
**CITY OF SAN ANTONIO
OFFICE OF THE CITY AUDITOR**

**Parks & Recreation and Development Services
Departments**
AUDIT OF TREE MITIGATION PROGRAM
PROJECT NO. AU24-028
July 31, 2024

KEVIN W. BARTHOLD, CPA, CIA, CISA
CITY AUDITOR



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Executive Summary

As part of our annual Audit Plan approved by City Council, we conducted an audit of the Parks & Recreation (Parks) and Development Services (DSD) Departments, specifically the tree mitigation program. The audit objective, conclusions, and recommendations follow:

Determine if oversight of the Tree Mitigation Program Fund is adequate to include allocation of funds and monitoring of performance metrics.

Overall, oversight of the Tree Mitigation Program Fund was adequate, funding was allocated correctly, and performance metrics were properly monitored and supported. Tree Mitigation Program projects had the required application documents and approvals and fees were accurately calculated and recorded in the correct fund in SAP. Additionally, expenditures from fees collected for the program were allowable. Finally, performance measures were properly supported.

We make no recommendations to Parks and DSD. Consequently, no management responses are required. Management's acknowledgement of these results is on Appendix B on page 7.

Background

The Tree Mitigation Program is governed by the Tree Canopy Preservation and Mitigation ordinance in the City's Unified Development Code (UDC). The goals of the program are to protect existing trees and promote the planting of new trees while allowing development to occur. The Development Services Department (DSD) in conjunction with the Parks & Recreation Department (Parks) is responsible for administering the program.

DSD is responsible for issuing tree permits and collecting fees for the program. Developers must obtain a tree permit prior to any land development that will remove trees. Land development activities that remove trees require a Tree Permit/Affidavit application and a Tree Preservation Plan. If the developer decides to not preserve any trees, they can instead pay Tree Mitigation fees.

The Tree Canopy Preservation and Mitigation funds were established to account for revenues generated from the Tree Canopy Preservation and Mitigation ordinance. Tree Canopy Investment fees are set at \$15 per lot for residential and \$25 per acre for commercial properties. Tree mitigation fees are \$200/inch (tree's diameter in inches) for Significant¹ trees and \$200-\$600/inch for Heritage² trees. For FY 2023, \$8.1 million in tree mitigation and \$663 thousand in canopy fees were collected.

Parks is responsible for spending the fees collected in the Tree Canopy Preservation and Mitigation funds. The balance in the funds may be spent on tree planting, tree maintenance, the purchase of property to be used to plant additional trees or provide education and outreach to the public. Additionally, tree adoption events are also held. For fiscal year (FY) 2023, 12,629 trees were either planted or adopted.

¹ A Significant tree is defined as a tree of six (6) inches or greater diameter with the exception of certain species as mentioned in the Tree Canopy Preservation and Mitigation ordinance.

² A Heritage tree is defined as a tree of twenty-four (24) inches or greater diameter with the exception of certain species as mentioned in the Tree Canopy Preservation and Mitigation ordinance.

Audit Scope and Methodology

The audit scope was FY 2023. It consisted of evaluating the application requirements and accuracy of fees collected through the administration of the Tree Mitigation Program. Additionally, the expenditure process for the fees collected from the program was reviewed. Finally, we reviewed the performance measure process.

To gain an understanding of the Tree Mitigation Program, we performed interviews with the Development Services Department (DSD) and the Parks & Recreation Department (Parks) personnel and conducted walkthroughs of the permit and affidavit application process, expenditure process for fees, the inventory process for trees purchased, and the physical controls for the storage of trees and supplies. The primary criteria for this audit was the Unified Development Code (UDC).

We assessed internal controls relevant to the audit objective. This included a review of application completeness and approval, fee accuracy, site inspections, expenditures of collected fees, and physical controls.

We relied on computer-processed data in the Accela and SAP systems to validate the application completeness and accuracy of fees. Our reliance was based on obtaining the relevant documentation from Accela and reviewing for accuracy and tracing fees into SAP. We do not believe that the absence of testing general and application controls had an effect on the results of our audit.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Results and Recommendations

Overall, oversight of the Tree Mitigation Program Fund was adequate, funding was allocated correctly, and performance metrics were properly monitored and supported.

We obtained 25 Tree Canopy Preservation and Mitigations fees totaling \$4.5 million and reviewed the associated project for application completeness and fee accuracy. Additionally, we traced each fee into SAP. We determined the projects had the required application documents and approvals and fees were accurately calculated and recorded in the correct fund in SAP.

Additionally, we obtained a random sample of 25 Tree Canopy Preservation and Mitigation expenditures totaling \$7,948. We reviewed the expenditures and determined they were allowable per the requirements in the UDC.

We also reviewed the document that Parks uses to track tree planting and adoption events. This document is used to monitor their progress on the “Trees planted and trees adopted” performance measure in the City’s Adopted Operating and Capital Budget. We determined it properly supported the actual result reported in the budget and that Parks is adequately monitoring Tree Canopy Preservation and Mitigation Fund usage.

Appendix A – Staff Acknowledgement

Mark Bigler, CPA-Utah, CISA, CFE Audit Manager
Douglas Francis, CIA, Auditor in Charge
Megan Dodd, Auditor

Appendix B – Management Acknowledgement



CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

July 18, 2024

Kevin W. Barthold, CPA, CIA, CISA
City Auditor
San Antonio, Texas

RE: Management's Acknowledgement of its Review of the Tree Mitigation Program

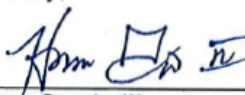
The Parks & Recreation and Development Services Departments have reviewed the audit report and provided their comments to the auditors. As there are no recommendations for management, no management responses are required.

Parks and Recreation Department:

☒ Fully Agrees

☐ Does Not Agree (provide detailed comments)

Sincerely,



Homer Garcia III
Director
Parks & Recreation Department

7-18-24
Date



David W. McCary
Assistant City Manager
City Manager's Office

7/18/24
Date


Audit of Parks & Recreation and Development Services Departments
Tree Mitigation Program

Development Services Department:

☒ Fully Agrees


☐ Does Not Agree (provide detailed comments)

Sincerely,

for 

for Michael Shannon
Director
Development Services Department

7/24/24
Date



John Peterek
Interim Assistant City Manager
City Manager's Office

7/24/24
Date