



City of San Antonio

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Sponsors:

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Attachments: 1. AU16-004 Audit of CCDO - Hemisfair Park Redevelopment Corporation Contract Monitoring

Date	Ver.	Action By	Action	Result
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AUDIT COMMITTEE SUMMARY

August 24, 2017

Audit of CCDO Hemisfair Park Redevelopment Corporation

Contract Monitoring

Report Issued March 1, 2017

Objective

Determine if controls are in place for the monitoring of the Hemisfair Park Area Redevelopment Corporation contract.

Background

In 2009, the San Antonio City Council established the Hemisfair Park Area Redevelopment Corporation (HPARC), a local government nonprofit organization appointed to manage and revitalize the Hemisfair area. The responsibilities of HPARC include acquiring property, planning, developing, constructing, managing, maintaining, and financing projects at Hemisfair.

Audit Scope & Methodology

The audit scope was from October 1, 2014 through February 29, 2016 and included all agreements between the City and HPARC subject to Center City Development and Operations Department (CCDO) oversight. We interviewed staff and reviewed pertinent documentation and agreements between CCDO and HPARC. We tested a judgmental sample of HPARC expenditures from high-risk categories (e.g. non-recurring charges and employee reimbursements) and verified a judgmental sample of assets in inventory.

Audit Conclusions

While controls are in place for monitoring HPARC contracts, they could be improved and the terms of the HPARC contracts could be strengthened. CCDO has not had input into the existing agreements with HPARC, as they have been developed by the City Manager's Office. We noted that the terms in the agreements do not ensure HPARC contractors have adequate insurance, and do not adequately impose requirements on HPARC to ensure it has an adequate system of internal controls. Additionally, we noted that the contract monitor has had little direct contact with HPARC personnel and has not performed any risk-based on-site monitoring visits.

We made recommendations to CCDO management to address these issues and they developed corrective action plans.