



CITY OF SAN ANTONIO

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October 13, 2025

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Councilman, District 10

SUBJECT: Audit Report of Pre-K 4 SA Food Services Contract

Mayor and Council Members:

We are pleased to send you the final report of the Pre-K 4 SA Food Services Contract. This audit began in October 2024 and concluded with an exit meeting with department management in August 2025. Management's verbatim response is included in Appendix B of the report. Pre-K 4 SA 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,

Buddy Vargas, CPA, CIA, CFE
City Auditor
City of San Antonio

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

PRE-K 4 SA Department
AUDIT OF FOOD SERVICES CONTRACT
PROJECT NO. AU25-031
OCTOBER 13, 2025

BUDDY VARGAS, CPA, CIA, CFE
CITY AUDITOR



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Executive Summary

As part of our annual Audit Plan approved by City Council, we conducted an audit of Pre-K 4 SA, specifically the food services contract. The audit objective, conclusions, and recommendations follow:

Determine if the Pre-K 4 SA food services contract with the San Antonio Food Bank is monitored and effectively managed.

Pre-K 4 SA has established effective controls to ensure the food services contract with the San Antonio Food Bank (SAFB) is effectively monitored and managed. Pre-K 4 SA is effectively utilizing a Contract Administration Plan (CAP) to monitor and ensure compliance with the SAFB contract requirements and the Child and Adult Care Food Program (CACFP) requirements. Also, Pre-K 4 SA is verifying food items from the SAFB include the required nutritional information. Lastly, Pre-K 4 SA ensures monthly invoices from SAFB and reimbursements from the CACFP are accurate and adequately supported.

However, processes and controls could be improved with documentation of daily meal delivery receipts from the SAFB, and user access to the KidKare application.

We recommend the Pre-K 4 SA Chief Executive Officer implement measures to ensure consistent compliance with contractual requirements for documenting meal arrival times and food item temperatures on meal delivery receipts. Additionally, Pre-K 4 SA should create and establish a procedure to ensure that user access is periodically reviewed and documented.

We provided recommendations to management to strengthen controls and resolve identified issues. Pre-K 4 SA 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 8.

Background

In 2012, voters approved the development of Pre-K 4 SA to provide high quality pre-kindergarten services for 4-year-olds in the San Antonio area. Pre-K 4 SA operates five education sites (North, South, East, and West plus the Gardendale Early Learning Program site) to provide educational services to nearly 2,000 students.

Pre-K 4 SA executed a contract with the San Antonio Food Bank (SAFB) on July 1st, 2023 for meal services. Under the terms of the contract, the SAFB will provide breakfast, lunch, and snacks to students attending each of the four education centers including the Gardendale Early Learning Program site. Pre-K 4 SA is reimbursed for the meals under the Texas Department of Agriculture's (TDA) Child and Adult Care Food Program (CACFP). The meals served to the students must meet a variety of quality & safety standards and nutritional requirements. Meals are served family style to the students. To monitor compliance with the contract, Pre-K 4 SA uses a contract administration plan (CAP). This CAP details each contract requirement and the required monitoring activity to determine compliance.

Pre-K 4 SA places weekly meal orders with the SAFB, which are then delivered daily to each education center. Upon delivery, a meal delivery receipt is provided that documents the time of arrival, items received, and the temperature of each item at the time of delivery. Following a review of the delivered items for accuracy and condition, both the SAFB staff and Pre-K staff sign the delivery receipt to acknowledge and approve the delivery.

The SAFB invoices Pre-K 4 SA each month for the meals provided. Maximum payments to the SAFB by academic year are as follows:

<u>Academic Year</u>	<u>Amount</u>
2023-2024	\$ 3,309,015
2024-2025	\$ 3,594,516
2025-2026	\$ 3,910,461
2026-2027	\$ 4,251,717
2027-2028	<u>\$ 4,620,054</u>
Sub Total	\$19,685,763
+ Additional	<u>\$ 1,500,000</u>
Funding	\$21,185,763
Total	

Source: Nutrition Services Agreement between Pre-K 4 SA and the SAFB, and Amendment

Pre-K 4 SA utilizes a web-based software platform, KidKare, to manage participation in the CACFP, specifically for meal tracking to record meals and snacks served to children. KidKare is also used to maintain child enrollment.

Audit Scope and Methodology

The audit scope was Pre-K 4 SA academic years 2023 and 2024. The audit focused on the compliance and operational effectiveness of the Pre-K 4 SA food services contract with the SAFB.

To gain an understanding of the nutrition services program, we interviewed Pre-K 4 SA personnel and conducted walkthroughs of the Child and Adult Care Food Program (CACFP) reimbursement process, Food Bank monthly invoice reconciliation and payment, and user access to the KidKare web-based system.

The CACFP Child Care Centers Handbook and the Nutrition Services Agreement between Pre-K 4 SA and the San Antonio Food Bank (SAFB) were our primary criteria for this audit.

We assessed internal controls relevant to the audit objective. This included a review of policies and procedures, meal orders and deliveries, insurance and performance bond, and contract compliance. In addition, as part of our testing procedures we examined the following areas:

- Verified the SAFB staff were current with their Food Handler or Food Manager certification.
- Determined fiscal site visits at each education center were completed and documented to ensure compliance with Texas Department of Agriculture requirements.
- Verified monthly invoice payments to SAFB are reviewed, approved, and accurately paid.
- Reviewed monthly journal entries to move food services expenses from the Pre-K 4 SA Operating Fund to the Child Nutrition Grant Fund.

We relied on computer-processed data in SAP to validate accuracy of monthly invoice payments, reimbursements, and journal entries. We also relied on computer-processed data in KidKare to validate user access. Our reliance was based on performing direct tests on the data rather than evaluating the system's general and application controls. 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

The audit identified several areas where Pre-K 4 SA is performing well, particularly in contract monitoring, food nutrition, and meal orders.

Pre-K 4 SA is effectively utilizing a Contract Administration Plan (CAP) to monitor and ensure compliance with the San Antonio Food Bank (SAFB) contract requirements and the Child and Adult Care Food Program (CACFP) requirements. We reviewed the CAP and determined that it included the minimum elements required per Administrative Directive 8.14 Contract Administration and Compliance and is regularly monitored by staff.

Also, Pre-K 4 SA is verifying food items from the SAFB include the required nutritional information. We reviewed a sample of 25 food items from the Pre-K 4 SA menus and determined the required nutritional information was provided by the SAFB. We also reviewed a sample of 12 weekly meal orders and determined the orders were appropriate based on enrollment numbers.

Lastly, Pre-K 4 SA ensures monthly invoice payments and reimbursements are appropriate. We selected a sample of five monthly invoices from the SAFB totaling \$1.9M and five months of reimbursements from CACFP totaling \$752 thousand and verified the monthly invoices, invoice payments, and reimbursements are accurate and adequately supported.

A. Inadequate Verification of Meal Delivery Receipts

Meal delivery receipts lack proper documentation. A review of 12 delivery receipts revealed that eight were missing recorded meal arrival times and/or meal temperatures, while two were missing staff approval signatures, indicating a deficiency in compliance and oversight.

The agreement between Pre-K 4 SA and the San Antonio Food Bank outlines requirements for meal delivery timing and food item temperatures. Furthermore, the agreement mandates that a designated representative from Pre-K 4 SA sign the delivery packing slips to confirm receipt and inspection.

Pre-K 4 SA is not consistently complying with contractual requirements to verify and document the timing of meal arrivals and the temperature of food items. Furthermore, there is a lack of oversight to ensure that delivery receipts are signed by staff, confirming that meals have been properly inspected.

Non-compliance with contractual delivery requirements and regulatory food safety requirements increases the potential for health hazards for meal recipients and compromises quality control.

Recommendation

The Pre-K 4 SA Chief Executive Officer should implement measures to ensure consistent compliance with contractual requirements for documenting meal arrival times and food item temperatures. Additionally, Pre-K 4 SA should establish monitoring procedures to verify that delivery receipts are signed by staff, confirming proper meal inspection and adherence to food safety protocols.

B. Inappropriate KidKare User Access

User access to the KidKare system is not being managed appropriately. Out of 111 users with access, one user account was found to be active despite the user not being a current employee. KidKare is a web-based solution, allowing access even if the user's network account is disabled post-separation from the City.

Administrative Directive (AD) 7.8d Access Control states that access to City of San Antonio (COSA) IT assets must be disabled upon separation of the employee. Additionally, all COSA Information Systems must be periodically screened for inactive accounts.

However, Pre-K 4 SA does not have an effective process in place to periodically review user access to ensure only authorized and appropriate users have access to the KidKare system. Additionally, Pre-K 4 SA has not established policies and procedures over user access.

Inappropriate access to KidKare could result in data manipulation and improper reimbursement of meals.

Recommendation

The Pre-K 4 SA Chief Executive Officer should establish a process for periodic review and documentation of user access. Additionally, procedures should be documented to provide guidance for the granting, modification, removal, and review of user access and user accounts.

Appendix A – Staff Acknowledgement

Nastasha Leach, CIA, CISA, CRMA, CGAP, Audit Manager
Holly Williams, CISA, CRISC, Auditor in Charge
Doug Francis, CIA, Auditor, Auditor in Charge
Kaycie Requejo, Auditor

Appendix B – Management Response



CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

August 12, 2025

Buddy Vargas, CPA, CIA, CFE
City Auditor
San Antonio, Texas

RE: Management's Corrective Action Plan for Audit of Food Services Contract.

The Pre-K 4 SA Department has reviewed the audit report and has developed the Corrective Action Plans below corresponding to the report recommendations.

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
A	Inadequate Verification of Meal Delivery Receipts The Pre-K 4 SA Chief Executive Officer should implement measures to ensure consistent compliance with contractual requirements for documenting meal arrival times and food item temperatures. Additionally, Pre-K 4 SA should establish monitoring procedures to verify that delivery receipts are signed by staff, confirming proper meal inspection and adherence to food safety protocols.	6	ACCEPT	Paul Aleman/ Operations Manager	8/1/2025

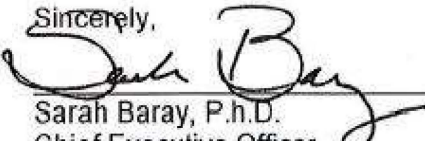


Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
	Action plan: Thank you for your thorough review of the Pre-K 4 SA Food Services Contract as part of the City of San Antonio's FY25 Audit Plan. We appreciate the time and diligence your team dedicated to evaluating the effectiveness of our contract monitoring, compliance with the San Antonio Food Bank (SAFB) agreement, and overall integrity of our food services operations. We are pleased the audit recognized several strengths in our current processes: • Our Contract Administration Plan (CAP) meets Administrative Directive 8.14 requirements and is being routinely monitored; • Food items provided by the SAFB are supported with required nutritional documentation; • Weekly meal orders align with enrollment numbers; • Monthly invoices and CACFP reimbursements were validated as accurate and well-supported. We value these acknowledgments and view them as a reflection of our team's commitment to excellence and accountability. A. Inadequate Verification of Meal Delivery Receipts We acknowledge the findings regarding inconsistent documentation of meal delivery times, food temperatures, and staff signatures on delivery receipts. In response, Pre-K 4 SA will take the following corrective actions: 1. Immediate Staff Retraining Site based staff will undergo refresher training to reinforce the importance of documenting meal arrival times and temperatures and signing each delivery receipt per contract and food safety requirements. 2. Daily Verification & Weekly Oversight Site based staff will review delivery documentation daily. The Nutrition Services Specialist will conduct weekly spot checks to monitor compliance and follow up on any inconsistencies. 3. Internal Monitoring and Accountability This compliance area will be integrated into quarterly internal audits. Any failure to document properly will be addressed through follow-up training or formal corrective action, if necessary.				
B	Inappropriate KidKare User Access The Pre-K 4 SA Chief Executive Officer should establish a process for periodic review and documentation of user access. Additionally, procedures should be documented to provide guidance for the granting, modification, removal, and review of user access and user accounts.	6	ACCEPT	Paul Aleman/ Operations Manager	8/1/2025

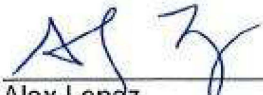
Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
	Action plan: Although Pre-K 4 SA is no longer utilizing the KidKare system, we agree with the recommendation to strengthen user access management for the software platforms used to support CACFP compliance. In response, we are implementing the following measures: 1. Access Review Procedure Implementation Pre-K 4 SA will work in coordination with our HR and IT teams to immediately disable accounts upon employee separation. Furthermore, a quarterly user access review process will be initiated to ensure only active and authorized personnel have access to the CACFP compliance system. 2. Written Procedures and Controls Pre-K 4 SA has formalized procedures governing the granting, modification, and removal of user access to core software systems. We are updating these procedures to explicitly include the CACFP compliance software. All actions will align with Administrative Directive 7.8d and COSA security protocols. Pre-K 4 SA remains committed to maintaining operational integrity and protecting data security. We appreciate this recommendation and will ensure timely and effective implementation.				

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

Sincerely,


Sarah Baray, P.h.D.
Chief Executive Officer
Pre-K 4 SA Department

18 Sep 2025
Date


Alex Lopez
Assistant City Manager
City Manager's Office

9/22/2025
Date