



# City of San Antonio

## Agenda Memorandum

**File Number:**21-3010

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**Agenda Item Number:** 5.

**Agenda Date:** 4/20/2021

**In Control:** Audit and Accountability Committee

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**AUDIT COMMITTEE SUMMARY**  
**Follow-Up Audit of City Attorney's Office Outside Legal Counsel Billings**  
Report Issued April 5, 2021

### Audit Objective

Determine if prior audit of Outside Legal Counsel Billings recommendations have been effectively implemented.

### Background

On November 9, 2017, the Office of the City Auditor completed an audit of the City Attorney's Office (CAO) outside Legal Counsel Billings. The objective of the audit was to determine if outside legal expenditures are properly authorized and properly supported.

In the original audit, we concluded that that expenditures for outside legal counsel were not properly authorized or properly supported. We identified overpayment of hourly rates and payment for unauthorized personnel assigned to cases. In addition, we were unable to determine the accuracy of invoice payments due to lack of engagement letters on file. Finally, a lack of periodic monitoring of cases activities from the inception to conclusion of cases was identified.

### Scope and Methodology

The audit scope was limited to the recommendations and corrective action plans made in the original report for the time frame from October 2017 to September 2019.

### Conclusions

We determined that the CAO has made significant progress in addressing the two prior audit recommendations. Both action plans were partially implemented. The CAO's Office implemented procedures to ensure engagement letters from outside legal counsel were obtained and included the required information. However, controls can be strengthened surrounding the invoice review process specifically related to allowable costs and duplicate payments. Additionally, the CAO has not updated their invoice review policies and procedures to reflect actual business practices.

While the City Attorney's Office is monitoring cases on a case-by-case basis, they have not updated their Outside Legal Counsel Guidelines to reflect the actual current case monitoring procedures.

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