



CITY OF SAN ANTONIO

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June 12, 2020

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Councilman, District 10

SUBJECT: Audit Report of San Antonio Police Department Off-Duty Employment

Mayor and Council Members:

We are pleased to send you the final report of the San Antonio Police Department Off-Duty Employment. This audit began in December 2019 and concluded with an exit meeting with department management in May 2020. Management's verbatim response is included in Appendix B of the report. The San Antonio Police Department 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



Audit of San Antonio Police Department

Off-Duty Employment

Project No. AU20-029

June 12, 2020

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 San Antonio Police Department (SAPD), specifically Off-Duty Employment Unit (SAPD ODEU). The audit objectives, conclusions, and recommendations follow:

Determine if controls over SAPD's off-duty special event compensation process are adequate and effective.

Yes, key management controls are adequate and effective. We determined that Standard Operating Procedures are reviewed annually, updated, and reflect key components of the Collective Bargaining Agreement (CBA). Event folders have required documentation and are securely maintained.

In addition, we determined officers and supervisors are being paid the correct rate as reflected in the CBA and for the amount of hours worked. Furthermore, we determined that clients are billed appropriately, revenue is accurately recorded, and follow-up is performed to ensure payments are received timely. Finally, we determined that client credit card information is protected and all SAPD ODEU employees have passed the City's cash handling course.

However, controls can be strengthened in the areas of reducing the unit's operating losses and periodic review of user access.

We recommend that the Chief of Police should:

- Consider including the conversion of all support staff to civilian personnel in future negotiations of the CBA to reduce the operating costs of administering the SAPD ODEU.
- Implement a formal monitoring process to ensure access to SAP and the SAPD ODEU network shared drive is properly restricted.

SAPD Management agreed with the audit findings and has developed positive action plans to address them. Management's verbatim response is in Appendix B on page 7.

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Background

The Off-Duty Employment Unit (SAPD ODEU) provides sworn officers for the purposes of providing security, crowd control, and other police-related activities at City facilities for both public and private events. The City facilities include the following:

- Convention Center Exhibit Halls and Banquet Halls;
- Lila Cockrell Theater;
- Market Square;
- Market Square's Texas A&M Rooms and Farmers Market;
- La Villita; and
- Alamodome.

The SAPD ODEU is responsible for administering the operations of the Off-Duty Employment program in a manner consistent with the policies, procedures, and regulations of the San Antonio Police Department (SAPD) and the Collective Bargaining Agreement (CBA) between the City of San Antonio (City) and the San Antonio Police Officer's Association (SAPOA).

SAPD ODEU is responsible for officer event scheduling, attendance verification, and ensuring accurate officer compensation. In addition, SAPD ODEU administers the City's contract with the National Security Administration (NSA). Eligible officers are assigned on a rotating basis to patrol the two facilities included in the NSA contract.

SAPD ODEU provides clients requesting security for an event an estimate of security needed along with hourly rates prior to the date of the event. Hourly rates for off-duty assignments are established in the CBA. Compensation for working off-duty events is paid through the officer's bi-weekly payroll check. The following table provides the hourly rates for FY 2019 and for FY 2020.

FY 2019 and FY 2020 Hourly Rates

Position	FY 2019 Hourly Rate	FY 2020 Hourly Rate	Hour Minimum
Police Officer	\$40.17	\$41.32	3
Police Supervisor	\$49.39	\$50.83	3

Note that a \$7/day parking rate is also paid for the first day of an event.
Source: SAPD Collective Bargaining Agreement (CBA).

SAPD Off-Duty and SAPD Fiscal are responsible for the accurate billing and collections for events. The table below summarizes the total number of events, participating officers, and compensation for off-duty assignments paid during FY 2018 and FY 2019.

Off-Duty Employment Unit Events and Compensation

Off-Duty Unit	FY 2018	FY 2019
Approximate Number of Events	493	462
Participating Officers	806	910
Total Officer Compensation	\$ 2,432,513	\$2,657,311

Source: SAP

The City administers an administrative fee to the client in an effort to recover the cost of administering the operations of the ODEU program. The administrative fee of \$1.50 is added to each hour worked by Off-Duty officers and is presented to the client in the hourly rate; this fee is retained by the City.

SAPD ODEU had operating losses of \$784,437 in FY 2018 and \$893,270 in FY 2019.

Audit Scope and Methodology

The audit scope was FY 2019.

We interviewed SAPD ODEU and fiscal staff and reviewed revenue and expenditures related to SAPD ODEU to determine the impact of the operating losses incurred by the City. We reviewed operating procedures to ensure they were updated and examined cash handling and credit card processes to ensure compliance with City Administrative Directives.

We tested billings and their subsequent payments to determine if they were complete, accurate and timely. In addition, we examined the measures SAPD utilizes to monitoring aging receivables to ensure follow-up.

We also reviewed the current process for scheduling off-duty events to determine if officers were given equal opportunity to participate. We reviewed event folders to determine if required support documentation is appropriately maintained.

Testing criteria included City Administrative Directives, the SAPD Collective Bargaining Agreement (CBA), and Department Standard Operating Procedures (SOPs).

We determined that the following internal control components were significant to the audit objective. Significant internal control components and principles included the following control activities: segregation of duties exist between the fiscal accountant and SAPD ODEU, and SOPs for SAPD ODEU are reviewed and updated annually.

We relied on computer-processed data in SAP to validate the billing and collections of revenue for off-duty events and NSA. 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 billing and collections for off-duty events and NSA as well as determining the operational costs for administering the ODEU Program. 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. Operating Losses of SAPD Off-Duty Detail

In FY 2018 and FY 2019, expenditures exceeded revenues for this program, resulting in a net loss to the City and also resulting in the general fund subsidizing these losses as shown in the table below.

Program Administrative Revenue and Expenditures		
	FY 2018	FY 2019
Revenues:		
Event	\$ 16,838	\$ 12,693
NSA	159,439	162,501
Total Revenues	176,277	175,194
Expenditures		
Personnel	895,856	1,006,216
Non-Personnel ¹	64,768	62,248
Total Expenditures	960,624	1,068,464
Net Income (Loss)	\$ (784,347)	\$ (893,270)

Source: SAP

The Unit is currently staffed by both sworn officers and civilian personnel as shown below.

SAPD Off-Duty Staffing Levels			
Off-Duty	FY2018	FY2019	FY2020
Employees			
Sworn Officers	3	3	7
Civilians	6	5	3
Total Employees	9	8	10

Source: Supervisor, SAPD Off-Duty

According to the Collective Bargaining Agreement (CBA), the administration of the SAPD ODEU is required to be staffed by uniformed personnel. However, converting sworn officers performing administrative task to civilian personnel will result in reducing operating expenditures for administering the unit.

Recommendation

The Police Chief should consider including the conversion of all support staff to civilian personnel in future negotiations of the CBA to reduce the operating costs of administering the SAPD ODEU.

¹ Non-Personnel expenditures include credit card fees, office supplies, binding, printing, mailing, and indirect costs from ITSD and other City departments.

B. Excessive User Access

Of the 17 SAPD employees who have access to the SAPD ODEU network shared drive, 7 (41%) are inappropriate as they no longer work in the unit. During our review, all 7 of these users had their access to the shared drive removed. In addition, critical roles in SAP are not periodically reviewed for appropriate access, although no unauthorized SAP access was found during our review.

City Administrative Directive AD 7-8d requires that system access be restricted by job function for essential use only using the concept of least privileges. Access to COSA IT assets must be disabled upon separation and user access must be periodically reviewed for validity.

SAPD ODEU does not periodically review the list of users with access to critical roles in SAP or user access to the network shared drive to ensure least privilege.

The lack of periodic user access reviews increases the risk of potential unauthorized users, inappropriate access, and unauthorized modification of data.

Recommendation

The Chief of Police should implement a formal monitoring process to ensure access to SAP and the SAPD ODEU network shared drive is properly restricted.

Appendix A – Staff Acknowledgement

Gabe Trevino, CISA, Audit Manager
Sheryl Wardashki, CPA, Auditor in Charge

Appendix B – Management Response



CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

May 22, 2020

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

RE: Management's Corrective Action Plan for San Antonio Police Department Off-Duty Employment


San Antonio Police Department has reviewed the audit report and has developed the Corrective Action Plans below corresponding to report recommendations.

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
1	Operating Losses of SAPD Off-Duty Detail The Police Chief should consider including the conversion of all support staff to civilian personnel in future negotiations of the CBA to reduce the operating costs of administering the SAPD ODEU.	4	Accept	Lt. J. Engquist	N/A
Action plan: Future CBA negotiations with SAPOA will include partial civilianization of the ODEU.					
2	Excessive User Access The Chief of Police should implement a formal monitoring process to ensure access to SAP and the SAPD ODEU network shared drive is properly restricted.	5	Accept	Lt. J. Engquist	05/02/2020
Action plan: the ODEU SOP is being updated to reflect removal of access to SAP and the shared drive once personnel leave the Unit. The Unit supervisor will also conduct a bi-annual audit of both to ensure accuracy.					

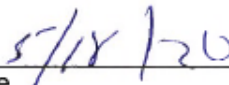
We are committed to addressing the recommendations in the audit report and the plan of actions presented above.

Audit of San Antonio Police Department
Off-Duty Employment

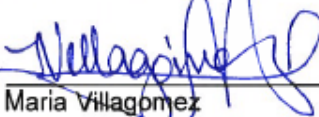
Sincerely,



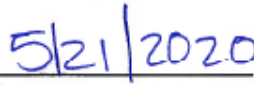
William McManus
Chief of Police
San Antonio Police Department



Date



Maria Villagomez
Deputy City Manager
City Manager's Office



Date