
Bernalillo County

Internal Audit Plan

Fiscal years ending June 30, 2018 and 2019



CPAs | Business & Financial Advisors



Bernalillo County Internal Audit Plan Years Ending June 30, 2018 and 2019

Background

REDW_{LLC} (REDW) is providing the following audit plan for internal audit services for Bernalillo County's (the "County") consideration for the fiscal years ending June 30, 2018 and 2019. REDW's internal audit team includes the following:

- ◆ Jessica Bundy, Principal
- ◆ Steve Cogan, Concurring Principal
- ◆ Abigail Moser, Internal Audit Manager

This audit plan summarizes planning and internal audit risk assessment procedures and describes the planned allocation of internal audit resources for the years ending June 30, 2018 and 2019. As additional information is obtained throughout the year, we will reevaluate the risk areas and will adjust the audit plan as considered necessary upon approval by the Audit Committee.

Planning and Risk Assessment

To plan the nature, scope and extent of internal audit services for the year:

1. Recommendations were solicited concerning the audit plan from the County Commission, County Managers, County Attorney, elected officials, department directors, various other County personnel, and the external auditors. Responses were received from the following individuals regarding perceived risks and areas that would benefit most from internal audit procedures:

County Commissioners

- ◆ Steven Michael Quezada, District 2
- ◆ Maggie Hart Stebbins, District 3
- ◆ Lonnie Talbert, District 4
- ◆ Wayne Johnson, District 5

County Managers

- ◆ Julie Morgas Baca, County Manager
- ◆ Shirley Ragin, Deputy County Manager Finance Division
- ◆ Vince Murphy, Deputy County Manager of Community Services
- ◆ Greg Perez, Deputy County Manager of Public Safety

Elected Officials

- ◆ Willow Parks, Probate Judge
- ◆ Sherriff's Office, Brian Lindley and Justin Dunlap
- ◆ Clerk's Office, Christina Chavez, Deputy Clerk

Other County Employees

- ◆ Ken Martinez, County Attorney
- ◆ Pam Moon, Accounting Director
- ◆ Robert Benavidez, Chief Information Officer
- ◆ Rod Rolston, Deputy Chief Information Officer
- ◆ Virginia Chavez, Interim Human Resources Director

2. In addition to our inquiries, we prepared the audit plan by considering the following:
 - ◆ Internal audit reports and observations from the previous six years
 - ◆ Changes to the Organizational Chart and A-Z Services listed on the County's website
 - ◆ The County's June 30, 2016, audited financial statements
 - ◆ Commission meeting agendas for the previous year

Risk Matrix and Audit Chart

Appendix A depicts departments/topics that were identified during the risk assessment process which are ranked by likelihood of occurrence and magnitude of potential impact. Bubble size is correlated to the number of inputs from the planning and risk assessment procedures. All significant internal audit risk departments/topics were incorporated into the two-year plan or were audited in the previous year. Appendix B lists audits performed from 2013 through 2017 and anticipated audits for 2018 and 2019.

Planned Allocation of Effort and Timing

Based on our planning and risk assessment, we recommend consideration and approval of the following allocation of internal audit resources for the years ending June 30, 2018 and 2019.

2018 Audit Plan			
Audit Area	Description/Audit Risk	Tentative Timing	Estimated Hour Range
Risk Assessment and Planning – FY18	Conduct a risk assessment update over the departments and activities within the County. Plan the nature, extent and timing of internal audit procedures for the upcoming year.	July 2017	80
Parks and Recreation	Determine the process for accepting rental fees is fair and consistently followed. Test that Community Center rental fees were collected and recorded properly. Test that reconciliations were performed timely and accurately.	August 2017	120-140
MDC	Evaluate compliance with cash handling procedures and inmate account tracking. Test that inmate intake and handling are done in accordance with policies and procedures.	October 2017	150-170
Public Works-Facilities Construction	Determine if the process for project selection criteria was followed in identifying and selecting improvement projects. Test that project documentation was maintained to support the overall project cost and that materials and other project costs including salaries were properly tracked.	November 2017	160-180
Travel and Per Diem	Test that policies and procedures are followed relating to travel and per diem.	November 2017	110-130
Community Funding Initiatives (Economic and Health and Social Services)	Test the process for issuing funding for economic and community development (including industrial revenue bonds) and select a sample to test that awards were to eligible recipients and complied with program guidelines and/or general obligation bond requirements. Evaluate funding requirements and processes to test that controls were in place to monitor compliance. Additionally, test that the business purpose was met.	January 2018	180-200
Treasurer’s Office	Perform annual internal audit procedures. Ensure compliance with selected aspects of the IP and other internal policies.	January 2018	100-120
SAP (Segregation of Duties Follow Up)	Determine if observations identified in the Segregation of Duties audit performed May 2016 were remediated. Assess automated/inherent controls such as edit and validation routines, password controls. Test configuration controls such as	March 2018	140-160

2018 Audit Plan			
Audit Area	Description/Audit Risk	Tentative Timing	Estimated Hour Range
	security controls and customizable options. Test logical access controls such as roles and authorization profiles. Test segregation of duties and change controls such as change requests, approval, testing, and implementation.		
Planning and Development	Test the process for permitting and proper tracking of data through the process. Ensure data is properly captured in the system and policies and procedures are followed.	April 2018	160-180
Risk Assessment and Planning – FY19	Conduct a risk assessment update over the departments and activities within the County. Plan the nature, extent and timing of internal audit procedures for the upcoming year.	May 2018	120-140
Internal Audit Follow-up	Analyze open internal audit findings from prior internal audits. Assess current status of the findings and provide the County with an updated audit matrix.	May 2018	120-140
Special Audits	This time is set aside to conduct a special audit for any issues that arise during the year.	As required	TBD
Project Management Meetings	Attend meetings or discuss issues throughout the year with various County personnel related to matters that may impact the internal audit process.	Throughout year	60
Total planned hours for fiscal year ending June 30, 2018			1,500 -1,700

2019 Audit Plan			
Audit Area	Description/Audit Risk	Tentative Timing	Estimated Hour Range
Payroll and Timekeeping	Evaluate the process in place to ensure the County is accurately processing payroll. Determine if policies and procedures are formally documented, and evaluate the role of the timekeepers.	August 2018	180-200
Capital Assets	Evaluate the tracking of capital assets including additions, updates and deletions. Evaluate the process for tracking and storing public art.	September 2018	140-160
Behavioral Health Gross Receipts Tax (GRT)	Test the Behavioral Health GRT processes to ensure funds are properly tracked and monitored.	October 2018	120-140

2019 Audit Plan			
Audit Area	Description/Audit Risk	Tentative Timing	Estimated Hour Range
Sheriff's Office	Determine if key processes are being performed in accordance with policies and procedures, including evidence and records management.	October 2018	200-220
Assessor's Office	Test process in place to ensure accurate property assessment is occurring including the processes to add and update property records, identify and value new properties, and changes in ownership.	January 2019	180-200
Budget Department	Determine if the budget process is in compliance with State Statutes and County policies. Evaluate procedures in place for monitoring budget compliance and determine if budget amendments were properly handled. Test the departmental budget creation, tracking and reporting processes.	February 2019	140-160
Incident Resolution	Evaluate the various processes throughout the County for receiving, recording, monitoring and resolving conflicts throughout the County. Test to determine if all complaints appear to be tracked and resolved timely.	February 2019	160-180
Treasurer's Office	Perform annual internal audit procedures. Ensure compliance with selected aspects of the IP and other internal policies.	April 2019	100-120
Risk Assessment and Planning FY20	Conduct a risk assessment update over the departments and activities within the County. Plan the nature, extent and timing of internal audit procedures for the upcoming year.	May 2019	120-140
Internal Audit Follow-up	Analyze open internal audit findings from prior internal audits. Assess current status of the findings and provide the County with an updated audit matrix.	May 2019	100-120
Special Audits	This time is set aside to conduct a special audit for any issues that arise during the year.	As required	TBD
Project Management Meetings	Attend meetings or discuss issues throughout the year with various County personnel related to matters that may impact the internal audit process.	Throughout year	60
Total planned hours for fiscal year ending June 30, 2019			1,500-1,700

Additional Areas Considered

In addition to the audit areas identified above, we considered the following areas and determined that due to budget limitations, these did not require immediate internal audit assistance. These areas may be considered in future internal audit plans.

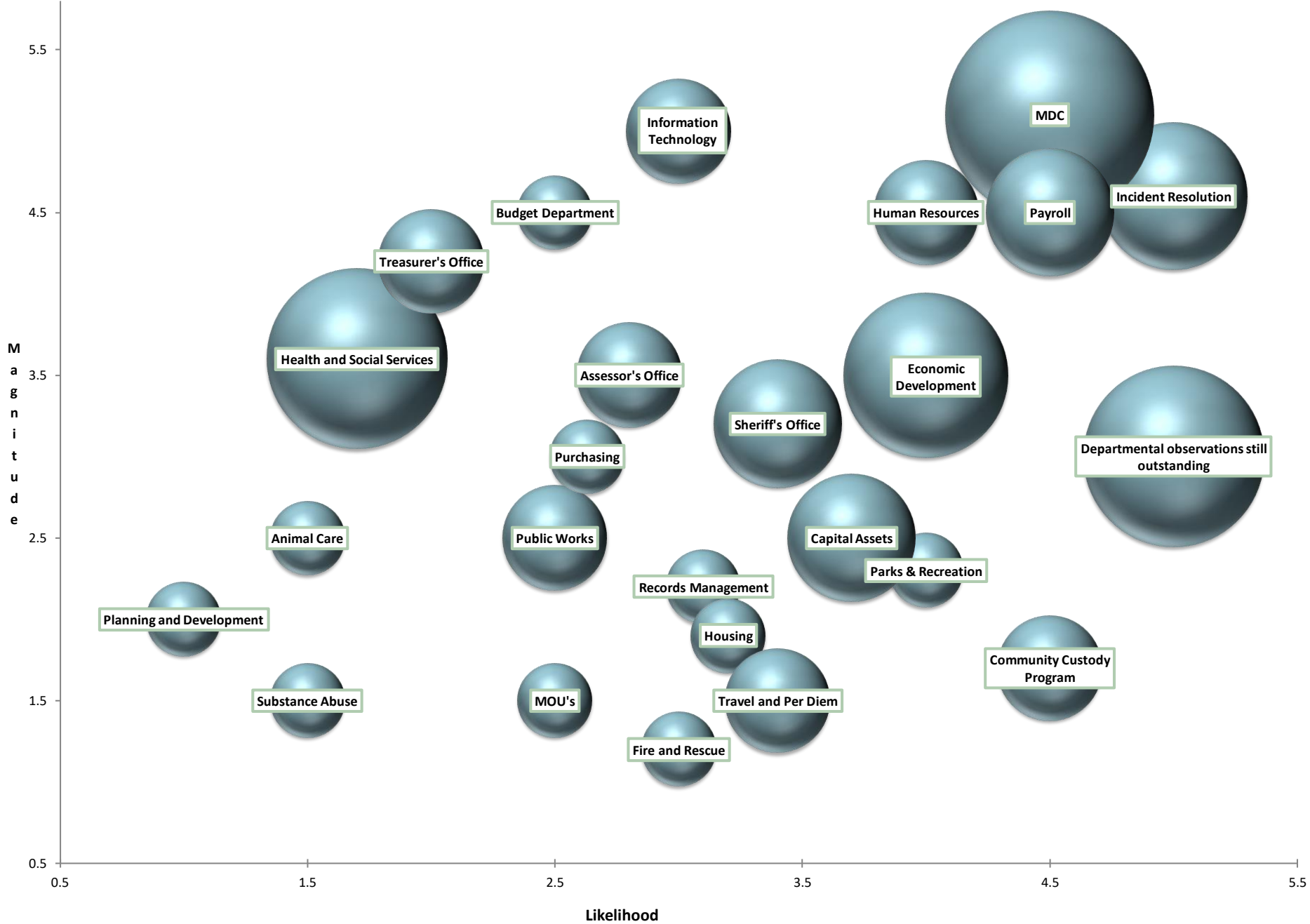
- ◆ Animal Care
- ◆ Bonds
- ◆ Community Custody Program
- ◆ Emergency Communications
- ◆ Fleet Management
- ◆ Information Technology
- ◆ Labor Relations and Workforce Management
- ◆ Probate Office
- ◆ Records Retention and Public Information
- ◆ Right of Way
- ◆ Solid Waste
- ◆ Substance Abuse
- ◆ Youth Services Center

Audit Committee Approval

A draft of this plan was discussed and approved by the audit committee on July 19, 2017. The plan is ready for submission to the County Commissioners for their approval.

Albuquerque, New Mexico
July 10, 2017

Appendix A-Risk Matrix



APPENDIX B-AUDIT CHART

Audit	2013	2014	2015	2016	2017	2018	2019
Accounts Payable				X			
Animal Care	X						
Assessor's Office	X	X					X
Budget Department							X
Capital Assets (IT Focus in 2013)	X						X
Cash Receipts and ACH/Wire Transfers				X			
Clerk's Office				X			
Community Custody Program		X					X
Contract Monitoring/Performance				X			
Economic Development Assistance						X	
Emergency Communications		X					
Emergency Management					X		
ERP / SAP Controls				X		X	
Finance Office - Bonds			X				
Fire and Rescue					X		
Grants Administration				X			
Health and Social Services		X					
Healthcare Self Insurance					X		
Housing			X				
Human Resources		X			X		
Incident Resolution							X
Information Technology			X				
MDC	X		X	X		X	
MOU Tracking and Compliance					X		
Parks and Recreation						X	
Payroll, Timekeeping and Scheduling					X		X
Planning and Development						X	
Public Works	X		X			X	
Purchasing / Inventory Management	X		X				
Real Estate/ Lease Acquisition Procedures		X					
Records Retention/ Public Information Requests	X						
Risk Management		X			X		
Sheriff's Office			X				X
Social Service Sponsorship Grants	X						
Treasurer's Office				X	X	X	X
Travel and Per Diem						X	
Youth Services Center	X						