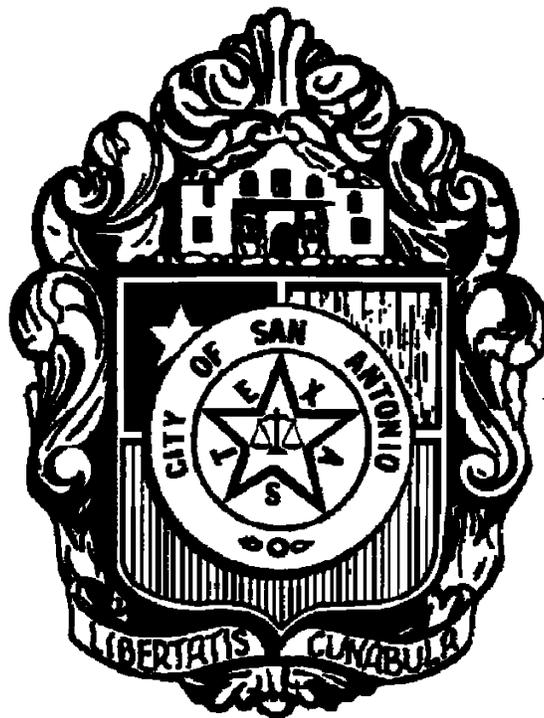


# City of San Antonio Office of the City Auditor



## Annual Audit Plan Fiscal Year 2013



# CITY OF SAN ANTONIO

P. O. BOX 839966  
SAN ANTONIO TEXAS 78283-3966

September 13, 2012

Mayor and City Council:

Enclosed is the proposed Fiscal Year 2013 Audit Plan of the Office of the City Auditor. The plan includes 22 performance, compliance and IT audits and 6 follow-up audits. Also, as in years past, the plan includes time allocated for potential City Council and Management requested projects.

In developing the plan, we sought input from the Mayor, City Council Members, the City Manager, Executive Leadership Team and select Department Directors. We added additional input based on local government audit industry trends. This effort resulted in an extensive list of potential areas for audit within the City. We then prioritized these potential areas based on a high-level risk assessment considering factors such as financial impact, compliance and prior issues.

I believe this plan provides adequate audit coverage across City departments and recognizes concerns of City Council and Management.

## **Fiscal Year 2012**

This past year, we continued to refine changes implemented in prior years. We have continued our emphasis on project management and efficiencies within the audit process. We also implemented a successful summer internship program within the Office. This program was for upper division or graduate level business majors with an interest in internal auditing. We plan to continue this program in FY 2013.

Through August 31, 2012, we issued 20 audit reports and I anticipate issuing a total of 22 reports by September 30 – the end of the fiscal year 2012.

Additionally, these issued reports highlight significant issues within the City's internal control environment that City Management is addressing.

I am also pleased with the partnership that our office has continued to develop with City Management in the execution of our audit plan. This partnership is critical to both the success of our Office and the improvement of City operations.

We continue to maintain an experienced and credentialed staff with 89% holding at least one audit related professional certification, and 61% holding master's degrees. Our staff is also contributing to the community through participation in various City sponsored events such as Blood Drives, City Manager's 5K Walk, and School Supply

Drives. Additionally, our Office achieved 100% participation in the City's 2012 United Way Charitable Campaign.

**Performance Measures and FY 2013 Goals**

While we internally track multiple measures within the department, four high level measures are reported to City Council. These measures balance performance within the department between effectiveness, efficiency, staff development and City Management relationships. The table below shows our FY 2012 goals and results through August 31, 2012 as well as our new FY 2013 goals. Also, note that we will add a 5<sup>th</sup> performance measure – percentage of actual audit direct hours compared to budgeted hours. This measure will track our performance relative to the budgeted hours included in the annual audit plan approved by City Council.

Performance Measure	Description	FY2012 Goal	FY2012 Actual a/o 8/31	FY2013 Goal
Number of audit products completed	The number of audit reports published	20	20	25
Audit recommendations	The percentage of audit recommendations agreed to by management	95%	100%	95%
Percent of auditor direct time to available time	The percentage of available time devoted to audits	78%	78%	78%
Audit staff with certifications	The percentage of audit staff with at least one professional audit related certification (CPA, CIA, CFE, or CISA)	50%	89%	70%
Percent of actual audit hours to budget hours	The percentage of total audit direct time to budgeted time. Measured as audits are completed.	New measure		100%

I wish to thank the Mayor, City Council and City Management for their support of the Office of the City Auditor. I look forward to contributing to continued improvements within the Office of the City Auditor, and the impact we will have on improving the City's effectiveness and efficiency in providing services.

Respectfully,

Kevin W. Barthold, CPA, CIA, CISA  
 City Auditor

## **Contents of the FY 2013 Audit Plan**

The plan includes 22 proposed audits and 6 follow-up audits (Attachment A). Also included are audits carried over from prior fiscal years (Attachment B). The level of resources estimated to complete these audits is also included.

With approval of the Audit Committee, this plan may be amended.

Office of the City Auditor  
FY 2013 Audit Plan

Item #	Project #	Department	Process	Objectives	Estimated Hours	Estimated Completion
1	AU13-001	Aviation/CIMS	Capital Projects	Were charges for the Terminal B project within contract terms and properly supported?	1,300	July 2013
2	AU13-002	CIMS	Capital Projects	Are capital project overhead rates appropriate, accurate and properly supported?	1,300	Aug 2013
3	AU13-003	CIMS	Web Security Controls	Has CIMS successfully implemented controls within its Portal system to effectively manage the department's risks?	1,000	Feb 2013
4	AU13-004	Convention, Sports, and Entertainment Facilities (CSEF)	Contract Revenue	Are CSEF and PSAV in compliance with contractual terms for audio/visual services?	750	Aug 2013
5	AU13-005	Downtown Operations	Contract Revenue	Are Downtown Operations and Rio San Antonio Cruises in compliance with the revenue contract terms? Is Downtown Operations properly monitoring the contract?	1,200	May 2013
6	AU13-006	Economic Development	Incentives	Are companies receiving economic development incentives from COSA in compliance with incentive programs? Is EDD properly monitoring economic incentive contracts?	1,000	Feb 2013
7	AU13-007	Economic Development	SBEDA	Are contracts with SBEDA requirements adequately monitored for compliance?	1,000	Oct 2013
8	AU13-008	Health Department	Lab Operations	Is the Metro Health Lab operating in compliance with regulations and effective and efficiently?	1,200	May 2013
9	AU13-009	Human Services Department	Operations	Are processes in place for the effective monitoring of delegate agency contracts.	1,000	June 2013
10	AU13-010	Intergovernmental Relations Department	Contracts	Are controls in place for adequate monitoring of contracts between the COSA and lobbyist organizations?	750	Nov 2013
11	AU13-011	ITSD	IT Access Controls	Are email (MS Exchange) security controls adequate?	1,100	July 2013
12	AU13-012	ITSD	Payment Card Industry (PCI) Security	Is COSA compliant with PCI security standards?	1,250	May 2013
13	AU13-013	Planning & Community Development	Tax Increment Reinvestment Zone (TIRZ) Management	Are appropriate controls and governance structures in place to properly manage the TIRZ program?	1,200	Aug 2013
14	AU13-014	Public Works	Infrastructure Management Plan	Are Public Works projects included in the Infrastructure Management Plan completed in accordance with the timeline and project scope described in the plan?	750	March 2013
15	AU13-015	Public Works	Right of Way Inspections	Are right of way inspection fees accurate and applied according to City policies.	900	Nov 2013
16	AU13-016	Public Works / ITSD	Traffic Signal IT Controls	Are IT general and application controls over traffic signals adequate and monitored?	1,250	May 2013
17	AU13-017	SAFD	EMS Billings	Is the SAFD properly managing the EMS billing collections contract?	1,500	Sept 2013
18	AU13-018	SAPD	Property and Evidence Room Procedures	Are chain of custody and evidence preservation controls adequate?	1,100	March 2013
19	AU13-019	SAPD	Confidential Informant Funds	Are SAPD funds used for the confidential informant program properly managed?	500	Oct 2013
20	AU13-020	SAPD	Uniform Crime Statistics	Are crime statistics accurately reported and are there adequate controls over the collection, calculation and reporting of these statistics.	1,300	Aug 2013
21	AU13-021	SWMD	Household Hazardous Waste	Are SWMD and Clean Harbors in compliance with contractual terms for disposal of household hazardous waste?	750	May 2013
22	AU13-022	SWMD	Recycling	Are recycling costs and metrics accurate and properly supported?	200	Feb 2013
23	AU13-F01	Animal Care Services	Follow-up Drug Inventory	Have controls been implemented as recommended in the Drug Inventory Audit?	350	May 2013
24	AU13-F02	Animal Care Services	Follow-up Revenues	Have controls been implemented as recommended in the ACS Revenue Audit?	350	May 2013
25	AU13-F03	Health Department	Follow-up Food Permits and Revenue	Have controls been implemented as recommended in the Metro Health Food Service Permit Fees and Revenue Audit?	350	Oct 2013
26	AU13-F04	Human Services Department	Follow-up Haven for Hope	Have controls been implemented as recommended in the DHS Haven for Hope Project Management Audit?	350	Oct 2013
27	AU13-F05	ITSD	Follow-up Contingency Plan	Have controls been implemented as recommended in the ITSD Contingency Plan Audit?	700	Oct 2013
28	AU13-F06	SWMD	Follow-up Recycling Revenues	Have controls been implemented as recommended in the SWMD Recycling Charges Audit?	350	Oct 2013
		Citywide	Special Projects	Provide time for Council or City Management requested projects.	1,000	

Total Hours for 2013 Audits 25,750

Office of the City Auditor  
 FY 2012 Audit Plan - Prior Year Carryover Audits

Item #	Project #	Department	Process	Objectives	Estimated Hours Remaining a/o 9/30/12	Estimated Completion Date
1	AU12-003	Aviation	Rental Car Fee Revenues	Are rental car companies remitting proper fee amounts to the City?	150	Nov 2012
2	AU12-006	Health	Drug Inventory	Is the Health Department adequately managing its drug inventory?	50	Nov 2012
3	AU12-009	ITSD	Access Controls	Are Windows Server access controls adequate?	150	Nov 2012
4	AU12-011	Municipal Courts	Municipal Courts State Reporting	Is Municipal Courts accurately reporting statistical data to local, state, and federal agencies?	25	Oct 2012
5	AU12-013	Finance	Sole Source	Are controls in place to ensure that Sole Source contracts are appropriate?	-	Oct 2012
6	AU12-014	Finance	SAeP	Are purchasing controls over the SAePS system adequate?	-	Oct 2012
7	AU12-016	SAFD	SAFD Fleet	Is the SAFD adequately managing its drug inventory?	1,000	Jan 2013
8	AU12-017	SAPD	SAPD Ground Transp.	Is the SAPD adequately managing its permit fee and inspection program?	300	Dec 2012
9	AU12-018F01	SAFD	Homeland Security follow-up	Are prior audit recommendations successfully implemented and working as intended?	-	Oct 2012
10	AU12-018F03	Health	Vital Stats follow-up	Are prior audit recommendations successfully implemented and working as intended?	150	Nov 2012
11	AU12-020	Cust Service	311 Call Center	Is the customer service request workflow effective and are results accurately monitored and reported?	700	Feb 2013

Carryover Audit Hours      2,525