

City of San Antonio



Minutes Audit Committee

2023 – 2025 Council Members

Chair: Phyllis Viagran, District 3

John Courage, District 9 | Marc Whyte, District 10

Citizen Representative Dr. Judy Trevino and Philip M. Harris

Tuesday, April 30, 2024

2:00 PM

Council Briefing Room at
City Hall Complex

The Audit Committee convened a regular meeting in the City Hall Council Briefing Room beginning at 2:01 PM. City Clerk, Debbie Racca-Sittre took the Roll Call noting a quorum with the following Committee Members present:

Members Present: Phyllis Viagran, *Chair*
John Courage, *Member*
Marc Whyte, *Member*
Dr. Judy Trevino, *Citizen Member*
Philip Harris, *Citizen Member*

Members Absent: None

Approval of Minutes

1. Approval of minutes from the March 12, 2024 Audit Committee Meeting

Councilmember Courage moved to Approve the minutes of the March 12, 2024 Audit Committee meeting. Citizen Member Harris seconded the motion. The motion carried by the following vote:

Aye: Viagran, Courage, Harris
Abstain: Whyte
Absent: Trevino

Public Comments

There was no Public Comment.

CONSENT AGENDA

Final Internal Audit Reports

2. Acceptance of the Office of the City Auditor Report AU22-021 Audit of HR Discrimination Complaint Process [Kevin W. Barthold, City Auditor]

Citizen Member Harris moved to Approve on the Consent Agenda. Councilmember Courage seconded the motion. The motion carried by the following vote:

Aye: Viagran, Courage, Whyte, Harris
Absent: Trevino

3. Acceptance of the Office of the City Auditor Report AU23-036 Audit of Transportation Dept. Federally Funded Transportation Contract Monitoring [Kevin W. Barthold, City Auditor]

Citizen Member Harris moved to Approve on the Consent Agenda. Councilmember Courage seconded the motion. The motion carried by the following vote:

Aye: Viagran, Courage, Whyte, Harris
Absent: Trevino

4. Acceptance of the Office of the City Auditor Report AU23-003 Audit of Aviation Capital Projects Accounting [Kevin W. Barthold, City Auditor]

Citizen Member Harris moved to Approve on the Consent Agenda. Councilmember Courage seconded the motion. The motion carried by the following vote:

Aye: Viagran, Courage, Whyte, Harris
Absent: Trevino

5. Acceptance of the Office of the City Auditor Report AU23-006 Audit of CSF Rigging and Audio Visual Contract Monitoring [Kevin W. Barthold, City Auditor]

Citizen Member Harris moved to Approve on the Consent Agenda. Councilmember Courage seconded the motion. The motion carried by the following vote:

Aye: Viagran, Courage, Whyte, Harris
Absent: Trevino

6. Acceptance of the Office of the City Auditor Report AU24-008 Audit of EDD COVID/Construction Recovery Grants Program [Kevin W. Barthold, City Auditor]

Citizen Member Harris moved to Approve on the Consent Agenda. Councilmember Courage seconded the motion. The motion carried by the following vote:

Aye: Viagran, Courage, Whyte, Harris
Absent: Trevino

7. Acceptance of the Office of the City Auditor Report AU23-032 Audit of Pre-K 4 SA Transportation Contract [Kevin W. Barthold, City Auditor]

Citizen Member Harris moved to Approve on the Consent Agenda. Councilmember Courage seconded the motion. The motion carried by the following vote:

Aye: Viagran, Courage, Whyte, Harris
Absent: Trevino

8. Acceptance of the Office of the City Auditor Report AU24-025 Audit of ITSD Ransomware Response Plans [Kevin W. Barthold, City Auditor]

Citizen Member Harris moved to Approve on the Consent Agenda. Councilmember Courage seconded the motion. The motion carried by the following vote:

Aye: Viagran, Courage, Whyte, Harris
Absent: Trevino

ITEMS FOR INDIVIDUAL CONSIDERATION

Pre-Solicitation High Profile Briefings

9. Briefing on the release of a solicitation for one contract to provide the Transportation Department with Marketing and Communications Services in the estimated total value of \$2,450,000 for 3 years with 2, 1-year options to renew. [John Peterek, Interim Assistant City Manager; Catherine Hernandez, Director, Transportation]

Director of Transportation, Catherine Hernandez, provided an overview of the solicitation including outreach methods, listing of evaluation panelists, scoring criteria, and noted that the Small Business Economic Development Advocacy (SBEDA) Program requirement was waived because it was a Federal solicitation. She stated that the timeline included a release date of May 15, 2024 with City Council consideration in September 2024.

Chair Viagran wanted to ensure that the respondents understood the community and plugged into the cycling community and others.

Item was for briefing only so no action was taken.

10. Briefing on the release of a solicitation from qualified vendors to provide the San Antonio Police Department with installation and storage services of ballistic glass windshields and ballistic glass side window panels in the estimated total value of \$6,370,000 for 3 years with 2, 1-year options to renew. [Maria Villagomez, Deputy City Manager; Chief William

McManus, Director, Police Department]

Assistant Director of the San Antonio Police Department. Richard Riley, provided an overview of the solicitation including outreach methods, listing of evaluation panelists, scoring criteria, and SBEDA included 10 points for SBE prime and 10 points for M/WBE prime. He noted that the timeline included a release date of May 22, 2024 with City Council consideration in September 2024.

Chair Viagran supported Officer safety and noted that this contract would help.

Councilmember Courage asked how many SAPD vehicles had ballistic glass and how long did it take to install the glass. Riley stated that the vehicles did not have ballistic glass and installation would take two business days. Councilmember Courage asked why there was a Citizen Member on the evaluation panel of the Goal Setting Committee. Michael Whitehead stated that the Goal Setting Committee followed the standard application and the City Council approval process for a board.

Councilmember Whyte supported the use of ballistic glass and any other measures to keep Officers safe.

Chair Viagran asked how long it would take to get all vehicles upgraded and wanted to ensure that the latest technology was included as it became available. Riley stated that he hoped to begin getting the glass installed by the end of the year and could discuss upgrading as needed.

Item was for briefing only so no action was taken

Post-Solicitation High Profile Briefings

- 11. Approval to proceed with scheduling six contracts for City Council consideration to provide the Public Works Department with On-Call Construction Inspection Services related to the 2022 Bond, and other City funded projects, in the estimated total value of \$15,000,000 for 3 years with 2, 1-year options to renew.** [John Peterek, Interim Assistant City Manager; Razi Hosseini, Director, Public Works Department]

Luis Maltos, Assistant Public Works Director, reported that the department had worked with the Finance Department to issue a Request for Qualifications for up to six firms to provide on-call construction inspection services. Maltos stated that there were 378 vendors outreached, 25 attended the presubmittal conference, nine responsive proposals were received, and he was recommending the top six firms.

Councilmember Courage asked why the Storm Water Pollution Protection Plan (SWPPP) was one of the areas identified for inspection. Maltos clarified that SWPPP was a special inspection service but the firms would inspect other components such as structural and there was a team approach to the responses to ensure high quality.

Councilmember Courage moved to Approve. Councilmember Whyte seconded the motion. The motion carried by the following vote:

Aye: Viagran, Courage, Whyte, Trevino, Harris

- 12. Approval to proceed with scheduling one contract for City Council consideration to provide the Solid Waste Management Department a Smart Collection System for an estimated total value of \$8,040,000 for 5 years with 3, 2-year options to renew.** [David McCary, Assistant City Manager; David Newman, Director, Solid Waste Management Department]

Nick Galus, Assistant Director of the Solid Waste Management Department (SWMD), stated that the Smart Collection System/Integrated Technology Solution would replace paper maps in use today with the goal of creating efficiencies and reducing missed collections. The system also provided turn-by-turn navigation for drivers and could help optimize routes. He indicated that the Request for Competitive Sealed Proposals received two responses out of 2,272 vendors notified, and five vendors participated in the pre-submittal conference. Galus recommended the highest scoring vendor.

Chair Viagran expressed concern with the eight-year contract noting that technology could change drastically in that time and also with how it might be impacted by new homes and Accessory Dwelling Units. Galus stated that the subscription services would allow SWMD to take advantage of regular upgrades and it also integrated with billing data.

Councilmember Courage moved to Approve. Councilmember Trevino seconded the motion. The motion carried by the following vote:

Aye: Viagran, Courage, Whyte, Trevino, Harris

Staff Briefing

- 13. Briefing on the Results of the Fiscal Year 2023 External Financial Audit and Presentation of Related Reports** [Ben Gorzell Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer, Finance]

Melanie Keeton, Assistant Director of Finance, stated that the City Charter and State Law required an annual external audit. She stated that FORVIS was awarded the three-year contract to perform the audit in June 2022. Keeton reported that the audit firm completed the annual comprehensive financial report, financial report on Federal and State grants, financial compliance on passenger facilities charges, TCEQ agreed upon procedures report, and report on internal controls. Keeton reported that there had been no findings on internal controls in the past six years, therefore no management letter was issued.

There were two single audit findings this year, according to Keeton who introduced consultant Amanda Eades with FORVIS. Eades introduced the members of her team who conducted the audit between June 2023 and March 2024. FORVIS issued unmodified opinions for Federal and State programs that the financial statements were fairly represented and the City was materially in compliance. FORVIS reviewed other audits, tested five major Federal programs, and reviewed three State programs.

Eades described their audit procedures which included samples based on higher risk items and did not test every transaction. She stated that FORVIS was independent from the City and noted no unusual financial policies or methods and that it was their judgement that the City's Accounting Principles and the City implemented GASB 96 which resulted in some changes to subscription based IT arrangements.

Eades reported that two deficiencies were found in internal control over compliance for the Texas Military Preparedness Commission: Defense Economic Adjustment Assistance Grant, a State program and recommended separation of duties for review and submission of reports to the State. She added that a non-material finance included non-compliance with the Prompt Payment Act for the same grant.

Eades stated that the City planned to implement four new GASB standards during 2024 which included Statements 99, 100, 101, and 102.

Chair Viagran thanked staff and FORVIS for their work.

Citizen Member Trevino congratulated staff for no substantial findings. She asked if the auditors increased the samples based on findings about the non-compliance with the 30 day payment requirement. Eades stated that the grant was very small so they did not see the need to increase the sample size.

Gorzell thanked the entire Finance Team for their work noting the extensive GASB standards as well as the millions of Federal grants received.

City Auditor Kevin Barthold congratulated the Finance Department on six years of no findings which was an outstanding accomplishment.

Item was for briefing so no action was taken.

14. Status update of outstanding management action plans for prior audit recommendations.
[Kevin W. Barthold, City Auditor]

City Auditor, Kevin Barthold, provided an overview of the report noting that his office followed up on prior audits to verify that management completed their responses. Barthold stated that his office was tracking 51 recommendations, 36 were complete, 12 were on schedule, and three were behind schedule but were administrative in nature and would be tracked by his team.

Councilmember Whyte asked about target dates. Barthold stated that when he reported that verification was pending, it meant that the department had implemented the correction but it would take some time to tell whether the solution resolved the finding. Councilmember Whyte asked about Prosper West. Barthold stated that there had been ongoing discussions with them and a further update would be provided at a later meeting. Councilmember Whyte questioned the original finding for accounts receivables. Barthold stated that it was simply a different process used by various departments and a new Administrative Directive was coming out that would resolve the issue.

Chair Viagran wanted to keep tracking the audits and noted that the report was available to all Councilmembers.

Executive Session

There was no Executive Session held.

Consideration of items for future meetings

Next Scheduled Meeting Date: May 14, 2024

Councilmember Whyte requested an update on new thresholds for when an Item went to the Committee. Gorzell stated that staff would prepare an update.

ADJOURNMENT

There being no further discussion, the meeting was adjourned at 2:57 p.m.

Approved

Phyllis Viagran, Chair

Debbie Racca-Sittre, City Clerk