

# Audit Subcommittee Meeting Minutes

Wednesday, August 6, 2008  
12:30 PM

City Hall Basement Conference Room

**Members Present:** Councilmember John Clamp, *Chair, District 10*  
Councilmember Delicia Herrera, *District 6*

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**Staff Present:** Sheryl Sculley, *City Manager*; Pat DiGiovanni, *Deputy City Manager*; Sharon De La Garza, *Assistant City Manager*; Michael Bernard, *City Attorney*; Park Pearson, *Interim City Auditor*; Ben Gorzell, *Finance Director*; Leticia Saenz, *Deputy City Clerk*; Barry Lipton, *Deputy City Auditor*; Troy Elliott, *Finance Assistant Director*; Debbie Sittre, *CIMS Assistant Director*; Bernadette McKay, *Deputy City Attorney*; Bob Nordhaus, *Assistant City Attorney*; Gabriel Garcia, *Assistant City Attorney*; Brandon Smith, *Office of the City Clerk*

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**Also Present:** Angela Dunlap, *Grant Thornton, LLP*; Ben Kohnle, *Grant Thornton, LLP*; Milo Martin, *MRC, LLP*; Theresa Brus, *Britts & Assoc.*

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Chairman Clamp called the meeting to order.

## I. Approval of minutes from the June 11, 2008 Meeting

Chairman Clamp moved to approve the minutes from the June 11, 2008 Meeting. Councilmember Herrera seconded the motion. Motion carried unanimously.

## II. Items requiring individual briefing(s)

### A. Briefing on the results of the Fiscal Year 2007 Financial Audit

Presented by Ben Gorzell, Finance Director, and Angela Dunlap, Grant Thornton LLP

Angela Dunlap reported the results of the FY 2007 External Financial Audit that included the City's Financial Statement Audit and a Single Audit of ten federal programs and three state programs. She noted that there were no scope limitations or unresolved audit issues. Ms. Dunlap cited open and effective communication with management and added that there were no significant difficulties when dealing with management related to the audit.

Chairman Clamp stated that he was pleased with the report and asked if the Grant Thornton Audit Team needed to meet privately with the Committee regarding any audit issues. Ms. Dunlap stated that there was no need for a private meeting with the Committee.

Ben Gorzell provided an overview of the progress accomplished within the Finance Department and noted that there were 45 proposed audit adjustments last year and that this year there were only 8 proposed audit adjustments. He cited the implementation of a reorganization plan and a

change of professional office space for yielding increased productivity and employee morale within the Finance Department.

### **III. Items requiring individual briefing(s) presented by Park Pearson, Interim City Auditor**

#### **A. Final Reports Issued Since Last Meeting**

Presented by Park E. Pearson, Interim City Auditor

Park Pearson reported that the San Antonio River Authority (SARA) was effective in ensuring that project costs were within budgetary constraints and that SARA was in compliance with Interlocal Agreements for the San Antonio River Improvement Project and the Regional Flood Control Program. He noted that staff recommended strengthening Interlocal Agreement terms regarding cost allocations to the City and reimbursement of overhead costs.

#### **B. Status Report on In-Process Audits**

Presented by Park E. Pearson, Interim City Auditor

Mr. Pearson reported that the City-wide Cash Handling Project and the City Attorney Contract Template Clauses Audits were scheduled for release in August and that those reports would be provided at the next Committee meeting. He also reported that the Hotel/Motel Occupancy Tax Audit was substantially complete but was on hold until litigation issues were clarified. He noted that there was no urgency and that said issues would be discussed with the Committee at the discretion of Chairman Clamp. Chairman Clamp stated that the issue would be addressed in Executive Session at the next Committee meeting.

#### **C. Changes/Additions to 2008 Audit Plan**

Presented by Park E. Pearson, Interim City Auditor

There were no changes or additions at this time.

#### **D. Mayor's Ad Hoc Committee on the Office of the City Auditor**

Presented by Park E. Pearson, Interim City Auditor

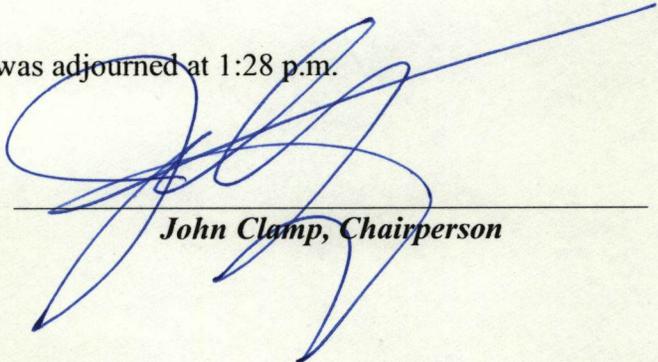
Mr. Pearson reported that the Mayor's Office requested that he provide information on best practices of City Auditors and procedures recommended by the Institute of Internal Auditors and other governing bodies.

### **IV. Consideration of items for future meetings**

There were no items addressed.

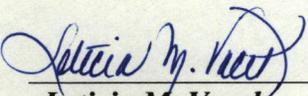
**V. Adjournment**

There being no further discussion, the meeting was adjourned at 1:28 p.m.



*John Clamp, Chairperson*

**ATTEST:**

  
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*Leticia M. Vacek*  
*City Clerk*

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