

AN ORDINANCE 2017-09-21-0694

APPROVING THE FISCAL YEAR 2018 ANNUAL AUDIT PLAN.

\* \* \* \* \*

**WHEREAS**, in accordance with the provisions of Article V.A. of the City Charter, the City is required to have a Department of Internal Audit which is charged with conducting audits of all city departments, offices, agencies and programs; and

**WHEREAS**, the City Auditor is required to evaluate the adequacy and effectiveness of controls encompassing the City's operations and information systems, which should include reliability and integrity of financial and operational information; effectiveness and efficiency of operations; safeguarding of assets; and compliance with laws, regulations and contracts; and

**WHEREAS**, in accordance with those duties, the City Auditor has prepared an Audit Plan for Fiscal Year 2018, which has been presented to and approved by the Audit Committee; and

**WHEREAS**, it is now necessary to present the Audit Plan to City Council for their consideration and approval; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The Audit Plan for Fiscal Year 2018, as prepared by the City Auditor and approved by the Audit Committee, is hereby approved. A copy of the Plan is attached hereto and incorporated herein for all purposes as **Exhibit A**.


**SECTION 2.** The Fiscal Year 2018 Audit Plan may be amended by the City Auditor if he notifies and obtains the concurrence of the Audit Committee. In the event City Council or City Management has a special request for assistance from the Audit Department, the request may be subject to approval by either the Audit Committee or the Audit Committee Chair, depending upon the urgency of the issue.

**SECTION 3.** This Ordinance is effective immediately if passed by eight affirmative votes; otherwise, this Ordinance shall take effect ten days from the date of passage hereof.

**PASSED and APPROVED** this 21<sup>st</sup> day of September, 2017.

  
M A Y O R  
Ron Nirenberg

**ATTEST:**

  
Leticia M. Vacek, City Clerk

**APPROVED AS TO FORM:**

  
Andrew Segovia, City Attorney

|                     |                                                                                                                                                                                                                                           |                    |            |            |                |               |               |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|------------|------------|----------------|---------------|---------------|
| <b>Agenda Item:</b> | 30 ( in consent vote: 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 16, 18A, 18B, 18C, 18D, 19, 20, 21, 22, 24A, 24B, 25, 26, 27, 28, 29, 30, 31, 32, 33, 35, 38, 40, 41, 42, 43, 44, 45, 47, 50A, 50B, 51B, 52A, 52B, 52C, 52D, 52E, 52F, 52G, 52H ) |                    |            |            |                |               |               |
| <b>Date:</b>        | 09/21/2017                                                                                                                                                                                                                                |                    |            |            |                |               |               |
| <b>Time:</b>        | 09:45:52 AM                                                                                                                                                                                                                               |                    |            |            |                |               |               |
| <b>Vote Type:</b>   | Motion to Approve                                                                                                                                                                                                                         |                    |            |            |                |               |               |
| <b>Description:</b> | An Ordinance approving the Fiscal Year 2018 Annual Audit Plan. [Kevin Barthold, City Auditor]                                                                                                                                             |                    |            |            |                |               |               |
| <b>Result:</b>      | Passed                                                                                                                                                                                                                                    |                    |            |            |                |               |               |
| <b>Voter</b>        | <b>Group</b>                                                                                                                                                                                                                              | <b>Not Present</b> | <b>Yea</b> | <b>Nay</b> | <b>Abstain</b> | <b>Motion</b> | <b>Second</b> |
| Ron Nirenberg       | Mayor                                                                                                                                                                                                                                     |                    | x          |            |                |               |               |
| Roberto C. Treviño  | District 1                                                                                                                                                                                                                                |                    | x          |            |                | x             |               |
| William Cruz Shaw   | District 2                                                                                                                                                                                                                                |                    | x          |            |                |               | x             |
| Rebecca Viagran     | District 3                                                                                                                                                                                                                                |                    | x          |            |                |               |               |
| Rey Saldaña         | District 4                                                                                                                                                                                                                                |                    | x          |            |                |               |               |
| Shirley Gonzales    | District 5                                                                                                                                                                                                                                | x                  |            |            |                |               |               |
| Greg Brockhouse     | District 6                                                                                                                                                                                                                                |                    | x          |            |                |               |               |
| Ana E. Sandoval     | District 7                                                                                                                                                                                                                                |                    | x          |            |                |               |               |
| Manny Pelaez        | District 8                                                                                                                                                                                                                                | x                  |            |            |                |               |               |
| John Courage        | District 9                                                                                                                                                                                                                                |                    | x          |            |                |               |               |
| Clayton H. Perry    | District 10                                                                                                                                                                                                                               |                    | x          |            |                |               |               |

LOC  
9/21/17  
Item No. 30

# EXHIBIT A



# CITY OF SAN ANTONIO

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

September 21, 2017

Mayor and City Council:

Enclosed is the proposed Fiscal Year 2018 Audit Plan for the Office of the City Auditor. The plan includes 23 performance and IT audits, 6 contract compliance audits, 10 follow-up audits, and 1 attestation project for a total of 40 projects. As in years past, the plan includes time allocated for potential City Council and Management requested projects.

In developing the plan, my Office sought input from the Mayor, City Council Members, the City Manager, Executive Leadership Team and select Department Directors. We added additional input based on local government audit industry trends. This effort resulted in an extensive list of potential areas for audit within the City. We then prioritized these potential areas based on a high-level risk assessment considering factors such as financial impact, compliance and prior issues, and developed the enclosed proposed FY2018 Audit Plan.

I believe this plan provides adequate audit coverage across City departments and recognizes concerns of City Council and Management.

This proposed plan was discussed and approved at the August 24 City Council Audit Committee meeting. As required, I am now requesting approval of the proposed plan by the full Council.

I welcome discussion and am available at your convenience.

Respectfully,

A handwritten signature in black ink, appearing to read "Kevin W. Barthold".

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

Proposed FY2018 Audit Plan  
Office of the City Auditor

| Proj #   | Department                    | Program/Process                                                  | Audit Objective                                                                                                                                                      | Hours |
|----------|-------------------------------|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| AU18-001 | Aviation                      | Fleet Operations                                                 | Determine if the Aviation fleet maintenance center is operating and managed effectively and efficiently and that performance measures are supported and appropriate. | 800   |
| AU18-002 | CCDO                          | ICRIP Program (Inner City Reinvestment and Infill Policy)        | Determine if internal controls between CCDO and DSD for the ICRIP program are adequate and functioning.                                                              | 300   |
| AU18-003 | Development Services          | Permitting Process                                               | Determine if Development Services permit issuance, fees, and collections are adequately managed and controlled.                                                      | 800   |
| AU18-004 | Finance                       | Active Payment Manager Point of Sale System                      | Determine if controls and processes within the Active Payment Manager System are adequate and properly managed.                                                      | 750   |
| AU18-005 | Government and Public Affairs | Public Education and Government (PEG) Fund                       | Determine if PEG revenues collected are accurate and supported and if expenditures of PEG funds are allowable and supported.                                         | 750   |
| AU18-006 | Health                        | Air Monitoring Programs                                          | Determine if Public Center for Environmental Health (PCEH) Air Monitoring Programs are effective and adequately managed.                                             | 750   |
| AU18-007 | Health                        | Lab Operations                                                   | Determine if Metro Health laboratories are operating in compliance with regulations and they are operating efficiently and effectively.                              | 500   |
| AU18-008 | Historic Preservation         | Vacant Building Registration Program                             | Determine if controls of the Vacant Building Registration Program are adequate and effectively monitored.                                                            | 500   |
| AU18-009 | Human Resources               | Employee/Contractor Classifications                              | Determine if COSA employees and contractors are properly classified per State and Federal regulations.                                                               | 500   |
| AU18-010 | ITSD                          | eCommerce/Web App Security                                       | Determine if eCommerce/Web application controls are adequate.                                                                                                        | 400   |
| AU18-011 | ITSD                          | Internet of Things Vulnerabilities                               | Determine if controls over the procurement, implementation, and maintenance of internet connected devices are adequate.                                              | 700   |
| AU18-012 | ITSD                          | Security Management and Access Controls                          | Determine if ITSD security management and access controls are adequate and effective.                                                                                | 650   |
| AU18-013 | ITSD                          | Identity Management (Physical Access)                            | Determine if identity management over physical access to City facilities is effective.                                                                               | 650   |
| AU18-014 | Parks & Recreation            | Playgrounds                                                      | Determine if park playgrounds are regularly inspected and maintained.                                                                                                | 500   |
| AU18-015 | Parks & Recreation            | Parks and Recs - Online Reservation Payment System               | Determine if controls and processes within the Active Net reservation and payment system are adequate and properly managed.                                          | 800   |
| AU18-016 | Risk Management               | Liability Claims Management                                      | Determine if in-house liability claims are managed in accordance with internal policies and State statutes.                                                          | 500   |
| AU18-017 | SAFD                          | SAFD Medical Supplies and Drug Inventory Management              | Determine if the San Antonio Fire Department is adequately managing its medical supplies and drug inventories.                                                       | 600   |
| AU18-018 | SAFD                          | Equipment Inventory Management                                   | Determine if the San Antonio Fire Department is managing equipment inventory.                                                                                        | 1,000 |
| AU18-019 | SAPD                          | Aviation Police Operations                                       | Determine if Police Operations are managed effectively and efficiently to include compliance with training requirements of the State of Texas and the City.          | 1,000 |
| AU18-020 | SAPD                          | SAPD Confidential Informant Funds and Crimestoppers Reward Funds | Determine if SAPD funds used for the confidential informant program and CrimeStopper Rewards program are properly managed.                                           | 500   |
| AU18-021 | SAPD                          | Property and Evidence Room                                       | Determine if chain of custody and evidence preservation controls are adequate for SAPD Property and Evidence facilities.                                             | 750   |
| AU18-022 | SAPD / ITSD                   | Body Cameras                                                     | Determine if the SAPD body camera initiative is effective and operating as intended.                                                                                 | 1,000 |
| AU18-023 | TCI                           | Capital Project Accounting                                       | Determine if accounting for Capital Projects is accurate including overhead allocations and project closeout.                                                        | 600   |

Performance Audit Sub-total 15,300

**Attestations**

|          |      |                                         |                                                                                                |     |
|----------|------|-----------------------------------------|------------------------------------------------------------------------------------------------|-----|
| AU18-A01 | SAPD | Seized and Forfeited Assets Attestation | Determine if monitoring and accounting for the seized and forfeited asset fund is appropriate. | 400 |
|----------|------|-----------------------------------------|------------------------------------------------------------------------------------------------|-----|

Attestation Sub-total 400

Proposed FY2018 Audit Plan  
Office of the City Auditor

| Proj # | Department | Program/Process | Audit Objective | Hours |
|--------|------------|-----------------|-----------------|-------|
|--------|------------|-----------------|-----------------|-------|

**Follow-up Audits**

|          |         |                                                     |                                                                                                                                               |     |
|----------|---------|-----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-----|
| AU18-F01 | CCDO    | Downtown PID/Centro San Antonio                     | Determine if the recommendations made in the prior audit of the Downtown PID/Centro San Antonio Contract have been effectively implemented.   | 600 |
| AU18-F02 | CCDO    | CCDO HPARC Contract Monitoring                      | Determine if the recommendations made in the prior audit of the HPARC Contract Monitoring have been effectively implemented.                  | 300 |
| AU18-F03 | Finance | Utility Reporting                                   | Determine if the recommendations made in the prior audit of the Utility Reporting Requirements have been effectively implemented.             | 400 |
| AU18-F04 | ITSD    | IT Resources - General Office Hardware and Software | Determine if the recommendations made in the prior audit of the General Hardware and Software IT Resources have been effectively implemented. | 250 |
| AU18-F05 | ITSD    | IT Software Licensing                               | Determine if the recommendations made in the prior audit of the IT Software Licensing have been effectively implemented.                      | 250 |
| AU18-F06 | ITSD    | ITSD Unauthorized Software                          | Determine if the recommendations made in the prior audit of the IT Unauthorized Software have been effectively implemented.                   | 250 |
| AU18-F07 | ITSD    | Mobile Computing Devices Security                   | Determine if the recommendations made in the prior audit of the Mobile Computing Device Security have been effectively implemented.           | 250 |
| AU18-F08 | SAPD    | 911 IT CAD                                          | Determine if the recommendations made in the prior audit of the Public Safety CAD System have been effectively implemented.                   | 400 |
| AU18-F09 | SAPD    | SAPD Armory Inventory Mgmt                          | Determine if the recommendations made in the prior audit of the Armory Inventory Management Process have been effectively implemented.        | 300 |
| AU18-F10 | SAPD    | Public Safety 911 Operations                        | Determine if the recommendations made in the prior audit of the Public Safety 911 Operations have been effectively implemented.               | 500 |

Follow-up Audits Sub-total 3,500

**Contract Compliance**

|          |                 |                                                          |                                                                                                                                   |     |
|----------|-----------------|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-----|
| AU18-C01 | CCDO            | Riverbarge Contract                                      | Determine if the Riverbarge contract is adequately monitored and key terms are complied with.                                     | 500 |
| AU18-C02 | CSEF            | Visit San Antonio Contract                               | Determine if the Visit San Antonio contract is adequately monitored and key terms are complied with.                              | 600 |
| AU18-C03 | CSEF            | Catering and Concessions Contracts (Alamodome and HBGCC) | Determine if catering and concessions contracts for CSEF properties are adequately managed.                                       | 600 |
| AU18-C04 | Human Resources | BlueCross BlueShield Contract Compliance                 | Determine if vendor and HR are in compliance with the BlueCross BlueShield contract and HR is adequately monitoring the contract. | 600 |
| AU18-C05 | SAFD            | EMS Medical Control and Training Contract                | Determine if the SAFD/UTHSC EMS Training contract is effectively managed to comply with key terms of the interlocal agreement.    | 600 |
| AU18-C06 | TCI             | Storm Water Program                                      | Determine if the City and vendor are in compliance with the Storm Water facilities inspections contract.                          | 450 |

Contract Compliance Sub-total 3,350

|                  |                                                                                        |       |
|------------------|----------------------------------------------------------------------------------------|-------|
| Special Projects | Allocated hours reserved for Continuous Monitoring and Management or Council requests. | 1,000 |
|------------------|----------------------------------------------------------------------------------------|-------|

Special Projects sub-total 1,000