



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

***MEETING MINUTES***  
*Thursday, July 31, 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

**REDW Internal Auditors**

Jessica Bundy, REDW  
Melisa Martinez, REDW  
Steve Cogan, REDW

**County Personnel/ Guests**

Tom Zdunek, County Manager  
Shirley Ragin, 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  
John Watt, Financial Administrator, Accounting  
Martin Gallegos, Fixed Assets Manager, Accounting  
Manny Ortiz, County Treasurer  
Isabella Percella, Chief Deputy Treasurer, Treasurer's Office  
Jerry Larranaga, Deputy Treasurer, Treasurer's Office  
Christopher Sanchez, Treasury Assistant Accounting Manager, Treasurer's Office  
Renetta Torres, Human Resources Director, Human Resources  
Jarvis Middleton, Deputy County Manager, Public Works  
Roger Paul, Technical Services Director, Public Works  
Lisa Manwill, Facilities Construction Program Manager, Public Works  
Paul Roybal, CIO, Information Technology  
Karen Ziegler, Emergency Communications Director, Emergency Communications  
Vernon Thompson, Emergency Communications Assistant Director, Emergency Communications  
Clifford Youngberg, Building Management & Maintenance Program Manager, Fleet Facilities Management  
Joe Crelier, Risk Management Director, Risk Management  
Veronica Espinosa, Fiscal Officer, Risk Management

**Approval of Agenda**

The agenda was unanimously approved as distributed.

**Approval of minutes from last meeting** The minutes of the May 28, 2014 meeting were unanimously approved as distributed.

# Review of the Internal Audit Reports

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## **POWERPOINT PRESENTATION CREATED/NARRATED BY JESSICA BUNDY AND MELISA MARTINEZ EMERGENCY COMMUNICATIONS DEPARTMENT (JESSICA BUNDY PRESENTED THIS REPORT)**

1. Quality Assurance (QA) Checks: QA Checks are not being performed over all Echo (high priority) calls or calls received not using the Pro QA system.
2. Complaint Processing: The method for tracking complaints was not secure to ensure that all complaints were fully documented and not accidentally deleted or modified.
3. Call Procedures-Status Checks: There were two instances where there were no notes in the system to support that status checks were performed.
4. Employee Training Requirements: Three of the seven employees tested had not obtained this training prior to the audit in May 2014.

Management addressed questions from the audit committee.

- 1.) On July 7, 2014, a report was created for the QA Specialist that provides a listing of all "Echo" calls for the month.
- 2.) We are in discussion with County IT to develop a secure complaint form with restricted access.
- 3.) Status checks will be covered in bi-monthly continuation training which will be held on September 15, 2014.
- 4.) The Training Coordinator contacted all employees, via email, to complete the FEMA IS-200 training. As of July 14, 2014, eight (8) employees have completed the course.

*Mandy Funchess, audit committee chair, made motion to approve the Emergency Communications Department 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](http://www.bernco.gov))*

## **RISK MANAGEMENT (MELISA MARTINEZ PRESENTED THIS REPORT)**

1. Lack of Follow-up on Corrective Actions: There was no evidence to indicate that the Department completed corrective actions after issues were identified by Risk Management through regular inspections or after an incident.
2. Required Safety Inspections were not Completed: Several departments did not have an inspection completed between 2011 and 2014.
3. Driver Requirements were not Completed and Drivers were not Authorized: There were several employees that were determined to be driving on behalf of the County and had not been set up in the Driver Management System or had not completed the driver training requirements.
4. Incident Reporting was not Completed as Required: There were multiple instances where incident reports were not submitted within the required timeframe, reports lacked required documentation of the incident or the documentation was not filled out correctly.
5. Safety Training was not Completed as Required: Several retain dates and class dates that were the same and appeared to be incorrect in the Compliance Suite system. Additionally, several employees tested did not complete the retraining by the required date.

Management addressed questions from the audit committee.

- 1.) Risk Management will implement tracking inspections with a target completion: October 1, 2014.

## **RISK MANAGEMENT (MELISA MARTINEZ PRESENTED THIS REPORT) CONT'**

- 2.) Risk Management will enhance the current system to track inspections and ensure that department's inspections are conducted as required. Target completion: October 1, 2014.
- 3.) Risk Management will make changes to the current process to ensure driver requirements are completed and drivers are authorized prior to driving a county vehicle. Target date: October 1, 2014.
- 4.) Risk Management will update and consolidate required forms and will update the process and policies and procedures to provide clear guidance to departments. Target date: October 1, 2014.
- 5.) Risk Management will implement a process to ensure that retraining dates are maintained. Target Date: October 1, 2014.

*Mandy Funchess, audit committee chair, made motion to approve the Risk Management audit report. Paulette Becker, audit committee member, second. Motion passed*

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## **CAPITAL ASSETS/CONSTRUCTION IN PROGRESS (MELISA MARTINEZ PRESENTED THIS REPORT)**

1. Construction in Progress (CIP) was not Capitalized Timely: Assets should be capitalized and depreciated when the asset is ready for use. Identified 24 of 46 projects, with a total value of \$11,945,698, where the related phase of the project was ready for use, but had not been capitalized.
2. Purchased Assets were not Capitalized Timely:

Management addressed questions from the audit committee.

- 1.) Additional staff was assigned and \$10,900,960 of the \$11,945,698 expenditures (91%) reported were capitalized by the end of May 2014. The Accounting department was successful with help from the departments. Procedures have been implemented or in the process of being implemented as follows: meet quarterly/semi-annually with departments and their directors on the status of their projects, capitalize assets more in phases to simplify the accounting and the capitalization process, produce reports that will aid in the review process, and reconsider naming conventions of WBS identifiers.
- 2.) The Accounting department starting in the month of May 2014, has been reviewing monthly expenditures that are \$5,000 or greater for assets that may have been purchased incorrectly. Additionally, working with the Purchasing department to avoid assets being purchased with blanket purchase orders.

*Mandy Funchess, audit committee chair, made motion to approve the Capital Assets/Construction in Progress audit report. Paulette Becker, audit committee member, second. Motion passed*

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## **Risk Assessment and Internal Audit Plan Fiscal Year (FY) 15-16 (presented by Jessica Bundy)**

Jessica Bundy presented the proposed internal audit plan for FY15/FY16 to the committee. No changes were made to the proposed plan by management or the committee. The plan incorporates a maximum of 2000 hours of budgeted audit services.

The proposed internal audit plan for FY15/FY16 will be taken to the commission for approval on September 9, 2014.

*Mandy Funchess, audit committee chair, made motion to approve the Risk Assessment and Internal Audit Plan FY15-16 audit report. Paulette Becker, audit committee member, second. Motion passed*

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### 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.

- Three audit reports were presented today, July 31, 2014.
  1. Risk Management
  2. Emergency Communications
  3. Capital Assets/Construction in Progress
- The follow up internal audit is currently in progress. This report will be presented at the meeting of September 2014 and will include any cash count observations.

### 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-3:00PM  
THURSDAY, SEPTEMBER 18, 2014 IN CONFERENCE ROOM B

EXECUTIVE SESSION  
COMMITTEE WENT INTO EXECUTIVE SESSION

ADJOURNMENT  
MEETING WAS ADJOURNED AT 4:00PM BY MANDY FUNCHESS