



**BERNALILLO COUNTY  
AUDIT COMMITTEE MEETING  
CITY/COUNTY BUILDING  
ONE CIVIC PLAZA NW, 10<sup>TH</sup> FLOOR, CONFERENCE ROOM B**

***MEETING MINUTES***  
*Thursday, February 12, 2015*  
*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  
Rebecca Sanchez, REDW

**County Personnel/ Guests**

Tom Zdunek, County Manager  
Shirley Ragin, Deputy County Manager, Finance  
Jeff P. Lovato, MBA, Accounting Director  
Jackie Sanchez, Financial Manager, Accounting  
Anthony Infantino, Financial Projects Coordinator, Accounting  
Cindy Torres, Audit Liaison and Accounting Officer, Accounting  
Virginia Montoya, Accounting Officer, Accounting  
Veronica Vigil-Steimle, Administrative Officer III, Accounting  
Manny Ortiz, County Treasurer  
Isabella Percella, Chief Deputy Treasurer, Treasurer's Office  
Jarvis Middleton, Deputy County Manager, Public Works  
Karen Ziegler, Emergency Communications Director, Emergency Communications  
Phillip Greer, MDC Chief  
Virginia Chavez, Assistant Chief of Operations, MDC  
Emily Madrid, Special Project Coordinator, Finance Division  
Betty Valdez, Housing Director  
Maria Zuniga, Budget & Business Improvement Administrator, ERP  
Randy Landavazo, ERP Manager, ERP  
Denise Benavidez, Accounting Officer, County Managers Office

**Approval of Agenda**

The agenda was unanimously approved as distributed.

**Approval of minutes from last meeting** The minutes of the September 18, 2014 and November 10, 2014 meetings were unanimously approved as distributed.

# Review of the Internal Audit Reports

POWERPOINT PRESENTATION CREATED/NARRATED BY JESSICA BUNDY AND MELISA MARTINEZ

- I. HOUSING DEPARTMENT
- II. BOND FUNDS COMPLIANCE MONITORING
- III. METROPOLITAN DETENTION CENTER-TIMEKEEPING & SCHEDULING

## HOUSING DEPARTMENT (JESSICA BUNDY PRESENTED THIS REPORT)

1. System Access and sensitive information: Whenever a record is accessed sensitive information is available to the user. Additionally, five of 46 users were no longer working at the Housing Department and access had not been updated to inactive status.
2. Recording and financial activity: One of 25 expenditures tested exceeded the \$5,000 capitalization threshold, but was recorded to the Emphasys Elite general ledger as a repair and maintenance expenditure.

Management addressed questions from the audit committee.

- 1.) The Elite software offers a policy setting feature to mask social security numbers within canned reports, which only exposes the last four digits of the social security number. The IT Housing Administrator will work with Elite support to configure the system, in effort to mask social security numbers.
- 2.) The Housing department will adhere to NMAC requirements in properly capitalizing fixed assets with a cost of #5,000 or more. The Seybold Village Fence indicated in the observation was capitalized January 30, 2015.

*Mandy Funchess, audit committee chair, made motion to approve the Housing Department audit report with changes. 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))*

## BOND FUNDS COMPLIANCE MONITORING (JESSICA BUNDY PRESENTED THIS REPORT)

1. Investment of Bond Proceeds: There was not a process to ensure that the restrictions were considered when bond proceeds were invested. Cash proceeds from bond issues are provided to the Treasurer and invested with all other cash on hand at the County.
2. Use of Bond Proceeds and Department Guidance: The bond process impacts several departments and divisions within the County. The documented P&P's in place for those impacted are not comprehensive to cover all responsibilities, provide guidance or allow them to understand and ensure compliance with all bond requirements.

Management addressed questions from the audit committee.

- 1.) The Treasurer's Office, Finance Division and the Investment Advisor have met to discuss how to address the implementation of segregating bond proceeds. This implementation will be effective beginning in fiscal year 2016.
- 2.) The processes and procedures are currently being drafted to clarify and give guidance to employees to improve completing and monitoring bond requirements to ensure compliance with the Debt Management Policy and Post Issuance Compliance Guidelines. The process & procedures are expected to be completed within the next six months.

*Mandy Funchess, audit committee chair, made motion to approve the Bond Funds Compliance Monitoring 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))*

**METROPOLITAN DETENTION CENTER-TIMEKEEPING & SCHEDULING (MELISA MARTINEZ PRESENTED THIS REPORT)**

1. Time Coding and Documentation:
  - (a) Two of 44 timesheets tested included time that was not coded accurately.
  - (b) One of 44 timesheets tested did not have a timesheet available with documented approvals for the pay period.
  - (c) Four of 44 timesheets tested were printed and submitted outside of the five day allowable period for submission to payroll.
  - (d) One of 44 timesheets tested was not signed by the employee.
  - (e) One of 44 timesheets tested did not match time recorded in TeleStaff or paystub and there was no corrected timesheet maintained.
2. Shift Exchanges and Payment for Time Worked: In accordance with MDC Personnel Policy, all shift exchanges must be paid back within 30 days of the trade date. During our testing we found an employee that was not exchanged-back for a shift exchange.
3. Leave Notification and coding Requirements: There were instances where this policy may not have been followed. Some leave requires additional approval or supporting documentation.
4. Roster Change Timeliness and Accuracy: A roster change in TeleStaff should not occur after the pay period ends, as that schedule should have already been finalized. Four of five roster changes tested were not made timely.
5. Resource Allocation Monitoring Guidance: Procedures should be created for shift commanders to guide them through the day to day allocation of staffing the jail facility.

Management addressed questions from the audit committee.

- 1.) MDC will require employees provide the proper documentation for the overtime and the leave slips to include the appropriate signatures for all corrected timesheets effective immediately. If documentation isn't provided, the leave will be changed to LWOP until the documentation is provided. Expected completion by March 2015.  
Consideration and/discussions are in process regarding the purchase of Kronos time and attendance. Once purchased, the implementation will take approximately seven to eight months to implement for Public Safety.
- 2.) MDC will modify the policy to insure that FLSA is being followed, and to limit shift exchanges to occur within the same 40 hour period, and only with supervisory approval by June 2015.
- 3.) Progressive disciplinary action for non-compliance will be implemented up to and including termination of employment. Expected completion by June 2015.
- 4.) Load Resource Management (LRM) will analyze the TeleStaff Audit History monthly selecting a random sampling to ensure changes were made appropriately and properly reviewed. Expected completion by April 2015.
- 5.) MDC will work with Load Resource Management (LRM) to develop procedures for staffing allocations. Expected to complete by June 2015.

**Follow-up on Prior-year Observations**

*Follow-up was performed on observations from the Metropolitan Detention Center internal audit report from January 2010. The status of the observation below was determined through inquiry.*

**Prior Observation:** Correction Officers' overtime (MDC-2010 #1) Since the overtime rate is significantly higher than the rate for a new correction officer, the County could be saving approximately \$1,240,000 annually by replacing the excessive overtime worked with new correction officer's time.

### Follow-up on Prior-year Observations cont'

**Current Status:** Unresolved: MDC continues to actively fill vacancies as they become available.

**Management Response:** Load Resources Management (LRM) has completed the corrections officers staffing analysis which has been provided to County Legal, DCM of Public Safety and legal representation.

*Mandy Funchess, audit committee chair, made motion to table the Metropolitan Detention Center-Timekeeping & Scheduling audit report so management has time to revise management response. Paulette Becker, audit committee member, second. Motion passed*

*Management revised the responses and the report was subsequently approved, via email, by the audit committee on March 2015.*

*(To view final internal audit reports, go to the County's Transparency Portal, "BerncoView," located on its website, [www.berncoview.gov](http://www.berncoview.gov))*

### Internal Audit Status Update (presented by Jessica Bundy)

Jessica Bundy presented a status update on audits currently in progress from the FY15 internal audit plan.

- Three audit reports were presented today, February 12, 2015.
  - 1.) Housing Department
  - 2.) Bond Funds Compliance Monitoring
  - 3.) Metropolitan Detention Center-Timekeeping & Scheduling
- Three audit areas, (IT, Fleet Management and Sheriffs Office) will be presented at the next meeting.
- One audit area, (Treasurer's Office) was moved to FY16.
- The follow-up internal audit will commence in June 2015.

### Other Issues

Maria Zuniga, Budget & Business Improvement Administrator, ERP, provided an update on the segregation of duties process being developed. The process will create new job roles in the SAP financial system. The new roles will be completed and implemented in March 2015.

### 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  
WEDNESDAY, APRIL 29, 2015 IN CONFERENCE ROOM B

EXECUTIVE SESSION  
COMMITTEE WENT INTO EXECUTIVE SESSION

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