



**BERNALILLO COUNTY
AUDIT COMMITTEE MEETING
FY13 EXTERNAL AUDIT EXIT CONFERENCE
CITY/COUNTY CHAMBERS**

*MEETING MINUTES
Thursday, November 7, 2013
2:00pm to 4:00pm*

Call to Order

The meeting was called to order at 2:00pm

County Commissioner

Maggie Hart Stebbins, Chair

Audit Committee (Representing the County Commission)

Mandy Funchess, CPA, Chair
Paulette Becker, CPA, Esq., Member- (absent)
Armando Sanchez, CPA, Member

Moss Adams-External Auditors

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

Office of State Auditor (OSA)

Hector Balderas, State Auditor
Sara Specht, Audit Supervisor
Natalie Cordova, Financial Audit Director

County Personnel/Guests

Tom Zudnek, County Manager
Teresa Byrd, Deputy County Manager, Finance
Jeff P. Lovato, MBA, Accounting Director
Cindy Torres, Audit Liaison and Accounting Officer, Accounting
Bonnie Romero, CPA, CGMA, Financial Projects Coordinator, Accounting
Anthony Infantino, Financial Projects Coordinator, Accounting
Amy Childers, Financial Projects Coordinator, Accounting
Geri Maestas, Financial Projects Coordinator, Accounting
Nataliya Rubinchik, Financial Administrator, Accounting
Trudy McGregor, Financial Administrator, Accounting
John Watt, Financial Administrator, Accounting
Leticia Carreon, Accounting Officer, Accounting
Virginia Montoya, Accounting Officer, Accounting
Paul Herrera, Grants Administrator, Accounting
Martin Gallegos, Fixed Asset Officer, Accounting

County Personnel/Guests (cont')

Fidel Bernal, CPA, Chief Deputy Treasurer
Ryan Travelstead, Accounting Manager, Treasurer's Office
Shirley Ragin, Budget and Business Improvement Director
Jennifer Gallegos, Financial Projects Coordinator, Budget and Business Improvement
Randy Landavazo, ERP Manager, Budget and Business Improvement
Darlene Ortiz, Travel Coordinator, Budget and Business Improvement
Emily Madrid, Special Projects Coordinator, Finance Division Support
Denise Benavidez, Accounting Office, Finance Division Support
Renetta Torres, Human Resources Director
Charles Griffith, Benefits Manager, Human Resources
Paul Roybal, Chief Information Officer, Information Technology
Tom Swisstack, Deputy County Manager, Public Safety
Virginia Chavez, Assistant Chief of Operations, MDC
Kevin Sourisseau, Chief Financial Administrator, MDC
Betty Valdez, Housing Director
Vince Lujan, Housing Administrator
Kim McKibben, Solid Waste Director
Joe Crelier, Risk Management Director

Approval of Agenda

The agenda was unanimously approved as distributed.

PRESENTATION TO THE AUDIT COMMITTEE

FY13 EXTERNAL AUDIT PRESENTATION WAS MADE BY JIM THOMPSON, CPA, SENIOR MANAGER AND JENNY HARRINGTON, CPA, ASSURANCE MANAGER WITH MOSS ADAMS AND SARAH SPECHT, 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 one passed adjustment.

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

Tyler Zundel, CPA, Moss Adams, provided a summary of the single audit. The county received an unmodified opinion for the major programs identified. There was one finding related to reporting.

Sarah Specht, Audit Supervisor, Office of the State Auditor, reported on the findings related to the financial statements which are listed below. To review the findings refer to the Comprehensive Annual Financial Report (CAFR) posted on the county's website.

Significant Deficiency

- IT-Disaster Recovery Program, Vendor Assessment Policy, Batch Processing, Incident Response Plan, User Access Controls.

Material Weakness

- Violation of Investment Policy
- Investment Bid Process

Other Matters of Noncompliance

- IRS Employee Income Tax Compliance Issues-Educational Assistance, Take-Home Vehicles
- Per Diem and Travel Expenditures
- PERA Reconciliations
- Procurement
- Internal Controls over Cash
- Stale-dated Checks
- Investment policy-investment committee, conflict of interest
- Human Resources-Personnel files
- Investment Committee Minutes
- Violation of Bernalillo County Code of Ethics

Jeff Lovato, Accounting Director, indicated that the CAFR would be submitted to the OSA by the deadline of November 15, 2013. It was submitted on time on November 15, 2013.

After the meeting, on November 15, 2013, Armando Sanchez made a motion to recommend that the board accept the FY12 Comprehensive Annual Financial Report (CAFR). Paulette Becker and Mandy Funchess committee members, second the motion. Motion passed.

Approval of the CAFR for Fiscal Year 2013

The FY13 CAFR will be presented to the County Commission for approval at the meeting of January 7, 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, 2013.

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