



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

MEETING MINUTES
Tuesday, October 29, 2013
2:30pm to 4:30pm

Call to Order

The meeting was called to order at 2:30pm

Audit Committee (Representing the County Commission)

Mandy Funchess, CPA, Chair
Paulette Becker, CPA, Esq., Secretary
Armando Sanchez, CPA, Member

REDW Internal Auditors

Jessica Bundy, REDW
Shannon Sanders, 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
Trudy McGregor, CPA, Financial Administrator, Accounting
Paul Herrera, Grants Administrator, Accounting
Amy Childers, Financial Projects Coordinator, Accounting
Geri Maestas, Financial Projects Coordinator, Accounting
Fidel Bernal, CPA, Chief Deputy Treasurer
Ryan Travelstead, Accounting Manager, Treasurer's Office
Lisa Sedillo-White, Purchasing Director
Jarvis Middleton, Deputy County Manager, Public Works
Ramon Rustin, Chief of Corrections, MDC
Virginia Chavez, Assistant Chief of Operations, MDC
Kevin Sourisseau, Chief Financial Administrator, MDC
Katrina Holcomb, Director, DSAP
Fran Martinez-Romero, DSAP
Yolanda Ulibarri, Employment Supervisor, Human Resources
Annette Martinez, Contractor, Human Resources
George Schneider, Health and Social Services
Lucas Tafoya, Health and Social Services
Vince Lujan, Housing Administrator
Veronica Espinosa, Risk Management

Approval of Agenda

The agenda was unanimously approved as distributed.

Approval of minutes from last meeting The minutes of the July 31, 2013 meeting were unanimously approved as distributed.

Review of the Internal Audit Reports

POWERPOINT PRESENTATION CREATED/NARRATED BY JESSICA BUNDY, SHANNON SANDERS AND MELISSA MARTINEZ

HEALTH AND SOCIAL SERVICES (SHANNON SANDERS PRESENTED THIS REPORT)

1. Health Inspections: Regular health inspections were not always occurring, inspection results were not always entered into the database and made available to the public, inspections reports were not always retained, and annual gross revenues were not always reported by vendors renewing health permits.

George Schroeder, Environmental Health Manager, stated that the Health Protection Team is working to achieve the Retail Food Program Standards promoted by the Food and Drug Administration. In addition, multiple data systems have been replaced with Accela, a web-based program. Completed inspections will be immediately available on the internet for public viewing. At permit renewal, we will require that establishments provide accurate amount of gross receipts for the previous calendar year in order to ensure permit fee payments are correct.

Mandy Funchess, audit committee chair, made motion to approve the Health and Social Services 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.berncogov)

SPECIAL PROJECT-RENEE'S PROJECT HUD GRANT (MELISSA MARTINEZ PRESENTED THIS REPORT)

1. Children of Program Participants Enrolled in School: Renee's Project Program Procedures will ensure homeless children are enrolled in school to maintain compliance with the McKinney-Vento Homeless Assistance Act. Three participants with school aged children did not include verification of enrollment for children in supportive educational services with their application. During participation in the program no evidence of enrollment in school for children of the participant was maintained in the participant file.
2. Tracking of Expenditures by Functional Area: Expenditures should be tracked by functional area to ensure expenditures match the budget submitted to HUD.
3. Income Verification: One of five participant files tested did not include documented income verification. Documentation for income used in the rent calculation should be maintained in the participant file.

Katrina Holcomb, DSAP Director, addressed questions from the audit committee.

- The DSAP Quality Assurance Team will conduct audits quarterly. All clients were contacted and verification of school enrollment of all children of Renee's Project was in each client file by September 27, 2013.
- The Housing Department has updated the timesheets to reflect functional areas (administration or operations).
- The Housing Department currently requires that 3rd party verifications for income to be in the file.

Mandy Funchess, audit committee chair, made motion to approve the Special Project-Renee's Project HUD 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.berncov.gov)

Follow-Up on Open Internal Audit Observations (presented by Jessica Bundy and Melissa Martinez)

An updated audit matrix was provided to the Accounting Department. County staff was interviewed and various tests of transactions were conducted based on policies and procedures. Based on the follow-up review 14 observations were resolved and closed, 41 remained unresolved and open.

The table below details the observations that are "resolved" and "unresolved."

Department	Number of observations "resolved"	Number of observations "unresolved"
Animal Care	0	1
Accounting	0	5
Budget and Business Improvement	2	3
Fleet Management	1	4
Fire Department	2	0
Housing	0	1
Human Resources	1	5
Information Technology	0	7
Metropolitan Detention Center	2	1
Parks & Recreation	0	2
Operations & Maintenance	0	1
Purchasing	0	5
Risk Management	0	1
Solid Waste	1	1
Technical Services	0	4
Treasurer's Office	3	0
Zoning, Building and Planning	2	0
Total	14	41
Fiscal Year	Number of observations "resolved"	Number of observations "unresolved"
2010	2	5
2011	1	11
2012	11	14
2013	0	11
Total	14	41

Jessica stated that the Accounting Department sends an audit matrix to county departments for current updates on status of unresolved observations. Resolved observations will be removed from the matrix.

Mandy Funchess, audit committee chair, made motion to approve the Follow-up on Open Internal Audit Observations report. Paulette Becker, audit committee member, second. Motion passed.

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.

- Risk assessment and planning-completed
- Follow up-presented
- HUD special audit-Renee's project -presented
- Health Services-presented
- CCP-wrap-up
- Youth Service Center-planning
- Real Estate/Land Acquisitions-planning
- Judicial Operation-starting in December 2013

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 2:30PM-4:30PM
WEDNESDAY, JANUARY 22, 2014 IN CONFERENCE ROOM B