



City of San Antonio

Agenda Memorandum

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In Control: Audit and Accountability Committee

AUDIT COMMITTEE SUMMARY

November 13, 2018

Audit of Government and Public Affairs Department

Public Education and Government Fund

Report Issued November 1, 2018

Audit Objective

Determine if PEG revenues collected are accurate and supported and if expenditures of PEG funds are allowable and supported.

Background

The Government and Public Affairs (GPA) Department is responsible with the operation, management and control of the PEG access channels while the cable service providers bear the responsibility for connectivity at each PEG access channel point of distribution, and the transmission of PEG programming content over their cable systems.

Cable providers (Spectrum, AT&T, and Grande) are required to give municipalities 1% of their gross revenue funds per the Texas Utilities Code Ch. 66. The funds are allocated in a PEG fund account and can only be used for PEG related capital outlay and cannot be used for operational costs of the department. GPA and Finance department staff are responsible for ensuring the PEG funds are used only for capital outlay. Revenues from Cable providers were approximately \$2.9 million in FY 2017 and \$2.8 in FY 2018.

The City has three channels supported by the PEG fee and GPA directly manages two channels; TVSA and PATV. The third channel, INTV, is the educational channel managed by Alamo Community College District (ACCD) via an Interlocal Agreement (ILA).

Audit Scope and Methodology

The audit scope was from October 2016 to May 2018. It included PEG fund revenue and expenditures and the ILA between the City and ACCD. We reviewed revenue amounts submitted to the City by ATT, Spectrum and Grande Communications for accuracy. We also reviewed rental fee invoices to determine whether customers were accurately billed and rental fee rates were correct. We reviewed expenditures for proper support documentation, approvals, and allowability. We reviewed the ILA between the City and ACCD to determine if GPA had adequate monitoring controls. Finally, we performed a physical inventory count at ACCD studios to determine if inventory purchased with PEG funds was accurate and being used appropriately.

Audit Conclusions

GPA has effective controls in place to ensure PEG revenues and expenditures are accurate, adequately supported and allowable. PEG revenues collected from cable providers were accurate and adequately supported. In addition, expenditures incurred by GPA and ACCD related to PEG were allowable, approved and adequately supported. Finally, effective monitoring controls existed for the ILA.

As we had no findings, we made no recommendations.