
CITY OF SAN ANTONIO

OFFICE OF THE CITY AUDITOR



Audit of Pre-K 4 SA

Monitoring of Competitive Grants

Project No. AU17-018

November 6, 2017

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

Executive Summary

As part of our annual Audit Plan approved by City Council, we conducted an audit of the Pre-K 4 SA department, specifically their monitoring of agencies that provide pre-kindergarten services funded by competitive grants. The audit objectives, conclusions, and recommendations follow:

Determine if awarded City grants are monitored to ensure appropriate use of grant dollars.

Pre-K 4 SA City grants are sufficiently monitored to ensure appropriate use of grant dollars. Pre-K 4 SA has monthly and annual monitoring procedures in place for grant recipients. Monitoring efforts are timely, inclusive of key grant terms and sufficiently documented. In addition, reimbursement payments made to Public/Private School Districts were properly supported and approved. Finally, school materials and supplies purchased by Pre-K 4 SA for Child Care Development Centers (CDCs) were authorized and properly supported.

We make no recommendations to Pre-K 4 SA; consequently, no management responses are required. Management's acknowledgment of these results is in Appendix B on page 5.

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Background

In 2012, voters approved the development of Pre-K 4 SA to provide high quality pre-kindergarten services for 4-year olds in the San Antonio area. The department is funded by a 1/8 cent sales tax and had a FY2016 budget appropriation of \$38.8 million and a FY 2017 budget of \$47.6 million. Department goals at inception included building 4 learning centers and subsequently providing competitive grants to increase the number of 4-year olds who would benefit from high quality early childhood education services.

In 2016, the first round of competitive grants were awarded to 15 agencies totaling approximately \$4.2 million. Through a request for proposal process, competitive grants were awarded to three categories of education facilities as follows:

Category	Award Total
Public/Charter (6 agencies)	\$ 3,407,559
Private/Parochial (2 agencies)	\$ 467,743
Child Development Center (7 agencies)	\$ 300,000
Total	\$ 4,175,302

Public/Charter and Private/Parochial education facility grants are used to expand the length of the school day, decrease the ratio of students to teachers, provide professional development and family engagement services, purchase technology, and provide classroom and outdoor materials.

Child Development Centers (CDCs) receive a bundle of services to include enhancements to indoor and outdoor materials, accreditation and professional development, additional technology, and curriculum. Additionally, Pre-K 4 SA provides weekly coaching from a Professional Learning Specialist.

Pre-K 4 SA staff is responsible for monitoring the competitive grants awarded. Performance measures are established for each agency and Grant Analysts monitor them on a monthly basis. Additionally, annual site visits are performed to validate the performance measure information agencies submit.

Audit Scope and Methodology

The audit scope was April 2017 through June 2017. The audit scope also included the initial grant proposal documents submitted for the 2016-2017 school year and the renewal documents submitted for the 2017-2018 school year. Our audit procedures included all grant recipients. Testing criteria included Pre-K 4 SA internal processes and grant recipient contracts.

We interviewed Pre-K 4 SA staff to gain an understanding of the grant recipient monitoring process. We also reconciled the awarded grants on the final executed contract to Pre-K 4 SA's monitoring schedule to determine if Pre-K 4 SA was monitoring all grant recipients.

We obtained and reviewed all initial grant proposal documents including their qualifications, proposed plan, proposed budget and proof of insurance. Additionally, we reviewed the monthly and annual monitoring documents. This included reviewing the monthly performance report and the annual site visit results.

We also obtained the monthly invoice packets and determined if they obtained appropriate supporting documentation, contained required approvals, and were recorded accurately in SAP. Finally, we obtained the CDC ordering documents and determined if they were received.

We relied on computer-processed data in SAP to determine if invoices were accurately recorded in SAP. 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 comparing invoice amounts in SAP and determining if they were recorded in the correct cost center and general ledger account. 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

A. Monitoring Procedures

We reviewed all 15 grant recipients and determined Pre-K 4 SA is effectively performing both monthly and annual monitoring procedures. We also determined Pre-K 4 SA is monitoring the appropriate performance measures on a monthly basis.

Recommendations

None

B. Invoice Payments

We reviewed 24 invoice packets totaling \$770,786 for the months of April 2017 through June 2017 for all 8 Public/Private School Districts. We determined invoices were properly supported, reviewed and approved, and recorded accurately in SAP.

Recommendation

None

C. Childcare Development Center (CDC) Purchases

Pre-K 4 SA purchases school materials and supplies for CDCs. We reviewed 122 orders for materials and supplies totaling \$20,211.42 for the months of April 2017 through June 2017. We determined all orders were authorized, received, and had sufficient document support.

Recommendation

None

Appendix A – Staff Acknowledgement

Buddy Vargas, CIA, CFE, Audit Manager
Douglas Francis, Auditor in Charge
Nastasha Leach, Auditor

Appendix B – Management Response



CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

October 11, 2017

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

RE: Management's Acknowledgement of its Review of Pre-K 4 San Antonio Monitoring of Competitive Grants

Pre-K 4 San Antonio has reviewed the audit report and provided its comments to the auditors. As there are no recommendations for management, no management responses are required.

Pre-K 4 SA

☒ Fully Agrees

☐ Does Not Agree (provide detailed comments)

Sincerely,

Dr. Sarah Baray
Chief Executive Officer
Pre-K 4 San Antonio

10/11/17
Date

Peter Zanoni
Deputy City Manager
City Manager's Office

10.20.17
Date