

**SUMMARY INDEX**  
**CITY OF SANTA FE AUDIT COMMITTEE**  
**July 10, 2019**

| <b>ITEM</b>  | <b>ACTION TAKEN</b>  | <b>PAGE(S)</b> |
|--|----------------------|----------------|
| 1. CALL TO ORDER   |                      | 1              |
| 2. ROLL CALL   | Quorum Present       | 1              |
| 3. APPROVAL OF AGENDA  | Approved             | 1              |
| 4. APPROVAL OF MINUTES<br>June 5, 2019   | Approved             | 1              |
| 5. NEW BUSINESS  |                      |                |
| • Presentation of FY 16 and<br>FY 17 Lodgers Tax Agreed<br>Upon Procedures Report                        | Discussion Only      | 2-3            |
| • Progress Report on<br>Procurement Audit  | Discussion Only      | 3              |
| 6. OLD BUSINESS  |                      |                |
| • Continue discussion on<br>2019-2020 Risk<br>assessment approved by<br>audit committee<br>– 3 year plan | No Discussion        | 3              |
| 7. PUBLIC COMMENT  | None                 | 3              |
| 8. MATTERS FROM STAFF  |                      |                |
| • Agreed Upon Procedures<br>– Transit  | Discussion Only      | 3-4            |
| • RFP for Internal Audit<br>Services   | Discussion Only      | 4              |
| 9. MATTERS FROM THE<br>COMMITTEE   | None                 | 4              |
| 10. NEXT MEETING DATE:   | August 7, 2019       | 4              |
| 11. ADJOURNMENT  | Adjourned at 3:09 pm | 4              |

**MINUTES OF THE  
CITY OF SANTA FÉ AUDIT COMMITTEE  
JULY 10, 2019**

**1. CALL TO ORDER**

A regular meeting of the City of Santa Fé Audit Committee was called to order by Stephanie Woodruff, Chair, on this date at approximately 2:05 p.m. in the Convention Center Administrative Conference Room, Santa Fé, New Mexico.

**2. ROLL CALL**

Roll call indicated the presence of a quorum as follows:

**Members Present:**

Stephanie Woodruff, Chair  
Mary Ellen Erpelding-Chacón  
Paul Margetson – Arrived at 2:08 pm  
Cristina Mulcahy – Left at 3:00 pm

**Members Absent:**

Al Castillo [excused]

**Staff Attending**

Christina Keyes, Treasurer Officer  
Mary McCoy, Finance Director  
Debra Harris Garmandia

**Others Attending:**

Ryan Jones, CLA  
Jeff Roybal, CLA  
Melissa Byers, Stenographer

**3. APPROVAL OF AGENDA**

**MOTION:** Member Erpelding-Chacon moved, seconded by Member Mulcahy, to approve the agenda.

**VOTE:** The motion was unanimously approved by voice vote. Member Margetson was not present for the vote.

**4. APPROVAL OF MINUTES: June 5, 2019**

The minutes of the June 5, 2019 meeting were distributed by Director McCoy and are attached hereto as Exhibit "1".

**MOTION:** Member Erpelding-Chacon moved, seconded by Member Mulcahy, to approve the minutes of June 5, 2019.

**VOTE:** The motion was unanimously approved by voice vote.

## 5. NEW BUSINESS

- **Presentation of FY 16 and FY 17 Lodgers Tax Agreed Upon Procedures Report – Clifton Larsen Allen**

Ryan Jones of Clifton Larsen Allen (“CLA”) introduced himself as the director for the City of Santa Fe Financial Audit for the year ending June 30, 2019. He also assisted on the transit procedures which CLA also performed.

Jeff Roybal of CLA introduced himself. He stated that he worked on the City audit the last two years. He will be the senior in the engagement again this year. He worked on the Lodgers Tax as well as the transit piece. A copy of the *City of Santa Fe Lodgers Tax Independent Accountants’ Report on Applying Independent Procedures June 30 2017 and 2018*, attached as Exhibit “2” was handed out to the Committee members.

Mr. Roybal and Mr. Jones presented the report to the Committee which included what they performed and the results of the procedures.

Member Margetson asked if CLA gives an opinion on their findings.

Mr. Jones responded that opinions are reserved for audits. In order for CLA to give an opinion, there would a lot more leg work to perform. They could have arrived at an opinion but that’s not what they were engaged to do.

Mr. Margetson asked why the Committee is looking at these records a year later.

Mr. Roybal responded that it was his understanding that the City was behind on Lodgers Tax and that was a finding in the compliance report.

Member Margetson asked if the City’s commissioned anyone to this review for the next fiscal year.

Director McCoy responded that CLA has been retained to perform the reviews for the next two fiscal years 2018 and 2019.

Christina Keyes, City Treasurer, stated that by the end of this fiscal year, they should be caught up.

Member Erpelding-Chacon asked why the City was off-track.

Ms. Keyes responded that initially they had contracted with Baraclough and Associates to do the FY 15 and 16 and Baraclough backed out midway through 16.

That was prior to her employment with the City so she does not know why they backed out.

Chair Woodruff stated that the good news is that there's not much of a variance.

Member Erpelding-Chacon asked how AIRBNB and VRBO would be audited.

Mr. Roybal responded that in the past, they've worked with the vendors to get the required reports.

Member Margetson asked if the City receives reports from AIRBNB and VRBO that lists their members.

Ms. Keyes stated that the City just started the arrangement with AIRBNB and VRBO and this is something they need to discuss with them.

- **Progress Report on Procurement Audit – Mary McCoy**

Director McCoy stated that the City is engaged with CICN for performance review of the City's procurement and accounts payable procedures. John Olenberger is the lead from CICN. She has a draft of the management responses for his findings. Ms. McCoy and Chair Woodruff spoke with him earlier in the day to clarify some of the points that were needed by him. There are still initial interviews that he has to conduct with certain staff members. He has already conducted interviews with other staff members. In addition, we have asked him to meet with the partners of the McCard Accounting Firm that did the 2017 fraud risk assessment for the City. The goal of the City and CICN is to have the report done by the August Audit Committee meeting.

## **6. OLD BUSINESS**

- **Continue discussion on 2019-2020 risk assessment approved by audit committee – 3 year plan**

There was no discussion on this item.

## **7. PUBLIC COMMENT**

There were no public comments.

## **8. MATTERS FROM STAFF**

- **Transit Agreed Upon Procedures – CLA**

A copy of the *City of Santa Fe Agreed Upon Procedures June 30, 2018* for the Transit Division was handed out to the Committee members and is attached hereto as Exhibit "3".

Mr. Roybal and Mr. Jones of CLA presented the report to the Committee.

Member Margetson asked if the Committee is going to see this type of report again next year.

Mr. Roybal responded that this type of report is required every ten years.

- **Draft RFP for Internal Audit Services**

A copy of the *City of Santa Fe Finance Department "Request for Proposals" Internal Audit Services July X, 2019*, was handed out the Committee members and is attached as Exhibit "4"

Ms. Harris-Garmandia presented the draft RFP to the Committee and explained the changes that were made from the last time the Committee reviewed the RFP.

Ms. Harris-Garmandia asked for the Committee's input regarding the evaluation criteria and weighted value. She stated that she had increased the experience and qualification to 40% and everything else is at 20%. Her question to the Committee is whether 40% is accurate or should it be 50% and possibly restating the other percentages.

Chair Woodruff said that maybe the schedule, availability and time frame could be reduced to 10% and the other 10% go to the approach so that it is 30%.

Director McCoy stated that they want to post the RFP on July 15, 2019.

## **9. MATTERS FROM THE COMMITTEE**

There were no matters from the Committee.

## **10. NEXT MEETING DATE**

The next meeting date will be on August 7, 2019 at 2:00 p.m.

## **11. ADJOURNMENT**

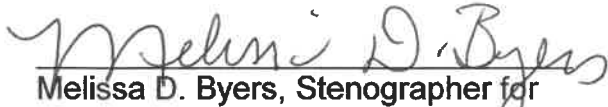
Upon motion by Member Erpelding-Chacon, and second by Member Margetson, the meeting was adjourned at 3:09 p.m.

Approved by:

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Stephanie Woodruff, Chair

Submitted by:

  
Melissa D. Byers, Stenographer for  
Byers Organizational Support Services