



**BERNALILLO COUNTY
AUDIT COMMITTEE MEETING
FY14 EXTERNAL AUDIT EXIT CONFERENCE
CITY/COUNTY CHAMBERS**

*MEETING MINUTES
Monday, November 10, 2014
8:30am to 10:30am*

Call to Order

The meeting was called to order at 8:30am

Audit Committee (Representing the County Commission)

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

Moss Adams-External Auditors

Jim Thompson, Partner, CPA, CFE, Senior Manager
Jenny Harrington, CPA, Assurance Manager

Office of State Auditor (OSA)

Evan Blackstone, Chief of Staff
Melissa Spangler, Financial Audit Director
Sara Specht, Audit Supervisor
Lisa Jennings, Senior Auditor

County Personnel/Guests

Shirley Ragin, Deputy County Manager, Finance Division
Vincent Murphy, Deputy County Manager, Community Services Division
Jarvis Middleton, Deputy County Manager, Public Works Division
Paul Roybal, Chief Information Officer, Information Technology
Manny Ortiz, Treasurer
Jeff P. Lovato, MBA, Director of Accounting
Lisa Sedillo-White, Director of Purchasing
Anthony Infantino, MBA, Financial Projects Coordinator, Accounting
Amy Childers, Financial Projects Coordinator, Accounting
Trudy McGregor, CPA, Financial Administrator, Accounting
Ryan Travelstead, Financial Administrator, Accounting
John Watt, Financial Administrator, Accounting
Paul Herrera, Grant Administrator, Accounting
Cindy Torres, Audit Liaison, Accounting Officer, Accounting
Martin Gallegos, Fixed Asset Manager, Accounting
Emily Madrid, Special Projects Coordinator, Finance Division
Denise Benavidez, Accounting Officer, Finance Division
Isabella Purcella, Chief Deputy Treasurer, Treasurer's Office
Christopher Sanchez, Treasury Accounting Manager, Treasurer's Office
Crystal Trujillo, Accounting Officer, Treasurer's Office
Jacqueline Sanchez, Financial Services Administrator IV, Budget & Business Improvement

County Personnel/Guests cont'

Maria Zuniga, BBI Administrator, Budget & Business Improvement
Randy Landavazo, ERP Manager, Budget & Business Improvement
Jennifer Gallegos, Financial Projects Coordinator, Budget & Business Improvement
Mario Ruiz, Financial Services Administrator III, Budget & Business Improvement
Darlene Ortiz, Travel Coordinator, Budget & Business Improvement
Sheila Duffy, Director at Public Trust Advisors

Approval of Agenda

The agenda was unanimously approved as distributed.

PRESENTATION TO THE AUDIT COMMITTEE

FY14 EXTERNAL AUDIT PRESENTATION WAS MADE BY JIM THOMPSON, CPA, PARTNER AND JENNY HARRINGTON, CPA, ASSURANCE MANAGER WITH MOSS ADAMS AND SARAH SPECHT, AUDIT SUPERVISOR, OFFICE OF THE STATE AUDITOR

Jim Thompson provided an overview of the audit which was conducted as a joint venture between Moss Adams and Office of the State Auditor (OSA). The county received an unmodified or a "clean" audit opinion. There were no audit adjustments and no passed adjustments.

An Overview of the Financial Statements/Highlights -Moss Adams

Jenny Harrington presented a summary of the government wide financial statements which takes all the County governmental funds and combines into one statement. She also provided an overview of the statement of activities. In addition, Jenny presented a summary of the governmental funds and the enterprise funds.

An Overview of the Audit Findings-Moss Adams and Office of the State Auditor

Jenny Harrington, CPA, Moss Adams, provided a summary of the single audit. The county received an unmodified opinion for the major programs identified. There were no single audit findings reported.

Sarah Specht, Audit Supervisor, Office of the State Auditor, and Jenny Harrington, Assurance Manager, Moss Adams reported on the findings related to the financial statements which are listed below. To review the findings and management responses refer to the Comprehensive Annual Financial Report (CAFR) posted on the county's website. (www.berncogov/cafr/)

Material Weakness

- Decrease in fair value of investments
- Investment bid process

Significant Deficiency

- IT general controls
- Investment transactions-prudent person
- Procurement/Related parties
- Vendor approval process

Other Matters of Noncompliance

- IRS Employee Income Tax Compliance Issues-Take-Home Vehicles
- Per Diem and Travel Expenditures
- Procurement Contracts
- Investment Policy Violations
- Investment Committee Minutes
- Cash Reconciliation
- Cash Receipts Posting
- Escrow Liability Reconciliation
- Budgetary Control

Jeff Lovato, Accounting Director, indicated that the CAFR would be submitted to the OSA by the deadline of November 15, 2014. It was submitted on time on November 14, 2014.

During the meeting, on November 10, 2014, Armando Sanchez made a motion to recommend that the board accept the FY14 Comprehensive Annual Financial Report (CAFR). Paulette Becker and Mandy Funchess committee members, second the motion. Motion passed.

Acceptance of the CAFR for Fiscal Year 2014

The FY14 CAFR will be presented to the County Commission for acceptance on December 9, 2014.

Jeff Lovato, Accounting Director, will submit the CAFR to the Government Finance Officers Association (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting program by December 31, 2014.

Adjournment

Mandy Funchess, audit committee chair, made motion to adjourn meeting. Armando Sanchez, audit committee member, second. Motion passed.

CONFIRMED NEXT MEETING DATE
AN AUDIT COMMITTEE MEETING WILL BE HELD FROM 2:00PM TO 4:00PM
THURSDAY, February 12, 2015 IN CONFERENCE ROOM B.