

AUDIT COMMITTEE MEETING MINUTES

TUESDAY, FEBRUARY 7, 2012
2:00 PM

MEDIA BRIEFING ROOM

Committee Present:	Councilmember W. Reed Williams, <i>District 8, Chair</i> Councilmember Ivy R. Taylor, <i>District 2</i> Councilmember Rey Saldaña, <i>District 4</i> Citizen Member Stephen S. Penley Citizen Member Donald R. Crews
Committee Absent	<i>None</i>
Staff Present:	Sheryl Sculley, <i>City Manager</i> ; Ed Belmares, <i>Assistant City Manager</i> ; Leticia Vacek, <i>City Clerk</i> ; Michael Bernard, <i>City Attorney</i> ; Ben Gorzell, <i>Chief Financial Officer</i> ; Kevin Barthold, <i>City Auditor</i> ; Troy Elliott, <i>Finance Director</i> ; Xavier Urrutia, <i>Parks & Recreation Director</i> ; Rene Dominguez, <i>Economic Development Director</i> ; Alejandra Lopez, <i>Economic Development Assistant Director</i> ; Mark Bigler, <i>Audit Manager</i> ; Brian Williams, <i>Audit Manager</i> ; Andre DeLeon, <i>Audit Manager</i> ; Danny Zuniga, <i>Auditor IV</i> ; Bernadette McKay, <i>Deputy City Attorney</i> ; Brandon Smith, <i>Office of the City Clerk</i>

CALL TO ORDER

Chairman Williams called the meeting to order.

I. Approval of minutes from the January 10, 2012 Meeting

Committee Member Crews moved to approve the meeting minutes of January 10, 2012. Committee Member Penley seconded the motion. Motion carried unanimously.

II. Final reports to be discussed

a. Project No. AU11-009 Audit of Parks and Recreation of City Parks

Kevin Barthold reported that maintenance at City Parks performed by San Antonio Parks & Recreation (SAPR) was consistent with its Strategic Plan and policies; however, Parks and Recreation Management does not track maintenance performed by staff on a daily basis. The audit also identified untimely completion of park repairs and that work orders were not signed by a supervisor.

The following recommendations were provided:

- ⚡ Develop a process that allows management to effectively monitor maintenance crew efforts on a consistent basis.
- ⚡ Develop the controls necessary to ensure work orders are initiated and performed in a timely manner and completed work orders are signed off by supervisors.

Mr. Barthold stated that SAPR Management concurred with the proposed recommendations and developed a positive corrective action plan.

Chairman Williams asked if SAPR was in the 311 System to receive reports from the public. Xavier Urrutia responded that SAPR knew they had challenges with the existing system so they requested to be moved up in the implementation phase of the SAP Work Order Management System. He added that they requested to be the pilot department for the CRM311 System.

In response to Chairman Williams, Mr. Urrutia replied that SAPR has reviewed one quarter of data and identified the following:

- ⚡ Bulk of work order concentration (Graffiti and Electrical)
- ⚡ 75% of work orders are internally generated – 25% from outside sources or call centers

Chairman Williams recommended that SAPR post signage throughout the park system indicating how the public can report issues.

Councilmember Saldana asked of park categorization and maintenance scheduling information. Mr. Urrutia responded that he would provide a schedule regarding mowing cycles and frequency of trash pick-up based on categorization of the park.

In response to Committee Member Crews, Mr. Urrutia responded that park maintenance crews are a combination of city employees and outside contractors.

Committee Member Penley moved to accept Project No. AU11-009. Councilmember Saldana seconded the motion. Motion carried unanimously.

b. External Audit RFP

Ben Gorzell reported that Grant Thornton, LLP was in the process of actively auditing the City's financial records for fiscal year 2011. He added that the anticipated presentation to the Audit Committee would be in March or April. He stated that said audit would conclude the contract with Grant Thornton, LLP requiring the City to undergo a new process for selection of Independent Auditors. He noted that staff recommended a contract structure to include a Prime Contractor with mandatory sub-contractor participation as follows: Five (5) year maximum term for fiscal years 2012 to 2016 comprised of a three (3) year contract with two (2) one-year extensions. He provided an overview of the scope of services, staff role/audit assistance, and evaluation criteria for the Request for Proposals (RFP) Contract.

Chairman Williams expressed concern with the selection criteria regarding SBE Subcontractor Participation related to a participation level over the minimum participation level of 40%. Mr. Gorzell stated that staff will be clear in the RFP.

III. Audit Plan Status Update

Mr. Barthold reported that the Annual Audit Plan would need to be amended to include the City's Liability Insurance Fund Audit. He stated that the objective of the audit is to determine if the expenditures from that liability fund are properly supported, authorized, and adequately funded.

Committee Member Penley moved to add the audit of the City's Liability Insurance Fund to the Annual Audit Plan. Committee Member Crews seconded the motion. Motion carried unanimously.

IV. Executive Session

There was no Executive Session.

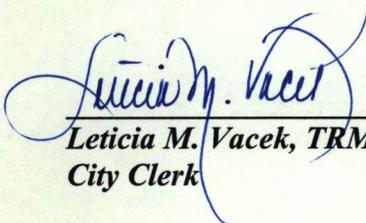
V. Consideration of items for future meetings

A. Next Meeting Date: March 6, 2012

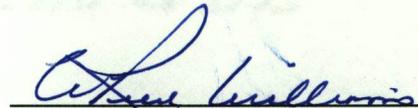
VI. Adjourn

There being no further discussion, Chairman Williams adjourned the meeting at 2:34 p.m.

ATTEST:



Leticia M. Vacek, TRMC, MMC
City Clerk



W. Reed Williams, Chair