



**BERNALILLO COUNTY
AUDIT COMMITTEE MEETING
CITY/COUNTY BUILDING
ONE CIVIC PLAZA NW, 10TH FLOOR, CONFERENCE ROOM B**

MEETING MINUTES

Thursday, July 30, 2015

2:00pm to 4:00pm

Call to Order

The meeting was called to order at 2:00pm

Audit Committee (Representing the County Commission)

Mandy Funchess, CPA, Chair

Paulette Becker, CPA, Esq., Secretary

REDW Internal Auditors

Jessica Bundy, REDW

Steve Cogan, REDW

Danny Martinez, REDW

County Personnel/ Guests

Tom Zdunek, County Manager

Vince Murphy, Deputy County Manager, Community Services Division

Shirley Ragin, Deputy County Manager, Finance Division

Pamela Moon, CPA, Accounting & Budget Director

Jackie Sanchez, Financial Manager, Accounting & Budget Department

Ryan Travelstead, Financial Administrator, Accounting & Budget Department

Cindy Torres, Audit Liaison and Accounting Officer, Accounting & Budget Department

Veronica Vigil Steimle, Administrative Officer III, Accounting & Budget Department

Manny Ortiz, County Treasurer

Jerry Larranaga, Deputy Treasurer, Treasurer's Office

Roger Paul, Deputy County Manager, Public Works Division

Lisa Sedillo-White, Director, Procurement & Business Services

John Vialpando, Inventory Control Coordinator, Procurement & Business Services

Ben Garcia, Inventory Coordinator, Procurement & Business Services

Renetta Torres, Director, Human Resources

Dorothy Astorga, Executive Assistant, Human Resources

Approval of Agenda

The agenda was unanimously approved as distributed.

Approval of minutes from last meeting The minutes of the April 29, 2015 meetings were unanimously approved as distributed.

Review of the Internal Audit Reports

POWERPOINT PRESENTATION CREATED/NARRATED BY JESSICA BUNDY AND DANNY MARTINEZ

- I. INVENTORY CONTROL WAREHOUSES
- II. RISK ASSESSMENT AND INTERNAL AUDIT PLAN FISCAL YEAR (FY) 16-17

INVENTORY CONTROL WAREHOUSES (JESSICA BUNDY PRESENTED THIS REPORT)

1. System Access Controls: During implementation of the M5 system, user access controls were not limited allowing Fleet Management employees to have access to the inventory control warehouse auto parts inventory in the M5 system.
2. Obsolete Inventory: There does not appear to be a documented process to monitor and evaluate if current inventory is obsolete.
3. Inventory Cycle Counts: Policies and procedures require inventory cycle counts to be performed weekly and documentation of these cycle counts is to be maintained by each warehouse.
4. Policies and Procedures: There are currently controls in place at the existing warehouses that are not included in the procedures for the YSC and Fire/Rescue warehouses.

Management addressed questions from the audit committee.

- 1.) Fleet Management reached out to the M5 vendor to determine if access can be restricted in the inventory section of M5 system for the two Fleet/Facilities employees.
- 2.) Current internal processes will be revised to include that analysis of inventory levels to ensure inventory will not become obsolete.
- 3.) Management will revise its current processes to allow for the performance and proper documentation of bi-weekly cycle counts at all warehouses (except for the MDC warehouse) under the responsibility of the Inventory Warehouse Management Section. The revision of these procedures will be completed and documented by December 31, 2015.
- 4.) A meeting will be planned for the month of July and the processes should be revised by December 31, 2015.

Mandy Funchess, Audit Committee Chair, made motion to approve the Inventory Control Warehouses audit report. Paulette Becker, Audit Committee Member, second. Motion passed

(To view final internal audit reports, go to the County's Transparency Portal, "BerncoView," located on its website, www.bernco.gov)

RISK ASSESSMENT AND INTERNAL AUDIT PLAN FISCAL YEAR (FY) 16-17 (JESSICA BUNDY PRESENTED THIS REPORT)

Jessica Bundy presented the proposed internal audit plan for FY16/FY17 to the committee. No changes were made to the proposed plan by management or the committee. The plan incorporates a maximum of 2000 hours of budgeted audit services.

The proposed internal audit plan for FY16/FY17 will be taken to the commission for approval on August 25, 2015.

Mandy Funchess, Audit Committee Chair, made motion to, tentatively, approve the Risk Assessment and Internal Audit Plan FY16-17 audit report. Paulette Becker, Audit Committee Member, second. Motion passed

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Adjournment

Mandy Funchess, Audit Committee Chair, made motion to adjourn meeting. Audit Committee went into Executive Session. Paulette Becker audit committee member, second. Motion passed.

CONFIRMED NEXT MEETING DATE

AN AUDIT COMMITTEE MEETING WILL BE HELD FROM 2:00PM-4:00PM

THURSDAY, SEPTEMBER 24, 2015 IN CONFERENCE ROOM B

CONFIRMED EXTERNAL AUDIT EXIT CONFERENCE FY2014-2015

WEDNESDAY, OCTOBER 28, 2015, 8:00AM-10:00AM, CITY/COUNTY CHAMBERS

ADJOURNMENT

MEETING WAS ADJOURNED AT 4:00PM BY MANDY FUNCHESS