



Agenda

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CITY OF SANTA FE AUDIT COMMITTEE MEETING
CITY COUNCILORS' CONFERENCE ROOM
Wednesday, February 5, 2014 - 2:00 P.M.

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES:
 - January 8, 2014
5. STATUS REPORT FROM CITY OF SANTA FE, AUDIT & FINANCE DEPARTMENTS:
 - Status of Audits (Internal Audit) (send in advance & attach)
 - Gross Receipts Tax Report, (monthly)
 - Lodger's Tax Report.
7. SUB-COMMITTEE REPORTS:
 - Internal Audit,
 - False Alarm Monitoring System Audit (Draft);
 - Discussion of Fraud Waste and Abuse Hotline Bill;
 - Set up budget;
 - RFP;
 - Risk Assessment;
 - Budget;
 - Money for travel to conference in May.
8. OLD BUSINESS
9. NEW BUSINESS
 - 2008 Park Bond Issue , updated status
 - Lisa Martinez, Presidio Report
10. OTHER MATTERS FROM THE COMMITTEE
 - Invite Jon Bulthuis, Director, Transit, to discuss Federal Transit Administration, Financial Management Oversight Audit.
11. ITEMS TO REPORT TO THE CITY MANAGER
 -
12. NEXT MEETING DATE:
 - Next meeting scheduled – March 5, 2014
13. 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.

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CITY OF SANTA FÉ AUDIT COMMITTEE
February 5, 2014

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12. NEXT MEETING DATE: March 5, 2014	Announced	11
13. ADJOURNMENT	Adjourned at 4:20 p.m.	11

MINUTES OF THE
CITY OF SANTA FÉ
AUDIT COMMITTEE

February 5, 2014
2:00 p.m. – 4:00 p.m.

1. CALL TO ORDER

A regular meeting of the City of Santa Fé Audit Committee was called to order by Vice-Chair Randy Randall on this date at approximately 2:00 p.m. in the City Councilors' Conference Room at City Hall, 200 Lincoln Avenue, Santa Fé, New Mexico.

2. ROLL CALL

Roll call indicated the presence of a quorum as follows:

Members Present:

Randy Randall, Vice-chair
Hazelaine Romero
Clark de Schweinitz, J.D

Members Absent:

Maurice A. Lierz, Chair [excused]
Marc A. Tupler, [excused]

Others Attending:

Liza Kerr, Internal Auditor
Lisa Martínez,
Marcos Tapia, 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 Finance Department.

3. APPROVAL OF AGENDA

Ms. Romero moved to approve the agenda as presented. Mr. de Schweinitz seconded the motion and it passed by unanimous voice vote.

4. APPROVAL OF MINUTES

- **January 8, 2014**

Ms. Romero requested the following changes to the minutes:

On page 2, line 118 - the corrected name in the December minutes should be Ricci.

On page 5, line 262 it should have said 25 CEU's in government accounting.

On page 6, line 273 the minutes should add "and the City pay for her lodging and travel."

On page 7, line 317 it should say "Mr. Tapia earlier said about Atkinson not being eligible to do the 2014 CAFR audit."

Ms. Kerr requested the following changes to the minutes:

On page 3, line 132, it should say "now posted on the state auditor's web site."

On page 3, line 145, it should say, "The BDD Audit was waiting for the CAFR audit to be completed."

On page 4, line 188, it should say, "Ms. Kerr said Ms. Martínez presented it to Finance last night."

Vice-Chair Randall requested a change on line 386 that the points A, B, and C from Chair Lierz' memo be included in the recommendation:

"A. Amend the Resolution 2013-80 to provide for a special external audit to cover the entire expenditure period from the beginning to March 31, 2014.

B. Include the City's Audit Committee in this process for the determination of the procedures to conduct a special audit of the expenditures of funds charged against the 2008 Bond funds.

C. Considering the fact that the present external auditor, Atkinson & Co. Ltd., has annually audited most if not all of such budgeted expenditures that have been charged against the 2008 Bond funds of approximately \$30,300,000. Such annual expenditures were included in the annual CAFR audits and would have been audited to a higher materiality level, than the needs of a separate audit at a \$30,300,000 level, for such 2008 Bond funds."

Ms. Romero moved to approve the minutes of January 8, 2014 as amended. Mr. de Schweinitz seconded the motion and it passed by unanimous voice vote.

Mr. de Schweinitz was curious about the park bond issues. There was a good memo and conversation went on afterwards. He asked if there were some loose ends.

Ms. Kerr said Ms. Bette Booth would be here later to address it.

Vice-Chair Randall said those were passed on to Councilor Wurzbarger. He didn't think there was anything left to do and Ms. Booth would provide an update later on.

Mr. Tapia said there was a draft resolution written for Councilor Wurzbarger. The biggest thing was the scope and what was going to be audited exactly. Mr. Lierz appeared before the City Council

Mr. Tapia said materiality was different. It wasn't something they looked into. Every voucher and procurement document could be part of the lottery to be looked at.

Vice-Chair Randall noted that the auditor could choose the level of the materiality. The Council said there would be an audit and the Audit Committee's role now was in audit selection participation and to follow it to make sure it was properly done. The Audit Committee needed to be careful not to take on the Finance Committee role.

Vice-Chair Randall moved to amend the agenda and hear Ms. Lisa Martínez next and then after that to hear Ms. Bette Booth. Ms. Romero seconded the motion and it passed by unanimous voice vote.

9. NEW BUSINESS

- **Lisa Martínez - Presidio Report**

Ms. Martínez said this was a draft strategic plan about where the City was headed and what we want to do in response to the Presidio Report and prepare for the budget cycle. This was a generic strategic plan. It involved a lot of time to do it correctly. The City was at the very beginning stages on it. As she was new to the position, she wanted to put together some base line information for our initiative for IT and identify the things in Presidio that were urgent in order to take care of that immediately.

Mr. de Schweinitz thought they said there were some procedures that were not there.

Ms. Martínez said it was some policies.

Mr. Tapia explained that Robert Romero was here and wanted Presidio to look at the overall structure to see if there were weaknesses in security and determine that the people in positions were adequate and have one over the top view and Presidio gave recommendations.

Ms. Kerr said Presidio did review the data center component and also looked at other things.

Ms. Martínez said it was an overall assessment or review. They looked at staffing, governance, structure and how many staff IT had compared with other departments. It was a good assessment and a good starting point for her just coming into this job.

The report pointed out a critical element - that the City didn't really have guidance, direction and leadership in IT. She was brought in to handle that and she needed the steering committee for IT. They had one meeting right before she started and there have been two since then.

They discussed committee responsibilities. One was to review major IT initiatives to make sure they had alignment with the organization's overall goals, etc. They had to have a disaster recovery plan and that was a priority.

There were grant monies coming to the City and the City had lots of polices and could implement them and send the applications off to the federal government including training for security, the disaster recovery plan, hardware disposal and life cycle. Those were all implemented now. They went into effect by the end of October.

Vice-Chair Randall was impressed that so much got accomplished.

Ms. Kerr said they also needed to clear the findings on IT.

Ms. Martínez asked for another copy and Ms. Kerr agreed to send it to her.

Mr. Tapia thought that would help with other audits too. They were about 80% clear with the findings and should be finished in a month.

Ms. Martínez found the acceptable internet usage policy, dated 2003. Unfortunately it was the most recent one they had. So they were working on it now.

Vice-Chair Randall asked who reviews and approves the policies before using them.

Ms. Martínez said it was Mr. Tapia, Finance, and the City Manager. She showed the signature page. They were now setting up the training schedule for all city staff.

Ms. Kerr asked her to highlight the other findings.

Ms. Martínez said the low hanging ones were network refreshing, mobility, wireless infrastructure and data center facilities. The second category were initiatives that also had barriers and were beyond the available budget and would provide efficiencies including the Data Center Infrastructure, Server, Disaster Recovery, and Mobility.

Based on what the Councilors came up with, we provided that to Presidio. An issue of proprietary non copying was cleared.

The third category were the "Must Haves" to change City efficiencies to serve our constituents. Many of them were not clearly defined and require some leadership. They included IT governance and reform, document imaging and management, broadband initiative; communications, collaborations, upgrade and replacement; and mobile radio upgrades.

Mr. Tapia clarified that not everything she mentioned was in that report.

Ms. Martínez said the fourth category were the many pitfalls and things to avoid. Those were not on this list. Everything that was here they had to do so she was taking it to the IT steering committee and the departments.

The City Manager sent Ms. Martínez to a two-day strategic planning course. And while she came out of

it very excited about the possibilities she was also a little dejected at how much work it would take. They were at an odd place now with administration about to change. So it could all change in another month. She told the steering committee that she was backing off in favor of some basics as a foundation for whoever comes into office next month.

They put together a basic inventory plan to distribute to everyone. It was straightforward with serial number, age, etc. lap tops, printers, and maybe even flash drives.

Mr. Tapia said it was anything that was digital related.

Ms. Martínez gave them a better perspective for what was needed to clarify accountability. Mr. Tapia applauded everything she accomplished.

Ms. Martínez said she was collecting a wish list from other departments about where they would like to be in the next few years from an IT perspective so we could better work with them and the things we need to plan for in our budget. She was really just trying to get folks to change from crisis management mode to think about the future and the latest and greatest things. We should be able to move beyond maintenance issues and separate what we could do right away from those that require a work order. We have to organize in a way to compartmentalize our tasks instead of just running around. We need to figure out how to improve everyone's perception of all the good we do.

Vice-Chair Randall asked for an update on the rest of the findings for next month. He hoped the new administration didn't choose to change everything.

Ms. Kerr thought it was a good time to do that.

Ms. Martínez said that was the main gist of it. She had a good road map and was working on development of a budget with the most critical items which were at the end of their life cycle.

Vice-Chair Randall asked her about the makeup of the steering committee.

Ms. Martínez said it was Mr. Tapia, Mr. Snyder, Mr. O'Reilly, Mr. Pino, the HR Director and the Fire Chief. Eventually, they would add outsiders from the community who used the City web site.

Vice-Chair Randall asked if it was permanent. Ms. Martínez agreed.

Mr. Tapia said the Audit Committee could help at some point on revenue source to request virtual servers that have the capacity for information rather than going into boxes to find what staff needed.

Vice-Chair Randall said it appeared from the original audit that they were not even using the current resources correctly and it looked like Ms. Martínez was turning that around. That was huge. We would certainly support more resources. We also need to be comfortable that our present resources were being used properly. Ms. Kerr's report would help. He thanked Ms. Martínez for her report.

- **2008 Park bond Issue - updated status**

Ms. Booth thanked the Committee for letting her speak. She said Councilor Wurzburger had asked her to let the Committee know that she was following the Audit Committee's advice and submitted a resolution with that intent to have a procedure audit and to include POSAC and BTAC for input. The resolution would go to Public Works on Monday, Finance on Tuesday the 17th, and to Council on the 26th. Councilor Wurzburger didn't expect any opposition for it.

Vice-Chair Randall thanked Ms. Booth for her report.

5. STATUS REPORT FROM CITY OF SANTA FÉ AUDIT AND FINANCE DEPARTMENTS

- **Status of Audits (Internal Audit)**

Ms. Kerr said there was not much to report on them. She did include the SWMA audit for review. She would put that on her chart as completed.

Mr. de Schweinitz asked if the Committee needed to make a decision how to respond to the findings.

Mr. Tapia said they had very little other than the Committee's recommendation that staff follow through with management responses to the findings.

Ms. Kerr wanted to track all of the findings but administratively it was too much for her to do.

Ms. Romero suggested, at this point, just having the audit get back to her with the status of findings.

Ms. Kerr agreed.

Vice-Chair Randall asked Ms. Kerr to start a list of all she should be doing but couldn't because of not enough hours in the day. If the Committee supports expansion of the department, it had to be justified. So he thought they needed to start the list of all the things that should get done but could not without more staff.

Secondly on the list would be what Ms. Martínez said on the help desk. It was not our job to go out and dig into it and find out. But send a note that you expect in 50 days how you would respond to the findings in your audit. Whatever number of days you want. And then send them an email when they report and expect to get an update in six months.

Mr. Tapia thought that was great idea but for some of them, the City didn't have oversight so they might not respond at all. But if the need of the Audit Committee was explained, perhaps they would respond.

Vice-Chair Randall agreed it was different for them but if a city department chooses not to respond, that was an issue. For the others, she could just report that they didn't respond.

Mr. Tapia agreed.

Vice-Chair Randall asked if we were planning to expand the audit department next year.

Mr. Tapia said that would still have to go through the Finance Committee. That might change after March 4.

- **Gross Receipts Tax Report**

Mr. Tapia said the February report would tell us about December's results. We were back down to \$2.7 million ahead of last year. So with the increases it was getting closer to 2007-2008. One important thing to consider in looking at this was that TRD said it was spread out, so it was a general economy increase. That made him optimistic. There was annexation and different union contracts also to contend with. IT requested an expansion also.

The other point was that March that would tell him about a nice little bump from annexation. He was anxious to see it.

Vice-Chair Randall raised the issue of internal instead of external audits in the future as a factor.

- **Lodger's Tax Report**

Mr. Tapia said they didn't have a big bump in Lodgers Tax receipts.

Vice-Chair Randall commented that the lodging didn't vary a whole lot. But next year with 200 rooms at Drury, that might affect the receipts.

Mr. Tapia said auditing of lodgers would be a surprise to the lodgers. They might take it to Legal, depending on the outcome.

7. SUB-COMMITTEE REPORTS

- **Internal Audit -**

- a. False Alarm Monitoring System Audit (Draft)**

Ms. Kerr said this audit remained confidential so it would need to be discussed in executive session.

Mr. de Schweinitz moved to go into executive session pursuant to NMSA 1978 Article 10-15-1 (H) (2) to discuss confidential audit material. Ms. Romero seconded the motion and it passed by unanimous roll call vote with Vice-Chair Randall, Mr. de Schweinitz and Ms. Romero voting in favor and none against. The Committee went into closed executive session at 3:07 p.m.

At 3:19 p.m., the Audit Committee returned to open session. Vice-Chair Randall announced to the public that during the executive session no actions were taken and the only matters discussed pertained to the draft confidential False Alarm Monitoring System Audit.

d. Budget

Ms. Kerr said she was being told that she had no separate budget.

Mr. Tapia explained that it was under the Common Budget category. It would show as its own budget. It was the same as with the City Manager and City Clerk as Internal Auditor.

Vice-Chair Randall asked about expansion.

Mr. Tapia suggested they put in an approximate cost of having insurance in there and come up with a number and give a copy to Celeste to submit as part of the budget. He said a city this size needed an audit group. It should have at least 2-3 people.

Vice-Chair Randall said the Committee should ask for three staff.

Mr. Tapia noted that the City spent almost \$40,000 on the parking audit and had a few personnel issues and it could have been done internally. The Parks Bond could also be done internally. Right now the City were looking at \$40-80,000 for that audit, depending on the scope. There was so much more like that the City could do internally. One FTE would be \$90,000.

Vice-Chair Randall said people perceive it would not be independent and the Audit Committee was key to dealing with that issue. Independence was independence of operation.

Mr. Tapia agreed. It was a matter of having the credentials.

Mr. de Schweinitz pointed out that if Ms. Kerr did more audits, we would have to revise our plan.

a. False Alarm Monitoring System Audit (Draft) (continued)

Mr. de Schweinitz moved to return to executive session pursuant to NMSA 1978 Article 10-15-1 (H) (2) to discuss confidential audit material. Ms. Romero seconded the motion and it passed by unanimous roll call vote with Vice-Chair Randall, Mr. de Schweinitz and Ms. Romero voting in favor and none against. The Committee went into closed executive session at 3:28 p.m.

At 4:00 p.m., the Audit Committee returned to open session. Vice-Chair Randall announced to the public that during the executive session no actions were taken and the only matters discussed pertained to the draft confidential False Alarm Monitoring System Audit.

b. Discussion of Fraud, Waste and Abuse Hotline Bill

Ms. Kerr said the next step regarding this hotline was to set up a budget. She noted that \$6,000 was put in the request as shown in the packet. Once set up, they could issue an RFP.

Vice-Chair Randall added that hopefully, she wouldn't manage it.

Ms. Kerr said it was on her plate anyway.

Vice-Chair Randall asked that it be added to the justification for budget expansion.

Mr. de Schweinitz agreed with the justification process.

Ms. Kerr said she wanted to do things correctly but couldn't with all this load.

Ms. Kerr said she included the expansion request as a BAR and Celeste was helping her do that.

c. Risk Assessment/Audit Plan

Ms. Kerr reported she was sending that plan out this week. It had to go to the Finance Committee 60 days before year end. She needed to do additional interviewing and could meet the deadline. It goes to cashiers, purchasing and risk management with a memo directly to her.

Vice-Chair Randall reasoned that next month the plan would come to the Committee with the final review at the April meeting.

e. Money for conference travel in May

This matter was not discussed.

8. OLD BUSINESS

Ms. Romero recalled that last time, the Committee discussed the airport issue.

Ms. Kerr said there was no report. She would meet with Francey Jesson (the Airport Manager) to go over it.

Vice-Chair Randall asked if the Lodgers' Tax audit was on the audit report.

Ms. Kerr said they were moving forward with it.

Vice-Chair Randall said any lodging facilities that suggested to the audit firm that they no longer have records should be put on the two-year list or the one-year audit list.

Ms. Kerr had not heard back from them that they couldn't produce the records.

Vice-Chair Randall said he was told that Marriott didn't have the records so they should be audited again.

9. NEW BUSINESS

New Business was considered earlier in the meeting.

10. OTHER MATTERS FROM THE COMMITTEE

Vice-Chair Randall said the City Manager told him the Chairman had not been reappointed. He asked when the terms expired.

Ms. Kerr said the term ran from November 2013 and agreed to find out more about it. She was planning for a "Muchas Gracias" recognition for Maurice Lierz. It would be done at a City Council meeting, maybe as late as April. She said the terms for Mr. Tupler, Ms. Romero and Mr. Lierz were expired.

- **Invite Jon Bulthuis, Transit Director, to discuss Federal Transit Administration Financial Management Oversight Audit**

Mr. Kerr announced that Mr. Bulthuis would come in April. She already sent the members a summary of the findings.

Mr. de Schweinitz asked if the Committee wanted to quiz him on it.

Ms. Kerr said there were quite a few findings and all but one or two had been cleared.

Vice-Chair Randall would like a written summary from Ms. Kerr that reported what has been done. He asked if she could update that for the April meeting.

Ms. Kerr agreed and explained that Mr. Bulthuis just couldn't come today but was confirmed for April. She also wanted to invite Marty Mathisen to come and go over the CAFR. And then next month the new person would be coming. It depends when the council meeting is.

11. ITEMS TO REPORT TO THE CITY MANAGER


There were no items to report to the City Manager.

12. NEXT MEETING: March 5, 2014

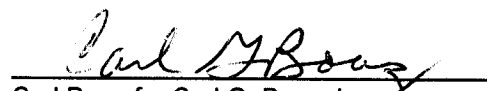
13. ADJOURNMENT

The meeting was adjourned at 4:20 pm.

Approved by:


Randy Randall, Vice-Chair

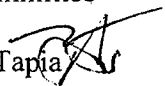
Submitted by:


Carl Boaz for Carl G. Boaz, Inc.

City of Santa Fe Lodging Tax Report Fiscal Year Ending June 2014												
4% Lodging Tax												
Month	Fiscal Year 2009-2010	% Gain/Loss	Fiscal Year 2010-2011	% Gain/Loss	Fiscal Year 2011-2012	% Gain/Loss	Monthly % Gain/Loss	Fiscal Year 2012-2013	% Gain/Loss	Monthly % Gain/Loss	Fiscal Year 2013-2014	Monthly % Gain/Loss
July	\$ 368,059	-22.46%	\$ 466,349	27%	\$ 429,660	10.11%	26%	\$ 541,735	-8%	26%	\$ 468,946	-13.44%
August	\$ 508,480	-12.07%	\$ 569,878	10.11%	\$ 584,497	2.51%	4%	\$ 536,103	4%	4%	\$ 517,387	-3.46%
September	\$ 604,580	-7.71%	\$ 621,818	2.85%	\$ 687,900	10.80%	5%	\$ 608,861	-5%	4%	\$ 527,862	-13.30%
October	\$ 430,868	-11.83%	\$ 417,264	-3.00%	\$ 457,746	8.86%	10%	\$ 461,151	1%	1%	\$ 489,805	21.00%
November	\$ 400,356	9.80%	\$ 489,309	22.22%	\$ 447,667	-2.86%	-9%	\$ 450,359	1%	1%		8.76%
December	\$ 229,101	-38.77%	\$ 223,558	-2.42%	\$ 223,558	0.00%	-5%	\$ 261,800	17%	17%		-100.00%
January	\$ 268,342	45.15%	\$ 260,667	-2.86%	\$ 275,908	5.75%	6%	\$ 345,975	28%	28%		-100.00%
February	\$ 167,499	-24.86%	\$ 201,287	20.17%	\$ 184,248	-8.34%	-8%	\$ 193,829	5%	5%		-100.00%
March	\$ 200,011	-15.19%	\$ 198,305	-0.85%	\$ 167,482	-16.04%	-16%	\$ 211,949	27%	27%		-100.00%
April	\$ 306,086	36.27%	\$ 285,430	-6.75%	\$ 275,748	-3.53%	-3%	\$ 320,760	16%	16%		-100.00%
May	\$ 275,292	-7.00%	\$ 265,120	-3.69%	\$ 263,949	-0.45%	0%	\$ 298,822	13%	13%		-100.00%
June	\$ 384,175	-6.13%	\$ 349,553	-9.01%	\$ 481,600	37.78%	38%	\$ 427,960	-11%	-11%		-100.00%
Fiscal Year Totals	\$ 4,132,640	-48.81%	\$ 4,349,832	5.25%	\$ 4,381,163	0.74%		\$ 4,659,304			\$ 2,561,971	
Cumulative Months												
July - November Totals	\$ 2,302,343	-48.81%	\$ 2,554,618	10.96%	\$ 2,507,470	-1.85%	-1.85%	\$ 2,598,209	3.62%	3.62%	\$ 2,561,971	-1.39%
Convention Center 3% Lodgers Tax												
Month	Fiscal Year 2009-2010	% Gain/Loss	Fiscal Year 2010-2011	% Gain/Loss	Fiscal Year 2011-2012	% Gain/Loss	Monthly % Gain/Loss	Fiscal Year 2012-2013	% Gain/Loss	Monthly % Gain/Loss	Fiscal Year 2013-2014	Monthly % Gain/Loss
July	\$ 276,043	-22.46%	\$ 349,762	27%	\$ 322,245	10.11%	27%	\$ 406,301	-8%	26%	\$ 351,709	-13.44%
August	\$ 381,360	-12.07%	\$ 419,908	10.11%	\$ 438,373	4.51%	4%	\$ 402,077	-4%	-8%	\$ 388,040	-3.46%
September	\$ 453,435	-7.71%	\$ 466,364	2.85%	\$ 440,925	-5.35%	-5%	\$ 456,646	4%	4%	\$ 395,696	-13.30%
October	\$ 315,651	-11.83%	\$ 312,948	-0.86%	\$ 343,310	10.00%	10%	\$ 345,863	1%	1%	\$ 418,479	21.00%
November	\$ 300,267	9.80%	\$ 366,982	22.22%	\$ 335,750	-8.50%	-9%	\$ 337,769	1%	1%	\$ 367,354	8.76%
December	\$ 171,826	-38.77%	\$ 176,141	2.51%	\$ 167,668	-4.59%	-5%	\$ 196,350	17%	17%		-100.00%
January	\$ 201,256	45.15%	\$ 195,500	-2.86%	\$ 206,931	5.75%	6%	\$ 259,482	25%	25%		-100.00%
February	\$ 125,624	-24.86%	\$ 150,965	20.17%	\$ 135,186	-10.00%	-8%	\$ 145,372	7%	5%		-100.00%
March	\$ 150,008	-15.19%	\$ 148,729	-0.85%	\$ 125,611	-16.22%	-16%	\$ 168,962	27%	27%		-100.00%
April	\$ 229,966	36.27%	\$ 214,072	-6.75%	\$ 207,561	-7.43%	-3%	\$ 240,570	16%	16%		-100.00%
May	\$ 206,469	-7.00%	\$ 198,840	-3.69%	\$ 197,981	-0.45%	0%	\$ 224,117	13%	13%		-100.00%
June	\$ 288,131	-6.13%	\$ 282,165	-2.09%	\$ 361,360	28.07%	38%	\$ 320,970	-11%	-11%		-100.00%
Fiscal Year Totals	\$ 3,099,636	-8.11%	\$ 3,262,376	5.25%	\$ 3,265,871	0.11%		\$ 3,494,478			\$ 1,921,478	
Cumulative Months												
July - November Totals	\$ 1,726,756	-48.81%	\$ 1,915,964	10.96%	\$ 1,880,603	-1.85%	-1.85%	\$ 1,948,657	3.62%	3.62%	\$ 1,921,478	-1.39%
Convention Center 3% Lodgers Tax												
Month	Fiscal Year 2009-2010	% Gain/Loss	Fiscal Year 2010-2011	% Gain/Loss	Fiscal Year 2011-2012	% Gain/Loss	Monthly % Gain/Loss	Fiscal Year 2012-2013	% Gain/Loss	Monthly % Gain/Loss	Fiscal Year 2013-2014	Monthly % Gain/Loss
July	\$ 276,043	-22.46%	\$ 349,762	27%	\$ 322,245	10.11%	27%	\$ 406,301	-8%	26%	\$ 351,709	-13.44%
August	\$ 381,360	-12.07%	\$ 419,908	10.11%	\$ 438,373	4.51%	4%	\$ 402,077	-4%	-8%	\$ 388,040	-3.46%
September	\$ 453,435	-7.71%	\$ 466,364	2.85%	\$ 440,925	-5.35%	-5%	\$ 456,646	4%	4%	\$ 395,696	-13.30%
October	\$ 315,651	-11.83%	\$ 312,948	-0.86%	\$ 343,310	10.00%	10%	\$ 345,863	1%	1%	\$ 418,479	21.00%
November	\$ 300,267	9.80%	\$ 366,982	22.22%	\$ 335,750	-8.50%	-9%	\$ 337,769	1%	1%	\$ 367,354	8.76%
December	\$ 171,826	-38.77%	\$ 176,141	2.51%	\$ 167,668	-4.59%	-5%	\$ 196,350	17%	17%		-100.00%
January	\$ 201,256	45.15%	\$ 195,500	-2.86%	\$ 206,931	5.75%	6%	\$ 259,482	25%	25%		-100.00%
February	\$ 125,624	-24.86%	\$ 150,965	20.17%	\$ 135,186	-10.00%	-8%	\$ 145,372	7%	5%		-100.00%
March	\$ 150,008	-15.19%	\$ 148,729	-0.85%	\$ 125,611	-16.22%	-16%	\$ 168,962	27%	27%		-100.00%
April	\$ 229,966	36.27%	\$ 214,072	-6.75%	\$ 207,561	-7.43%	-3%	\$ 240,570	16%	16%		-100.00%
May	\$ 206,469	-7.00%	\$ 198,840	-3.69%	\$ 197,981	-0.45%	0%	\$ 224,117	13%	13%		-100.00%
June	\$ 288,131	-6.13%	\$ 282,165	-2.09%	\$ 361,360	28.07%	38%	\$ 320,970	-11%	-11%		-100.00%
Fiscal Year Totals	\$ 3,099,636	-8.11%	\$ 3,262,376	5.25%	\$ 3,265,871	0.11%		\$ 3,494,478			\$ 1,921,478	
Cumulative Months												
July - November Totals	\$ 1,726,756	-48.81%	\$ 1,915,964	10.96%	\$ 1,880,603	-1.85%	-1.85%	\$ 1,948,657	3.62%	3.62%	\$ 1,921,478	-1.39%

City of Santa Fe, New Mexico

memo

DATE: January 15, 2014
TO: Finance Committee
FROM: Marcos A. Tapia 
Finance Director
SUBJECT: Gross Receipts Report

BACKGROUND AND SUMMARY:

Update of Gross Receipts Tax Report received in January 2013 (for November 2013 activity).

ACTION:

For your information.

City of Santa Fe Gross Receipts Taxes Collected (less Water 1/4%)

BENCHMARK YEAR

MONTH	FY Actual 2007/08	% Inc/Dec
JUL	7,375,729	15.39%
AUG	8,237,747	-2.16%
SEPT	7,534,469	9.30%
OCT	7,792,052	4.44%
NOV	7,767,989	2.05%
DEC	7,385,740	-2.52%
JAN	6,986,767	4.62%
FEB	8,725,121	8.61%
MAR	6,680,180	-4.15%
APR	5,957,049	-4.68%
MAY	6,903,178	-34.00%
JUN	7,201,012	-4.48%

TOTALS \$88,547,033 2.07%

Prior Years' Comparison:

July-Jan \$53,080,494 4.01%

FY Actual 2010/11	% Inc/Dec	FY Actual 2011/12	% Inc/Dec	FY Actual 2012/13	% Inc/Dec
6,253,785	-8.06%	6,868,168	9.82%	6,839,744	-0.41%
7,692,859	4.32%	7,651,438	-0.54%	7,557,228	-1.23%
6,865,871	-4.91%	7,162,003	4.31%	7,251,040	1.24%
7,300,775	2.35%	7,456,520	2.13%	7,541,435	1.14%
6,768,772	-1.43%	7,169,747	5.61%	7,047,078	-1.71%
6,492,101	-2.60%	6,576,396	1.30%	7,114,531	8.18%
6,284,002	2.70%	6,653,844	5.89%	6,672,604	0.28%
7,786,459	2.88%	8,240,913	5.84%	7,731,934	-6.18%
5,705,183	-1.20%	6,242,865	9.42%	6,728,219	7.77%
5,775,585	1.59%	6,318,974	9.41%	5,828,888	-7.76%
6,821,323	3.67%	7,132,860	4.57%	7,364,997	3.25%
6,687,665	7.65%	6,249,687	-6.55%	6,584,103	5.35%

\$ 80,454,380 0.54% \$ 83,723,413 4.06% \$ 84,261,803 0.64%

\$ 47,678,165 -1.09% \$ 49,538,114 3.90% \$ 50,023,660 0.98%

Budget vs Actual year-to-date comparison

Current Actual year-to-date comparison to prior year-to-date

Current Actual year-to-date comparison to FY 07-08 year-to-date

FY Actual 2013/14	% Inc/Dec	\$ Diff to PY	FY Budget 2013-14	% Actual to Budget	Over/Under Budget
7,330,377	7.17%	490,633	6,828,071	7.36%	502,306
7,638,713	1.08%	81,486	7,544,330	1.25%	94,383
7,703,661	6.24%	452,621	7,238,665	6.42%	464,996
8,517,763	12.95%	976,328	7,528,565	13.14%	989,198
7,535,998	6.94%	488,920	7,035,052	7.12%	500,946
7,538,502	5.96%	423,971	7,102,389	6.14%	436,113
6,521,060	-2.27%	(151,544)	6,661,216	-2.10%	(140,156)
			7,718,739		
			6,716,737		
			5,818,941		
			7,352,428		
			6,572,867		

\$ 52,786,075 \$ 2,762,414 \$ 2,847,787

\$ 52,786,075 5.52% \$ 2,762,414 5.39%

\$ 49,838,288 5.39%

\$ 2,847,787

\$ 2,762,414

(294,419)

July 2005 1/4% GRT Increase: WATER

MONTH	FY Actual 2007/08	% Inc/Dec
JUL	633,957	14.35%
AUG	714,599	-95.00%
SEPT	653,432	9.04%
OCT	676,530	3.87%
NOV	679,250	4.46%
DEC	647,257	2.30%
JAN	612,303	2.59%
FEB	765,368	9.23%
MAR	585,468	-0.35%
APR	546,057	4.90%
MAY	951,790	57.65%
JUN	631,448	4.36%

TOTALS \$8,097,459 8.74%

Prior Years' Comparison:

July-Jan \$4,617,329 4.80%

FY Actual 2010/11	% Inc/Dec	FISCAL YR 2011/12	% Inc/Dec	FISCAL YR 2012/13	% Inc/Dec
545,951	-7.89%	598,654	9.65%	600,324	0.28%
671,821	4.65%	667,629	-0.62%	659,002	-1.29%
597,858	-4.98%	625,006	4.54%	634,132	1.46%
636,744	2.29%	648,133	1.79%	659,894	1.81%
590,905	-0.92%	625,532	5.86%	616,187	-1.49%
566,931	-2.31%	573,490	1.16%	622,564	8.56%
549,104	2.66%	580,657	5.75%	583,650	0.52%
680,339	2.79%	722,984	6.27%	676,802	-6.39%
499,794	-0.75%	543,902	8.83%	589,701	8.42%
499,776	0.71%	551,043	10.26%	509,652	-7.51%
594,603	3.83%	622,468	4.69%	643,878	3.44%
580,691	7.17%	543,012	-6.49%	574,631	5.82%

\$ 7,014,517 -1.37% 7,302,510 3.55% \$ 7,370,419 0.55%

\$ 4,159,314 -0.82% \$ 4,319,102 3.84%

\$ 4,375,753 1.31%

\$ 4,618,773 5.55%

\$ 4,333,947

\$ 284,826

\$ 284,826

\$ 243,019

\$ 1,444

FISCAL YR 2013/14	% Inc/Dec	\$ Diff to PY	FY Budget 2013-14	% Actual to Budget	Over/Under Budget
642,087	6.96%	41,763	594,589	7.99%	47,498
669,004	1.52%	10,002	652,706	2.50%	16,298
674,853	6.42%	40,722	628,073	7.45%	46,780
742,357	12.50%	82,463	653,589	13.58%	88,768
659,904	7.09%	43,717	610,300	8.13%	49,604
660,591	6.11%	38,027	616,616	7.13%	43,975
569,976	-2.34%	(13,674)	578,074	-1.40%	(8,098)
			670,335		
			584,067		
			504,783		
			637,726		
			569,142		

\$ 4,618,773 \$ 243,019 \$ 284,826

\$ 4,618,773 5.55%

\$ 4,333,947

\$ 284,826

\$ 243,019

\$ 1,444

\$ 6.17%

\$ 8.55%

\$ 0.03%

City of Santa Fe
Gross Receipts by Category
Fiscal Years 2013-14 vs. 2012-13

Category	January (November Activity)			Percent Difference
	January 2013-2014	January 2012-2013	Dollar Difference	
Agriculture, forestry, hunting	3,397	6,516	(3,119)	-47.87%
Mining	803	1,954	(1,151)	0.00%
Utilities	211,077	185,442	25,635	13.82%
Construction	513,722	729,759	(216,037)	-29.60%
Manufacturing	125,366	127,455	(2,089)	-1.62%
Wholesale	94,637	99,831	(5,194)	-5.20%
Retail	2,196,238	2,197,082	(844)	-0.04%
Transportation & warehousing	15,202	12,886	2,316	17.97%
Information & Cultural Indust.	289,899	284,348	5,551	1.95%
Finance & Insurance	90,171	98,089	(7,918)	-8.07%
Real estate, rental & leasing	154,973	133,036	21,937	16.49%
Prof, Scientific, Technical	533,215	545,029	(11,814)	-2.17%
Management of companies	16,267	17,673	(1,406)	-7.96%
Admin & Support, Waste Mgt	46,028	45,361	667	1.47%
Educational Services	69,474	58,359	11,115	19.05%
Health Care & Social Assist	346,456	344,567	1,889	0.55%
Arts, Entertainment & Recr	34,854	41,089	(6,235)	-15.17%
Accommodation & Food	762,315	717,476	44,839	6.25%
Other Services	711,199	724,318	(13,119)	-1.81%
Public Administration	0	0	0	0.00%
Unclassified	25,531	17,955	7,576	42.19%
State reimb-food/med tax	819,968	841,684	(21,716)	-2.58%
Muni. Equivalent Distribution	30,225	26,345	3,880	14.73%
Total Distribution	7,091,037	7,256,254	(165,217)	-2.28%

City of Santa Fe
GRT Analysis By Category
Fiscal Years 2013-14 vs. 2012-13

Category	Cumulative YTD (May - Oct. Activity)			Percent Difference
	July - Jan. 2013-2014	July - Jan. 2012-2013	Dollar Difference	
Agriculture, forestry, hunting, fishing	83,557	140,308	(56,751)	-40.45%
Mining	2,292	3,965	(1,673)	-42.19%
Utilities	1,354,542	1,272,215	82,327	6.47%
Construction	5,552,275	5,139,760	412,515	8.03%
Manufacturing	960,167	930,902	29,265	3.14%
Wholesale	785,560	853,910	(68,350)	-8.00%
Retail	16,200,259	15,734,142	466,117	2.96%
Transportation & warehousing	109,586	104,070	5,516	5.30%
Information and Cultural Indust	2,212,784	2,001,140	211,644	10.58%
Finance & Insurance	720,867	688,540	32,327	4.70%
Real estate, rental & leasing	1,367,058	1,130,168	236,890	20.96%
Professional, Scientific, Tech	4,626,462	4,198,671	427,791	10.19%
Management of companies	109,934	134,881	(24,947)	-18.50%
Admin & Support, Waste Mgt	416,608	500,299	(83,691)	-16.73%
Educational Services	390,800	309,363	81,437	26.32%
Health care and social assist	2,676,519	2,580,510	96,009	3.72%
Arts, Entertainment & Recr	269,725	265,570	4,155	1.56%
Accommodation & Food	7,137,164	6,576,804	560,360	8.52%
Other Services	5,819,506	5,549,878	269,628	4.86%
Public Administration	0	775	(775)	-100.00%
Unclassified	265,526	147,442	118,084	80.09%
State reimb-food/med tax	6,194,719	5,963,117	231,602	3.88%
Muni. Equivalent Distribution	148,936	172,984	(24,048)	-13.90%
Total Distribution	57,404,846	54,399,414	3,005,432	5.52%

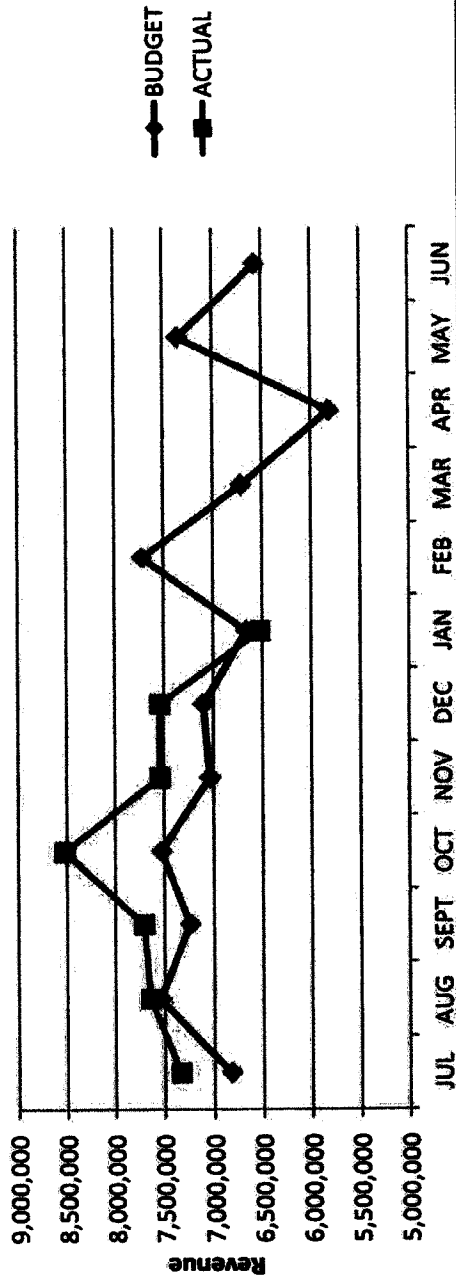
GRT 13-14 January 2014
01/17/2014
hrh

City of Santa Fe
GRT Analysis By Category
Fiscal Years 2013-14 vs. 2012-2013 and 2007-2008

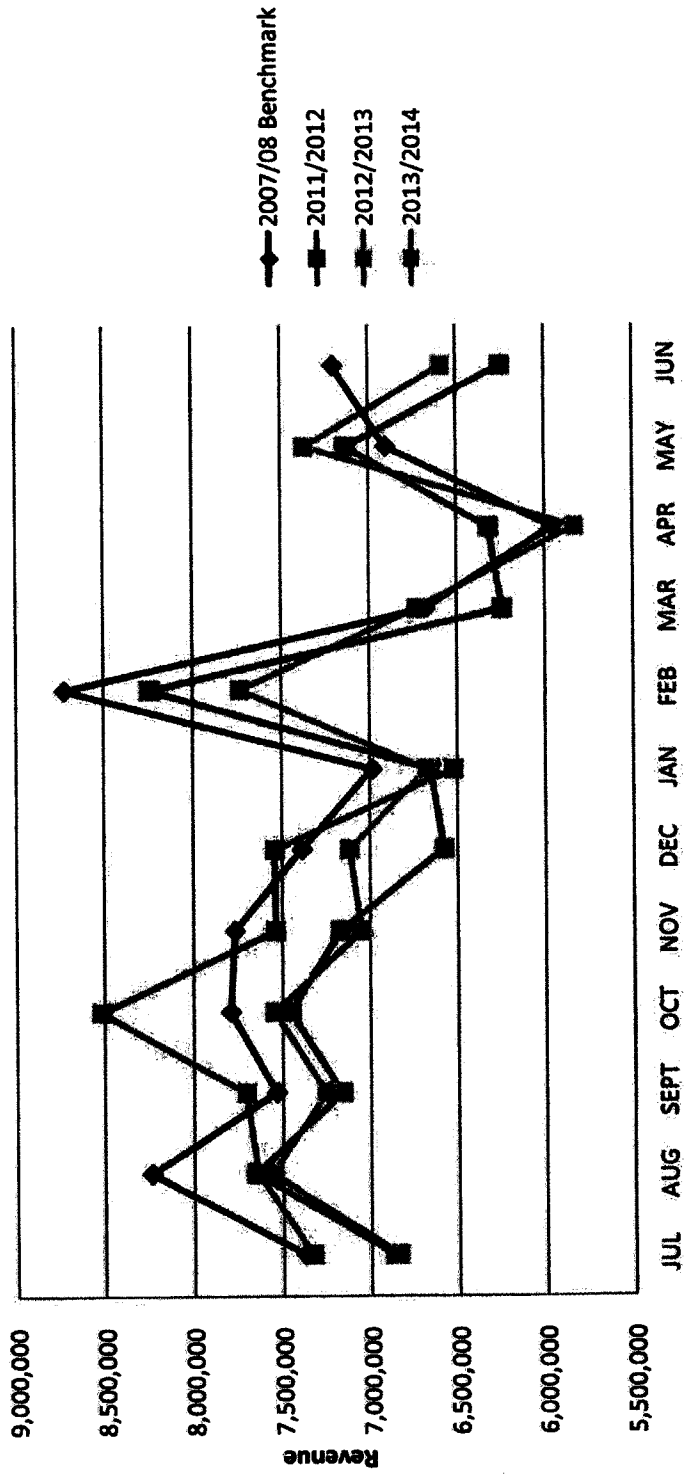
Cumulative YTD
(May-November Activity)

Category	July-Jan. 2013-2014	July-Jan. 2012-2013	July-Jan. 2007-2008	Dollar Dif FY 12-13 FY 13-14 vs FY 12-13	Percent Dif FY 13-14 vs FY 12-13	Dollar Dif FY 13-14 vs FY 07-08	Percent Dif FY 13-14 vs FY 07-08
Agriculture, forestry, hunting, fishing	83,557	140,308	286,202	(56,751)	-40.45%	(202,645)	-70.80%
Mining	2,292	3,965	60	(1,673)	0.00%	2,232	0.00%
Utilities	1,354,542	1,272,215	1,029,482	82,327	6.47%	325,060	31.58%
Construction	5,552,275	5,139,760	8,256,108	412,515	8.03%	(2,703,833)	-32.75%
Manufacturing	960,167	930,902	1,248,852	29,265	3.14%	(288,685)	-23.12%
Wholesale	785,560	853,910	1,183,211	(68,350)	-8.00%	(397,651)	-33.61%
Retail	16,200,259	15,734,142	17,713,426	466,117	2.96%	(1,513,167)	-8.54%
Transportation & warehousing	109,586	104,070	406,526	5,516	5.30%	(296,940)	-73.04%
Information and Cultural Indust	2,212,784	2,001,140	923,968	211,644	10.58%	1,288,816	139.49%
Finance & Insurance	720,867	688,540	655,808	32,327	4.70%	65,059	9.92%
Real estate, rental & leasing	1,367,058	1,130,168	1,352,133	236,890	20.96%	14,925	1.10%
Professional, Scientific, Tech	4,626,462	4,198,671	3,381,902	427,791	10.19%	1,244,560	36.80%
Management of companies	109,934	134,881	222,136	(24,947)	-18.50%	(112,202)	-50.51%
Admin & Support, Waste Mgt	416,608	500,299	267,609	(83,691)	-16.73%	148,999	55.68%
Educational Services	390,800	309,363	148,383	81,437	26.32%	242,417	163.37%
Health care and social assist	2,676,519	2,580,510	2,155,681	96,009	3.72%	520,838	24.16%
Arts, Entertainment & Recr	269,725	265,570	213,012	4,155	1.56%	56,713	26.62%
Accommodation & Food	7,137,164	6,576,804	6,439,229	560,360	8.52%	697,935	10.84%
Other Services	5,819,506	5,549,878	5,988,468	269,628	4.86%	(168,962)	-2.82%
Public Administration	0	775	68	(775)	0.00%	(68)	0.00%
Unclassified	265,526	147,442	999,342	118,084	80.09%	(733,816)	-73.43%
State reimb-food/med tax**	6,194,719	5,963,117	4,826,218	231,602	3.88%	1,368,501	28.36%
Muni. Equivalent Distribution	148,936	172,984	0	(24,048)	-13.90%	148,936	0.00%
Total Distribution	57,404,846	54,399,414	57,697,824	3,005,432	5.52%	(292,978)	-0.51%

Comparison of Budget vs Actual FY 12-13



Comparison of 3 YRS to Benchmark



Status of Audits Report

Report	Audit	Comments	Date of Audit Report	Date of Audit	Report Issued By	Report Issued Date	Date Presented to Committee
Comprehensive Annual Financial Report (CAFR)	06/30/2013	Atkinson and CO. LTD.	Completed - 12/01/2013 is a Sunday, so due date extended to 12/02/2013	Issued	12/02/2013	Yes	12/02/2013 - scheduled for 01/20/14
Financial Statements and Report of Independent Auditors	06/30/2013	Atkinson and CO. LTD.	Completed - 12/01/2013 is a Sunday, so due date extended to 12/02/2013	Issued	12/02/2013	Yes	12/02/2013 - In review as of 1/8/14
Construction audit - FINAL (Capital Improvement Project - part of Capital Projects Fund)	06/30/2012	Atkinson and CO. LTD.	Work to begin on December 4, 2013. Partial year audit -		09/30/2012	No	N/A
Construction audit - FINAL (Capital Improvement Project - part of Capital Projects Fund)	06/30/2012	Atkinson and CO. LTD.	Work to begin on December 4, 2013. Agreed Upon Procedures for Final Verification of Costs		N/A	N/A	N/A
Operations (Proprietary Funds)	06/30/2012	Atkinson and CO. LTD.	Atkinson has received TB's Per Atkinson - Work to begin on December 4, 2013		09/30/2012	No	N/A
Operations (Proprietary Funds)	06/30/2013	Atkinson and CO. LTD.	Atkinson has received TB's Per Atkinson - Work to begin on December 4, 2013		09/30/2013	No	N/A

Status of Audits

City of Santa Fe
Internal Audit

Status of Audits Report

Entity	Audit Type	In Progress	Due Date of Audit	Due Date of Completion	Report Issued By	Report Received @ State Auditors	Date Presented to Finance Committee
Elevate Media	Internal Audit			03/31/2014			

Status of Audits Report

Audit	Due Date	External Auditor	Status of Audit Report	Comments	Disp. of Audit Report	Due Date of Audit	Report Issued by	Received @ State Auditors	Date Presented to Finance Committee
Comprehensive Annual Financial Report (CAFR)	06/30/2011	Atkinson and CO. LTD.	Completed	Unqualified, 9 findings	Issued	12/01/2011	No	02/21/2012	08/20/2012
Comprehensive Annual Financial Report (CAFR)	06/30/2012	Atkinson and CO. LTD.	Completed	Unqualified, 9 findings	Issued	12/01/2012	No	03/05/2013	04/15/2013
Financial Statements and Report of Independent Auditors	06/30/2011	Atkinson and CO. LTD.	Completed	Unqualified, 0 Findings	Issued	12/01/2011	Yes	11/22/2011	
Financial Statements and Report of Independent Auditors	06/30/2012	Atkinson and CO. LTD.	Completed	Unqualified, 1 Finding	Issued	12/01/2012	No	12/03/2012	
Construction audit (Capital Improvement Project - part of Capital Projects Fund)	06/30/2010	Atkinson and CO. LTD.	2010 and 2011 Construction Audits are final.	Issued 11/05/13	09/30/2010		No	N/A	
Construction audit (Capital Improvement Project - part of Capital Projects Fund)	06/30/2011	Atkinson and CO. LTD.	Presented to Buckman's Board on 11/05/2013	Issued 11/05/13	09/30/2011		No	N/A	
Operations (Proprietary Funds)	06/30/2011	Atkinson and CO. LTD.	Presented to Buckman's Board on 11/05/2013	Issued 11/05/13	09/30/2011	11/09/2011	No	N/A	
Financial Statements	06/30/2011	Ricci & Company	Complete	Unqualified, 10 Findings	Issued	12/01/2011	Yes	12/01/2011	
Financial Statements	06/30/2012	Ricci & Company	Complete	Unqualified, 9 Findings	Issued	12/01/2012	No	12/18/2012	
Financial Statements	06/30/2011	Barracough & Associates, P.C.	Complete	Unqualified, No Findings	Issued	12/31/2011		N/A	
Financial Statements	06/30/2012	Barracough & Associates, P.C.	Complete	Unqualified, No Findings	Issued	12/31/2012		N/A	

Internal Audit	External Auditor	Status of Audit	Comments	Disp. of Audit Report	Due Date of Audit	Report Issued by Due Date	Received by State Auditors	Date Presented to Finance Committee
Forensic Audit of Parking	02/07/2013	complete	Unable to substantiate any wrongdoing by CM, 2 employees were cited as have tickets removed	Final 04/30/2013	Yes	02/07/2013	Yes	
Federal Transit Administration's Financial Oversight Follow-Up Review	Reid Consulting, LLC	complete	3 material weaknesses, 5 significant deficiencies	complete dated 07/20/2012	Yes			
Agreed Upon Procedure								
Federal Transit Administration's Financial Oversight Review	Reid Consulting, LLC	complete	2 material weaknesses, 3 significant deficiencies, 2 advisory comments	Final Report Submitted 07/22/13	Yes			
Agreed Upon Procedure								
Area Agency Aging "Assessment" of Senior Program at COSF		complete	Final report dated 05/28/2013	Complete	Yes			
HUD audit of Shelter Plus Care Program and grants	HUD	Exit on 08/01/13	No draft as of 08/12/13 - contact is Stephen Morales - 6536 Material Weakness - the auditee missed the scheduled appointment and did not leave the keys so the auditors could access the files.	Draft not issued	No			
ITT Data Center Operations and IT General Controls Performance Audit	06/30/2013	Final 08/07/2013	Complete	Released	Final 08/07/2013			09/16/2013

Status of Audits Report

Project	Internal Audit	Status of Audit Report	Comments	Size of Audit Report	Due Date of Audit	Report Issued By	Received by State Auditors	Date Presented to Finance Committee
Report to Management	06/30/2013	Final	Provided to management on 07/01/2013	Released	07/01/2013		Yes	
Hitachi SAN System			Presented to Audit Committee on 07/10/13					



January 30, 2014

Liza Kerr
Internal Auditor
City of Santa Fe, NM
PO Box 909
Santa Fe, NM 87504-0909

PROPOSAL FOR IMPLEMENTATION OF ComplianceLine Hotline Service

Dear Liza:

Thank you again for taking the time to evaluate Compliance Concepts, Inc. (CCI) and our **ComplianceLine** hotline service. I have drafted a proposal based on our discussions and the requirements that would be needed to set up your service.

Based upon your employee population of approximately 1,700, I am suggesting the following:

- **Implementation:** CCI will work with your team to complete a Scope of Service. Items that will be addressed will include:
 - Start Date for the service.
 - Assign a toll free number or transfer an existing number (a transfer may take up to 4 weeks).
 - Location information for your facilities.
 - Customized greeting.
 - Concern categories to be addressed by the hotline.
 - Coordinators and their contact information.
 - Directives to be included to provide specific instruction on handling concerns.
 - Communication Tools used to advertise the line.
 - Report submission method.
 - Date ranges for Severity Level 1, 2, and 3.
 - Provide CCI with any open cases.
 - Set up user(s) on myCM (case management application)
 - Finalize and sign agreement.

We anticipate implementation should take up to five business days upon receipt of the Scope of Service and signed agreement.

- **Performance:**
 - Calls* will be received by ComplianceLine 24/7/365 via **dedicated** toll-free number.
 - All calls will be answered live and will never be placed in queue.
 - Employees and others, as designated by City of Santa Fe, NM may initiate up to 110 calls during the contract period. All additional calls will be billed at \$25 per call thereafter.
 - All calls will be billed as indicate below.

* Calls are defined as actual reports filed by caller to include initial reports, follow-up reports and information only reports; wrong number, prank, and hang-ups are not included.

Implementation Pricing

Item	Unit Price	Days/Units/Users	Total
Toll free number assignment or transfer	US\$ 200	2 to 28 days	US\$ FREE
Setup and Implementation	US\$ 500	5 days	US\$ FREE

Annual Pricing

Item	Unit Price	Days/Units/Users	Total
Annual ComplianceLine Service	US\$ 3,250	1	US\$ 3,250
my Compliance Management (myCM)	US \$300	1	US\$ 300
Annual Support, Upgrades and Maintenance		15%	US\$ 45
MyComplianceReport.com (web reporting) unlimited reports may be submitted (Optional)	US\$ \$750	1	US\$ 750

- All additional myCM users will be billed at \$345 per user, per year.

Should you wish to discuss various aspects of the proposal please do not hesitate to contact me at any time.

Kind Regards,

Jenelle Stone
Sales Manager
800-617-0415
jstone@ccius.com

City of Santa Fe, New Mexico

BUDGET ADJUSTMENT REQUEST (BAR)

DEPARTMENT / DIVISION / SECTION / UNIT NAME General Government / Internal Auditor				DATE		
ITEM DESCRIPTION	BU / LINE ITEM	---(Finance Dept Use Only)---		INCREASE	DECREASE	
		SUBLEDGER / SUBSIDIARY	DR / (CR)			
Audit Services	12015.510330		DR	6,000		
JUSTIFICATION: (use additional page if needed) --Attach supporting documentation/memo				TOTAL	\$ 6,000	\$ -

Fraud, Waste & Abuse Hotline auditing/professional services for Internal Auditor

Prepared By _____ Date _____		CITY COUNCIL APPROVAL City Council Approval Required <input type="checkbox"/>		Budget Officer _____ Date _____	
Division Director _____ Date _____		City Council Approval Date <input type="text"/>		Finance Director _____ Date _____	
Department Director _____ Date _____		Agenda Item #: <input type="text"/>		City Manager _____ Date _____	

NAME OF DEPARTMENT OR DIVISION

NAME OF PERSON PREPARING QUESTIONNAIRE

TITLE

Note: Please pay attention to the following:

Due to the nature of the questions asked, sometimes a Yes is 5 points, and at other times it is 1.

Your responses can range from 2 to 5 or anywhere in between.

Answers in each section are weighted so that the total in each section = 75 points.

DO NOT FILL IN HIGHLIGHTED AREAS

Please complete the questionnaire and return it to Liza Kerr, Internal Auditor, LaKerr@ci.santa-fe.nm.us no later than 02/28/2014.

If you have any questions or need assistance filling out the form please contact Liza Kerr - (505) 955-5728.

This information is being accumulated in order to do a risk assessment for the purposes of formulating an audit plan. Thank you in advance for your cooperation.

NAME OF DEPARTMENT OR DIVISION

NAME OF PERSON PREPARING QUESTIONNAIRE

TITLE

	Scale 1 to 5 1 = Yes 3 = Var 5 = No	Are they Written Scale 1 - 5 1 = Complete and Thorough 5 = Not Written / Verbal	When were they last updated Scale 1-5 1 = This year - everything is current and reflects what is happening now 4 = They have never been updated 5 = N/A	Total	Internal Audit Comments	Department / Division Comments
R1 GOVERNANCE						
1	Does your department have clearly defined policies?			0	Please send a copy of your latest policies to Internal Audit if your score is less than 5.	
2	Does your department have clearly defined procedures?			0	Please send a copy of your latest procedures to Internal Audit if your score is less than 5.	

NAME OF DEPARTMENT OR DIVISION

NAME OF PERSON PREPARING QUESTIONNAIRE

TITLE

	Scale 1 to 5 1 = Yes 3 = Var 5 = No	Are they Documented Scale 1 - 5 1 = Complete and Thorough 5 = Nothing at this time	When were they last updated Scale 1- 5 1 = This year - everything is current and reflects what is happening now 4 = They have never been updated 5 = N/A	Total	Internal Audit Comments	Department / Division Comments
3	Has your department defined the internal controls that assure checks and cross checks are in place over critical issues such as, reporting financial data, securing cash, ensuring public safety, etc.?			0	Please send a copy of your internal controls to Internal Audit	
4	Are your policies posted on your website?			0	What is web address?	
5	Are employees given either a hard copy or an electronic copy of the policies and procedures?			0		
			Governance Total	0		

City of Santa Fe - Internal Audit Department
Risk Assessment

NAME OF DEPARTMENT OR DIVISION

NAME OF PERSON PREPARING QUESTIONNAIRE

TITLE

		Scale 0 to 5 0 = N/A 1 = No 3 = var 5 = Yes	Scale 0-5 0 = N/A 1 = Never has happened (or minimal) 5 = All the time (or very)	If concerns are existing have you been able to address them Scale 0 - 5 0 = N/A 1 = concerns have been mitigated 5 = no time or resources available to mitigate concerns	Total	Internal Audit Comments	Comments
R2	PERCEPTION OF RISK						
6	If controls are not working as they should is there a perceived financial impact?				0		
7	If controls are not working as they should is there a perceived risk to the safety of the Citizens of Santa Fe?				0		
8	In the past has the Internal Audit or Audit Committee addressed any concerns about your department that you are aware of?				0		
9	In the past has City Council raised any concerns about your department that you are aware of?				0		

NAME OF DEPARTMENT OR DIVISION

NAME OF PERSON PREPARING QUESTIONNAIRE

TITLE

10	How concerned are you about the operation of your department and risks as related to financial or safety issues?					0	
					Perception of Risk Total	0	

NAME OF DEPARTMENT OR DIVISION

NAME OF PERSON PREPARING QUESTIONNAIRE

TITLE

	Scale 1 to 5 1 = No 3 = Var 5 = Yes	Scale 0-5 N/A = 0 1 = Never has happened (or minimal) 5 = All the time (or very much)	if concerns are existing have you been able to address them Scale 0 - 5 - N/A = 0 1 = concerns have been mitigated 5 = no time or resources available to mitigate concerns	Total	Internal Audit Comments	Comments
R3 REPUTATION RISK						
11 Have there been any issues or concerns raised either internally or publically within the past 5 years within your department?				0		
12 Has your department been involved in any lawsuits in the past 5 years?				0		
13 Has your department been involved in any wrongful death lawsuits in the past 5 years				0		
14 Has anyone in your department been talked or written negatively about in the media within the last 5 years?				0		
15 Is it likely that a breakdown in internal controls will result in a citizen being hurt?				0		
			Reputation Risk Total	0		

NAME OF DEPARTMENT OR DIVISION

NAME OF PERSON PREPARING QUESTIONNAIRE

TITLE

		0 = N/A 1 = No 3 = Var 5 = Yes	0 = NA 1 = No 5 = Yes	When was the last time an inventory was done? 0 = NA, 1 = w/in a year 5 = Never	Total	Internal Audit Comments	Comments
R4	ECONOMIC RISK						
16	Do the financial transactions (cash receipts, POs, Contracts, capital outlay/equipment) processed in your department exceed > \$1 million annually? (Apprx \$83K/month or 3K per day?				0		
17	Does your department process a high volume of financial transactions, for example more than 1 thousand per month?				0		
18	Does your department handle large volumes of cash?				0		
19	Is there a statutory or compliance requirement for an annual inventory to be done and maintained in your area on any items that are less than \$5,000, for example capital outlay purchase of federal or state grants, computer equipment, or guns in the police department.				0		
20	Is an annual inventory done in your department?				0		
				Economic Total	0		

NAME OF DEPARTMENT OR DIVISION

NAME OF PERSON PREPARING QUESTIONNAIRE

TITLE

		Scale 1 to 5 5 = Yes 3 = var 1 = No	1 = Yes 5 = No	Total	Internal Audit Comments	Comments
R5	ENVIRONMENT					
21	Is your department highly regulated?			0		
22	Does your department receive federal or state grant money?			0		
23	Does your department or division use any systems/applications (other than E1) to complete daily financial operations?			0	Please list out other systems/applications	
24	Do you have systems / applications in your area that are outdated, ineffective or inefficient and would benefit from a technology upgrade?			0	Please list them out	
25	If mission critical technology and systems were to fail (including the centralized financial software Enterprise 1) do you have a plan in place for recovery			0	Please submit plan to Internal Audit if you have one	
				Environment Total	0	

NAME OF DEPARTMENT OR DIVISION

NAME OF PERSON PREPARING QUESTIONNAIRE

TITLE

		1 = No 3 = Var 5 = Yes	1 = Yes 5 = No		Total	Internal Audit Comments	Comments
R6	ORGANIZATIONAL CHANGES						
26	Has there been turnover in the senior management of your department in the last year?				0		
27	Has there been other changes in key personnel in your department or division in the last year?				0		
28	Has there been a change in your IT systems in the last 3 years?				0		
29	Are there vacancies for key employees in your department?				0		
30	Is staff turnover in the department high?				0		
	Organizational Changes Total				0		

NAME OF DEPARTMENT OR DIVISION

NAME OF PERSON PREPARING QUESTIONNAIRE

TITLE

				Scale 1 to 5 0 = NA 1 = in the last 1 to 2 years 2 = in the last 3 years 3 = in the last 4 years 4 = in the last 5 years 5 = never	Total	Internal Audit Comments	Comments
R7	Time Since Last Audit						
31	Internal				0		
	External						
32	Year end close				0		
33	Grant / Federal funding				0		
34	Contract / Regulatory				0		
35	State Program or Grant				0		
				Time Since Last Audit Total	0		

**City of Santa Fe
Internal Audit Department**

Budget Proposal for 2014 / 2015

Budget

Salary
Benefits

Professional Organizations 1018

ISACA (CISA Certification)	230
IIA (Institute of Internal Auditors - Certified Internal Auditor Designation)	205
NM Society of CPA's (CPA)	273
NM Public Accountancy Board (CPA Licensing Fee)	130
ALGA (Association of Local Government Auditors)	180

CPE (40 hours at \$40) 1600

Annual ALGA Conference (CPE hours are
included above - this is just the travel
component)

Travel (out of state) 1075

Airfare	350
Hotel	500
Per Diem	225

Printing (I have no idea what amount to put
here) 1000

Supplies 800

Professional Services

Audit Committee Transcriber? not sure of amount

Audit Services

Fraud Waste and Abuse Hotline 6000

Automotive

Repair and Maintenance	400
Gas	600
Tires	1000

THE UNIVERSITY OF CALIFORNIA
FACULTY OF THE DIVISION OF
PHYSICAL SCIENCES
STRATEGIC PLAN



INFORMATION, TECHNOLOGY & TELECOMMUNICATIONS STRATEGIC PLAN

MISSION

The City of Santa Fe needs to leverage the advantage of technology and innovative technology solutions to efficiently and effectively provide City Employees and the general public with services and information. We need to put forward our best ideas and work together to improve operations and address the technology issues facing city government.

VISION

Have effective governance mechanisms in place to ensure the City's ITT Department moves from strictly being reactive to taking a more pro-active stance in both how IT supports the organization's users, and in how IT aligns with the organization's strategic mission and goals.

STRATEGIC GOALS

- ❖ Information as an Asset
- ❖ Responsive and Accessible Government
 - Utilize technology to efficiently support City government operations and to make government information and services more accessible to the citizens, businesses and staff of the City of Santa Fe.
 - Achieve and maintain quality customer relations by effectively communicating information about existing technology support and future technology plans.
 - Improve citywide business operations through interdepartmental coordination when planning, implementing and managing technology solutions.
- ❖ Efficient, Consolidated, and Reliable Infrastructure and Services
 - IT 3-Year Capital & Maintenance Schedule
 - Recognize technology and security trends, and position the City of benefit from the evaluation of emerging technology and the implementation of proven technology solutions.
 - Create and maintain a reliable and survivable information technology infrastructure supporting ongoing City business operations.
- ❖ Resources: Capable Information Technology Workforce and Funding Availability
 - ITT Training & Development Plan: Hire, develop and maintain technically competent staff capable of identifying, implementing and managing emerging technology solutions to maximize business benefits.
 - Explore alternative resources and evaluate current sources of funding.

CHALLENGES AND OPPORTUNITIES

- ❖ Review & Select Major IT initiatives
- ❖ Ensure alignment & support of initiative with organizational goals
- ❖ Establish a life cycle management plan for key technological systems
- ❖ Establish a Disaster Recovery & Business Continuity plan for key technological systems
- ❖ Review organizational acceptance of risks associated with IT initiatives
- ❖ Ensure that current IT initiatives are optimized for IT staff and for value for allocated funding
- ❖ Maintain oversight of major IT initiatives for likelihood of expected benefits and value.
- ❖ Annual organizational goal setting

STRATEGIC INITIATIVES

Following a recent City audit, Presidio Networked Solutions, Inc. (Presidio) was hired to assess the current City of Santa Fe Information Technology environment. The City of Santa Fe had questions regarding the overall strategy and efficiency of the data center and IT infrastructure, both physical and operational. Presidio reviewed Current IT initiatives underway or planned at the City of Santa Fe, and has identified the following initiatives currently under consideration to meet technology needs (many based on findings identified during their assessment.)

- ❖ Data Center Facilities: Update current facilities or migrate to hosted facilities.
- ❖ Data Center Infrastructure: Update computer, storage, and network to replace legacy equipment.
- ❖ Server Virtualization: Migrate physical servers to a virtual environment.
- ❖ Disaster Recovery/Business Continuance: It is critical to the safety and well-being of the citizens of the City of Santa Fe that the City builds a survivable infrastructure capable of supporting the continuity of government operations in the event of a disaster.

The City recently completed a Disaster Recovery Plan for maintaining an infrastructure capable of supporting and surviving disasters. Presidio has recommended that the City's mission critical application servers, telecommunications switches and data infrastructure be located in updated existing facilities or migrated to hosted facilities.

- ❖ Mobility and Bring Your Own Device (BYOD): Securely accommodate and manage mobile devices (business or personal).
- ❖ Desktop Virtualization: Evaluate feasibility and usefulness.
- ❖ Communications/Collaboration: Update current telecommunications infrastructure (lease expires 2014)
- ❖ Network Refresh: Update network infrastructure.
- ❖ Broadband Initiative: Utilize broadband initiative infrastructure for City facilities.
- ❖ Radio Upgrades: Replace radios that are end-of-life.
- ❖ Document Imaging & Management: Implement City-wide document imaging and retrieval system.
- ❖ Enterprise One update/replacement: Update antiquated system – integrate systems and data. Position for the future by investigating and implementing new technologies to replace older & less efficient technologies.

New technology applications are unveiled daily and investigating them for potential applicability is a challenging task. Currently most City departments undertake their own individual technology appraisals; however, while this may be appropriate for department specific tasks, these appraisals should be done in conjunction with the City's ITT Department for certain general citywide applicability.

Through the creation of a new ITT Steering Committee, the City will implement a multi-departmental approach to investigating and standardizing the application of generally applicable technologies.

- ❖ IT Management: Improve IT processes. Implement Steering Committee
 - Strategic Planning:
 - 1, 3 and 5-year Plans (Capital, Maintenance and Training): Three year strategic plans are commonplace in many IT organizations to help map out upcoming objectives, initiatives, and needs, and therefore laying out a vision for IT within the larger organization. Through the work of the Steering Committee, the strategic plan will allow for other departments to submit their needs and requirements to be captured and considered in the plan. The plan will provide a mechanism for ensuring the IT department's work is aligned with the overall organizational mission, vision, and strategic goals. (Presidio Report)
 - Project Lifecycle: New IT initiatives typically follow a project lifecycle from need identification (which includes defining business and technical requirements), through acquisition, deployment, and finally on to support. IT infrastructure typically needs to be refreshed every 5-7 years on average. (Presidio Report)

From: Mlierz <mlierz@aol.com>

To: randyrandall <randyrandall@earthlink.net>; hazeldineg <hazeldineg@aol.com>; jc1044 <jc1044@windstream.net>; tupler <tupler@msn.com>

Subject: Briefing Memo - Re: Resolution 2013-80, etc.

Date: Sat, Jan 4, 2014 11:24 am

Attachments: CityofSF.special_2008_Bond_Fund_audit.2014.xlsx (15K)

Dear Committee Members:

The email and attachment will speak for themselves.

Any questions or comments?

This discussion item will be on our agenda for next Wednesday. What will happens in the meantime at the Public Works Committee on Monday or the Finance Committee on Tuesday is open.

From

mlierz@aol.com

-----Original Message-----

From: Mlierz <mlierz@aol.com>

To: rebeccawurzbürger <rebeccawurzbürger@gmail.com>

Sent: Sat, Jan 4, 2014 11:17 am

Subject: Briefing Memo - Re: Resolution 2013-80, etc.

Dear Rebecca:

After our meeting yesterday, the subsequent response that you got from Marcos, I decided to prepare a **short briefing memorandum** of the special audit situation on the 2008 Bond Funds.

As sponsoring councillor on original resolution No. 2013-80, I do appreciate your wanting to include our Audit Committee in this current process.

As we discussed at our initial meeting, this memorandum should cover the verbal discussion that we had. Also, that you wanted this information ASAP, in preparation for your Public Works Committee on Monday afternoon. As you know, these are my own thoughts without input from Our Audit Committee. Which you understood and requested.

At this point, I have excluded a member of the POSAC from the special selection committee. I have mixed feelings about including their participation in the process, with all of the publicity, etc. What do you think?

I will plan to call you after I send this email and the attachment, to get your reaction.

I will plan on attending your Public Works Committee meeting on Monday afternoon. I assume that Marcos Patia, City Finance Director, will be at your meeting and presenting comments.

From

mlierz@aol.com

City of Santa Fe

Council Resolution No. 2013-80 - Possible Amendments

Passed August 27th, 2013

Dated - January 3, 2014

1. Changing Conditions:

- A. The completion of various 2008 Bond projects involving the expenditure of funds did not all occur by June 30, 2013. As a result, the contemplated third-party independent audit of the 2008 Parks, Trails and Open Space Bond did not occur.**

- B. The City's external auditors for the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2013 will not be eligible to conduct the 2014 CAFR audit. Such external auditors have done the City's CAFR audits for a number of years and are not longer eligible to conduct such CAFR audits under the State Auditor's external auditors rotation policy rules.**

- C. However, under the past annual CAFR audits, the expenditures occurring for Parks, Trails and Open Space programs were being budgeted and being expended each year under State budgetary rules and other state and city rules and regulations. Such annual budgets were formally approved by the City Council and the State. However, a separate layer of auditing of such expenditures was not specially being done on a separate restricted fund layer regarding the terms and conditions of the 2008 Bond Indenture (Restricted Funds) and the language of the voter approval regarding such 2008 Bond issue.**

- D. No special annual audits were conducted of the special expenditures of 2008 Bond funds to determine if such expenditure were within the restricted terms and conditions of the 2008 Bond Indenture and the language of the voter approved 2008 Bond issue.**

2. Possible future action program - consider amendments to Resolution 2013-80.

- A. Amend the Resolution 2013-80 to provide for a special external audit to cover the entire expenditure period from the beginning to say March 31, 2014. Under acceptable auditing terminology - this special audit would be conducted under "Agreed Upon Procedures".**