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# **CITY OF SAN ANTONIO**

## **OFFICE OF THE CITY AUDITOR**



Audit of Office of the City Council

City Council Expenses

Project No. AU16-007

June 7, 2016

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 an audit of the Office of the City Council, specifically City Council expenses. The audit objective, conclusion, and recommendation follow:

**Determine if Council district expenses are properly managed, authorized and supported.**

Council district expenses were properly managed, authorized and supported. The Office of the City Council has adequate controls in place to ensure City Council staff payroll adjustments were properly approved and accurately processed. Additionally, management controls were in place to ensure City Council expenditures were allowable, adequately supported and approved. Finally, proper controls were in place to ensure appropriate segregation of duties by the Office of the City Council and Council Member staff within the SAP and SAePS systems.

No findings were identified while conducting this audit. We make no recommendations to the Office of the City Council; consequently, no management responses are required. Office of the City Council's management acknowledgement of these results is in Appendix B on page 5.

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## Background

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The Mayor and Council Office is comprised of the Mayor, who is elected at large and ten City Council Members, who are elected from single-member districts. The City Council acts as the policy-making and legislative body within the City's government. In addition, each City Council Member has support staff employed on a contract basis that assists them with their daily operations.

The Mayor and City Council are also provided City administrative staff support that serve as constituent liaisons to all Council Members. The City support staff makes up the Office of the City Council. The Office of the City Council is funded by the City's general fund.

The Office of the City Council support staff job responsibilities include responding to incoming citizen calls, scheduling meetings and appointments and disseminating pertinent information to the citizens of San Antonio. In addition, the support staff is responsible for monitoring the budget of all ten Council Districts and the Mayor's Office. The monitoring includes the issuance of contracts for Council staff payroll and review of City Council Member expenditures. Each council district was budgeted approximately \$394,000 for FY2015, which is divided as \$70,000 for expenses, \$28,000 for constituency office, and \$296,000 for payroll expenses. The Mayor's office was budget approximately \$416,000 for FY2015, which is divided as \$89,000 for expenses, \$31,000 for constituency office, and \$296,000 for payroll expenses. Total actual expenditures for fiscal year 2014 and 2015 are shown in the table below:

District	FY 2014	FY 2015
1	\$339,664	\$382,810
2	359,136	368,509
3	326,830	392,976
4	333,340	362,460
5	358,726	376,718
6	312,067	404,428
7	354,113	410,057
8	344,186	403,399
9	327,421	462,815
10	266,467	362,550
Mayor	330,448	409,381
Total	\$3,652,398	\$4,336,103
Note: Districts that appear over their \$394,000 budget used prior year carry forward funds to cover the overage amount.		

## Audit Scope and Methodology

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The audit scope included reviewing expenditures from Fiscal Year 2014, Fiscal Year 2015 and the first quarter of fiscal year 2016 for all 10 districts and the Mayor's office.

We interviewed staff to obtain an understanding of the controls in place over the various City Council expenditure types and payroll processing. Additionally, we interviewed the fiscal administrator to obtain an understanding of the billing and collections processes for each type of expenditure within SAP.

We reviewed controls in place over the bi-monthly payroll processing function to verify City Council staff pay was properly approved and consistent with contract amendments. Specifically, we reviewed 25 one-time pay contract amendments and verified the pay was approved, properly applied as a one-time payment and agreed to the payroll journals. Additionally, we reviewed 25 pay raise/new hire contract amendments to verify the pay was approved and accurate in the payroll journal.

We tested 220 expenditure transactions for fiscal years 2014, 2015 and the first quarter of 2016 to verify they were processed appropriately. Specifically, for each fiscal year, we tested 10 expenditures from each Council district and the Mayor's office. We tested the expenditures to verify they were approved, allowable and adequately supported.

We reviewed compliance with managing user access in the SAP and SAePS systems as it pertains to the relevant information technology Administrative Directive 7.8D Access Control. We obtained a list of all system users and corresponding roles and authority to verify appropriate segregation of duties.

We relied on computer-processed data in SAP to validate the appropriateness of the expenditures. 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 verifying the expenditure was adequately supported, approved and allowable. 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

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### A. Payroll Contract Amendments

The Office of the City Council has adequate controls in place to ensure City Council staff payroll adjustments are processed accurately and approved. We reviewed a sample of 25 one-time pay adjustments valued at approximately \$33,000 and determined they were accurately paid and properly approved based on contract amendments. In addition, we reviewed a sample of 25 pay raise amendments and new hire contracts and determined they were accurately paid and properly approved.

### Recommendations

None

### B. City Council Expenditures

The Office of the City Council has adequate controls in place to ensure City Council expenditures were processed appropriately. Specifically, we tested 110 expenditure transactions totaling \$39,000 from fiscal year 2014 and verified they were approved, allowable and adequately supported. We tested 110 expenditure transactions totaling approximately \$38,000 from fiscal year 2015 through the first quarter of FY2016 and verified they were approved, allowable and adequately supported.

### Recommendation

None

## **Appendix A – Staff Acknowledgement**

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Buddy Vargas, CFE, Audit Manager  
Danny Zuniga, CPA, CIA, Auditor in Charge  
Lorenzo Garza, Auditor

## Appendix B – Management Response

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### CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

May 18, 2016

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

RE: Management's Acknowledgement of its Review of the Audit of City Council Expenses

The Office of the City Council has reviewed the audit report and provided its comments to the auditors. As there are no recommendations for management, no management responses are required.

The Office of the City Council:

☒ Fully Agrees

☐ Does Not Agree (provide detailed comments)

Sincerely,

Handwritten signature of Chris Callanen in blue ink.

Chris Callanen  
Assistant to City Council  
Office of the City Council

5/18/16

Date

Handwritten signature of John Peterek in blue ink.

John Peterek  
Assistant to the City Manager  
City Manager's Office

5/18/16

Date