



# CITY OF SAN ANTONIO

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March 31, 2014

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**SUBJECT: Follow-up Audit Report of San Antonio Metropolitan Health District – Food Service Permit Fees & Revenues**

Mayor and Council Members:

We are pleased to send you the final report of the follow-up audit of San Antonio Metropolitan Health District - Food Service Permit and Revenues. This audit began in September 2013 and concluded with an exit meeting with department management in February 2014. Management's verbatim response is included in Appendix C of the report. Metro Health management and staff should be commended for their 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,

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

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



Follow-up Audit of San Antonio Metropolitan Health District

Food Service Permit Fees & Revenues

Project No. AU13-F03

March 31, 2014

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

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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 San Antonio Metropolitan Health District (Metro Health) Food Service Permit Fees & Revenues. The audit objectives, conclusions, and recommendations follow:

### **Have Metro Health and ITSD management effectively implemented action plans in response to the recommendations made in the initial audit?**

We determined that Metro Health and ITSD have made progress to implement adequate controls to address the recommendations; however, improvements are still needed.

In total there were 7 recommendations made to Metro Health and ITSD. From these, Metro Health and ITSD management developed 11 action plans to address the findings from the previous audit. We determined that 3 action plans were implemented effectively, 1 is no longer applicable, and 7 control deficiencies still exist. For additional details, see Appendix A on page 9.

Improvements are still needed to ensure that internal controls are effective for processes related to data reliability, system user access, and contract administration processes. Additionally, policies and procedures can be improved to strengthen data reliability controls.

Areas that still require improvement are as follows:

#### **A. Data Reliability Controls are Not Effective**

Data inconsistencies between Metro Health's Digital Health Department (DHD) information system and SAP still exist. While Metro Health did not modify DHD functionality, they did implement processes to clean up and verify information in DHD. These controls include reconciliations of the data, use of Payment Exception Reports, and a process for identifying uncollectible permit fees using an "out of business" permit status. While Metro Health is continuously adjusting these processes, improvements are still needed for these processes to serve as effective controls to ensure that data in the two systems is consistent.

Specifically, the reports generated out of the DHD system used as support for reconciliations need to accurately reflect data issues. For example, at the time of testing, several queries were compiled into one report which caused duplicate records. Additionally, we could not assess the effectiveness of data reliability controls because processes were not consistent and work performed was not properly documented.

## **B. Information System Access Controls are Not Effective**

Metro Health worked with ITSD to develop a process 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 were not properly documented and user access is not properly monitored. We identified 4 DHD users in our test sample of 25 who are not employed with Metro Health's Food & Environmental Services or Fiscal Divisions. Of these 4 users, 2 are no longer employed with the City.

## **C. Improvements Needed for Contract Administration and Continuity of Operations**

Although management's action plan did not address the contract administration portion of our recommendation, a control deficiency still exists with regard to compliance with the City's *Procurement Policy and Procedures Manual*, Section 7.3. Specifically, a complete contract file for the Garrison contract is not maintained and a contract monitor has not been assigned.

To ensure continuity of operations, Metro Health and ITSD developed a disaster recovery plan that includes a local version of the DHD software that is designed to run on local servers if the vendor is unable to continue operations. However, procedures for deploying the software are still in draft format.

As part of development of the software, ITSD obtained live data to use as part of their testing, which is also serving as backup data. However, a control does not exist to validate and/or verify the completeness of the data. It should be noted that the vendor's financial situation has improved since the prior audit, reducing risks related to continuity of operations.

## **D. Policies and Procedures Need Improvement**

Metro Health provided evidence that policies and procedures over food permitting operations were developed, including an operations manual and a customer account management policy. However, documentation is 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.

Management's verbatim response is in Appendix C on page 12.

## Table of Contents

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Executive Summary .....	i
Background.....	1
Audit Scope and Methodology .....	1
Prior Audit Recommendations and Status .....	2
A. Data Reliability Controls are Not Effective .....	2
B. Information System Access Controls are Not Effective.....	4
Prior Recommendation – SAP Permit Printing Access .....	5
C. Improvements Needed for Contract Administration and Continuity of Operations.....	5
D. Policies and Procedures Need Improvement.....	7
Appendix A – Action Plan Status Summary .....	9
Appendix B – Staff Acknowledgement .....	11
Appendix C – Management Response .....	12

## Background

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In July of 2012, the Office of the City Auditor completed an audit of the San Antonio Metropolitan Health District (Metro Health) Food Service Permit Fees and Revenues. The objective of that audit was:

### **Are controls over food service permit and permit fee collections adequate and are fees collected accurate and appropriate?**

The Office of the City Auditor issued a report that found controls over food service permit and permit fee collections were not adequate. Control deficiencies were identified for the department's IT systems, contract administration, monitoring efforts and general policies and procedures.

## Audit Scope and Methodology

The audit scope was limited to the recommendations made in the original report and the corresponding action plans implemented between July 2012 and September 2013.

We interviewed Metro Health and ITSD staff members to gain an understanding of control processes. We observed processes, reviewed policies, procedures and other process documentation to determine whether action plans were implemented in response to the recommendations made.

Additionally, we reviewed processes implemented to address data reliability issues, including reconciliations, payment exceptions and out of business permit status. We also performed a high level review of data in the Digital Health Department (DHD) system application to determine the extent to which inconsistencies between DHD and SAP were resolved. We tested user access in DHD and SAP to determine whether access is appropriate and properly monitored. We also performed testing to determine whether the contract with the software vendor was amended and properly monitored to protect the City's interests in the event the vendor becomes insolvent. Finally, we performed testing to determine whether late fee calculations in SAP were corrected.

We conducted this audit from September 2013 to November 2013 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 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.

## Prior Audit Recommendations and Status

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### A. Data Reliability Controls are Not Effective

#### Prior Recommendation

The Director of Metro Health should work with ITSD and Garrison to address the data reliability issues between DHD and SAP to ensure that food permit revenue transactions in SAP are accurate and properly supported by the information in DHD. This effort should include increasing DHD functionality to provide a complete and accurate record of information so that permits, establishments, and owners can be properly identified, tracked, and monitored.

#### ***Reconciliations of Data***

#### **Status: Partially Implemented**

Metro Health implemented controls to clean up and verify information in DHD. They developed a process to perform quarterly reconciliations of the data in DHD and SAP to identify records that are not properly matched between the two systems. DHD and SAP use multiple identifiers such as owner id number, permit number, etc. to exchange permit, establishment, and owner information.

Although Metro Health implemented procedures for quarterly reconciliations, the process appears to be continuously evolving and was not performed consistently from quarter to quarter. Specifically, the reports generated out of the DHD system used as support for reconciliations need to accurately reflect data issues. For example, at the time of testing, several queries were compiled into one report which caused duplicate records.

Consequently, we could not determine the accuracy and effectiveness of the reconciliations because results were not documented in a manner that summarized what changes were made in each system and why.

On-going communication between all parties involved needs to continue in order to produce an accurate report used to identify data discrepancies.

#### ***Use of Payment Exception Reports***

#### **Status: Partially Implemented**

Metro Health uses a Payment Exception Report generated out of SAP to identify payment information that does not transfer correctly into DHD.

According to ITSD, payment exceptions occur when customer, permit, or invoice identifiers in SAP are not located or do not match to a corresponding record in DHD. Using the exception report as a source, they are to research and correct payment discrepancies in order to ensure the accuracy of the data in both systems.

Documentation for ensuring that payment errors are being cleared does not exist. Consequently, we could not determine that this process is effective as a mitigating control for the quarterly reconciliation.

Additionally, staff tasked with clearing payment exceptions does not have a clear understanding of why payment exceptions occur and how to properly clear them.

***Process for identifying uncollectible permit fees using an “out of business” permit status (OOB)***

**Status: Partially Implemented**

Metro Health implemented an out of business (OOB) permit status in DHD to identify closed establishments with uncollectible permit and late fees. When a permit in DHD is assigned an OOB status, the system is supposed to automatically cancel billing in SAP so that late fee charges do not continue to accrue.

We identified an OOB permit with active billing in SAP. Metro Health staff was unable to verify whether this was due to an ineffective control or a result of other manual control processes. Therefore, we were unable to determine whether the OOB permit status in DHD effectively cancels billing in SAP. As a mitigating control, Fiscal staff should verify that billing is cancelled in SAP, but verifications are not documented.

As a result of the control weaknesses noted above, we attempted to perform an overall assessment of the data in the DHD system. We confirmed that inconsistencies still exist based on a high level review of the data. For example, we identified 119 food permits in DHD that were valid longer than one year, although City Code requires permits to be renewed annually. We also observed permits that did not have a current expiration date, even though payment was received in SAP.

Without a clear understanding of how DHD and SAP communicate, efforts to maintain data consistency have limited effectiveness and may even result in redundant work for Metro Health staff. Additionally, sufficient documentation of these efforts provides a record of what changes were made and why. Because a permit certifies that establishments have been inspected and met public safety

standards, incorrect information in DHD may result in incorrect or unsupported transactions and/or permit data in SAP.

### **Updated Recommendation**

The Director of Metro Health should continue to develop data reliability controls to provide assurance that data management processes are effective, efficient, and working as intended to maintain the consistency of data between the two systems.

## **B. Information System Access Controls are Not Effective**

### *Prior Recommendation*

The Director of Metro Health should define criteria for functional DHD user access and data validity and then collaborate with ITSD and Garrison to ensure that appropriate controls are incorporated in DHD to preserve the integrity and reliability of data. Where such controls are not compatible with DHD, the Director should develop mitigating controls such as the use of user activity reports or other methods for monitoring changes to the data.

### ***DHD System Controls***

#### **Status: Partially Implemented**

Metro Health worked with ITSD to develop a process for granting and monitoring user access to DHD using role based permission groups (the practice of grouping users with similar job functions and assigning a standard level of access for each group), a user access authorization form, and quarterly reviews of user access.

We could not determine whether users were assigned to the proper permission group because user access authorization forms do not provide sufficient detail. Metro Health uses a generic ITSD access form. It does not allow requestors to specify DHD access or permission group assignment. Consequently, we determined that a proper authorization form was not provided for 6 of 25 users tested. As a mitigating control, role based permission groups restrict user access to DHD at a high level and can be effective with proper authorization and monitoring.

Furthermore, user access to DHD is not properly monitored. Metro Health/ITSD did not provide evidence that reviews were performed quarterly, as stated in management's action plan. As a result, we identified 4 of 25 DHD users tested who are not employed with Metro Health's Food & Environmental Services or Fiscal Divisions. Of these 4 users, 2 are no longer employed with the City.

Without proper user access controls, or adequate mitigating controls over key functions within the DHD system, the risk of errors during the collection, input and processing of information is increased, which compromises the overall accuracy of the data in both DHD and SAP.

### **Updated Recommendation**

The Director of Metro Health/ITSD should ensure that user access to DHD is reviewed and corrected quarterly as stated in management's original action plan. Additionally, the Director should ensure that requests for user access to DHD are properly approved on the authorization form.

The following additional information system controls were implemented per our recommendations and are working as expected:

#### Prior Recommendation – SAP Permit Printing Access

The Chief Technology Officer should limit SAP user access to print each type of COSA permit to users within the department. Also, the Director of Metro Health should monitor use of permit printing functions and restrict access to only include users with a legitimate business need to print health permits.

#### Status - Implemented

ITSD redesigned SAP permit printing functions. Access is now restricted to users within the issuing department. Additionally, the ability to print a food service permit in SAP is only enabled after payment is received in order to prevent permits from being issued without payment.

#### Prior Recommendation - SAP Late Fee Calculation

The Chief Technology Officer should correct the programming in SAP so that food establishment permit late fees are calculated correctly.

#### Status - Implemented

ITSD corrected the late fee calculation so that late fees compound correctly for permits that are past due for greater than one year.

### **C. Improvements Needed for Contract Administration and Continuity of Operations**

#### Prior Recommendation

The Director of Metro Health should utilize the City's current guidance for contract monitoring to help ensure that the City's interests are adequately protected. The Director should also work with Garrison to make necessary modifications to the existing agreement. Additionally, we noted operational and

financial issues at Garrison that raised concerns about the continuity of food and other health permitting operations should the company be unable to meet its contractual obligations.

### **Compliance with Contract Administration Policy**

#### **Status: Partially Implemented**

Although management's action plan did not address the contract administration portion of our recommendation, we determined that Metro Health is not in compliance with the City's Procurement Policy and Procedures Manual, Section 7.3. The Manual states that departments should assign a contracting officer to administer each contract. Additionally, it states that the contract file should include an executed copy of the contract agreement and related exhibits.

The 2013 contract with Garrison Enterprises consists of a Service Agreement and a Statement of Work. Metro Health worked with Garrison and ITSD to amend the DHD service agreement section of the 2013 contract. However, we were unable to conduct a complete review of the contract because a statement of work was not available. Furthermore, it does not appear that there is an assigned contract administrator in place.

Metro Health can better ensure overall compliance with contract requirements and deliverables by assigning a contract administrator and maintaining a complete contract file. This will improve the City's ability to effectively monitor and enforce contract terms in order to protect its interests.

### **System Issues Resolved Timely**

#### **Status: Implemented**

The DHD software system includes an Issue Tracker module that is used to document, communicate, and track vendor progress on work orders to address system problems and change requests. We determined that 10 of 11 critical issues that were added to the Issue Tracker in FY2013 were resolved in a timely manner<sup>1</sup>. As of October 2013, only one critical issue remained outstanding; however, we observed consistent activity and communication with DHD that indicates the issue is being addressed.

### **Development of a Disaster Recovery Plan**

#### **Status: Partially Implemented**

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<sup>1</sup> We considered a timeframe of 10 days to be reasonable; although some issues took longer, we noted consistent activity and communication documented in the issue tracker.

Metro Health and ITSD developed a disaster recovery plan that includes a local version of the DHD software designed to run on local City servers if the vendor is unable to continue operations. However, procedures for deploying the software and obtaining updates of software and operating data are still in draft format.

As part of the development of the DHD local software, ITSD obtained live data to use a part of their testing which is also serving as backup data.

However, a control does not exist to validate and/or verify the completeness of the data uploads. Without assurance of a successful upload, the risk of partial or incomplete data files exists. It should be noted that the company's financial situation has improved since the prior audit, reducing the risks related to continuity of operations. However, without access to current operating data and source code, the disaster recovery plan cannot function as an effective control for continuity of operations.

### **Updated Recommendation**

The Director of Metro Health should ensure that the contract is monitored in accordance with the City's Procurement Policy & Procedures Manual. Additionally, the Director should develop controls to ensure that backups of DHD data and source code are performed in accordance with contract requirements and that the City has access to those backups in the event that it needs to execute the disaster recovery plan.

### **D. Policies and Procedures Need Improvement**

#### Prior Recommendation

The Director of Metro Health should continue to develop, formalize, and communicate policies and procedures in order to ensure that food permits are issued appropriately and that food permit revenues are properly assessed and collected.

#### **Policies and Procedures**

#### **Status: Partially Implemented**

Metro Health provided evidence that policies and procedures over food permitting operations were developed, including an operations manual and a customer account management policy. However, documentation is not sufficient to address the controls put into place to serve as mitigating processes for data reliability.

For example, draft policies and procedures for the reconciliation process include step by step instructions, but do not provide a purpose or context as to why the process is necessary or how it impacts food permitting operations and related data. Also, components to provide assurance that reconciliations are effective, such as supervisory review, are not included.

Sufficient documentation of control processes preserves institutional knowledge and provides staff with the understanding needed to perform related tasks effectively. Additionally, supervisory components can provide assurance that controls are effective.

### **Updated Recommendation**

The Director of Metro Health should continue to develop policies and procedures for data management controls in a manner that provides a complete understanding of each control process, including why, how and when they should be performed. Additionally, the Director should include supervisory components designed to provide assurance that controls are effective.

## Appendix A – Action Plan Status Summary

Action Plan #	Current Report Reference	Management Response	Status
	<b>A</b>	<b>Data reliability controls are not effective</b>	
1	Data Reconciliations p. 2	SAMHD is working with ITSD and the vendor to reconcile and correct all establishment, permit, and account data in SAP and DHD. This effort includes the manual verification of the status of each establishment requiring a permit. This will be completed by September 30, 2012	<b>Partially Implemented</b>
2	Payment Exception Reports* p. 2	SAMHD is working with ITSD to implement procedural* and system changes to ensure that customer account information in SAP is appropriately updated based on the status of the permitted establishment (active, out of business, exempt, on hold, etc.) in DHD as governed by the City's Health Ordinance. This will require a combination of either enhancements to the DHD system, changes to the Health ordinance, separately managing DHD and SAP data, requiring manual entries in SAP; and acquiring a new software system for managing food and environmental permits. A plan for addressing all of these issues will be developed by September 30, 2012.	<b>Partially Implemented</b>
3	Out of Business (OOB) Status* p. 3		<b>Partially Implemented</b>
1	Data Reconciliations p. 2	SAMHD is working with ITSD to develop reconciliation reports to be used by SAMHD Fiscal Division to monitor changes in establishment status and identify any potential discrepancies. This will be completed by September 30, 2012.	<b>Partially Implemented</b>
*In addition to reconciliations, Metro Health implemented 2 additional procedural changes to address data reliability problems: 1) payment exception reports and 2) OOB Status that were not explicit in the Action Plan.			
	<b>B</b>	<b>Information System controls are not effective</b>	
4	DHD System Controls p. 4	SAMHD is working with ITSD to implement appropriate processes and procedures to ensure that DHD users are granted system access rights that are appropriate for their job functions.  SAMHD management, with technical assistance from ITSD, will conduct periodic audits of system access rights to ensure that 1) terminated/separated employees no longer have access; 2) that specific positions/persons have been granted appropriate access based on least privileges necessary to perform their duties; 3) that access levels perform as designed. SAMHD with support from ITSD will work with the vendor to identify and correct any deficiencies in the application security model where possible.	<b>Partially Implemented</b>

Follow-Up Audit of San Antonio Metropolitan Health District  
Food Service Permit Fees and Revenues

Action Plan #	Current Report Reference	Management Response	Status
9	SAP Permit Printing Access p.5	The printing of permits using the standard SAP billing function has been disabled as of February 28, 2012. ITSD is working with SAMHD to build access roles inside of SAP, which will further limit the access to permit printing. This further refinement will be implemented by July 3, 2013	Implemented
8	Late Fee Calculation p. 5	The programming error that incorrectly calculated late fees was corrected on February 28, 2012	Implemented
	<b>C</b>	<b>Improvements needed to contract administration and continuity of operations</b>	
5	Garrison/DHD Contract Amendments p. 6	The amended contract with Garrison does include language granting the City the right to audit and it does include timelines for resolving a majority of service issues such as hardware failures, critical or high priority bugs, and escalated issues.  <i>**Although management's action plan did not address the contract administration portion of our recommendation, we determined that Metro Health is not in compliance with the City's Procurement Policy and Procedures Manual, Section 7.3.</i>	Partially Implemented**
6	Monitoring of System Issues p. 6	SAMHD and ITSD will regularly review the reported defects or issues to ensure compliance with contracted service levels.	Implemented
7	Disaster Recovery Plan p. 7	The City's software escrow account is current as of December 2011, and will be regularly monitored with the escrow company. ITSD and Metro Health are working with the vendor to develop a Disaster Recovery Plan that includes the ability to run the DHD systems on City computers should the vendor become unable to support the system.	Partially Implemented
	<b>D</b>	<b>Policies and Procedures need improvement</b>	
10	Documentation of New Processes p. 7	SAMHD will adjust policies and procedures where necessary to ensure that data management practices are in accordance with program needs. This will help minimize the number of overdue accounts, with the intent to keep it current and to ensure that fees are properly assessed in order to facilitate accurate collections. A business procedure with built in checks for monitoring the customer accounts more aggressively is also being developed to ensure that monthly invoices are more appropriately managed.	Partially Implemented

## **Appendix B – Staff Acknowledgement**

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Sandra Paiz, CFE, Audit Manager  
Cynthia Hicks, CIA, CFE, Auditor in Charge  
Christopher Moreno, Auditor  
Matthew Howard, CISA, Auditor  
Michelle Garcia, Auditor

## Appendix C – Management Response



### CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

March 12, 2014

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

RE: Management's Acknowledgment and Corrective Action Plan for AU13-F03 Follow-up Audit of Health Department Food Permits & Revenue

- Fully Agree (provide detailed comments)
- Agree Except For (provide detailed comments)
- Do Not Agree (provide detailed comments)

Metro Health has reviewed the audit report and has developed the Corrective Action Plans below for the 4 "partially implemented" and/or new recommendations.

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
1	<p><b>Data reliability controls not effective</b></p> <p>Recommendation The Director of Metro Health should continue to develop data reliability controls to provide assurance that data management processes are effective, efficient, and working as intended to maintain the consistency of data between the two systems.</p>	p.1	Accept	Paul Fenstermacher, ATD/Operations	31 Mar 2014

Follow-Up Audit of San Antonio Metropolitan Health District  
Food Service Permit Fees and Revenues

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
	<p><b>Action plan:</b></p> <p>Two processes have been defined to ensure system communications and data integrity.</p> <ol style="list-style-type: none"> <li>1. <b>Exception Report:</b> In coordination with the City Finance Department, this report depicts those payments that have not posted to DHD. Payments displayed on this report indicate a potential problem with the interface between SAP and DHD. This report runs weekly.</li> <li>2. <b>Data Set Comparison:</b> Comparisons of the data extract from DHD to that of SAP identify inconsistencies between the systems. Further analysis of each inconsistency is required to determine the actual cause, eg. human error or system error. This analysis is to be conducted quarterly.</li> </ol> <p>Summary reports will be generated at the completion of each analysis and maintained by the Department Operations Division.</p> <p>In addition, the MHD is identifying and defining procedures for those processes that require manual intervention to complete. The Out of Business (OOB) process requires several manual steps to complete to ensure accurate records are maintained in both systems.</p> <p>Departmental policies and section Standard Operating Procedures defining the system testing procedures as well as business practices associated with the system will be implemented by 31 March 2014.</p>				
2	<p><b>Information system controls not effective</b></p> <p>The Director of Metro Health/ITSD should ensure that user access to DHD is reviewed and corrected quarterly as stated in management's original action plan. Additionally, the Director should ensure that requests for user access to DHD are properly approved on the authorization form.</p>	p.4	Accept	Paul Fenstermacher, ATD/Operations	31 Jan 2014

Follow-Up Audit of San Antonio Metropolitan Health District  
Food Service Permit Fees and Revenues

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
<p><b>Action plan:</b></p> <p><b>SAMHD has implemented a comprehensive program for the provisioning and de-provisioning of users in the system that includes prior written authorizations, safeguards against unauthorized activations and the appropriate assignment of permissions within the system.</b></p> <ol style="list-style-type: none"> <li>1. <b>Role-based Access Groups were created in line with the concept of least privileges required to perform specified job responsibilities.</b> All previously defined groups were eliminated.</li> <li>2. An inventory of all users was conducted.               <ul style="list-style-type: none"> <li>- Users no longer authorized in the system were inactivated.</li> <li>- Active User permissions were removed and a new access group assigned for all authorized users.</li> </ul> </li> <li>3. Provisioning / de-provisioning procedures were defined and documented in departmental policy.               <ul style="list-style-type: none"> <li>- New Provisioning Forms were created depicting the authorized access groups.</li> <li>- Provisioning forms are maintained by the Operations Division.</li> </ul> </li> <li>4. Quarterly audit procedures are defined in the Food and Environmental Safety Standard Operating Procedure.</li> <li>5. Summary Reports of audit findings will be forwarded and maintained by the Department Operations Division.               <ul style="list-style-type: none"> <li>- An access control audit was completed in January 2014.</li> </ul> </li> </ol> <p>Departmental policies governing system access control will be implemented no later than 31 March 2014.</p>					

Follow-Up Audit of San Antonio Metropolitan Health District  
Food Service Permit Fees and Revenues

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
3	<p><b>Improvements needed for contract administration and continuity of operations</b></p> <p>The Director of Metro Health should ensure that the contract is monitored in accordance with the City's Procurement Policy &amp; Procedures Manual. Additionally, the Director should develop controls to ensure that backups of DHD data and source code are performed in accordance with contract requirements and that the City has access to those backups in the event that it needs to execute the disaster recovery plan.</p>	p.5	Accept	Paul Fenstermacher, ATD/Operations	2 May 2014
<p><b>Action plan:</b></p> <ol style="list-style-type: none"> <li>1) <b>DHDI Maintenance and Support (M&amp;S) Contract:</b> A new agreement for 2014 defining all maintenance and support expectations was presented to and approved by City Council on 20 February 2014. The new contract was reviewed with the audit team to ensure all deficiencies in the previous contract had been remedied. The contract will be executed and implemented prior to 31 March 2014.</li> <li>2) <b>Contract Monitoring Compliance:</b> The existing departmental policy governing contract administration will be modified to ensure all contracts are monitored appropriately. In addition, provisions will be added to ensure adequate reviews occur in the creation and execution of contracts in the future. The new policy will be implemented prior to 31 March 2014.</li> <li>3) <b>DHD Disaster Recovery (DHD-DR):</b> In cooperation with DHDI, ITSD has implemented a physical Disaster Recovery for the DHD system within the CoSA Data Center. <ul style="list-style-type: none"> <li>- User Acceptance testing of the functional capabilities of the system was successfully conducted. Full acceptance of the system is contingent upon the successful implementation of interfaces between SAP and DHD-DR which is expected to complete prior to 30 April 2014.</li> <li>- A Service Level Agreement (SLA) with ITSD governing the installation of data base updates (weekly) and software upgrades (quarterly) will be fully operational prior to 2 May 2014. (Updates and upgrades are currently being deposited in to the designated FTP site.) The SLA defines procedures for installation and testing.</li> <li>- The current DHDI M&amp;S includes the requirement to update the database, upgrade the application and provide continued support for the DHD-DR system.</li> <li>- Strict procedures for implementation are defined in the Continuity of Operations Plan for Food and Environmental Safety as well as departmental policies.</li> </ul> </li> </ol>					

Follow-Up Audit of San Antonio Metropolitan Health District  
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Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
4	<p><b>Policies and procedures need improvement</b></p> <p>The Director of Metro Health should continue to develop policies and procedures for data management controls in a manner that provides a complete understanding of each control process, including why, how and when they should be performed. Additionally, the Director should include supervisory components designed to provide assurance that controls are effective.</p>	p. 7	Accept	Paul Fenstermacher, ATD-Operations	31 Mar 2014
<p><b>Action plan:</b>  <b>Four policies are in development to ensure clear directions are provided to employees regarding system monitoring and business practices of the DHD system. New policies define roles, responsibilities and specific procedures for the following functional areas:</b></p> <ol style="list-style-type: none"> <li>1. Technical Systems Access Controls               <ol style="list-style-type: none"> <li>a. Operational Administration</li> <li>b. Role-based provisioning based on least-privilege</li> <li>c. Provisioning / de-provisioning procedures</li> <li>d. Tracking / Monitoring / Auditing</li> <li>e. Reporting requirements and frequency</li> </ol> </li> <li>2. Contract Monitoring               <ol style="list-style-type: none"> <li>a. Contract Administration Plans (CAP)</li> <li>b. Reporting requirements and frequency</li> </ol> </li> <li>3. Standard Operating Procedures to Govern the OOB Process               <ol style="list-style-type: none"> <li>a. Food and Environmental Safety Section weekly report on OOB establishments</li> <li>b. Fiscal process to correct the records and stop billing</li> <li>c. Fiscal report on corrected records back to Food and Environmental Safety.</li> <li>d. Report reconciliation</li> </ol> </li> <li>4. Standard Operating Procedures for System Monitoring               <ol style="list-style-type: none"> <li>a. System monitoring for functionality                   <ol style="list-style-type: none"> <li>1) Data reconciliations to ensure reliability</li> <li>2) Defined procedures for periodic system checks</li> </ol> </li> <li>b. Defined procedures for error corrections</li> <li>c. Performance monitoring / reporting requirements and frequency</li> </ol> </li> </ol> <p>Policies to define these procedures to staff will be implemented no later than 31 March 2014.</p>					

Follow-Up Audit of San Antonio Metropolitan Health District  
Food Service Permit Fees and Revenues

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

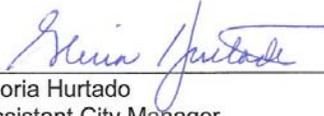
Sincerely,



\_\_\_\_\_  
Dr. Thomas Schlenker  
Director  
San Antonio Metropolitan Health District

3-11-14

\_\_\_\_\_  
Date



\_\_\_\_\_  
Gloria Hurtado  
Assistant City Manager  
City Manager's Office

3/12/2014

\_\_\_\_\_  
Date