



# City of San Antonio

## Agenda Memorandum

**File Number:**  
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**Agenda Item Number:** 3

**Agenda Date:** January 31, 2023

**In Control:** Audit and Accountability Committee Meeting

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**DEPARTMENT:** Office of the City Auditor

**DEPARTMENT HEAD:** Kevin Barthold

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Acceptance of the Office of the City Auditor Report AU22-011 Audit of EDD - SBEDA Compliance

**SUMMARY:**

Determine if contracts with SBEDA requirements are adequately monitored for compliance.

**BACKGROUND INFORMATION:**

Background

The Small Business Office (SBO), a division of Economic Development Department (EDD), promotes the development and growth of small, minority, and women-owned businesses (S/M/WBEs) through various programs and services as they are vital to the city's economic health. The SBEDA Program was established with the intent to promote greater availability, capacity development, and contract participation by S/M/WBEs in City contracts.

The current SBEDA Program covers city solicitations and contracts, as well as funding/developer agreements, with a value over \$50,000 in the following categories: Construction, Architectural and Engineering, Professional Services, Other Services, and Goods and Supplies. The SBO is responsible for implementing and enforcing the SBEDA program. It is ultimately the responsibility of the originating department to ensure the prime contractors of their contracts stay in compliance with the SBEDA requirements.

### Scope and Methodology

The audit scope included SBEDA contracts for FY 2021 through FY 2022. We reviewed the accuracy of contract data, contract payments, goals, and contractor certifications. We also reviewed City department monitoring efforts for contracts that were non-compliant. We reviewed for appropriate training for the City Contract Management System (CCMS). Finally, we reviewed for appropriate user access.

### Conclusions

Overall, contracts with SBEDA requirements are adequately monitored for compliance. EDD has effective controls that ensure the information, such as contract data, payments, and certifications, in the CCMS are complete and accurate. In addition, EDD has effective procedures that ensure users have adequate training in the use of the CCMS system and appropriate system access.

However, we observed administrative opportunities for improvement in regard to adhering to the SBEDA ordinance related to non-compliant contractors and maintaining sufficient supporting documentation of monitoring efforts of noncompliance.

We made recommendations to improve these opportunities. Management agreed with the recommendations and developed positive corrective action plans.

### **ISSUE:**

This item is presented for acceptance by the Audit and Accountability Committee.

### **FISCAL IMPACT:**

None

### **ALTERNATIVES:**

N/A

**RECOMMENDATION:**

Staff recommends acceptance of this audit report.