTONIO

OFFICE OF THE CITY AUDITOR

Follow-up Audit of the Department of Community Initiatives

Comprehensive Nutrition Program

Project No. AU10-013F02

January 25, 2011
Executive Summary

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) Comprehensive Nutrition Program (CNP) Audit report dated May 21, 2009. Our audit objective for this follow-up audit follows:

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

We determined that DCI management and staff have implemented or are working towards implementing four of the six recommendations in the report mentioned above. The audit team reviewed management actions for all six audit recommendations made in the original report with results noted in Table 1 below (see Appendix B on page 6 for a detailed summary):

<table>
<thead>
<tr>
<th>Recommendation Status</th>
<th>Number of Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implemented</td>
<td>3</td>
</tr>
<tr>
<td>In-Process</td>
<td>1</td>
</tr>
<tr>
<td>Not Implemented</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total Recommendations Reviewed</strong></td>
<td><strong>6</strong></td>
</tr>
</tbody>
</table>

DCI did not implement the recommendation to ensure that CNP centers comply with CNP policies and procedures. DCI’s Senior Services Division (SSD) supervisors are not performing the required bimonthly site reviews of CNP centers as indicated in the Management’s Corrective Action Plan section (Appendix C – Management’s Response) of the original report.

DCI is in the process of implementing the recommendation that SSD report monthly activity supported with daily sign-in sheets and monthly rosters to the Alamo Area Council of Governments (AACOG). DCI is working with the City’s Purchasing Department to acquire an automated system that will track meals provided at CNP centers and interface with AACOG’s reporting system.

Fourteen of 81 CNP centers did not submit monthly contributions to SSD on time in fiscal year (FY) 2010.
We recommend the DCI Director ensure:

- Centers comply with CNP policies and procedures.
- All CNP centers submit monthly contributions to SSD on time.

DCI management's verbatim response is in Appendix C on page 7.
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Background

In May 2009, the Office of the City Auditor completed an audit of the Comprehensive Nutrition Program (CNP). The Senior Services Division (SSD) of the Department of Community Initiatives (DCI) manages this program. The objective of that audit was:

**Are the policies and procedures of the Comprehensive Nutrition Program followed?**

The Office of the City Auditor issued a report that identified conditions of non-compliance with CNP guidelines. Additionally, the report recommended areas where SSD could improve oversight of the CNP program.

SSD provides CNP participants nutritionally balanced meals at 81 centers throughout Bexar County. Handicapped individuals and seniors (60 years and older) including spouses of seniors at any age, qualify for the program. Although eligible participants are entitled to a free lunch, in compliance with AACOG requirements, SSD suggests participants contribute 50¢ per meal.

The City, Alamo Area Council of Governments (AACOG), and program participants provided $5.3 million to fund the CNP in fiscal year (FY) 2010.

Audit Scope and Methodology

The audit methodology consisted of reviewing DCI and SSD policies and procedures related to the Comprehensive Nutrition Program. Additionally, the audit team observed processes, conducted interviews with appropriate management and employees, and performed test work regarding participant meal activity, attendance records, center contribution reports, and activity reports monitored by SSD Management. The team also performed an onsite review of one CNP center.

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 other procedures that 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 generally covered the period July 2009 to August 2010; however, we expanded the test period where data was more readily available.
Prior Recommendations and Audit Results

1. CNP Policies and Procedures

The DCI Director should ensure that centers comply with CNP policies and procedures.

Status: Not Implemented

DCI's Management's Corrective Action Plan indicated that SSD would conduct bimonthly reviews of CNP centers to ensure compliance with CNP policies and procedures. We determined that SSD supervisors are not performing the required bimonthly site reviews of CNP centers. For FY 2010, 49 of the 81 CNP centers (about 60%) had only one or no site visits from an SSD supervisor.

Our site visit at one CNP center revealed that the center was not complying with CNP policies and procedures. The center needed improvement in the areas of recording participant attendance, reporting participant contributions, and disposing leftover meals. During our visit, we also noted that the center provided a meal to an ineligible participant.

Recommendation: As recommended in the previous audit report, the DCI Director should ensure that centers comply with CNP policies and procedures.

2. Participant Eligibility Forms

The DCI Director should ensure that SSD maintains required current eligibility forms on file for all CNP participants.

Status: Implemented

Management established controls to maintain the required current eligibility forms on file. We randomly selected 20 participants for testing and determined that required documentation was on file for them.
3. AACOG Monthly Activity Reports

The DCI Director should ensure SSD reports monthly activity supported with daily sign-in sheets and monthly rosters to AACOG.

Status: In-Process

According to DCI’s SSD, management is working with the City’s Purchasing Department to acquire an automated system that will track meals provided at CNP centers and interface with AACOG’s reporting system.

We reviewed daily sign-in sheets for one center and compared the number of participants to the meal counts reported to AACOG for July 2010. There was a difference of 43 meals; the daily sign-in sheets showed 1,160 meals, but SSD reported 1,117 meals to AACOG.

4. Participant Contributions

CNP centers should submit monthly participant contributions to SSD on time.

Status: Not Implemented

Some CNP centers did not submit participant contributions and associated summary reports to SSD on time. Of the 81 CNP centers, 17 submitted late contributions to SSD in FY 2009, and 14 in FY 2010. In 2010, these 14 CNP centers submitted contributions late 5 to 11 times.

Additionally, the DCI Director did not hold supervisors accountable for late contribution submittals as indicated in the Management’s Corrective Action Plan.

Recommendation: As recommended in the previous audit report, the DCI Director should ensure that all CNP centers submit contributions to SSD on time.
5. Supervisory Visits to Centers

SSD guidelines should include the frequency of site visits, extent of reviews, reporting of monitoring results, and required corrective actions. Reviews should focus on needs of the particular center. In addition, checklists used to perform reviews should include other CNP requirements such as verifying the reporting to SSD of participant attendance and contributions collected for the day, temperature readings of meals, number of leftover meals and disposal procedures.

Status: Implemented

SSD implemented the recommendation to establish formal monitoring guidelines that improve the quality of supervisory reviews at centers.

6. Meal Overages

SSD should develop procedures to monitor meal activity at CNP centers. These procedures should address such areas as staff responsibilities, frequency of analysis, and required corrective actions.

Status: Implemented

Standard operating procedures have been developed and implemented to monitor meal activity at CNP centers. These procedures include the performance of a monthly analysis of meals ordered versus meals served at nutrition centers with corrective action taken at centers that have more than a 10 percent allowable meal variance.
Appendix A – Staff Acknowledgement

Barry Lipton, CPA, DABFA, Deputy City Auditor
Mark Bigler, CPA-Utah, CISA, CFE, Audit Manager
Celia Gaona, CIA, CFE, CISA, Auditor in Charge
## Appendix B – Recommendation Status Summary

<table>
<thead>
<tr>
<th>No.</th>
<th>Original Report Recommendation</th>
<th>Current Status</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>A.1 DCI Director should ensure that centers comply with CNP policies and procedures.</td>
<td>Not Implemented</td>
</tr>
<tr>
<td>2</td>
<td>A.2 DCI Director should ensure SSD maintains required current eligibility forms on file for all CNP participants.</td>
<td>Implemented</td>
</tr>
<tr>
<td>3</td>
<td>A.3 DCI Director should ensure SSD reports monthly activity supported with daily sign-in sheets and monthly rosters to AACOG.</td>
<td>In-Process</td>
</tr>
<tr>
<td>4</td>
<td>A.4 DCI Director should ensure CNP centers submit monthly contributions to SSD on time.</td>
<td>Not Implemented</td>
</tr>
<tr>
<td>5</td>
<td>B.1 DCI's SSD should establish formal monitoring guidelines that improve the quality of supervisory reviews at CNP centers.</td>
<td>Implemented</td>
</tr>
<tr>
<td>6</td>
<td>B.2 DCI's SSD should develop procedures to monitor meal activity at CNP centers. These procedures should address such areas as staff responsibilities, frequency of analysis, and required corrective actions.</td>
<td>Implemented</td>
</tr>
</tbody>
</table>
Appendix C – Management Response

January 14, 2011

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

RE: Management's Corrective Action Plans for the Department of Community Initiatives Comprehensive Nutrition Program Follow-Up Audit

The Department of Community Initiatives has reviewed the follow-up audit report and has developed the Corrective Action Plans below for the two "not implemented" recommendations.

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>#</th>
<th>Description</th>
<th>Audit Report Page</th>
<th>Accept, Partially Accept, Decline</th>
<th>Responsible Person's Name/Title</th>
<th>Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNP Policies and Procedures</td>
<td>1</td>
<td>Recommendation: The DCI Director should ensure that Centers comply with CNP policies and procedures.</td>
<td>2</td>
<td>Accept</td>
<td>Victor Ayala / Interim Social Services Manager</td>
<td>July 31, 2011</td>
</tr>
</tbody>
</table>

Action plan:
- SSD will hire additional monitors to ensure reviews of senior nutrition centers are completed on a bimonthly basis and that centers comply with CNP policies and procedures. The additional monitors have been approved by City Council on November 4, 2010 and DCI has completed the interview process.
- DCI will contract with an external consultant to develop a Senior Center Services Strategic Plan that includes recommendations regarding enhancements to current operations. Request for Proposals from qualified firms will close on January 12, 2011.
- DCI Management will monitor the progress of the implementation of this recommended action plan.
- In October 2009, DCI and the City’s Innovation and Reform section implemented a comprehensive review of the City’s senior center services. A Senior Task Force was developed in July 2010 to provide input on the services offered and direction of future services. During the October 2010 Quality of Life Committee meeting, it was requested that the City secure a consultant to assist City staff and the Task Force with the development of the Senior Center Services Strategic Plan and conduct outreach to the community to provide for additional citizen input. The RFP closed on January 12, 2011. It is anticipated that the selected respondent will begin consulting services no later than March 1, 2011 and be completed no later than June 30, 2011.
Department of Community Initiatives
Follow-up Audit of the Comprehensive Nutrition Program

<table>
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<tr>
<th>#</th>
<th>Description</th>
<th>Audit Report Page</th>
<th>Accept, Partially Accept, Decline</th>
<th>Responsible Person's Name/Title</th>
<th>Completion Date</th>
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<tbody>
<tr>
<td>4</td>
<td>Participant Contributions Recommendation: The DCI Director should ensure that all CNP centers submit contributions to SSD on time.</td>
<td>3</td>
<td>Accept</td>
<td>Victor Ayala / Internm Social Services Manager</td>
<td>April 30, 2011</td>
</tr>
</tbody>
</table>

Action plan:
- DCI is in the process of re-engineering the CNP program donation collection process. Nutrition Sites will no longer collect program donations at the sites. Rather, a new mail-in system for collection will be developed to help realize efficiencies related to program donations and ensure the timely submission of contributions.

For the remaining three “implemented” and one “in-process” action plans from the original audit, our comments are as follows.

- Fully Agree (provide detailed comments) DCI is currently working with the City’s Purchasing Department to acquire an automated system that can be used to track meals provided at the CNP centers as well as interface with AACOG’s system.
- Agree Except For (provide detailed comments)
- Do Not Agree (provide detailed comments)

We are committed to addressing the recommendations in the audit report and the action plans presented above.

Sincerely,

Cindy Schoenmakers
Interim Director
Department of Community Initiatives

Peter Zanotti
Assistant City Manager
City Manager’s Office

1/14/11
January 14, 2011
Date
Date