

**AUDIT COUNCIL COMMITTEE MEETING
MINUTES
TUESDAY, OCTOBER 2, 2012
2:00 PM
MEDIA BRIEFING ROOM**

Committee Present:	Council Member W. Reed Williams, <i>District 8, Chair</i> Council Member Ivy R. Taylor, <i>District 2</i> Council Member Rey Saldaña, <i>District 4</i> Citizen Member Donald R. Crews
Committee Absent:	Citizen Member Stephen S. Penley
Staff Present:	Sheryl Sculley, <i>City Manager</i> ; Kevin Barthold, <i>City Auditor</i> ; Leticia Vacek, <i>City Clerk</i> ; Michael Bernard, <i>City Attorney</i> ; Ben Gorzell, <i>Chief Financial Officer</i> ; Peter Zanoni, <i>Assistant City Manager</i> ; Melody Woosley, <i>Assistant Director DHS</i> ; Troy Elliott, <i>Finance Director</i> ; Bernadette McKay, <i>Deputy City Attorney</i> ; Melanie Seale, <i>Assistant Finance Director</i> ; Brian Williams, <i>Audit Manager</i> , Andre DeLeon, <i>Controller</i> ; Monica Hernandez, <i>Assistant City Attorney</i> ; Mark Bigler, <i>Audit Manager</i> ; Sandra Paiz, <i>Audit Manager</i> ; Buddy Vargas, <i>Auditor IV</i> ; Thomas Schlenker, <i>Director Metro Health</i> ; Kevin Goodwin, <i>Assistant Director ITSD</i> ; Stephen Barscewski, <i>Sanitation Svc Manager</i> ; Rebekah Jamison, <i>Office of the City Clerk</i>
Also Present:	Mark Carmona, <i>Interim Director Haven for Hope</i>

CALL TO ORDER

Chairman Williams called the meeting to order.

I. Approval of minutes from the September 11, 2012 Meeting

Council Member Taylor moved to approve the meeting minutes of September 11, 2012. Council Member Saldaña seconded the motion. Motion carried unanimously by those present.

II. Final reports to be discussed

a. Project No. AU12-007 Audit of San Antonio Metropolitan Health District, Food Service Permit Fees and Revenues

Brian Williams reported that the purpose of the audit was to determine if the controls over Food Service Permit and Permit Fee Collections were adequate; and if the fees collected were accurate and appropriate. He reported that the controls over Food Service Permit and Permit Fee Collections were not adequate. He noted that they identified control deficiencies related to Metro Health's IT System controls, contract administration and monitoring efforts, and general policies and procedures.

Mr. Williams stated that specifically:

- The data in Digital Health Department (DHD), the automated system for managing the food permitting process, is not sufficiently reliable for determining whether food permit revenues are properly assessed and collected.
- The DHD System does not have application controls related to functional user access and data validity checks.
- Metro Health's contract with Garrison Enterprises (the company who developed and implemented the DHD System) does not adequately protect the City's interests.
- Food permit late fees do not calculate correctly in SAP after one year.
- User access to permit printing functions in SAP is not properly restricted.
- Metro Health did not properly monitor the Interlocal Agreement with Bexar County for food establishment permit and inspection services.
- Metro Health does not have adequate policies in place to ensure that food permit revenues are properly collected.

Mr. Williams added that they had provided recommendations to Metro Health and ITSD Management to address each of the issues. It was stated that Metro Health and ITSD Management concurred with the Audit recommendations and developed a corrective action plan.

Dr. Thomas Schlenker and Mr. Kevin Goodwin presented the management response and corrective action plan to be implemented in addressing the audit findings.

Committee Member Crews moved to accept the Audit Report as presented. Council Member Taylor seconded the motion. Motion carried with Mr. Penley absent.

b. Project No. AU12-008 Audit of the Department of Human Services, Haven for Hope Program Management

Kevin Barthold reported that the purpose of the audit was to determine if select Haven for Hope Programs are complying with contract terms to include balanced scorecard performance plans.

He stated that the Department of Human Services (DHS) administers agency grants. DHS has developed a balanced score card performance plan to monitor the success of the agency programs, with the exception of one grant to Haven for Hope. The performance measures are generally tracked through the Homeless Management Information System (HMIS) maintained by Haven for Hope.

Mr. Barthold reported that they were unable to confirm performance measures because of data reliability issues in the HMIS System related to performance measure reporting. Additionally, campus agencies did not maintain supporting documentation outside of the HMIS System. It was noted that DHS did not require performance measures for one operating grant to Haven for Hope.

Mr. Barthold stated their recommendations were: 1) Haven for Hope Management should develop and implement adequate controls for the HMIS System to ensure that reliable information is captured and a sufficient audit trail is created. 2) DHS Management should require Haven for Hope and its partner agencies to maintain alternate records to support performance measure results until Haven for Hope has resolved the issues with the HMIS System. 3) DHS Management should create a performance plan for each agency that receives funding from (or through) COSA. The performance measures should be clearly defined and directly related to the services being provided by the agency. Performance plans should be developed prior to initiation or renewal of the contract.

DHS and Haven for Hope Management concurred with the recommendations and developed a corrective action plan.

Council Member Taylor asked what direction the agency is taking with the personnel changes relating to the performance measures. Mr. Carmona, Interim Director of Haven for Hope, stated that they were currently implementing performance measures, training more staff and performing internal checks.

Council Member Saldaña asked who was allowed to input data into the system. Mr. Carmona explained that Haven for Hope Staff and partner agencies can directly input into the system and that City Staff also has access.

Mr. Peter Zanoni, Ms. Melody Woosley, and Mr. Carmona presented the management response and corrective action plan to be implemented in addressing the audit findings.

After discussion, Council Member Saldaña moved to accept the audit with a follow-up in June 2013. Council Member Taylor seconded the motion. Motion carried with Mr. Penley absent.

III. FY 2012 and FY 2013 Audit Plan Status Update

Kevin Barthold reported that the 2012 Audits that are still pending are in the final stages, pending reports or management responses. He referenced that the carry over audits are included in the 2013 Audit Plan and outlined the FY 2013 Annual Audit Plan.

IV. Executive Session

There was no Executive Session.

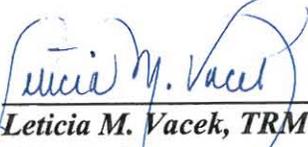
V. Consideration of items for future meetings

It was reported that the next Audit Committee Meeting was scheduled for November 6, 2012 at 2:00 pm.

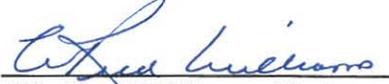
VI. Adjourn

There being no further discussion, Chairman Williams adjourned the meeting at 2:40 pm.

ATTEST:



Leticia M. Vacek, TRMC/MMC
City Clerk



W. Reed Williams, Chairman