



**BERNALILLO COUNTY
AUDIT COMMITTEE MEETING
CITY COUNCIL COMMITTEE ROOM**

*MEETING MINUTES
Wednesday, October 19, 2011
2:00pm to 4:00pm*

Call to Order

The meeting was called to order at 2:00pm

Audit Committee (Representing the County Commission)

Demesia Padilla, CPA, Chair (absent)

Paulette Becker, CPA, Esq., Member

Maxwell Kagan, CPA, Secretary

REDW Internal Auditors

Jessica Bundy, REDW

Steve Cogan, REDW

Claire Hilleary, REDW

County Personnel/ Guests

Commissioner Stebbins

Tom Zdunek, County Manager

Teresa Byrd, Interim Deputy County Manager, Finance

Maria Zuniga, Interim Budget Director, Finance

Jeff P. Lovato, MBA, Accounting Director

Cindy Torres, Audit Liaison, Accounting

Bonnie Romero, CPA, Financial Projects Coordinator, Accounting

Kevin Sourisseau, CPA, Financial Projects Coordinator, Accounting

Fidel Bernal, CPA, Chief Deputy Treasurer

Emily Madrid, Accounting Manager, Treasurer's Office

Paul Roybal, CIO, Information Technology

Kevin Callahan, Parks and Recreation

Ed Chismar, Director, Parks and Recreation

Corina Cortez, Parks and Recreation

Joe Crelier, Director, Risk Management

Toby Perea, Director, Fleet Facilities

Randy Baca, Fleet Facilities

Theresa Natzke, Budget Department

Geri Maestas, Budget Department

Julie Knight, Moss Adams

Approval of Agenda

The agenda was unanimously approved as distributed.

Approval of minutes from last meeting The minutes of the July 27, 2011 meeting were unanimously approved as distributed.

REVIEW OF THE INTERNAL AUDIT REPORTS

POWERPOINT PRESENTATION CREATED/NARRATED BY JESSICA BUNDY

PARKS AND RECREATION (JESSICA BUNDY PRESENTED THIS REPORT)

1. Supply Tracking Process: Stolen or missing items were not removed from the supply list. Items were not tagged or documented.
2. Cash handling and compliance with AI57: Variance between cash and amount per register tape. Checks not restrictively endorsed when received.
3. Supplies on hand: Items could not be found at specific location. There was no documentation on file to support take home items.
4. Accuracy of supply lists: Supply lists are not being properly updated.
5. Reporting of stolen supply items: Any incident involving stolen, lost, missing or damaged property need to be reported to the Risk Management department. In addition, a report could not be found.
6. Facility rentals and fees: There is currently no record to track facility rentals and ensure fees are collected.
7. Supplies not in use: Items at each location were in working condition but no longer needed by that Center.

Ed Chismar, Parks and Recreation Director addressed questions from the audit committee.

1. The Parks & Recreation Department is currently working with the Fixed Asset Manager to use a new tag ID system for all items. Serial numbers and ID tag numbers will be added to an Inventory Supply List spreadsheet to improve the tracking process.
2. Aquatics cashiers were re-instructed on proper cashiering procedures such as endorsement of checks upon receipt, and the correct process for documenting variances on a daily basis.
3. The County's Take-Home Equipment Authorization Form will be used for all County equipment and must be pre-approved by Director or designee. A copy will be filed in the administrative office.
4. Items will be tagged at the time of purchase and added to the Inventory Supply list. Serial numbers and manufacturer numbers will be added to improve the tracking process.
5. A section will be added to the Property/Equipment Damage Loss Report to include identifying information such as serial numbers and fixed inventory tag numbers when applicable for record keeping purposes. The Risk Management department will retain records of all Property/Equipment in their department.
6. Center Managers will review current procedures, determine best practices, and standardize procedures to verify all fees are collected. Rental deposits will no longer be accepted and must be paid in full in advance.
7. A folder was established on pkreports share drive to identify items no longer being used by each facility. If items are not claimed within the Department in six (6) months, they will be made available through the county excess fixed asset program.

Maxwell Kagan, audit committee member, made motion to approve Parks and Recreation audit report. Paulette Becker, audit committee member, second. Motion passed.

VEHICLE USE/TAKE-HOME VEHICLES (JESSICA BUNDY PRESENTED THIS REPORT)

1. Nonstandard procedures among departments for day use and take-home vehicle usage: The current policy is non-specific when checking out/in day use of vehicles and take-home vehicles.
2. Motor vehicle division monthly checks: There was no evidence of corrective action for drivers whose licenses were not in good standing.
3. Undocumented and nonstandard review of fuel usage: Fuel usage is not consistently tracked. In addition there is no standard review process for a fuel report.
4. Incomplete usage logs: Check in/out times were not properly documented on the indicated log.
5. Non-centralized oversight function: Decentralization can lead to inefficiencies and communication breakdowns which result in delayed notifications of driver changes, assignments and eligibility.

VEHICLE USE/TAKE-HOME VEHICLES (JESSICA BUNDY PRESENTED THIS REPORT) CONT'

Toby Perea, Fleet Facilities Director, addressed questions from the audit committee.

1. The budget, fleet/facilities and risk management departments will work together to make necessary revisions to the Vehicle Take-Home Authorization Form for day use of vehicles and take-home vehicles. A daily-use vehicle log will be created and forms will be made available to all departments via the intranet. In addition, an initial 200 vehicles will be equipped with GPS units by October 1, 2011. This will provide oversight for the proper use of vehicles and monitoring fuel usage.
2. When an employee has a problem with their driver's license (suspended, expired, revoked), Risk Management will notify the department Directors in writing. The employee whose license has been suspended will be placed on an inactive status. Their Wright Express (WEX) card will be inactivated for the use of their PIN or to fuel Bernalillo County vehicles. The Fleet/Facilities department will only activate WEX cards when a written formal activation request is received from the employee's department Director.
3. Currently, the Fleet/Facilities department maintains a spreadsheet on a "Shared Drive" containing "On/Off Site" fueling data by the month. The information has a comparison by month, four year history trend analysis and is reviewed quarterly at director's meetings. Tom Zdunek, County Manager, stated that GPS tracking of fuel consumption and mileage is occurring on a daily basis. Reports will be generated monthly.
4. The Budget, Fleet/Facilities and Risk Management departments will collaborate to create a daily-use vehicle log. This form will be available for all departments via the intranet. Department Directors will be responsible for enforcement of the policy and consequences for noncompliance.
5. Departments will be responsible for submitting the Vehicle Take Home Authorization forms to Finance. Daily-Use and Take-Home Vehicle forms will be located on the Fleet/Facilities Intranet site. Risk Management will introduce and reinforce the use of the standard form during driver's awareness classes and during department evaluations. Department Directors will be responsible for the enforcement of the policy and ensuring compliance for their department.

Maxwell Kagan, audit committee member, made motion to approve Vehicle Use/Take-Home Vehicles audit report with changes., next meeting auditor will provide final report. Paulette Becker, audit committee member, second. Motion passed.

INTERNAL AUDIT STATUS UPDATE PRESENTED BY JESSICA BUNDY

Currently wrapping up the Human Resources audit field work. Starting the Bond/Investments audit. The Budget Process audit will begin in December 2011. Max Kagan wants the follow-up audit started as soon as possible and asked the auditors to have a plan ready for the next meeting.

ADJOURNMENT

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

CONFIRMED NEXT MEETING DATE

AN EXTERNAL AUDIT EXIT CONFERENCE MEETING WILL BE HELD FROM 1:30PM TO 3:30PM
WEDNESDAY, NOVEMBER 9, 2011 IN THE CITY/COUNTY COMMISSION CHAMBERS.

THE NEXT REGULAR AUDIT COMMITTEE MEETING IS SCHEDULED FOR
WEDNESDAY, JANUARY 25, 2012.