

2008 Park Bond Agreed Upon Procedures

1) OBJECTIVES

- a) Did the City fulfil its obligation to the citizens of Santa Fe regarding the original wording put before the voters on March 4, 2008?
 - i. ***Shall the City of Santa Fe issue up to \$30,300,000 of general obligation bonds to acquire land for, and to improve, public parks, trails and open spaces for recreational purposes?***
- b) Was the 2008 Parks Bond Implementation Plan materially implemented?
 - i. Were changes approved?
- c) A final accounting of what was spent for each project has been requested, including details. Did the City provide a final accounting?
- d) Were relevant City policies and procedures followed? Were expenditures including salaries expense within parameters of policies and procedures?
- e) Were there adequate internal controls in place to ensure monies were spent appropriately? How can internal controls be improved?
- f) Were relevant City, State, and Federal Laws followed, including ADA if specified in project?

2) SCOPE (TO INCLUDE) – As related to the 2008 GO Bonds totaling \$30,300,000

- a) Date Range - March 4, 2008 to June 30, 2014,
- b) 2008 and 2010 GO Bond Covenants and Arbitrage Agreements,
- c) 2008 Parks Bond Implementation Plan,
- d) Any relevant minutes of and packets related to City Council, Finance Committee, Public Works, POSAC or BTAC meetings or any other City meetings that authorized changes to or clarification of the Park Bond Implementation Plan, including, but not limited to:
 - i. Developing and approving the bond, or
 - ii. Discussing issues as related to the Park Bond Implementation Plan,
- e) Any relevant City (including official legal counsel opinions), State (including Attorney Generals Opinions), or Federal laws, including ADA if specified in project.
- f) Any relevant City of Santa Fe Policies and Procedures, including, but not limited to:
 - i. Personnel,
 - ii. Finance,
 - 1. Payroll,
 - 2. Purchasing / Procurement, and
 - 3. Accounting / Finance,
 - iii. Public Works, as applicable, including but not limited to
 - a. Parks, Trails and Watershed,
 - b. Roadways and Trail Engineering, and
 - c. Recreation,
- g) City of Santa Fe records and documents, including but not limited to:
 - i. Payroll,

- ii. Vendor payments,
- iii. Purchasing documents (RFP's, etc.),
- iv. Excel Spreadsheets,
- v. Final Accounting as prepared by Finance,
- vi. Word documents,
- vii. Access or other database data,
- viii. E-1 data, and
- ix. Other electronic or handwritten data.

2) WORK PLAN

- a) Verify that changes to 2008 Parks Bond Implementation Plan i.e. budget allocations and reallocations (including cancelled projects) were approved as required by policies and law,
- b) Verify balances from final accounting provided by the Finance Department to general ledger,
 - i. Select a sample of 25 that includes parks, trails, projects and cancelled projects 15 judgmental, including:
 - 1. Melendez,
 - 2. Monica Roybal,
 - 3. MRC including Marty Sanchez Golf Course,
 - 4. Pueblo Del Sol Trails,
 - 5. Cathedral,
 - 6. Santa Fe River Parkway, and
 - 7. GCCC,
 - ii. 10 random,
 - iii. If indications of fraud are found increase sample size to 40,
- c) Perform the following procedures on the above sample: (report findings/exceptions and make suggestions for improvement)
 - i. Determine if the improvements specified in the 2008 Parks Bond Implementation Plan were completed. If not, document and report, why not,
 - ii. Determine if the criteria as defined in the original bond language was met,
 - iii. If expenditures were made for improvements visually, verify that they were actually done at the park specified, if not, document and report, why not,
 - iv. Verify that salary and benefits were properly tracked and accounted for each project,
 - v. For monies spent on salaries and benefits for City employees verify that:
 - 1. Monies spent were for direct labor on approved projects only, no salaries are paid for on-going operations or maintenance,
 - 2. Employee job responsibilities are in line with work done (for example not paying for an administrative secretary's salary and claiming it was a direct cost),
 - 3. Salary increases for these employees are in line with approved budgetary increases,
 - vi. Verify that monies paid for contract labor followed City policies, and City, State and Federal law, especially as in regards to nepotism or conflicts of interest. As applicable, verify that:

1. That proper purchasing and procurement procedures were followed, as applicable, and
 2. If relatives or persons that result in a conflict of interest were hired, determine how much money they were paid in total and for what parks – include in the report,
- d) Obtain a report of all employees paid with Park Bond monies – select a sample of 25 (increase to 40 if indicators of fraud) and verify that:
- i. Salaries were for direct labor on approved projects only, no salaries were paid for on-going operations, or maintenance,
 - ii. Employee job responsibilities are in line with work done (for example not paying for an administrative secretary's salary and claiming it was a direct cost,
 - iii. Salary increases for these employees are in line with approved budgetary increases,
- e) Other procedures deemed necessary to achieve engagement objectives at auditor's discretion.

4) FINAL REPORT

- a) Agreed upon procedures report, in compliance with the NM State Auditor's Rule, and AICPA standards,
- b) Summary of whether the engagement objectives were met, if not, why not,
- c) Summary of work done and approach taken,
 - (1) Include results of positive nature, too
- d) Detail of any nepotism or conflicts of interest *issues* in regards to employees or contract work, including total amount paid and what parks were impacted, and
- e) Detail of any findings as related to the audit testwork:
 - (1) Report for public use that does not include names, but just job descriptions, dates and amounts, or any other relevant data,
 - (2) Second summary sheet identifying which employees are associated with a particular job title in specified findings to allow management to pursue confidential personnel actions, if needed,
- f) **Recommendations (please include in the report)**
 - (1) Guidance in regards to an audit policy as related to bond issues,
 - (2) Recommendations for improving internal controls regarding allocations and reallocations, departmental policies, tracking of payroll, and other expenses, etc.,
 - (a) Prevention,
 - (b) Monitoring, and
 - (c) Detection Controls,
 - (3) How can the City improve on deliverables including a periodic accounting of what is being spent, and comprehensive final reports,
 - (i) Project or Cost accounting,
 - (ii) Is it possible to utilize the E-1 system to track:
 1. Project costs, including salaries and benefits to employees,
 2. Direct labor associated with installation / implementation,
 3. Create system generated reports for management, Finance Committee, and any other interested parties?

10. One original and three copies of proposal submitted.

FAILURE to adequately address and submit the above requirements may constitute forfeiture of the proposal, as to the determined by the City Purchasing Director. For ease of evaluation, proposal should be formatted in the order as listed above.