



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 6

Agenda Date: March 12, 2024

In Control: Audit Committee

DEPARTMENT: Office of the City Auditor

DEPARTMENT HEAD: Kevin Barthold

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Acceptance of the Office of the City Auditor Report AU23-005 Audit of the City Manager's Office City Funded Non-Profit Events.

SUMMARY:

Determine if City funded non-profit events are in compliance with contract or funding agreement terms.

BACKGROUND INFORMATION:

Background

The City of San Antonio funds non-profit events to benefit the community. This audit focused on specific non-profit events that included the Martin Luther King Jr. (MLK) March, Avenida Guadalupe Association (AGA) and Cesar Chavez March (CCM) events.

The City awarded \$300,000 for fiscal year 2023 to organize the annual MLK March and lead other community efforts paying tribute to Dr. Martin Luther King, Jr. The funds were also used to contract with Straight Line Management LLC, performers, speakers and entertainment venues for the MLK March. The City entered into a funding agreement with the AGA for fiscal year 2023 in the amount of \$40,000. Funds were for the activation and programming of Plaza Guadalupe events. Finally, the City entered into a funding agreement with Cesar E. Chavez Legacy and Educational Foundation for fiscal year 2023 in the amount of \$100,000. Funding was provided for the public purpose of supporting the Cesar Chavez March.

The MLK March is overseen by the MLK Commission, which was created by City Ordinance, and monitored by the City Manager's Office (CMO). The AGA and CCM are guided by funding agreements with the City of San Antonio and monitored by Center City Development and Operations Department (CCDO).

Scope and Methodology

The audit scope was City funded non-profit events operations from FY2022 thru FY2023 and compliance with City contracts and non-profit funding agreements. We reviewed department monitoring processes for compliance with contract and funding agreement terms. In addition, we reviewed expenditures for adequate document support and allowability. Finally, we reviewed for appropriate contributions/donations to the MLK March.

Conclusions

Overall, City funded non-profit events are in compliance with contract or funding agreement terms. Expenditures for City funded non-profit organization events are adequately supported and allowable. Straight Line Management LLC expenditures are in compliance with contract terms for the MLK March. Furthermore, MLK March contributions from sponsor organizations are accurately deposited.

However, the audit team identified areas in which controls could be improved over the inspection and permitting of electrical equipment.

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 Committee.

FISCAL IMPACT:

NA

ALTERNATIVES:

NA

RECOMMENDATION:

Staff recommends acceptance of this audit report.