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

**TRANSPORTATION DEPARTMENT  
OFFICE OF SUSTAINABILITY**  
AUDIT OF FEDERALLY FUNDED  
TRANSPORTATION CONTRACTS  
PROJECT NO. AU23-036  
February 27, 2024

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



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# Executive Summary

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As part of our annual Audit Plan approved by City Council, we conducted an audit of the Transportation Department and Office of Sustainability, specifically federally funded transportation contracts. The audit objectives, conclusions, and recommendations follow:

## **Determine if Federally Funded Transportation Projects (programs) are in compliance with federal requirements.**

Overall, federally funded transportation programs are in compliance with federal requirements. We obtained the advance funding agreements (AFAs) for the Corridor Mobility Planning Program and the Congestion Mitigation and Air Quality Improvement (CMAQ) Clean Air Educational Outreach Program and determined they were approved by City Council. Additionally, we noted the AFA properly detailed the requirements for the grant funds to be reimbursable. The grant programs were also in compliance with federal Disadvantaged Business Enterprise (DBE) requirements. Additionally, contactor payments and reimbursements for grant expenses were reimbursable per the requirements in the AFA, properly approved, and recorded correctly in SAP.

We make no recommendations to the Transportation Department and Office of Sustainability; Consequently, no management responses are required. Management's acknowledgement of these results is on Appendix B on page 7.

# Background

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The Alamo Area Metropolitan Planning Organization (AAMPO) approved the Corridor Mobility Planning program and the Congestion Mitigation and Air Quality Improvement (CMAQ) Clean Air Educational Outreach program for federal funding as part of its Transportation Improvement Program (TIP). The TIP addresses federal regulations administered by the United States Department of Transportation (DOT) to help it achieve its objective to modernize infrastructure to deliver safer, cleaner, and more equitable transportation systems. The City of San Antonio passed two ordinances to facilitate the funding process and begin work on the programs.

## Corridor Mobility Planning Program

The first ordinance was passed on May 7, 2020 for \$880,000 of federal grant money used for the Culebra Corridor Multimodal Planning Study managed by the Transportation Department. The goal of the study was to provide design planning concepts for increased vehicle safety, pedestrian mobility, and traffic congestion relief. The Transportation Department contracted with WSP USA to complete the study and the final report was issued in November of 2022.

## CMAQ Clean Air Educational Outreach Program

The second ordinance was passed on April 29, 2021 for \$216,000 of federal grant money used for the Electric Vehicles San Antonio (EVSA) campaign managed by the Office of Sustainability. This campaign helped educate and promote electric vehicles to the citizens of San Antonio. The Office of Sustainability contracted with ESD & Associates to develop the campaign. The Office of Sustainability is currently in year two of the agreement with ESD & Associates with it ending on March 7, 2025.

An Advance Funding Agreement (AFA) was approved by City Council as part of the ordinance for both grants which approves the federal funding and details the project scope, timeline, cost, and reimbursement requirements. The Texas Department of Transportation (TxDOT) administered the funds for both grants on behalf of the Federal Highway Administration (FHWA). The City is reimbursed by TxDOT for eligible grant expenditures as they are incurred. These grant expenditures are payments made to contractors for approved program work. Each grant program is also required to comply with federal Disadvantaged Business Enterprise (DBE) Program requirements when selecting contractors.

## Audit Scope and Methodology

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The audit scope consisted of evaluating the federal grant management process for the Corridor Mobility Planning Program and the CMAQ Clean Air Educational Outreach Program.

To gain an understanding of the grant management process, we performed interviews with department personnel, performed walkthroughs of significant processes, and reviewed relevant documentation. The primary criteria for this audit are the AFAs for both grants and a City administrative directive, AD 8.10 Financial Management of Grants.

We assessed internal controls relevant to the audit objective. This included a review of the AFAs, contractor payments, TxDOT reimbursements, DBE compliance, and training requirements.

We relied on computer-processed data in the PrimeLink and SAP systems to validate contractor payments and TxDOT reimbursements. Our reliance was based on performing direct tests on the data by verifying approvals in PrimeLink and tracing the payments and TxDOT reimbursements 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

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Overall, federally funded transportation programs are in compliance with federal requirements.

We obtained the AFAs for both grant programs and determined they were approved by City Council. Additionally, we noted the AFA properly detailed the requirements for the grant funds to be reimbursable. The grant programs were also in compliance with federal DBE requirements.

We also reviewed five contractor payments from each grant totaling \$494,000 for the Corridor Mobility Planning Program and \$3,049 for the CMAQ Clean Air Educational Outreach Program and determined they were properly approved, were reimbursable per the requirements in the AFA, and were recorded correctly in SAP. Additionally, we reviewed five TxDOT reimbursements from each grant program totaling \$395,000 for the Corridor Mobility Planning Program and \$2,400 for the CMAQ Clean Air Educational Outreach Program and determined they agreed with the contractor payment, were properly approved, and were recorded correctly in SAP.

# Appendix A – Staff Acknowledgement

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Mark Bigler, CPA-Utah, CISA, CFE, Audit Manager

Douglas Francis, CIA, Auditor in Charge

Javier Castillo, IT Auditor

# Appendix B – Management Acknowledgement



## CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

January 24, 2024

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

RE: Management's Acknowledgement of its Review of Federally Funded Transportation Contracts

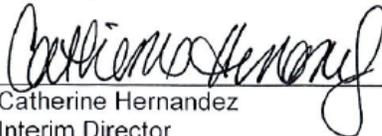
The Transportation Department and the Office of Sustainability have reviewed the audit report and provided their comments to the auditors. As there are no recommendations for management, no management responses are required.

Transportation Department:

Fully Agrees

Does Not Agree (provide detailed comments)

Sincerely,

  
\_\_\_\_\_  
Catherine Hernandez  
Interim Director  
Transportation Department

1/24/2024  
Date

  
\_\_\_\_\_  
Roderick Sanchez  
Assistant City Manager  
City Manager's Office

1/25/2024  
Date

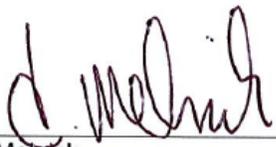
Audit of Transportation Department & Office of Sustainability  
Federally Funded Transportation Contracts

The Office of Sustainability:

Fully Agrees

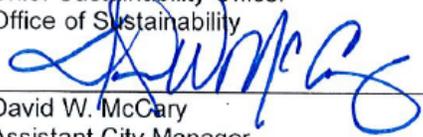
Does Not Agree (provide detailed comments)

Sincerely,



Douglas R. Meinick  
Chief Sustainability Officer  
Office of Sustainability

2/15/24  
Date



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

2/19/2024  
Date