

**AUDIT COUNCIL COMMITTEE MEETING
MINUTES
TUESDAY, FEBRUARY 25, 2014
10:00 AM
MEDIA BRIEFING ROOM**

Committee Present:	Council Member Ivy Taylor, <i>District 2, Chair</i> Council Member Ron Nirenberg, <i>District 8</i> Citizen Member Donald R. Crews Citizen Member Stephen S. Penley
Committee Absent:	Council Member Ray Lopez, <i>District 6</i>
Staff Present:	Erik Walsh, <i>Deputy City Manager</i> ; Kevin Barthold, <i>City Auditor</i> ; Leticia Vacek, <i>City Clerk</i> ; Troy Elliott, <i>Finance Director</i> ; Ben Gorzell, <i>Chief Financial Officer</i> ; Ed Belmares, <i>Assistant City Manager</i> ; Bernadette McKay, <i>Deputy City Attorney</i> ; David McCary, <i>Solid Waste Management Director</i> ; Gilbert Ramirez, <i>Fiscal Manager, Solid Waste Management Department</i> ; Gloria Hurtado, <i>Asst. City Manager</i> ; Mark Bigler, <i>Audit Manager</i> ; Buddy Vargas, <i>Audit Manager</i> ; Sandra Paiz, <i>Audit Manager</i> ; Steven Baum, <i>Assistant Policy Director, SAPD</i> ; Lorenzo Garza, <i>Auditor</i> ; Rosalia Vielma, <i>Auditor</i> ; Matt Howard, <i>Auditor</i> ; Dennis Roseberg, <i>SAPD</i> ; Ka Rhonda K Crummie, <i>Dept. Fiscal Administrator, SWMD</i> ; Mary Perez, <i>City Manager's Office</i> ; Rebecca De La Garza, <i>City Manager's Office</i> ; Rebekah Jamison, <i>Office of the City Clerk</i>

CALL TO ORDER

Chairperson Ivy Taylor called the meeting to order.

Chairperson Taylor announced that the Audit Committee would address the Executive Session at this time.

IV. Executive Session

- A. Deliberate the duties and evaluation of the City Internal Auditor, pursuant to Texas Government Code Section 551.074 (personnel matters)**

Chairwoman Taylor recessed the meeting into Executive Session at 10:05am. Chairwoman Taylor reconvened the meeting at 10:20am and stated that no action had been taken in executive session.

I. Approval of minutes from the January 7, 2014 Meeting

Councilmember Nirenberg moved to approve the meeting minutes of January 7, 2014. Committee Member Crews seconded the motion. Motion carried unanimously by those present.

II. Final Reports to be Discussed

A. Project No. AU13-F07 – SAPD Follow-up Audit of Ground Transportation Operations

Buddy Vargas reported that as part of the Annual Audit Plan, a follow up audit was conducted of the recommendations made in the Audit of the SAPD Ground Transportation Unit (GTU). The initial report was dated February 12, 2013. Mr. Vargas added that the objective was to determine if SAPD Management had successfully implemented action plans to address the prior audit recommendations.

Mr. Vargas reported that SAPD Management had successfully implemented action plans that addressed all recommendations from the previous audit. He added that the prior audit observations included multiple control deficiencies related to GTU's Fiscal Management, driver and vehicle permitting, safety of staff, information systems, and efficiency of operations.

There being no discussion, Committee Member Penley moved to accept Audit AU13-F07 as presented. Councilmember Nirenberg seconded the motion. Motion carried unanimously by those present.

B. Project No. AU13-020 – SAPD Audit of Uniform Crime Reporting

Mark Bigler reported that as part of the annual Audit Plan and as requested by City Management, an audit of the San Antonio Police Department (SAPD), specifically the uniform Crime Reporting (UCR) process, was conducted.

Mr. Bigler reported that the objective of the audit was to determine if crime statistics were accurately reported and if there were adequate controls over the collection, classification and reporting of the statistics.

Mr. Bigler stated that with the exception of arson, crime statistics for the City of San Antonio were accurately reported to the Texas Department of Public Safety (DPS). Also, controls over the collection classification, and reporting of the statistics were generally adequate, however improvements could be made.

Mr. Bigler added that they examined the process of collecting, classifying, and reporting UCR crimes and noted minor errors; however, the errors were insignificant overall and therefore, did not materially affect the accuracy of crime statistics reported to the DPS and the Federal Bureau of Investigation (FBI).

Mr. Bigler reported that during 2012, the SAPD UCR group made improvements to the UCR reporting process and established several manual reviews to mitigate limitations and issues with the Record Management System (RMS) application used to generate UCR information. Due to the SAPD UCR Group's efforts, no errors were identified with the reporting of

homicides. It was noted that minimal errors were found in the reporting of all other non-arson related crimes.

Mr. Bigler stated that to improve the UCR Process, he recommended that the SAPD Chief of Police:

- Develop and implement controls to accurately identify and report arson-related crimes.
- Implement controls that restrict change-access to the UCR-Type field in the Record Management System (RMS) application to authorized members of the UCR Group.
- Strengthen IT General Controls for the RMS and Automated Field Reporting (AFR) application by:
 - Defining and formally documenting a controlled process for handling new, modified, and terminated users.
 - Developing procedures and performing periodic (e.g. quarterly) reviews to ensure that user access is appropriate. Access should be limited based on job title and function.
 - Enabling password complexity on the RMS application and defining password policies that require AFR users to use complex passwords.

Chief McManus stated that he concurred with all the recommendations and has implemented a corrective action plan.

Councilmember Nirenberg complimented Chief McManus for their accuracy. Councilmember Nirenberg asked of the Arson Reports. It was stated that they were not catching those cases reported as a fire until weeks later due to the arson investigation.

Deputy City Manager, Erik Walsh, stated that the issue could be addressed internally. Kevin Barthold added that the reporting of arson is unique as the reports submitted are most serious crimes such as a death in a burned home.

Councilmember Nirenberg moved to accept Audit AU13-020 as presented. Committee Member Penley seconded the motion. Motion carried unanimously by those present.

C. Project No. AU13-F06 – SWMD Follow-up Audit of Landfill and Recycling Charges.

Buddy Vargas stated said audit was part of the annual Audit Plan. He added that this was a follow-up audit of the recommendations made in the Audit of Solid Waste Management Department Landfill and Recycling Charges dated November 1, 2011.

Mr. Vargas stated that the objective for the follow up audit was to determine if Solid Waste Management Department had successfully implemented action plans to address the prior audit recommendations.

Mr. Vargas reported that Solid Waste Management Department (SWMD) had successfully implemented the action plans that addressed all four recommendations from the November 2011 Report.

Mr. Vargas added that the prior Audit observations included a lack of independent verification of tonnage an underpayment of recycling rebates, the contract not reflecting current processes, and gross revenue and processing fees not properly recorded.

There being no discussion, Committee Member Penley moved to accept Audit AU13-F06 as presented. Councilmember Nirenberg seconded the motion. Motion carried unanimously by those present.

III. FY 2014 Audit Plan Status Update

Mr. Barthold reported that Audit No. AU14-028 Solid Waste Management Department-TDS Transfer Station had been cancelled. He added that key terms of the TDS contract were reviewed during the recent SWMD Landfill and Recycling Revenues audit and there was no need to perform a separate audit. The audit will be replaced with another audit for the stated hours.

Councilmember Nirenberg moved to amend the 2014 Audit Plan by cancelling the above stated audit. Committee Member Penley seconded the motion. Motion carried unanimously by those present.

IV. Consideration of items for future meetings

A. Discuss Future Meeting Date/Time

It was noted that the next Audit Committee Meeting was scheduled for March 25, 2014.

V. Adjourn

There being no further discussion, Chairperson Taylor adjourned the meeting at 10:46 a.m.

ATTEST:


Leticia M. Vacek, TRMC/MMC
City Clerk


Ivy R. Taylor, Chairperson