



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 2

Agenda Date: December 6, 2022

In Control: Audit and Accountability Committee Meeting

DEPARTMENT: Office of the City Auditor

DEPARTMENT HEAD: Kevin Barthold

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Acceptance of the Office of the City Auditor Report AU22-007 Audit of CSF Service Provider Revenue Contracts

SUMMARY:

Determine if Facility Service Provider Contracts for Convention and Sports Facilities are adequately managed.

BACKGROUND INFORMATION:

Background

The Convention & Sports Facilities Department (CSF) oversees the operation and management of the Henry B. Gonzalez Convention Center and the Alamodome. CSF has two revenue contracts to provide exhibition-related electrical and plumbing services with Edlen Electrical Exhibition Services and Freeman Expositions Company LLC. Edlen and Freeman provide services such as

installing electrical outlets, lighting, water outlets or drains, water heaters or coolers, compressed air, and all related labor. Additionally, they are responsible for equipment operation and removal for events.

The Event Services Manager and Event Coordinator are responsible for the initial booking and provide contact information for Edlen and Freeman to the client. The Contract Manager oversees all contracts for the Convention & Sports Facilities Department. The Contract Officer, Contract Coordinator, and Accountant review and reconcile monthly reports and revenue payments.

Scope and Methodology

The audit scope included Edlen Electrical Exhibition Services and Freeman Electrical Inc. contracts from October 2019 through June 2022. We reviewed contracts, evaluated internal policies and procedures, and reviewed commission calculations and payments. We reviewed the department's contract monitoring process of key contractual requirements. We evaluated the accuracy of revenue reporting. Finally, we reviewed system access for conflicts based on the user's authority or responsibility.

Audit Conclusions

Overall, facility service provider contracts for convention and sports facilities are adequately managed. The CSF maintains Contract Administration Plans for Edlen Electrical Exhibition Services and Freeman Expositions Company LLC in accordance with City contract monitoring requirements. CSF has established controls that ensure employees' information systems access is appropriate.

However, we observed opportunities for improvement which include the accuracy of commission payments, performing electrical inspections, and contract monitoring controls.

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.