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



Audit of San Antonio Police Department

Ground Transportation Unit

Project No. AU22-035

September 22, 2022

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 San Antonio Police Department (SAPD), specifically its Ground Transportation Unit (GTU). The audit objectives, conclusions, and recommendations follow:

### **Determine if SAPD is adequately managing its ground transportation permit fees and inspection program.**

The SAPD GTU is adequately managing its ground transportation permit fees and inspection program.

GTU personnel ensure that fee revenue is accurately recorded in both the GTU system and the city's accounting system (SAP). They inspect vehicles both annually at the GTU station as well as intermittently in the field to ensure that they do not have obvious safety hazards (bald tires, inoperable lights, etc.) and conform to the regulations outlined in the City Code. They also review applications of drivers to ensure that they pass background checks and have good driving records and ensure that drivers keep their permits and driver's licenses available for passenger review. GTU Inspectors write citations for violations of Chapter 33 when warranted and may also issue parking tickets to any violator of parking laws within the City. Additionally, they ensure horse carriage companies clean up after their horses and protect them from working in excessive heat. GTU management ensures that only GTU personnel and the system administrator have access to the GTU system, which is used to track all information related to the above processes. However, it is not always ensuring that companies' certificates of insurance name the City as an additional insured.

We recommend that the Police Chief:

- Ensure that companies' certificates of insurance name the City as an additional insured.

SAPD Management agreed with the audit findings and has developed positive action plans to address them. Management's verbatim response is in Appendix B on page 6.

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## Background

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The San Antonio Police Department (SAPD) Ground Transportation Unit (GTU) is charged with enforcing the requirements of Chapter 33 of the City Code to protect public health, safety, and public convenience. By City Council mandate, the GTU regulates taxicabs, limousines, tours, charters, pedicabs, horse-drawn carriages, and group cycles. As of May 2, 2022 there were (active only):

- 81 taxicab companies
- 12 limousine companies
- 10 charter companies
- 5 tour companies
- 5 horse-drawn carriage companies
- 3 group cycle companies
- 3 pedicab companies

This includes a total of 517 active vehicles and 882 active drivers.

As part of this regulation, the GTU charges a variety of fees authorized by Chapter 33 of the City Code for company and driver applications and related permits, and for inspection or re-inspection of vehicles. It inspects all vehicles at least annually to ensure their safety and conformity to City Code and performs limited versions of these inspections out in the field where the vehicles operate. GTU ensures that horses are not deployed when it is more than 95 degrees outside and that horse carriage companies clean the streets they use. It also deals with consumer complaints against companies and their drivers. GTU inspects taxicab meters to ensure that their rates are the approved rates and seals them so they are tamper-proof. Additionally, GTU ensures that companies maintain adequate bonds and insurance as required by City Code. GTU inspectors can also write citations related to vehicles-for-hire regulations and parking tickets for violations they observe during their patrols.

## Audit Scope and Methodology

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The audit scope was from October 1, 2020 through May 30, 2022, as well as current practice and status during fieldwork.

We interviewed personnel, accompanied inspectors on their rounds, observed meter verifications of several taxis, and reviewed City Code, Administrative Directives, and policies and procedures. We tested the application approval and fee collection processes for companies, drivers, and vehicles. We conducted inventories of the safe and cash box, which contain vehicle permits. We analyzed citations (not including parking tickets) generated by the GTU inspectors. Testing criteria included City Code Chapter 33 and City Administrative Directives.

We assessed internal controls relevant to the audit objective. This included a review of policies and procedures, tests of application approvals, management reviews of insurance and bonds submitted by the applicants, and controls over the recording of fees.

We relied on computer-processed data in SAP to validate the fees collected by the GTU. We also relied on computer-processed data in the GTU system to perform tests of fee collections, managerial review of applications, inspections, and the current state of permits and licenses. Our reliance on both systems was based on performing direct tests on the data rather than evaluating system general and application controls.

Our direct testing of SAP included verifying the reconciliations between the GTU system and SAP performed by the GTU and reviewed by Finance. Our direct testing of the GTU system included tests of GTU's reconciliations of fee collection between the GTU system and SAP, verification of managerial review of applications scanned into the GTU system, and comparison of scanned insurance, bond, driver's licenses, and permits to data manually entered into the GTU system. We also conducted a review of the current users of the GTU system, their roles and privileges, and management's annual reviews of access.

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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The San Antonio Police Department (SAPD) Ground Transportation Unit (GTU) is adequately managing its ground transportation permit fees and inspection program.

GTU personnel ensure that fee revenue is accurately recorded in both the GTU system and the city's accounting system (SAP). They review company applications to ensure that the companies have adequate bonds and insurance as required by City Code. They also review applications of drivers to ensure that they pass background checks and have good driving records. They inspect vehicles both annually at the GTU station as well as intermittently in the field to ensure that they do not have obvious safety hazards (bald tires, inoperable lights, etc.) and conform to the regulations outlined in the City Code. They also ensure that drivers keep their permits and driver's licenses available for passenger review. GTU Inspectors write citations for violations of Chapter 33 when warranted and may also issue parking tickets to any violator of parking laws within the City. Additionally, they ensure horse carriage companies clean up after their horses. GTU management ensures that vehicle permits are kept locked up and tracked to prevent fraud and theft and also ensures that only GTU personnel and the system administrator have access to the GTU system, which is used to track all information related to the above processes.

However, GTU does not always ensure that transportation companies' certificates of insurance name the City as an additional insured.

### A. Certificates of Insurance

Although GTU management reviews and approves the Certificates of Insurance submitted by vehicle-for-hire companies, it does not always ensure that the City is named as an additional insured on the insurance policy.

Section 33-017 of the City Code requires "Every insurance policy required by this chapter shall name the city as an additional insured." We tested a random sample of 23 companies and 8 did not list the City as an additional insured on their Certificates of Insurance.

Being listed as an additional insured provides protection to the City under the company's insurance policy and allows the City to file a claim in the event that the City is sued.

## **Recommendation**

The Police Chief should ensure that all certificates of insurance submitted by vehicle-for-hire companies list the City of San Antonio as an additional insured.


## **Appendix A – Staff Acknowledgement**

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Mark Bigler, CPA-Utah, CISA, CFE, Audit Manager  
Susan Van Hoozer, CIA, CISA, Auditor in Charge  
Megan Dodd, Audit Intern



# Appendix B – Management Response



**CITY OF SAN ANTONIO**  
SAN ANTONIO TEXAS 78283-3966

August 30, 2022

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


RE: Management's Corrective Action Plan for Audit of SAPD Ground Transportation Unit


The San Antonio Police Department has reviewed the audit report and has developed the Corrective Action Plan below corresponding to the report recommendation.

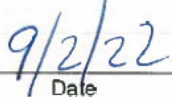
Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
1	<p><b>Certificates of Insurance</b> The Police Chief should ensure that all certificates of insurance submitted by vehicle-for-hire companies list the City of San Antonio as an additional insured.</p> <p><b>Action plan:</b> The Ground Transportation Unit (GTU) has updated its Vehicle-for-Hire Insurance Approval Policy and Procedure to include the verification the City of San Antonio is listed as an additional insured on all Certificates of Liability Insurance (COI).</p> <p>In addition, GTU reviewed 100% of the permitted vehicle-for-hire company's COI to ensure the City of San Antonio is listed as an additional insured and requested updated COIs to bring all permitted companies into compliance with the City Code.</p>	4	Accept	Richard Riley – Assistant Police Director	September 2022


We are committed to addressing the recommendation in the audit report and the plan of action presented above.

Sincerely,

  
\_\_\_\_\_  
William McManus  
Police Chief  
San Antonio Police Department

  
\_\_\_\_\_  
Maria Villagomez  
Deputy City Manager  
City Manager's Office

  
\_\_\_\_\_  
Date

  
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Date