



Agenda

DATE 6/4/14 TIME 11:14

PREPARED BY Liza Kerr

APPROVED BY 

CITY OF SANTA FE
SPECIAL TASK FORCE PARK BOND AUDIT
Lamy Room, Convention Center
Wednesday, June 11, 2014 – 3:00 to 5:00 P.M.

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES: (10 minutes 1-4) May 28, 2014
5. PUBLIC COMMENT
 - (15 minutes) Open
6. NEW BUSINESS:
 - (10 minutes) City Council Meeting 02/26/2014 – minutes with attachment;
7. OLD BUSINESS:
 - (20 minutes) Discussion of past minutes from other board meetings
 - (20 minutes) Discussion of other materials and presentations from prior meetings
 - (45 minutes) Objectives and Scope
8. OTHER MATTERS FROM THE TASK FORCE
 - Next Steps (i.e. approval process, RFP, etc.)
9. NEXT MEETING DATE:
 - TBD
10. ADJOURNMENT

Persons with disabilities in need of accommodations, contact the City Clerk's office at 955-6520 five (5) working days prior to the meeting date.

SUMMARY INDEX
CITY OF SANTA FÉ PARKS BOND AUDIT TASK FORCE
June 11, 2014

ITEM	ACTION TAKEN	PAGE(S)
1. CALL TO ORDER		
2. ROLL CALL	Quorum Present	1
3. APPROVAL OF AGENDA	Approved as presented	1-2
4. APPROVAL OF MINUTES - May 28, 2014	Approved as amended	2
5. PUBLIC COMMENT	Comments	2
6. NEW BUSINESS		
a. City Council Meeting 02/26/2014 minutes	Discussion	2-3
7. OLD BUSINESS		
a. Past minutes from other Boards	Discussion	3
b. Materials from Prior Meeting	Not discussed	3
c. Objectives and Scope	Discussion	3-8
8. OTHER TASK FORCE MATTERS		
a. Next Steps (approval Process, RFP)	Not Discussed	8
9. NEXT MEETING DATE	June 25, 2014 @ 3:00	8
10. ADJOURNMENT	Adjourned at 4:45 p.m.	8

MINUTES OF THE
CITY OF SANTA FÉ
AUDIT COMMITTEE

June 11, 2014
3:00 p.m. – 5:00 p.m.

1. CALL TO ORDER

A meeting of the City of Santa Fé Parks Bond Audit Task Force was called to order by Ms. Kerr, Convener, on this date at approximately 3:00 p.m. in the Lamy Room, Convention Center, Santa Fé, New Mexico.

2. ROLL CALL

Roll call indicated the presence of a quorum as follows:

Members Present:

Liza Kerr, Internal Auditor, Task Force Leader
Teresita Garcia, Finance Department [arriving later]
Eric Martínez, Public Works Department
Anna Hansen, POSAC Chair
Marc A. Tupler, Audit Committee

Members Absent:

Hazeldine Romero [excused]
Councilor Patti Bushee [excused]

Others Attending:

Carl Boaz, Stenographer
Bette Booth, POSAC
Sandy Brown, POSAC

3. APPROVAL OF AGENDA

Ms. Hansen moved to approve the agenda as presented. Mr. Tupler seconded the motion and it passed by unanimous voice vote.

4. APPROVAL OF MINUTES: May 28, 2014

Ms. Hansen, requested a change on page 6 where "President" should be "Chair." Later on the same page, she thought the comment attributed to her was made by Ms. Garcia.

Mr. Tupler moved to approve the minutes of May 28, 2014 as amended. Mr. Martínez seconded the motion and it passed by unanimous voice vote.

5. PUBLIC COMMENT

Ms. Booth thanked the Task Force for going ahead so expeditiously and for looking closely at the POSAC questions. Mr. Martínez might be the last person remaining who remembered what happened. So with this unique history she asked the Task Force to consider those questions carefully.

Ms. Kerr handed out the spread sheet and city notes again.

6. NEW BUSINESS

a. City Council Meeting 02/26/2014

Ms. Kerr said in the packet, Ms. Romero noticed that the February 26 minutes were missing so they were now in the packet.

Ms. Garcia arrived at 3:16.

Mr. Tupler said the timing was the critical element and not be held up for the final project to be determined.

Ms. Kerr agreed. She wanted to make sure they took into consideration the Finance staff's time with the financial audit. It was a priority to sync that.

Ms. Garcia said they should consider that this audit must be done before December 31, 2014 and the scope include the transactions from July 1, 2008 through June 30, 2014.

Ms. Kerr thought it should say from inception.

Ms. Hansen agreed. March 2008 was when it was approved and the implementation plan was done in June, 2008.

Ms. Garcia said March 4, 2008 was when the voters approved the bond. Anything before that was just the planning stage.

Mr. Martínez said the first bond sale took place on April 30, 2008. That was the first financial transaction.

Ms. Kerr said the timing scope should then be March 4, 2008 through June 30, 2014.

Mr. Tupler asked if the auditors would have a standard for interpreting "inception."

Ms. Garcia said this was an audit of agreed upon procedures.

Ms. Kerr agreed but this just gave them the window of opportunity so they could look at beginning balances before the money came in.

7. OLD BUSINESS

a. Discussion of past minutes from other board meetings

Ms. Kerr asked if further discussion was needed on past minutes.

Ms. Hansen thought they could deal with it as questions arose.

b. Discussion of other materials and presentations from prior meetings.

There was no need for this discussion.

c. Objectives and Scope

Ms. Hansen said on the summary in the spread sheet that was an important part of the objectives and scope. We need that and the auditors need it.

Ms. Kerr thought it would be good if the Finance Team could prepare that before the auditors came. Ms. Garcia asked for a uniform report and when she and Ms. Hansen met, they wanted to make sure of the beginning balances.

She asked what the first section would look like - what was in the implementation plan and what was in the G/L.

Ms. Garcia envisioned a report that had different sections. She thought one would be like one she showed. It would show which sections the Task Force wanted to be included. And then they could expand on the format.

The implementation plan would be the source document. With Mr. Martínez's staff and our staff we could combine the two documents for auditors.

Ms. Kerr said it seemed the work was already done.

Ms. Hansen showed a document (format) that would need numbers in it.

The first layer would be the starting balance which should tie to the 2008 park bond implementation plan, reconciled to the amount received per the bond arbitrage agreement.

Ms. Garcia asked what from.

Mr. Tupler said from the budget.

Ms. Garcia asked what the source document to be audited was and if it was what Council approved.

Ms. Kerr said there were two approvals. One was the beginning balance.

Ms. Garcia thought the implementation plan was what the auditors would tie to. She said she didn't use the arbitrage for the starting balance. There were three levels of implementation. First was what was approved by POSAC and Council. When issuing the bonds, the Council had to approve the projects in the implementation plan.

Ms. Hansen said she was talking about the final report. There was a final report.

Ms. Garcia asked what was to be included in the final report and what it was going to show.

Ms. Hansen said it would show what was recommended; what was actually done; and a spreadsheet to show what was done as approved in the budget. She wanted it to show what allocations were made and what was reallocated.

Ms. Kerr said she needed to include all the adjustments that took it to the final number. She wanted to see the allocations in more detail. Ms. Garcia told her they were all approved by Council and the auditors would need those to audit from. She asked for the adjustments that were approved. Salvador Perez was the only one that didn't tie out.

Ms. Hansen clarified that they had the two forms.

Ms. Kerr pointed that what was missing was the detail that supported the transactions. If it was 100 pages and she thought they should provide it for them.

Mr. Tupler asked if it was available by park.

Ms. Kerr agreed. Ms. Garcia had that.

Ms. Garcia agreed. She could say what the purchase was used for. She could give the line item and vendor and if there was a description, she could include that.

The Task Force had much discussion on what should go in first.

Mr. Tupler asked what the beginning balance represented.

Ms. Kerr said it was the legal document.

Ms. Garcia thought they could put all of those in columns in one document. The first column would be the source document that was the implementation plan. The second was what Council approved on each project. That was the same document arbitrage was going to look at. She clarified that it was the budget at the time the bonds were issued. The third column would be the Council approved adjustments by date. The fourth column was arbitrage and the fifth column was actual [expenditures].

Ms. Hansen asked to make it readable and reconciled.

Mr. Tupler said that was a standard variance analysis. There were no other numbers to consider.

Ms. Kerr thought it should be kept simple with Ms. Garcia's documentation and look at the bank balance and make sure they all tied out.

Ms. Kerr said the second layer was allocations and reallocations approved by Council and when.

Mr. Tupler suggested calling it adjustments. He requested that they not use numbers anymore but talk about concepts. He felt ending balance was not a good term. It should be labeled "final budgeted allocation."

The Task Force agreed.

Ms. Kerr said it would be broken out of those allocations by project. This would be a Summary Final Report with one sheet document for each project. The backup was a transaction list by project. The unstapled spread sheet she handed out had the detail for the projects.

Ms. Garcia wanted the tasks described for each park; then a report showing what was spent by vendor and the detail would pop out automatically. The auditors would verify the tasks were done at the park.

Ms. Kerr said the fourth layer detailed the tasks and the fifth showed what was actually spent. If Finance could prepare this report to the Task Force's satisfaction, then it would be ready.

Mr. Tupler asked if each PO pertained just to one park.

Ms. Garcia said they didn't have an overall fund except the suspense fund where they allocated labor.

Mr. Martínez explained that they had a business code for each park and that was put on each P.O.

Mr. Tupler thought it would be a big task to put all of that together.

Ms. Garcia clarified that they were supposed to do a separate PO for each park.

Ms. Kerr reasoned that would save the auditor this step.

Mr. Tupler asked how long it would take to produce the report.

Ms. Garcia said her time was held up in June and July for closeout of the fiscal year.

Ms. Kerr said the auditors couldn't start until we have this.

Ms. Garcia said as they closed out, they would pull out the projects with park bond numbers and detail and someone here could do the summary.

Ms. Kerr said she would be working on the RFP at the same time. She thought they might have one more meeting here.

Ms. Garcia said the auditors would want to know the documents prior to submitting a proposal because they were not necessarily familiar with our system. They would have to evaluate how we would present them. The more scattered they were, the better.

She might have it by September first. That audit should not take more than a month to finish.

Ms. Kerr would like to meet in two weeks and asked if Ms. Garcia could bring a sample so the Task Force could approve the format.

Ms. Garcia agreed.

Mr. Tupler reasoned that the data would feed itself.

Ms. Garcia said she had the data but needed to put it in usable form. If she got it beforehand, she would email it to Ms. Kerr.

Ms. Kerr added that they wouldn't have to wait on the detail to select the auditors through the RFP.

Ms. Booth said POSAC had asked for this since January. So to take a longer time bothered her. They have waited a long time.

Ms. Kerr appreciated Ms. Garcia's willingness in light of closing the FY with limited staff. She promised to review it and send it out. It had been helpful to clarify all of this. They now had it on record and would get it to the members.

Ms. Booth noted that Councilor Dominguez also asked for it.

Ms. Garcia said this was a learning experience for everyone, especially for project leaders.

Ms. Hansen agreed. She wanted it to be a learning experience and not an attack.

Ms. Garcia said as head of accounting, not to be included in reports was a weakness in the whole project. Yes, they could account for everything. But instead of project managers giving accounting progress reports, it would have been much easier.

Ms. Hansen said going forward they could have a format that makes it function for everybody and not a burden.

expand the sample size.

Mr. Martínez said it was a financial audit and then a project audit.

Ms. Kerr said the expectations needed to be used and compared with what was done.

Mr. Martínez said that was supposed to be captured in the final report.

8. OTHER MATTERS FROM THE TASK FORCE

a. Next Steps (i.e. approval process, RFP, etc.)

This item was not considered.

9. NEXT MEETING DATE

The next meeting date was set for June 25 at 3:00 p.m.

10. ADJOURNMENT


The meeting adjourned at 4:45 p.m.

Approved by:



Liza Kerr, Convener

Submitted by:



Carl G. Boaz, for Carl G. Boaz, Inc.