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# **CITY OF SAN ANTONIO**

## **OFFICE OF THE CITY AUDITOR**



Audit of the Office of the City Manager

Office Expenditures

Project No. AU17-006

May 3, 2017

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 expenditures within the Office of the City Manager. The audit objective and conclusion follow:

**Determine if expenditures are appropriate and in compliance with City directives.**

Expenditures within the Office of the City Manager are appropriate and in compliance with City directives. A standard expense review process is in place to ensure validity and reasonableness of expenses. The review includes ensuring that adequate supporting documentation is provided, appropriate segregation of duties exist, and proper authorization is obtained.

No recommendations were made for this audit.

The Office of the City Manager's verbatim response is in Appendix B on page 5.

## Table of Contents

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Executive Summary .....	i
Background.....	1
Audit Scope and Methodology .....	2
Audit Results and Recommendations .....	3
A.    Office of the City Manager (CMO) Expense Process .....	3
Appendix A – Staff Acknowledgement .....	4
Appendix B – Management Response.....	5

## Background

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The Office of the City Manager is charged with recommending, implementing, and monitoring policies and procedures that maintain the financial well-being of City government. The office works closely with the Mayor and City Council to ensure that City programs and operations reflect established policy goals and objectives. The Office of the City Manager is funded by the City's general fund. The following table illustrates their FY 2016 budget and actual expenses:

<b>Expenditure Classification</b>	<b>Adopted 2016</b>	<b>Actual 2016</b>
Personal Services	\$2,813,889	\$2,789,195
Contractual Services	43,012	73,076
Commodities	31,400	29,162
Self-Insurance/Other	282,047	284,470
Capital Outlay	8,850	6,856
<b>Total</b>	<b>\$3,179,198</b>	<b>\$3,182,760</b>

## Audit Scope and Methodology

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The audit scope included expenses from October 2015 to September 2016.

To obtain an understanding of internal controls, we conducted interviews and walkthroughs with the Assistant to the City Manager, the Office of the City Manager's Special Projects Manager and Department Fiscal Administrator.

Testing criteria included review of related City Administrative Directives to include A.D. 1.6 Purchasing, 8.3 Accounts Payable, 8.31 Travel, and 8.32 Acceptable Use of City Funds. Additionally, we reviewed the City's P-card Manual and the City Manager's employment contract, as well as the contract amendments approved by City Council.

We relied on computer-processed data in SAP, the City's accounting system of record, to ensure the accuracy of recorded expenses. 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

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### A. Office of the City Manager Expense Process

The Office of the City Manager is adequately monitoring expenses to ensure that they are appropriate and in compliance with related City Administrative Directives.

Per City directives, expenses should obtain proper authorization and approval, a review of supporting documentation should be conducted, and appropriate segregation of duties should exist.

We verified that all expenses had supporting documentation and management approval prior to being recorded. We also verified that duties for authorization and record keeping processes were appropriately segregated.

### Recommendation

None

## **Appendix A – Staff Acknowledgement**

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Sandra Paiz, CFE, Audit Manager  
Reina Sandoval, Auditor in Charge  
Patricia Perez, Auditor

## Appendix B – Management Response

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### CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78203-3966

April 3, 2017

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

RE: Management's Acknowledgement of its Review of the City Manager's Office Expenditures

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

City Manager's Office:



Fully Agrees

☐ Does Not Agree (provide detailed comments)

Sincerely,

A handwritten signature in blue ink, appearing to read "John Peterek".

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

Date

4/3/17