



CITY OF SAN ANTONIO

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May 1, 2023

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SUBJECT: Audit Report of the Follow-Up Audit of Aviation Department Facilities Maintenance

Mayor and Council Members:

We are pleased to send you the final report of the Follow-Up Audit of Aviation Department Facilities Maintenance. This audit began in October 2022 and concluded with an exit meeting with department management in April 2023. Management's verbatim response is included in Appendix B of the report. The Aviation Department management and staff should be commended for their cooperation and assistance during this audit.

The Office of the City Auditor is available to discuss this report with you individually at your convenience.

Respectfully Submitted,

Kevin W. Barthold, CPA, CIA, CISA

City Auditor

City of San Antonio

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CITY OF SAN ANTONIO

OFFICE OF THE CITY AUDITOR



Follow-Up Audit of Aviation

Facilities Maintenance

Project No. AU22-F01

May 1, 2023

Kevin W. Barthold, CPA, CIA, CISA
City Auditor

Executive Summary

As part of our annual Audit Plan approved by City Council, we conducted a follow-up audit of the recommendations made in the prior audit of Aviation Facilities Maintenance dated May 27, 2021. The objective for this follow-up audit is:

Determine if prior audit recommendations made for Aviation Facilities Maintenance are successfully implemented and working as intended.

We determined that Aviation has successfully implemented three of the five prior audit recommendations. Aviation has established policies and procedures over the inventory process and has implemented periodic inventory counts, including obsolete and excess inventory items. Aviation implemented controls that ensure documentation of quotes are retained and accurate. In addition, they have also established procedures that ensure employees have the required licenses.

The Aviation Department has partially implemented one of the five prior audit recommendations. Aviation has developed policies and procedures over documentation of maintenance and has fully transitioned to the NetFacilities system. However, there is lack of documentation to ensure completed maintenance. Finally, user access reviews to NetFacilities have not been implemented. See Table 1 for overall status of the five prior audit recommendations.

Table 1: Recommendation Status Summary

Recommendation Status	Number of Recommendations
Implemented	3
Partially Implemented	1
Not Implemented	1
Total Recommendations Reviewed	5

Aviation 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 7.

Table of Contents

Executive Summary	i
Background.....	1
Audit Scope and Methodology	2
Prior Audit Recommendations and Status	3
A. Scheduled Maintenance	3
B. Inventory	3
C. Quotes	4
D. Licenses	5
E. User Access.....	5
Appendix A – Staff Acknowledgment.....	6
Appendix B – Management Response.....	7

Background

On May 27, 2021, the Office of the City Auditor completed an audit of the Aviation Facilities Maintenance. The objective of the audit was as follows:

To determine if Aviation facilities maintenance is operating effectively, and managed efficiently including work orders, inventory, and purchases.

Overall, Aviation facilities maintenance operations required improvements. Audit concluded that Aviation lacked comprehensive policies and procedures for facilities maintenance activities to include parts inventory management. Additionally, NetFacilities had not been fully implemented across divisions. As a result, we could not determine if preventative maintenance was being completed. There was a lack of controls to ensure the accuracy of inventory in the system and the review for obsolete inventory. Also, there were insufficient procedures to ensure documentation of quotes were retained and a lack of review to ensure staff licenses were current. Finally, there was a lack of controls to ensure appropriate user access of the NetFacilities system. As a result, the following recommendations were made:

- Develop comprehensive policies and procedures for facilities maintenance activities. In addition, ensure that a maintenance schedule is implemented, and activities are fully documented. Finally, fully transition Stinson Airport to NetFacilities.
- Develop policies and procedures over the parts inventory management process. In addition,
 - Review physical inventory procedures and improve controls to ensure accurate counts are made and input into the inventory system
 - Continue working with the vendor to identify and sell/dispose of excess and obsolete inventory and establish controls to periodically review inventory for obsolescence and excess.
 - Establish a plan to resolve system issues, implement, and monitor to ensure issues have been resolved
 - Complete transition from AVIS for parts inventory and fully implement NetFacilities
- Establish controls to ensure quotes are kept on file.
- Establish periodic monitoring to ensure staff licenses are valid.
- Establish a user access review process for NetFacilities.

Aviation management agreed with the conclusions and developed action plans to address the audit recommendations.

Audit Scope and Methodology

The audit scope was limited to the recommendations and corrective action plans made in the original report for the time frame from October 2021 to September 2022. In some cases, we expanded the scope to include current updated licenses.

We interviewed Aviation staff to obtain an understanding of the inventory process, work order quotes, documentation of scheduled maintenance, and process for user access review. We reviewed department policies and procedures for inventory and maintenance, as well as work order processes kept in the information system, NetFacilities.

We reviewed a sample of work orders for completion and timeliness. We also conducted an onsite physical inventory of a sample of parts at San Antonio International Airport. We reviewed purchasing and payment documentation for accuracy. Lastly, we reviewed technician licenses to ensure they are valid and current as well as reviewing that staff have appropriate access to NetFacilities.

We assessed internal controls relevant to the audit objective. This included review of relevant City Administrative Directives, internal policies and procedures, review of work orders and vendor payments, as well as discussions with key staff.

We relied on computer-processed data in SAP and NetFacilities to validate the accuracy of payments and work order completion. Our reliance was based on performing direct tests on the data rather than evaluating the system's general and application controls. Our direct testing included comparing payment quotes to invoices for Aviation Facilities Maintenance vendors as well as reviewing completion of work orders pertaining to scheduled maintenance. 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.

Prior Audit Recommendations and Status

A. Scheduled Maintenance

Prior Recommendations:

The Director of Aviation develop comprehensive policies and procedures for facilities maintenance activities. In addition, ensure that a maintenance schedule is implemented, and activities are fully documented. Finally, fully transition Stinson Airport to NetFacilities application.

Status: Partially Implemented

Aviation has developed policies and procedures and had a full transition of the Stinson Airport to NetFacilities. We reviewed policies and procedures and verified they included relevant information related to facilities maintenance activities. We also confirmed that no activity was being documented in any other system but NetFacilities.

However, Aviation did not complete scheduled maintenance and maintenance was not completed timely. We sampled 20 assets for maintenance completion, 7 did not have sufficient documentation to support work order completion. In addition, 6 assets did not have maintenance completed timely, with an average of 18 days late.

Recommendation

Aviation Director ensure maintenance schedules are followed and properly documented.

B. Inventory

Prior Recommendations:

The Director of Aviation should develop policies and procedures over the parts inventory management process. In addition,

- Review physical inventory procedures and improve controls to ensure accurate counts are made and input into the inventory system
- Continue working with the vendor to identify and sell/dispose of excess and obsolete inventory and establish controls to periodically review inventory for obsolescence and excess.
- Establish a plan to resolve system issues, implement, and monitor to ensure issues have been resolved
- Complete transition from AVIS for parts inventory and fully implement

NetFacilities

Status: Implemented

Aviation established policies and procedures over their inventory process management. Audit reviewed Aviation's updated policies and procedures and verified that relevant information for inventory process management was included. Aviation staff have improved controls over the inventory system by implementing a full physical inventory annually, plus a sampled physical inventory every quarter. We verified 2 quarterly and 1 annual physical inventories were completed by Aviation.

In addition, we verified Aviation has established monitoring of issues by adding notations within the system of potential issues. Finally, the transition from AVIS for parts inventory has been fully implemented into NetFacilities. Audit confirmed the AVIS system is no longer used to track inventory.

Finally, Aviation has a process to properly dispose of obsolete and excess inventory. We reviewed a sample of 5 obsolete parts that may include multiple units. Although we observed discrepancies, they were immaterial in nature. Overall, obsolete and excess parts are being periodically reviewed.

Recommendation

None.

C. Quotes

Prior Recommendation:

The Director of Aviation should establish controls to ensure quotes are kept on file.

Status: Implemented

Aviation has established controls to ensure quotes are on file. The audit team reviewed payments to contractors and verified that payments matched the quotes. We randomly selected a sample of 25 payments for a total of \$149,714 and determined the quotes were accurate.

Recommendation

None.

D. Licenses

Prior Recommendation:

The Director of Aviation should establish periodic monitoring to ensure staff licenses are valid.

Status: Implemented

Aviation reviews licenses annually. We reviewed 16 Aviation staff that are required to have licenses. We determined all 16 employees have the required current licenses.

Recommendation

None.

E. User Access

Prior Recommendation:

The Director of Aviation should establish a user access review process for NetFacilities.

Status: Not Implemented

At the time of the audit Aviation had not established a user access review. The audit team reviewed NetFacilities for appropriate user access. We determined 18 of 202 NetFacilities user had inappropriate access to the system. Per administrative directive 7.8d, departments are responsible for appropriate access controls.

Recommendation

The Director of Aviation establish periodic review to ensure users have appropriate access to NetFacilities.

Appendix A – Staff Acknowledgment

Buddy Vargas, CPA, CIA, CFE, Audit Manager
Yadira Valenzuela, Auditor in Charge
Sabrina Salinas-Saldaña, Auditor

Appendix B – Management Response



CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

April 10, 2023

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

RE: Management's Acknowledgment and Corrective Action Plan for the Follow-Up Audit of the Aviation Facilities Maintenance

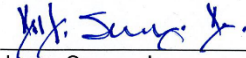
Aviation has reviewed the audit report and has developed the Corrective Action Plans below corresponding to report recommendations

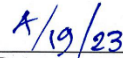
Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
A	Scheduled Maintenance	3	Accept	Scott Brown Airport Facilities Manager	9/30/2023
	Action plan: - The Special Project Manager and CMMS Administrator will train the technician based on the newly implemented policies and procedures to correctly enter work order status and notation of repair into the note section on or before Sept 30, 2023. - The Facility Manager will implement a standard matrix in Technicians' EPEs to ensure goals are met on .				
E	User Access The Director of Aviation establish periodic review to ensure users have appropriate access to NetFacilities.	5	Accept	Scott Brown Airport Facilities Manager	3/30/2023 3/30/2023 6/30/2023

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
	Action plan: • CMMS Administrator was appointed as of March 30, 2023. • The policy has been updated to review user monthly access as of March 30, 2023. • CMMS Administrator will periodically check when a stakeholder requests a new user and ask that the stakeholder review their users. (See Attachment B NetFacilities User Access Audit) on or before June 30, 2023. • To date, all users are current.				

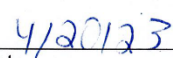
We are committed to addressing the recommendations in the audit report and the plan of actions presented above.

Sincerely,


 Jesus Saenz, Jr.
 Director of Airports
 Aviation Department


 Date


 Jeff Coyle
 Assistant City Manager
 City Manager's Office


 Date