



**Bernalillo County
Audit Committee Meeting**
Conference Room B

MEETING MINUTES

Wednesday, May 18, 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
Paulette Becker, CPA, Esq., Member

REDW Internal Auditors

Nita Looks Twice, REDW
Jessica Bundy, REDW
Steve Cogan, REDW

County Personnel/ Guests

Tom Zdunek, Interim County Manager
Jeff P. Lovato, MBA, Accounting Director
Bonnie Ulibarri-Romero, Financial Projects Coordinator
Cindy Torres, Audit Liaison, Accounting
Dan Houston, Bernalillo County Sheriff
Ron Paiz, Undersheriff
L. Elva Gonzales, Sheriff's Office
Lenore Buffington, Sheriff's Office
Lisa Sedillo-White, Purchasing Director
Teresa Byrd, Interim Deputy County Manager, Finance
Emily Madrid, Treasurer's Office
Isabelle Purcella, Treasurer's Office
Michael Garcia, Clerk's Office
Carol Thomas, Clerk's Office
David Salas, Clerk's office
Chris Garner, Auditor, Moss Adams LLP

Approval of Agenda

The agenda was unanimously approved as distributed.

Approval of minutes from last meeting The minutes of the February 9, 2011 and March 24, 2011 meeting were unanimously approved as distributed.

REVIEW OF THE INTERNAL AUDIT REPORTS

POWERPOINT PRESENTATION CREATED/NARRATED BY NITA LOOKS TWICE AND JESSICA BUNDY

Online Payment System (Nita Looks Twice presented this report)

1. Access Security Matrix: Access controls need to be documented, maintained and monitored by the IT department. (Moderate Risk)
2. Session Time Out: Nita recommended a session time out period for 60 minutes or less.
3. Data Availability: Scheduled time-outs are initially and periodically verified to ensure they are operating effectively. (Low Risk)

Paul Roybal, CIO of Information Technology, addressed questions from the audit committee.

- 1) The IT department will ensure access controls are documented, maintained and monitored by IT. The IT department created an Online Payment System (Global Basket) Assess Security Matrix that identifies "Group Access" by Employee Name, Type of Permission and Server Type.
- 2) Basket Timeout Session's will be reduced from 180 minutes to 60 minutes for all product types.
- 3) The Recording and Filing Manager now has access via the front end Interface of Eagle Recorder to change the duration to 168 hours (7 days). This will be verified on a monthly basis by Recording and Filing Manager and also periodically verified by Tyler Technologies as well. In addition, Tyler Technologies is writing a script, which will go into effect on May 6, to terminate all links that go beyond the original 7 day link expiration period.

Demesia Padilla, audit committee member, made motion to accept Online Payment System internal audit report. Paulette Becker, audit committee member, second. Motion passed.

Sheriff's Department Special Audit (Jessica Bundy presented this report)

1. Federal Narcotics seizure listing is not being reconciled to the bank statement: BCSO Narcotics Unit and Accounting personnel should work together to reconcile the seizure listing on a monthly basis. The listing should be updated as requests are made.
2. Lack of documented policies and procedures and compliance with guidelines for the Federal Narcotics Fund: Policies and procedures should be implemented to ensure compliance with Equitable Sharing Federal Guidelines.
3. Federal Narcotics fund is not properly tracked in the Comprehensive Annual financial Report (CAFR): The Finance department should separately track the Federal narcotics Funds.
4. Lack of documented policies or procedures for the Investigative Fund: All deposit support should be maintained in a centralized location and should include backup documents supporting the deposit into the Investigative Fund.

Sheriff Dan Houston addressed questions from the audit committee for number 1, 2, & 4.

- 1) All policies and procedures that management is working on will be completed at the end of July. BCSO Management believes that monthly reconciliations of the Federal Narcotics Fund will prevent future discrepancies between the seizure listings and the incoming deposits. Monthly reconciliations will begin in May 2011.
- 2) Only Sheriff Houston and Undersheriff Ron Paiz are authorized to approve disbursements related to the Federal Narcotics Fund and Investigative Fund.
- 3) The Federal Narcotics Fund is tracked on the CAFR. The revenue received and expenditures made will be accounted for in separate revenue and expense accounts on the general ledger to identify federal transactions. This has already been implemented per Jeff Lovato, Accounting Director.
- 4) Management will establish policies and procedures to ensure proper use of investigative funds. Management also agrees that a monthly reconciliation must be performed to ensure that deposits are properly made.

Sheriff's Department Special Audit (Jessica Bundy presented this report cont')

This internal audit report was tabled in order to determine if the Federal Narcotics Fund is exempt from the State Procurement Code. Lisa Sedillo-White, Purchasing Director, was going to look into this issue.

Demesia Padilla, audit committee chair, made motion to table the report until the State Procurement Code issue is resolved. Paulette Becker audit committee member, second. Motion passed.

It was subsequently determined that the Federal Narcotics Fund is exempt from the State Procurement Code. This internal audit report was revised by REDW to address this fact and the Audit Committee gave verbal approval via email to the audit contractor and the report was approved and issued.

Internal Audit Update (Jessica Bundy presented this report)

Jessica gave a status update of the FY11 Internal Audit Plan. She addressed the audits that have been completed, the audits that are in progress and the audits still to be completed. Ten internal audits are complete. Three internal audits are in progress. The "Take Home Vehicles" audit is wrapping up, the "Animal Care" audit is wrapping up, and the "SAP Control" audit is in the field work stage.

ADJOURNMENT

Demesia Padilla, audit committee member, made motion to adjourn meeting. Paulette Becker audit committee member, second. Motion passed.

CONFIRMED NEXT MEETING DATE

**THE NEXT MEETING WILL BE FROM 2:00PM TO 4:00PM ON WEDNESDAY, JULY 27, 2011
IN THE CITY COUNCIL COMMITTEE ROOM**

EXECUTIVE SESSION

COMMITTEE WENT INTO EXECUTIVE SESSION.

ADJOURNMENT

MEETING WAS ADJOURNED AT 4:00PM BY DEMESIA PADILLA