

AUDIT & ACCOUNTABILITY COUNCIL COMMITTEE
MEETING MINUTES
FEBRUARY 6, 2018 at 9:00 AM
CITY HALL, MEDIA BRIEFING ROOM

Committee Present:	Councilmember John Courage, <i>District 9, Chair</i> Councilmember Roberto C. Treviño, <i>District 1</i> Councilmember Clayton Perry, <i>District 10</i> Citizen Member Tom Nichta
Staff Present:	Sheryl Sculley, <i>City Manager</i> ; Kevin Barthold, <i>City Auditor</i> ; Andy Segovia, <i>City Attorney</i> ; Ben Gorzell, Jr., <i>Chief Financial Officer</i> ; Troy Elliott, <i>Deputy Chief Financial Officer & Director of Finance</i> ; Kevin Goodwin, <i>Chief Technology Officer</i> ; Craig Hopkins, <i>Chief Information Officer</i> ; Patsy Boozer, <i>Chief Information Security Officer</i> ; Leticia Saenz, <i>Deputy City Clerk</i> ; Lisa Biediger, <i>Assistant City Attorney</i> ; Mark Bigler, <i>Audit Manager</i> ; Gabriel Treviño, <i>Audit Manager</i> ; Christopher Moreno, <i>Auditor</i> ; Amy Barnes, <i>Auditor</i> ; Lauron Fischer, <i>Executive Management Assistant</i> ; Denise Luckey, <i>Office of the City Clerk</i>
Others Present:	Carlos Sanchez, <i>Fox29/News4</i> ; Alex Zielinski, <i>San Antonio Current</i>

CALL TO ORDER

Chairman Courage called the meeting to order.

Items 1 and 2 were addressed jointly.

- 1. Approval of the minutes from the November 29, 2017 meeting of the Audit and Accountability Committee**
- 2. Approval of the minutes from the December 5, 2017 meeting of the Audit and Accountability Committee**

Councilmember Perry moved to approve the Minutes of the November 29, 2017 and December 5, 2017 Audit and Accountability Council Committee Meetings. Councilmember Treviño seconded the motion. The motion carried unanimously.

Individual item for staff briefing

3. Centro Audit Update

Chief Financial Officer Ben Gorzell provided an overview of the operation of the Downtown Public Improvement District (PID) and stated that property owners within the PID were given a supplemental assessment to their property tax. He noted that the supplemental assessment funded

certain services in the downtown area. He stated that the City Council adopted the Service Plan annually outlining the services covered by the PID. He noted that the assessments and resulting funds were administered and controlled by the City and were used to reimburse documented, eligible service costs submitted by Centro. He stated that the City engaged external auditing firm KPMG to perform a forensics audit of PID funds provided to Centro. He noted that the scope of the audit had expanded since it began in January 2018 from two years to over three years of reimbursements.

Chairman Courage asked of the expected conclusion timeline for the audit. Mr. Gorzell replied that they anticipated conclusion of field work within three weeks, after which findings would be summarized and presented to the Committee. City Manager Sheryl Sculley added that the Centro Board of Directors had also hired a firm to conduct an audit of all funds but she had requested the PID-specific audit.

Councilmember Perry asked if Centro's functions had been benchmarked against other cities. Mrs. Sculley replied that they had been prior to its creation and collaboration and comparison with other cities was ongoing. Councilmember Perry asked of the feedback process from PID participants. Mrs. Sculley replied that Centro was responsible for community engagement and collecting feedback and did so on a regular basis.

Chairman Courage asked for data regarding changes to the level of owner membership following the discovery of Centro's financial issues.

No action was required for Item 3.

Audit Plan Status

4. FY 2018 Annual Audit Plan Status as of December 31, 2017

City Auditor Kevin Barthold stated that nine audit reports had been issued and four audit reports would be issued in the near future. He noted that the report requested by the Committee in November 2017 regarding Municipal Courts had been completed and would be available within the week.

Councilmember Perry asked of his previous request to examine non-profits. Mr. Barthold replied that they were currently examining Haven for Hope and would likely examine Project Quest. Chairman Courage asked for a list of non-profits so the Committee could offer input regarding which organizations were prioritized for examination.

No action was required for Item 4.

5. Executive Session

Chairman Courage recessed the Committee Meeting into Executive Session at 9:23 am to deliberate the following Information Services Technology Department security audits pursuant to Texas Government Code Section 551.076, Deliberation regarding Security Devices or Security Audits:

- Penetration Testing
- Virtual Server Security
- Windows Server Vulnerability Management
- Unauthorized Software
- Software Licensing

Chairman Courage reconvened the meeting at 10:41 am and announced that no action was taken in Executive Session.

Citizen Member Nichta moved to accept the audits. Councilmember Treviño seconded the motion. The motion carried unanimously.

At this time, Chairman Courage recognized Citizen Member Nichta for his years of service on the Committee. He presented Mr. Nichta with a Certificate of Recognition for his service and all wished him well in his future endeavors.

ADJOURN

There being no further discussion, Chairman Courage adjourned the meeting at 10:43 am.

ATTEST:

John Courage, Chairman

Leticia Y. Saenz
Deputy City Clerk