



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

MEETING MINUTES
Wednesday, May 28, 2014
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
Armando Sanchez, CPA, Member (Excused)

REDW Internal Auditors

Jessica Bundy, REDW
Melissa Martinez, REDW
Steve Cogan, REDW

County Personnel/Guests

Tom Zdunek, County Manager
Teresa Byrd, Deputy County Manager, Finance
Jeff P. Lovato, MBA, Accounting Director
Bonnie Ulibarri-Romero, CPA, CGMA, Financial Projects Coordinator, Accounting
Anthony Infantino, Financial Projects Coordinator, Accounting
Cindy Torres, Audit Liaison and Accounting Officer, Accounting
Virginia Montoya, Accounting Officer, Accounting
Renetta Torres, Director, Human Resources
Dorothy Astorga, Administrative Officer III
Damian Lara, Deputy Assessor/CIO
Robert Mosley, Business Personal Property Supervisor, Assessor's Office
Cassandra Gutierrez, Financial Services Administrator, Assessor's Office
Karen Ziegler, Director, Communications
Jarvis Middleton, Deputy County Manager, Public Works

Approval of Agenda

The agenda was unanimously approved as distributed.

Approval of minutes from last meeting The minutes of the January 22, 2014 meeting were unanimously approved as distributed.

Review of the Internal Audit Reports

POWERPOINT PRESENTATION CREATED/NARRATED BY JESSICA BUNDY AND MELISSA MARTINEZ

ASSESSOR'S OFFICE PERSONAL PROPERTY (JESSICA BUNDY PRESENTED THIS REPORT)

1. Business Personal Property: During testing of 59 existing businesses and 55 new businesses, 35 did not respond in 2013. Twenty-nine of these (25%) had never responded to the renditions and therefore had a \$0 taxable value on the tax rolls.
2. Protest and Assessor Authorizations: During testing of 32 protests, nine were identified with no evidence that the Assessor or Deputy Assessor approved the change in value by signing the Assessor Authorizations (AA) form. Supporting documentation had not been scanned into the system and the hardcopies could not be located. Additional training should be provided if necessary to ensure all personnel understand the requirements.
3. Agricultural Pricing: The Assessor's Office should develop a process to reconcile land owners receiving the agricultural pricing for livestock/grazing with the livestock owners.
4. Quality Control: One property was identified in which the incorrect value was entered into the system from the rendition response. A quality control process should be implemented.
5. Manufactured Homes: Values of the manufactured homes tested from the personal property tax rolls were not properly supported.
6. Policies and Procedures: Unclear policies and procedures leave more room for interpretation and misunderstanding by staff responsible for the daily tasks. This could lead to errors.

Management addressed questions from the audit committee.

- 1.) The Assessor's Office has cross trained other employees and provided overtime to ensure timely and accurate processing of business renditions within the mandatory statutory deadlines. Since New Mexico is a self-rendering state, the business owner is responsible for ensuring that the Notice of Value (NOV) is correct. Furthermore, for the 2014 tax year, a letter was inserted into the business personal property NOV's. The letter explains the follow-up actions permitted by statutes.
- 2.) Since March 3, 2014, a dedicated Assessor Tech Lead and Assessor Tech I were hired to staff the Manufactured Homes Department and all Assessor Authorizations are signed and authorized by the Chief Information Officer/Deputy Assessor. In order to prevent a backlog of unscanned documents, three employees from other departments were cross trained to complete the duties and responsibilities of the Micrographics Tech.
- 3.) The process to reconcile land owners receiving the agricultural exemption as a result of livestock has been developed and established for the 2014 tax year.
- 4.) The Assessor reinstated the Quality Control Department to work with appraisal teams to ensure source data. Including rendition responses and data collected in the field, is entered accurately, consistently and uniformly.
- 5.) Once the department is fully staffed regular field inspections and canvassing activities will commence. The department is expected to be fully staffed by July of 2014.
- 6.) The Assessor's Office is in the process of updating the policies and procedures manual for the entire office, which was last updated in April of 2009. The expected date of completion is July 1, 2014.

Mandy Funchess, audit committee chair, made motion to approve the Assessor's Office Personal Property 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)

HUMAN RESOURCES (MELISSA MARTINEZ PRESENTED THIS REPORT)

1. System Access Not Updated Timely: Employees should be removed as users from all County systems upon termination. HR should periodically compare all users to the employee listing and remove terminated users from the NEOGOV system.
2. Processes for Screening Applicants Not Consistent: During the testing of open positions it was observed that three of 18 applicants were not screened by the end of the following week. Additionally, for one of ten rejected applicants tested, documentation was not maintained to support the reason for rejecting the applicant.
3. Administrative Instructions Do Not Reflect Current Processes: The NEOGOV system was implemented in January 2013; however, current County Administrative Instructions and Employment Rules & Regulations do not reflect changes to the hiring processes.

Management addressed questions from the audit committee.

- 1.) The HR Department has asked all departments to review the current list of employees designated to receive electronic listings of qualified applicants for department position requisitions through NEOGOV. This review will be requested semi-annually.
- 2.) The employment manager is currently tracking all employment specialists to ensure that all applications are being screened in a timely manner. All employment specialists are being advised to ensure that documentation is provided to support reasons for disqualifying applicants.
- 3.) The implementation of NEOGOV has changed the previous hiring and recruitment process. Bernalillo County is currently in the process of updating Rules and Regulations along with Administrative Instructions.

Mandy Funchess, audit committee chair, made motion to approve the Human Resources audit report. Paulette Becker, audit committee member, second. Motion passed

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Follow-Up on Internal Audit Status Update (presented by Jessica Bundy)

Jessica Bundy presented a status update on audits currently in progress from the FY14 internal audit plan.

- Economic Development internal audit is on-hold until fiscal year 15.
- Cash Counts and Project Management is ongoing.
- Three will be presented by the audit committee at the next meeting in July 2014.
 1. Risk Management.
 2. Emergency Communications
 3. Capital Assets/Const in progress

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, JULY 31, 2014 IN MUNICIPAL DEVELOPMENT CONFERENCE ROOM #7096

EXECUTIVE SESSION

COMMITTEE WENT INTO EXECUTIVE SESSION

ADJOURNMENT

MEETING WAS ADJOURNED AT 4:00PM BY MANDY FUNCHESS