



**BERNALILLO COUNTY
AUDIT COMMITTEE MEETING
MUNICIPAL DEVELOPMENT CONFERENCE ROOM #7096
CITY/COUNTY BUILDING 7TH FLOOR**

MEETING MINUTES

Thursday, May 23, 2013

2:30pm to 4:30pm

Call to Order

The meeting was called to order at 2:30pm

Audit Committee (Representing the County Commission)

Maxwell Kagan, CPA, Chair

Paulette Becker, CPA, Esq., Secretary

Mandy Funchess, CPA, Member

REDW Internal Auditors

Jessica Bundy, REDW

Melissa Martinez, REDW

Shannon Sanders, REDW

Steve Cogan, REDW

County Personnel/Guests

Tom Zdunek, County Manager

Teresa Byrd, Deputy County Manager, Finance

Jeff P. Lovato, MBA, Accounting Director

Bonnie Romero, CPA, Financial Projects Coordinator, Accounting

Cindy Torres, Audit Liaison and Accounting Officer, Accounting

Virginia Montoya, Accounting Officer, Accounting

Fidel Bernal, CPA, Chief Deputy Treasurer

Paul Roybal, CIO, Information Technology

Rodney Rolston, Infrastructure Manager, Information Technology

Jarvis Middleton, Deputy County Manager, Public Works

Tanya Giddings, Assessor

Tom Sams, CIO, Assessor's Office

Ramon Rustin, Chief of Corrections

Kevin Sourisseau, Chief Financial Administrator, MDC

Virginia Chavez, Assistant Chief of Operations, MDC

Approval of Agenda

The agenda was unanimously approved as distributed.

Approval of minutes from last meeting The minutes of the February 20, 2013 meeting were unanimously approved as distributed.

REVIEW OF THE INTERNAL AUDIT REPORTS

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

ASSESSOR'S OFFICE (SHANNON SANDERS PRESENTED THIS REPORT)

1. Lack of Protest Support When an owner protests the assessed value of property there should be documentation kept to support the change including protest documents.
2. Exemptions State Statutes allow for a property tax exemption on an owner's primary residence. Supporting documentation should be maintained to support this exemption.
3. Valuation Notes in the System If permits are closed without a revaluation, there should be notes in the ias World system to describe the circumstances and support why a revaluation did not occur.
4. Untimely Revaluation of New Construction Revaluations must occur in the year following when the construction was completed, otherwise the 3% cap is in effect for the property.
5. Transfer of Ownership Property valuations are updated when a change of ownership occurs. At that time, the property should be reassessed and updated within the system.

Tanya Giddings, Assessor and Tom Sams, Chief Information Officer, addressed questions from the audit committee. The Assessor's Office concurs that semi-annual refresher training should be provided to personnel. Furthermore, a training database will track all employees' training and will be used to monitor attendance and completion of all mandatory training. It was determined that observation 1, 2 & 3 should be combined into one observation and the Assessor will provide a current status update on this observation.

Maxwell Kagan, audit committee chair, made motion to approve with changes and current status update of the Assessor's audit report. Paulette Becker, audit committee member, second. Motion passed

INFORMATION TECHNOLOGY-STRATEGIC PLAN (SHANNON SANDERS PRESENTED THIS REPORT)

IT OBJECTIVE

Three of the 12 initiatives tested with target completion dates prior to the audit date were not yet completed. Two of the three had been started and one had not.

- 1.1 Complete the implementation of IT Service Management System
- 1.3 Explore options and solutions to resolve the county's lack of disaster recovery ability.
- 2.1 Implement Business Relationship Management (BRM)

Paul Roybal, CIO, Information Technology, addressed questions from the audit committee. Paul agreed that completion dates are important and should be met. Original target dates were overly optimistic and will be adjusted and coordinated with County Management.

Maxwell Kagan, audit committee chair, made motion to approve report as presented. Paulette Becker, audit committee member, second. Motion passed.

MDC (MELISSA MARTINEZ PRESENTED THIS REPORT)

1. Initial Background Checks MDC Policy 3.11 -Background Checks states that all applicants for employment with Bernalillo County at MDC, as well as all contractors and volunteers, must undergo a background investigation to determine suitability for their position.

MDC (MELISSA MARTINEZ PRESENTED THIS REPORT) CONT'

2. Subsequent Background Checks MDC policy does not require that subsequent background checks be performed for employees, contractors, or volunteers. Background checks should be updated periodically.
3. Honor Pod Indigent Credit The eligibility requirements for receiving an indigent credit in the honor pod was not included in the main body of the policy and only referenced in the appendix.
4. Inmate Programs MDC has a variety of inmate programs with the objective of reducing the jail population, the rate of recidivism and corrections officer workload. Progress should be monitored and adjustments made as needed.
5. Honor Pod Eligibility During our testing of inmate honor pod eligibility, we determined that the policy had not been properly implemented or tracked for the program requirements. *(low risk)*
6. Policies and Procedures It is best practice to include the effective date of a policy and ensure there is a process in place to update and approve changes to the policies. There was no effective date to indicate when a policy was implemented. *(low risk)*

Ramon Rustin, Chief of Corrections, Virginia Chavez, Assistant Chief of Operations, addressed questions from the audit committee. (see reports for full management response.)

Maxwell Kagan, audit committee member, made motion to approve report with two modifications; observation #2: move to a low risk and modify the management response to include that management will look into the feasibility of this recommendation. 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.)

Internal Audit Status Update (presented by Jessica Bundy)

Jessica Bundy reported to the committee the status of the FY13 Internal Audit Plan.

- 4 internal audits are left on the plan
- 2 internal audit plans will be reviewed by the committee at the next meeting in July 2013.
 1. Social Services Sponsorship Grants
 2. Animal Care-Complaints Process
- Cash Counts -ongoing
- Special Project-HUD in the planning stages.
- This will take approximately 255 hours of work to perform the audits.

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 AUDIT COMMITTEE MEETING WILL BE HELD FROM 2:30PM-4:30PM
WEDNESDAY, JULY 31, 2013 IN CONFERENCE ROOM B