



# City of San Antonio

## Agenda Memorandum

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**Agenda Item Number:** 12.

**Agenda Date:** 12/11/2018

**In Control:** Audit and Accountability Committee

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### **AUDIT COMMITTEE SUMMARY**

**December 11, 2018**

#### **Audit of the Office of Historic Preservation Vacant Building Program**

Report Issued November 29, 2018

### **Audit Objective**

Determine if controls for the Vacant Building Program are adequate and effectively monitored.

### **Background**

The Office of Historic Preservation (OHP) is responsible for the historic preservation program of the City of San Antonio. The department also administers the Vacant Building Registration Program (program) and provides resources such as consulting services for applicants regarding proposed rehabilitation, new construction, and other projects concerning historic properties.

In June of 2014, City Council adopted the Vacant Building Registration Program. The program was created through the Office of Historic Preservation in collaboration with other departments. The goal of the program is to ensure that vacant buildings within 112 square miles of the program area are maintained in good condition to a minimum standard of care to minimize the negative impacts that these buildings have on the health, safety, and welfare of the public.

The program consists of 4 staff members who are responsible for the identification, registration, and monitoring of vacant buildings. The staff also monitors registered properties to encourage the maintenance of standard of care requirements. Vacant property owners have 90 days to register from the date that written notice is issued accompanied with action plans to address identified standards of care requirements. Fees are assessed for registration, inspection, and fines.

### **Audit Scope and Methodology**

The audit scope consisted of the vacant property registration process from fiscal year 2017 through May 24, 2018. We reviewed newly identified properties to determine if properties were properly vetted for inclusion in the program. In addition, we examined registered properties to determine if properties were properly registered, supported, and appropriate fees were assessed. Additionally, we reviewed fee waiver requests to determine if they were properly supported and approved. We also tested registered vacant properties to determine if they were monitored and appropriately dismissed from inclusion in the program. Finally, we reviewed the program's cash handling process and the monitoring process for outstanding payments to determine if fees were appropriately tracked and accounted for.

## **Audit Conclusions**

The controls for the program are not adequate or effectively monitored. Program staff does not effectively identify potential vacant properties subject to the program. Vacant property registrations are not processed in accordance with program requirements. Additionally, timely follow-up inspections of standard of care requirements are not performed consistently. Finally, there is a lack of segregation of duties and collections for outstanding registration fees are not adequately monitored.

We made recommendations to address the opportunities. Management agreed with the recommendations and developed positive corrective action plans.