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

PUBLIC WORKS DEPARTMENT
AUDIT OF ADVANCED TRANSPORTATION
DISTRICT
PROJECT NO. AU24-036
MAY 16, 2024

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



Table of Contents

Executive Summary 2

Background..... 3

Audit Scope and Methodology 4

Audit Results and Recommendations 6

Appendix A – Staff Acknowledgement 7

Appendix B – Management Acknowledgement 8

Executive Summary

As part of our annual Audit Plan approved by City Council, we conducted an audit of the Public Works Department, specifically the Advanced Transportation District. The audit objectives, conclusions, and recommendations follow:

Determine if funding for the Advanced Transportation District (ATD) is accurately tracked and expenditures are allowable.

The funding for ATD is accurately tracked and expenditures are allowable. Public Works Department has effective controls in place to ensure that expenditures were properly approved for ATD projects and payments made to ATD projects are accurate and supported. Additionally, ATD projects were properly inspected after completion and had appropriate supporting documentation prior to payment. Finally, the Public Works Department has adequate procedures in place to verify appropriate user access for PrimeLink.

We make no recommendations to the Public Works Department; consequently, no management responses are required. Management's acknowledgement of these results is in Appendix B on page 8.

Background

The Advanced Transportation District (ATD) was established in November 2004 by voters in San Antonio. ATD provides the City with the opportunity to implement projects and improve areas such as increased mobility, reduced traffic congestion, and improved neighborhood connectivity. The ATD Fund accounts for all revenues and expenditures associated with the administration and project delivery of the ATD program. Additionally, the Infrastructure Management Program (IMP) is a five-year rolling program which focuses on the maintenance of San Antonio's infrastructure. The IMP manages ATD related projects, which is based off service needs that are identified city wide and are determined during the budget process for each City's fiscal year and presented to City Council for approval.

ATD funds are generated at $\frac{1}{4}$ of a cent from the 8.125% sales tax collected within the City of San Antonio. ATD generates over \$25M per year for transportation related capital improvements. ATD capital projects include bike lanes, intelligent traffic system, sidewalk & street improvements, accessible pedestrian signals/improvements, and traffic signal communications. The ATD total adopted budget was \$30.8M for FY 2024. Within this 2024 budgeted amount, \$8.96M consists of operational expenses such as personnel and contractual services. The remaining \$21.8M consists of funds used for planned ATD capital projects and associated expenses.

The Public Works Department (PWD) is responsible for monitoring the ATD funds, which are based on the yearly budget. PWD, along with Budget and Finance, meet on a regular basis to review and monitor funds. In addition, projects are documented through PrimeLink, which interfaces with SAP. Expenses must be approved by a project manager and inspector before payment is submitted. In PrimeLink, there is a workflow process for each project to determine the appropriate approval process before payment is submitted.

Audit Scope and Methodology

The audit scope included contracted and in-house Advanced Transportation District (ATD) projects from FY 2022 through 2024.

To gain an understanding of department operations, we interviewed Public Works Department personnel and conducted walkthroughs of expenditure and approval processes, ATD project installation, and user access. The primary criteria for this audit included the PrimeLink User Administration, City Administrative Directives, and the PWD Infrastructure Management Program (IMP) Standard Operating Guidelines.

We assessed internal controls relevant to the audit objective. This included a review of the criteria above. The scope of this audit was limited to testing projects with a physical component from FY 2022 through 2024. Overall, there were 647 ATD projects, which included projects that had not started, in progress, or completed. The table below includes ATD physical project budgeted dollars that were included for potential testing.

ATD Physical Projects Budgeted Dollar Amount Per FY				
	2022	2023	2024	Grand Total
Audible Pedestrian Signals	\$ 170,000	\$ 170,000	\$ 312,000	\$ 652,000
Battery Backup Systems	\$ 75,000	\$ 75,000	\$ 75,000	\$ 225,000
Traffic Signal Detection	\$ 300,000	\$ 900,000	\$ 300,000	\$ 1,500,000
Sidewalks	\$ 13,704,045	\$ 17,637,755	\$ 12,039,342	\$ 43,381,141
Grand Total	\$ 14,249,045	\$ 18,782,755	\$ 12,726,342	\$ 45,758,141

We tested 50 ATD projects, 25 contracted and 25 in-house, from the audit scope to verify they were accurately supported and properly approved. Additionally, we tested 10 of the 25 contracted projects and 10 of the 25 in-house projects to verify the projects' existence and confirmed if they were properly inspected prior to payment. We also reviewed for appropriate user access to PrimeLink.

We relied on computer-processed data in PrimeLink system to validate the accuracy and approval of the ATD projects and workflow progress. Our reliance was based on performing direct tests on the data rather than evaluating the system's general and application controls. 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

The Public Works Department has adequate controls in place to ensure ATD projects were expensed and approved properly. We reviewed 50 ATD projects, 25 contracted and 25 in-house, and confirmed projects were accurately expensed, tracked, supported and properly approved within PrimeLink. Additionally, we verified that the PrimeLink payment requests per project reconciled with the SAP payments.

Furthermore, we confirmed that ATD projects were properly inspected prior to payment. We physically observed if 20 ATD projects, 10 contracted and 10 in-house, were installed at their designated location. These projects were from the overall 50 ATD project sample. In addition, we verified if these projects were properly inspected prior to any payment by utilizing inspections and punch lists conducted by CoSA internal staff.

Finally, we confirmed that user access is appropriate for ATD projects in PrimeLink. We reviewed 3 previous quarterly PrimeLink reviews from Q3 FY 2023 – Q1 FY 2024 conducted by Public Works. We verified that users who have not logged into the system after 100 days were deactivated. Additionally, we took a sample of 10 active users within each quarterly review, 30 users total, to verify these active users were active SAP users. Overall, we confirmed that the 30 users have appropriate access.

Appendix A – Staff Acknowledgement

Baltazar Vargas, CPA, CIA, CFE, Audit Manager

Sabrina Saldana, Auditor in Charge

Megan Dodd, Auditor



Appendix B – Management Acknowledgement



CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

May 3, 2024

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

RE: Management's Acknowledgement of its Review of PWD Advanced Transportation District

The Public Works Department has reviewed the audit report and provided its comments to the auditors. As there are no recommendations for management, no management responses are required.

Public Works Department:



Fully Agrees



Does Not Agree (provide detailed comments)

Sincerely,

A blue ink signature of Razi Hosseini.

Razi Hosseini, P.E.
Directory/City Engineer
Public Works Department

5/3/24
Date

A blue ink signature of John Peterek.

John Peterek
Interim Assistant City Manager
City Manager's Office

5/3/24
Date

