



*City of*  
**ALBUQUERQUE**  
Office of Internal Audit

**STRATEGIC REVIEW**  
**16-306**  
**NM VETERANS**  
**MEMORIAL REPAIR FUND**

**APRIL 26, 2017**

## **EXECUTIVE SUMMARY**

At the request of the Department of Finance and Administrative Services (DFAS), the Office of Internal Audit (OIA) conducted a review of the New Mexico Veteran's Memorial Foundation's (Foundation) maintenance repair fund (fund). This fund was established to provide for the long term care and maintenance of the monuments located inside the New Mexico Veterans Memorial (Memorial). The fund is comprised of a maintenance fee paid by the sponsoring organizations, groups, and individuals approved to install a monument. The fee is to equal 10-percent of the actual cost to construct and install the monument and must be paid prior to the installation of the monument. The intent of this review was to determine if the maintenance fee was paid for each monument, and if the fee was not paid, what is the outstanding balance owed to the maintenance fund?

The review determined the following:

- Payment of the maintenance fee was confirmed for five of the monuments,
- Due to a lack of supporting documentation, payment of the maintenance fee could not be confirmed for 12 of the monuments, and
- The outstanding balance owed to the maintenance fund could not be determined because monument cost information was not provided for the 12 monuments, and the City has not determined if the maintenance fee applies to City commissioned monuments.

## **BACKGROUND**

The Veteran's Memorial Review Committee (VMRC) was created by City Ordinance Section 2-6-10-4 ROA 1994, to oversee the approval process for the installation of monuments at the Memorial. The VMRC receives staffing support from the Public Art Urban Enhancement program (Public Art), which is a part of the City of Albuquerque's Cultural Services Department.

Prior to the installation of a monument the sponsoring organizations, groups, or individuals wanting to install a new monument must submit the following to the VMRC:

- Application including the design and description of the monument,
- List of materials to be used for the monument, and what kind of maintenance will be required,
- Outline of the plans for the dedication of the proposed monument,
- Actual cost to construct and install the monument, based on copies of invoices and/or market rates for donated services and materials, and
- The maintenance fee payment, which is to equal 10-percent of the actual cost to construct and install the monument.

Along with the application, a copy of the VMRC guidelines is issued to the sponsoring organizations, groups, or individuals wanting to install a new monument. This document repeats the requirement for the payment of a maintenance fee, and also states that upon completion and dedication of a monument, the City will assume ownership and take responsibility for the up-keep and maintenance of the monument.

## **OBJECTIVES**

The intent of this review was to determine if:

- The maintenance fee was paid for each monument, and
- If the fees have not been paid, what is the outstanding balance owed to the maintenance fund.

## **RESULTS**

The results of this review are:

- Payment of the maintenance fee was confirmed for five of the monuments,
- Due to a lack of supporting documentation, payment of the maintenance fee could not be confirmed for 12 of the monuments, and
- The outstanding balance owed to the maintenance fund could not be determined because monument cost information was not provided for the 12 monuments, and the City has not determined if the maintenance fee applies to City commissioned monuments.

The results are detailed in the following subsections. Results are based on documentation provided by the Foundation and Public Art. Collectively, the tables list the 21 monuments, the cost to construct and install the monument, the 10-percent maintenance fee, and whether or not the maintenance fee payment was received.

### **I. Confirmed Payments**

The payment of the maintenance fee was confirmed for five of the monuments. For one of the five monuments the payment received was \$200 more than required.

#### **Confirmed Cost and Maintenance Fee Paid**

<b>Monument</b>	<b>Cost</b>	<b>Maintenance Fee</b>	<b>Payment Received</b>
Viet Nam Memorial	\$82,119	\$8,212	\$8,212
Tuskegee Airman	\$33,295	\$3,330	\$3,330
Pearl Harbor Survivors	\$5,380	\$538	*\$738
Sailor Monument	\$3,279	\$328	\$328
Blue Star Memorial	\$1,400	\$140	\$140

\* Paid \$200 more than required

Source: Documentation provided by Public Art and the Foundation

### **II. Missing Documentation**

Supporting documentation showing the cost to construct and install the monument was not available for 12 of the monuments. In addition, the Foundation and Public Art did not provide supporting documentation confirming the payment of the maintenance fee for 10 of the monuments. The Foundation received a maintenance fee for two of the monuments, but due to the lack of documentation confirming the cost of the monuments, the 10-percent requirement could not be confirmed.

#### **Documentation Unavailable to Confirm Cost and Payment of Maintenance Fee**

<b>Monument</b>	<b>Cost</b>	<b>Maintenance Fee</b>	<b>Payment Received</b>
Purple Heart Monument	Unavailable	Cannot Determine	Unconfirmed
AVERS Monument	Unavailable	Cannot Determine	Unconfirmed

Monument	Cost	Maintenance Fee	Payment Received
Korea	Unavailable	Cannot Determine	Unconfirmed
Women’s Monument	Unavailable	Cannot Determine	Unconfirmed
War on Terror	Unavailable	Cannot Determine	Unconfirmed
8 <sup>th</sup> Air Force	Unavailable	Cannot Determine	Unconfirmed
POW/MIA	Unavailable	Cannot Determine	Unconfirmed
Merchant Marines	Unavailable	Cannot Determine	Unconfirmed
Combat Infantry Badge	Unavailable	Cannot Determine	Unconfirmed
Paratrooper	Unavailable	Cannot Determine	Unconfirmed

Source: Documentation provided by Public Art and the Foundation

### Documentation Unavailable to Confirm Cost and Maintenance Fee Payment

Monument	Cost	Maintenance Fee	Payment Received
Buffalo Soldier	Unavailable	Cannot Determine	\$3,709
Submarine Monument	Unavailable	Cannot Determine	\$443

Source: Documentation provided by Public Art and the Foundation

### III. Fees Not Paid

Public Art contracted with artists to construct four monuments. Outstanding maintenance fees totaling \$11,515 have not been paid. Public Art staff stated the maintenance fee was not paid because the maintenance fee does not apply to monuments commissioned and paid for by the City.

### Cost Confirmed but Maintenance Fee Payment Not Received

Monument	Cost	Maintenance Fee	Payment Received
Fallen Friends	\$80,000	\$8,000	\$0
Code Talker	\$13,050	\$1,305	\$0
Hole in our Hearts	\$12,100	\$1,210	\$0
Infinitus	\$10,000	\$1,000	\$0
	<b>Total</b>	<b>\$11,515</b>	<b>\$0</b>

Source: Documentation provided by Public Art and the Foundation

### IV. Ownership of Monuments

Ownership of the monuments could not be confirmed. The VMRC Guidelines state “upon completion and dedication of the project, the City will assume ownership and take responsibility for the upkeep and maintenance of the monument.”

Public Art was asked for documentation confirming the City’s ownership of the 17 monuments not commissioned and paid for by the City. No documentation transferring ownership to the City for the 17 monuments was provided. Public Art only claims ownership of the 4 monuments commissioned and paid for by the City.

### RECOMMENDATIONS

The City should:

- Collect the maintenance fee payment when the VMRC grants approval to install a monument, and
- Establish policies and procedures for the collection and maintenance of all documentation required by the VMRC before permission to install a monument is granted.

- Determine who owns the 17 monuments, and if necessary complete the documentation to transfer ownership to the City.

The City should consider:

- Assuming the responsibility for maintenance fund and managing the collection and accounting of the maintenance fee, or
- Eliminating the maintenance fund and instead fund the long term care and maintenance of the monuments using City funds, or
- Insuring the monuments.

## **CONCLUSION**

OIA confirmed the maintenance fee was paid for five of the monuments. However, the outstanding balance owed to the maintenance fund could not be determined because monument cost information was not provided for the 12 monuments, and the City has not determined if the maintenance fee applies to City commissioned monuments.

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