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CITY OF SANTA FE AUDIT COMMITTEE MEETING
CONVENTION CENTER ADMINISTRATIVE CONFERENCE ROOM
WEDNESDAY, JANUARY 3, 2018
2:00 P.M. – 4:00 P.M.

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF AUDIT COMMITTEE MINUTES – NOVEMBER 29, 2017 and DECEMBER 14, 2017
5. GENERAL AUDIT MATTERS

- Update on Committee Matters (Clark de Schweinitz, Kelley Brennan)

EXECUTIVE SESSION:

In accordance with the New Mexico Open Meetings Act §§10-15-1 (H)(7) NMSA 1978, Discussion Regarding Threatened or Pending Litigation in which the City is or May Become a Participant, Including, without Limitation, Matters Relating to the FYE 2017 CAFR

6. OLD BUSINESS
 - Status of CAFR (Adam Johnson, External Auditor)
 - Animal Shelter Control Financial Statements and Lease (Renée Martínez)
7. PUBLIC COMMENT – (5 MINUTES)
8. NEXT MEETING DATE
9. ADJORNMENT

Persons with disabilities in need of accommodations,
Contact the City Clerk's office at 505-955-6520 five (5) working days prior to the meeting date.

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CITY OF SANTA FE AUDIT COMMITTEE
January 3, 2018

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**MINUTES OF THE
CITY OF SANTA FÉ
AUDIT COMMITTEE**

January 3, 2018
2:00 p.m.

1. CALL TO ORDER

A regular meeting of the City of Santa Fé Audit Committee was called to order by Member Clark de Schweinitz, Chair, on this date at approximately 2:10 p.m. in the City Community Convention Center Administrative Conference Room, Santa Fé, New Mexico.

2. ROLL CALL

Roll call indicated the presence of a quorum as follows:

Members Present:

Clark de Schweinitz, Chair
Cheryl Pick Sommer
Barbara Borrego
Carolyn Gonzales

Members Absent:

Al Castillo

Others Attending:

Liza Kerr, Internal Auditor
Kelley Brennan, City Attorney
Renée Martínez, Deputy City Manager
Adam Johnson, Finance Director
Carl Boaz, Stenographer

NOTE: All items in the Committee packet for all agenda items are incorporated herewith to these minutes by reference. The original Audit Committee packet is on file in the Audit Department.

3. APPROVAL OF AGENDA

MOTION: Member Sommer moved to approve the agenda as published with permission to change the order of business, based upon the schedules of presenters. Member Gonzales seconded the motion and it passed by unanimous voice vote.

4. APPROVAL OF AUDIT COMMITTEE MINUTES

December 14, 2017

MOTION: Member Gonzales moved to approve the minutes of December 14, 2017 as presented. Member Borrego seconded the motion and it passed by unanimous voice vote.

5. GENERAL AUDIT MATTERS

a. Update on Committee Matters (Clark de Schweinitz, Kelley Brennan)

The Audit Committee went to the next item without discussion on General Audit Matters.

6. EXECUTIVE SESSION

In accordance with the New Mexico Open Meetings Act §§10-15-1 (H)(7) NMSA 1978, Discussion Regarding Threatened or Pending Litigation in which the City is or May Become a Participant, Including, without Limitation, Matters Relating to the FYE 2017 CAFR

Member Sommer moved to go into closed executive session pursuant to §10-15-1 (H) (7) NMSA 1978, to discuss matters related to the FYE 2017 CAFR. Member Gonzales seconded the motion and it passed by unanimous roll call vote with Members Borrego, Gonzales, and Sommer voting in the affirmative and none voting against.

The Audit Committee went into executive session at approximately 2:19 p.m.

The Audit Committee returned to open session at 3:18 p.m. upon motion, second and unanimous voice vote.

7. OLD BUSINESS

a. Status of CAFR (Adam Johnson, External Auditor)

Laura, (external auditor) was on the bridge.

Mr. Johnson said the financial statements were delivered to the Auditor two weeks late. He had hoped to have them submitted at the beginning of December but was not able to because of formatting and software issues with CaseWare and coordinating with their team for reports. The statements lack some supplemental material his staff is now finishing but the auditors have enough to continue and put us past the mid-February date. It is too early to know if they can do their audit with that delay

Laura had nothing else to add but would respond to questions.

Chair de Schweinitz recalled from last time, there was a trial balance or G/L to be determined.

Mr. Johnson agreed. The Committee was holding off until they got the Trial Balance and now we have it and a draft of the CAFR. He reported a couple of Journal Entries today and all the papers needing to be recorded. We are moving, area by area, to report the balances on what was provided. Now we have a draft with no more work being performed. It is just a matter of finishing up the last statements and schedules for the CAFR that we need.

Chair de Schweinitz asked if the City provided all that is needed.

Laura said it was all for now, but we will need more for performing testing. Many more requests will be made and things like the November Trial Balance and they will re-evaluate to proceed with it.

Chair de Schweinitz remembered from last time, Al Castillo had asked if the auditors had to start all over and Laura had said not entirely.

Laura clarified that there are things they don't have to do over again. There was a significant amount of work in several areas and more work to be done on the trial balance. So it was not starting over from scratch but there are things that have not been posted at all or touched at all. Not every area needs to be restarted but it is too difficult to say at this point how much will need to be redone.

Member Borrego said it sounds like they are not quite starting over, but it is extensive.

Chair de Schweinitz asked Mr. Johnson if he got an extension from the State Auditor's Office.

Mr. Johnson said not yet.

Chair de Schweinitz asked, given these circumstances, when the exit conference might be held.

Laura thought maybe in February but was not entirely sure that would be achievable. She suggested maybe the end of February or early March as they are a couple of weeks behind. She clarified that there is a good deal of work yet to do and she is the only one available for this now. The other staff have been assigned to other projects.

Member Gonzales wondered in listening to the fact she has no staff and coming into prime tax season, if it would be a big problem for her.

Laura explained that she only does state and local government work, so the tax season doesn't affect her other than not having any staff to assist her. She is trying to move things off her plate. Not having staff is not as integral to not having herself. Right now, she is totally focusing on each area for the City.

Chair de Schweinitz thanked her and appreciated that.

Mr. Johnson added that, we got a good rating on our bond and a good report on our debt. So it is good news. We will continue on. We found in several prior CAFR's that supplemental materials had many errors. It is better to turn in a better document late than a document on time with errors.

Chair de Schweinitz noted the Committee meets again on February 7, but Mr. Johnson can convey much of what we want to talk about.

b. Animal Shelter Control Financial Statements and Lease (Renée Martínez)

Chair de Schweinitz said there is more material in the packet and one lease. He wondered if the Committee could leave it for now.

Ms. Martínez sent an email to Matt O'Reilly on the current lease. She asked Mr. Snyder why the animal shelter was brought to the Audit Committee. Mr. Snyder said it was just because the Committee is looking at all of them. The Police Department said the City could request an audit because the City invests a lot of money with them. So he asked for an audit this year.

Chair de Schweinitz thought there was a donation issue. There is now another lease. It must be a complex relationship with them, Ms. Martínez with all these legal documents running around.

Ms. Martínez agreed. There is an agreement for office space, a land lease, and others. It is more complex than others.

Member Sommer observed that what is missing is the service contract.

Ms. Martínez hoped the City Clerk has it.

Member Borrego asked if that was a building out there, across the street.

Mr. Johnson thought it was a state building.

Ms. Martínez agreed to get the missing documents.

Chair de Schweinitz said the Committee will discuss them at the next meeting.

Other Matters

Ms. Kerr reported the peer review will be done later than Wednesday. The team will be here during the first week of February. They will try to attend the Audit Committee meeting then. She is working on getting some other people for the team, particularly from cities about the same size but might have to get someone from a larger city.

Chair de Schweinitz got a nice report on CIAC and ask for comment from Mr. Johnson.

Mr. Johnson thought it was closed.

8. PUBLIC COMMENT – (5 MINUTES)

There were no public comments.

9. NEXT MEETING DATE February 7, 2018

Member Sommer asked who puts the nice packet together for the Committee.

Ms. Martínez said it is done by Constituent Services.

Member Sommer asked if Committee members could pick it up early to review for the meeting.

Ms. Martínez said the meeting notice must be posted on Friday before the meeting and members could pick them up on Friday.


Ms. Martínez asked if someone was working with Councilor Harris on the changes in Audit ordinances. That may be on the February agenda.

10. ADJOURNMENT


MOTION: Member Sommer moved to adjourn the meeting. Member Gonzales seconded the motion and it passed by unanimous voice vote.

The meeting was adjourned at 3:40 p.m.

Approved by:


Clark de Schweinitz, Chair

Submitted by:


Carl Boaz for Carl G. Boaz, Inc.