



City of San Antonio

Agenda Memorandum

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In Control: Audit and Accountability Committee

AUDIT COMMITTEE SUMMARY

October 17, 2017

Audit of Office of the City Clerk Passport Division

Report Issued June 8, 2017

Audit Objective

Determine if the passport program is effectively managed in accordance with Federal regulations and City policies, and performance metrics are appropriate and accurate.

Background

In 2010, the U.S Department of State approved the Office of the City Clerk (OCC) as a designated Passport Application Acceptance Facility. The OCC Passport Division is responsible for administering the Passport Application Acceptance Program in accordance with Federal guidelines.

The OCC currently operates two Passport Application Acceptance Facilities and employs 17 passport acceptance agents. These facilities and agents service the community by providing passport application services to citizens while generating revenue for the City. The Passport Division charges a \$25 fee for the processing of passport applications. The Division also provides passport photos upon request for a fee of \$16.24 sales tax included. In Fiscal Year 2016, the Passport Application Acceptance Facility processed 19,348 passport applications and generated revenue of approximately \$537,000, while maintaining a customer satisfaction score of 98%.

Audit Scope and Methodology

The audit scope included passport application processing fees for Fiscal Year 2016 and also included onsite observations of passport acceptance application processing in February 2017.

We reviewed system and physical access to Passport Facility records. We tested passport applications to determine fees were charged, collected and recorded accurately. We also reviewed the annual certification process for adherence to state requirements.

Audit Conclusions

Overall, the passport program is effectively managed in accordance with Federal regulations and City policies, and performance metrics are appropriate and accurate. Passport applications are processed accurately in accordance federal requirements, and application fees are charged accordingly.

However, we identified opportunities for improvement. Physical controls were inadequate in safeguarding passport application information and Personally Identifiable Information (PII). In addition, system access to the department's shared drive was inappropriate. Finally, the annual certification was not submitted accurately to the US Department of State.

We made recommendations to address the opportunities. The City Clerk concurred with the recommendations and developed positive corrective action plans.