



BERNALILLO COUNTY INTERNAL AUDIT PLAN YEARS ENDING JUNE 30, 2013 AND 2014

BACKGROUND

REDW_{LLC} (REDW) has provided the following audit plan for internal audit services to Bernalillo County (the County) for the fiscal years ending June 30, 2013 and 2014.

REDW's audit team includes the following:

- ◆ Steve Cogan, Principal
- ◆ Bruce Bleakman, Principal
- ◆ Jessica Bundy, Manager
- ◆ Jeremiah Armijo, Senior
- ◆ Claire Hilleary, Senior
- ◆ Sarah Steinberg, In-charge
- ◆ Melisa Martinez, In-charge

This audit plan summarizes planning and risk assessment procedures and describes the planned allocation of internal audit resources for the years ending June 30, 2013 and 2014. As additional information is obtained throughout the year, we will reevaluate the risk areas and will adjust the audit plan as considered necessary upon approval by the Audit Committee. This audit plan does not include any procedures that may be necessary under the Ethics Ordinance or Code of Conduct.

PLANNING AND RISK ASSESSMENT

To plan the nature, scope and extent of internal audit services for the year:

1. Recommendations were solicited concerning the audit plan from the County Commission, County Manager, County Attorney, elected officials, department directors, and various County personnel. Responses were received from the following individuals regarding perceived risks and areas that would benefit most from internal audit procedures:

County Commissioners

- ◆ Maggie Hart Stebbins, District 3
- ◆ Michael Wiener, District 4
- ◆ Wayne Johnson, District 5

County Managers

- ◆ Tom Zdunek, County Manager
- ◆ Vincent C. Murphy, Deputy County Manager Community Services
- ◆ Teresa Byrd, Deputy County Manager Finance Division
- ◆ Jarvis Middleton, Deputy County Manager Public Works

Elected Officials

- ◆ Maggie Toulouse, County Clerk

Other County Employees

- ◆ Randy Autio, County Attorney
- ◆ Fidel Bernal, Deputy County Treasurer
- ◆ Jeff Lovato, Accounting Director
- ◆ Lisa Sedillo-White, Purchasing Director
- ◆ Cindy Torres, Accounting Officer
- ◆ Kevin Sourisseau, Financial Projects Coordinator
- ◆ Bonnie Ulibarri-Romero, Financial Projects Coordinator
- ◆ Paul Roybal, Chief Information Officer
- ◆ Virginia Chavez, Employment Manager
- ◆ Michael Garcia, Deputy County Clerk
- ◆ Tom Sams, Deputy Assessor

2. We considered the internal audit reports from the previous six years.
3. We read the County’s June 30, 2011 audited financial statements.

RISK MATRIX AND AUDIT CHART

Appendix A depicts of departments/topics that were identified during the risk assessment process which are ranked by likelihood of occurrence and magnitude of potential impact. Bubble size is correlated to the number of times a concern was expressed in an area. All higher risk departments/topics were incorporated into the two year plan or were audited in the previous year. Appendix B lists audits performed from 2008 through 2012 and anticipated audits for 2013 and 2014.

PLANNED ALLOCATION OF EFFORT AND TIMING

Based on our planning and risk assessment, we propose the following allocation of internal audit resources for the years ending June 30, 2013 and 2014.

Audit Area	Description/Audit Risk	Tentative Timing	Estimated Hour Range
Risk Assessment and Planning	Conduct a risk assessment update over the departments and activities within the County. Plan the nature, extent and timing of internal audit procedures for the year.	July 2012	100-120
Cash Counts	Perform unannounced cash counts at various locations within the County that collect monies and test for compliance with AI 57.	Throughout year	50

Audit Area	Description/Audit Risk	Tentative Timing	Estimated Hour Range
Record Retention including Public Information Requests	Evaluate the internal controls surrounding record retention and records management. Determine if processes are in compliance with regulations and County policies. Analyze the procedures in place for responding to requests for public information.	August 2012	220-240
Public Works- Construction and Maintenance Projects	Evaluate project funding processes and determine if funds are being properly expended in compliance with funding source requirements. Examine major contract budgets to determine if projects are excessively going over budget on these capital projects.	September 2012	280-310
Receiving and Issuing Process	Evaluate the internal controls surrounding the County's receiving process. Analyze controls for receiving, issuing and storing supplies, materials, and equipment at various departments.	October 2012	240-290
IT-Strategic Plan Design	Evaluate the IT Strategic Plan for completeness and adequacy. Assess the plan to determine if objectives and implementation strategies are reasonable.	November 2012	130-150
Metropolitan Detention Center (MDC)	Test the internal controls over various aspects of MDC operations including the honor dorm process, travel expenses, inmate purchases and trust accounts. Determine if background checks are initially performed, and updated on a regular basis, for all employees.	December 2012	250-270
Social Service Sponsorship Grants	Evaluate the policies and procedures over the County's prioritization and selection of social service sponsorship projects. Determine the effectiveness of the County's monitoring activities over expenditures made by the recipients.	February 2013	180-200
Real Estate/Lease Acquisition Procedures	Test the acquisition process for appropriate documentation and adequate controls. Determine if real estate/lease transactions are processed in compliance with policies and procedures.	March 2013	180-200
Animal Care- Complaints Process	Determine if policies and procedures are being followed and represent solid internal controls. Evaluate the process for handling animal care incidents including case management and complaint follow-up.	April 2013	160-180
Internal Audit Follow-up	Analyze open internal audit findings from prior internal audits. Assess current status of the findings and provide the County with an updated audit matrix.	May 2013	200-240

Audit Area	Description/Audit Risk	Tentative Timing	Estimated Hour Range
Special Audits	This time is set aside to conduct a special audit for any issues that arise during the year including investigating complaints that are considered to be outside of the Ethics Ordinance or Code of Conduct but are referred to Internal Audit or otherwise warrant attention.		100-150
Total planned hours for fiscal year ending June 30, 2013			2,090-2,400
Risk Assessment and Planning	Conduct a risk assessment update over departments and activities within the County. Plan the nature, extent and timing of internal audit procedures for the year.	July 2013	100-120
Cash Counts	Perform unannounced cash counts at various locations within the County that collect monies and test for compliance with AI 57.	Throughout year	20
IT-Strategic Plan Implementation	Assess whether action steps presented in the strategic plan were appropriately carried out. Analyze the monitoring function for adequacy.	August 2013	200-220
Timekeeping and Scheduling	Examine the internal controls surrounding the new timekeeping system. Test to determine the adequacy of implementation and identify any gaps in internal control. Determine if the new system implementation resulted in cost savings and process improvement. Assess current scheduling systems for appropriateness.	September 2013	200-220
Assessor's Office-Property Valuation	Determine if property valuations are in compliance with applicable laws and regulations. Ensure adequate documentation is maintained to support property valuations.	October 2013	300-320
Contract Monitoring/Performance	Evaluate the contract monitoring process and test controls to determine if contracts are carried out in accordance with the agreements.	November 2013	200-210
Economic Development Assistance Process	Assess the Economic Development Plan and test controls surrounding the issuance of assistance. Test processes in place for monitoring and tracking the progress of development goals.	February 2014	180-200
Emergency Communications	Evaluate policies and procedures and test that Communications is providing timely responses and accurate information to requests for public safety support. Test compliance with applicable regulations.	March 2014	180-200
Regional Juvenile Detention Center	Evaluate policies and procedures over the joint powers agreement with Sandoval County.	April 2014	200-220

Audit Area	Description/Audit Risk	Tentative Timing	Estimated Hour Range
	Examine cost recoveries from various municipalities.		
Risk Management- Loss Control and Prevention	Evaluate the internal controls surrounding the County's loss control and prevention programs.	May 2014	180-190
Community Custody Program (CCP)	Test the CCP fee assessment process to ensure inmates are charged the correct fees and that fees are collected timely.	June 2014	160-180
Special Audits	This time is set aside to conduct a special audit for any issues that arise during the year including investigating complaints that are considered to be outside of the Ethics Ordinance or Code of Conduct but are referred to Internal Audit or otherwise warrant attention.		100
Internal Audit Follow-Up	Analyze open internal audit findings from prior internal audits. Assess current status of the findings and provide the County with an updated audit matrix.	Throughout year	180-200
Total planned hours for fiscal year ending June 30, 2014			2,200-2,400

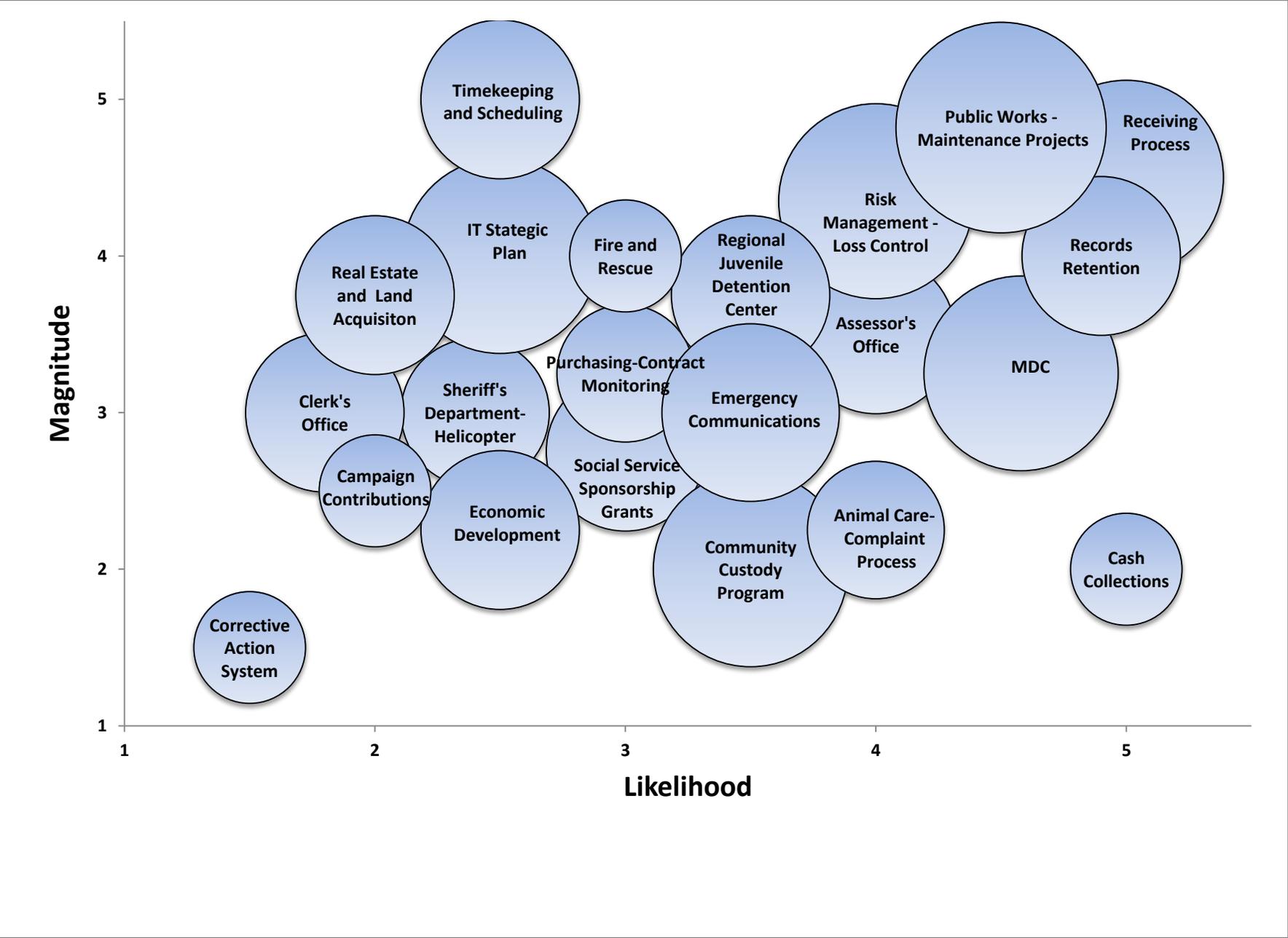
AUDIT COMMITTEE APPROVAL

A draft of this plan was discussed and approved by the audit committee on August 6, 2012. The plan is ready for submission to the County Commissioners for their approval.

REDW LLC

Albuquerque, New Mexico
August 6, 2012

APPENDIX A-RISK MATRIX



APPENDIX B-AUDIT CHART

Audit	2008	2009	2010	2011	2012	2013	2014
Follow- Up Audits	X	X	X	X	X	X	X
Cash Counts		X			X	X	X
IT Strategic Plan - Design (2013) Implementation (2014)						X	X
MDC			X			X	
Animal Care				X		X	
Real Estate/ Lease Acquisition procedures						X	
Records Retention/ Public Information Requests						X	
Social Service Sponsorship Grants						X	
Public Works Construction and Maintenance Projects						X	
Receiving Process						X	
Property Tax Assessment		X					X
Payroll- Timekeeping			X		X		X
Regional Juvenile Detention Center							X
Emergency Communications							X
Contract Monitoring/Performance							X
Risk Management							X
Economic Development							X
Community Custody Program	X						X
ERP / SAP Controls	X			X			
Capital Assets (IT Focus in 2012)	X				X		
Building Maintenance & Operation	X						
State Contracts Billing	X						
Construction Management Contracts	X						
Cornell Contracts	X						
Region I Taskforce	X						
Court Services	X						
Sheriff's Department-Evidence unit		X		X			
Tax Increment Development District (TIDD's)		X					
Tru Touch Technologies Grant Compliance		X					
Community Custody		X					
Public Safety		X					
Human Resources			X		X		
Assessor Data Entry			X				
ACH/Wire transfers			X				
Mats/Substance Abuse			X				
South Valley Economic Development Center			X				
Housing				X			
Accounts Payable				X			
Purchasing				X			
Take Home Vehicles				X			
Grants/ CIP- Billing of State Contracts				X			
Solid Waste Department					X		
Parks and Recreation					X		
Budget and Finance Budget Process					X		
Zoning, Building & Planning					X		
Treasurers Office- Investments/Bonds					X		