



# City of San Antonio

## Agenda Memorandum

**File Number:**18-3959

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**Agenda Item Number:** 12.

**Agenda Date:** 6/19/2018

**In Control:** Audit and Accountability Committee

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### **AUDIT COMMITTEE SUMMARY**

**June 19, 2018**

#### **Follow-up Audit of Aviation Parking Revenues**

Report Issued March 29, 2018

### **Audit Objective**

Determine if the Aviation Department successfully implemented action plans to address prior audit recommendations noted in the initial audit.

### **Background**

In October 2015, the Office of the City Auditor completed an audit of the Aviation Parking Operations Revenues. The Office of the City Auditor concluded that improvement was needed in validating parking revenue and sales taxes, tracking proximity cards and validation tickets, and controlling user access to systems used in parking operations.

### **Audit Scope & Methodology**

The audit scope was limited to the recommendations and corrective action plans made in the original report within the time frame of October 2015 to March 2017.

The audit methodology included interviewing Aviation personnel to obtain an understanding of newly implemented controls and processes for accounting of parking revenue and sales tax payable, and monitoring of proximity cards and validation tickets. We reviewed source documents such as internal policies and procedures, end-of-day cash and credit card reconciliation packets, State tax returns, authorization forms, activity reports, internal audits, and transaction logs for validation tickets.

### **Audit Conclusions**

Of the three recommendations made in the original report, Aviation Parking staff has successfully implemented one action plan improving accounting processes to verify and reconcile revenue and sales taxes. This included receiving a credit from the State of \$466,337 for overpaid sales taxes identified in the original audit.

While Aviation Parking staff did implement procedures to monitor proximity cards, the procedures were not complete and fully followed. Reviews identified cards that should have been deactivated but were not. Also, the two systems used in this process contained conflicting data.

We also determined that segregation of duties issues still exist in the authorization and printing of validation tickets.

We made recommendations to management to address the two outstanding issues. Management concurred with our recommendations and has developed a positive action plans to improve controls.