



Bernalillo County Internal Audit Plan

Years Ending June 30, 2019 and 2020

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, 2019 and 2020. REDW's internal audit team includes the following:

- Jessica Bundy, Principal
- Steve Cogan, Concurring Principal
- Caitlin Gutierrez, Internal Audit Manager
- Yvette Nunez, Internal Audit Senior
- Rebecca Sanchez, Internal Audit Senior

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, 2019 and 2020. 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 C. Talbert, District 4
- Jim Smith, District 5

County Managers

- Julie Morgas Baca, County Manager
- Shirley Ragin, Deputy County Manager of Finance Division
- Vince Murphy, Deputy County Manager of Community Services Division
- Greg Perez, Deputy County Manager of Health & Public Safety Division
- Roger A. Paul, Deputy County Manager of Public Works Division
- Lisa Sedillo-White, Deputy County Manager of General Services Division

Elected Officials

- Tanya Giddings, Assessor
- Linda Stover, Clerk
- Willow Misty Parks, Probate Judge
- Manuel Gonzalez III, Sheriff
- Nancy M. Bearce, Treasurer

Other County Employees

- Ken Martinez, County Attorney
- Pam Moon, Accounting Director
- Robert Benavidez, Interim Chief Information Officer
- Virginia Chavez, Human Resources Director
- Cindy Torres, Financial Accountant
- Joshua Campos, BCSO Chief Deputy
- Larry Koren, BCSO Undersheriff

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, 2017, audited financial statements; and,
 - 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 2014 through 2018 and anticipated audits for 2019 and 2020.

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, 2019 and 2020.

2019 Audit Plan			
Audit Area	Description/Audit Risk	Tentative Timing	Estimated Hour Range
Behavioral Health Gross Receipts Tax (GRT)	Test the Behavioral Health GRT processes to ensure incoming funds and expenditures are properly tracked and monitored.	September 2018	140-160
Probate Court	Evaluate the Probate case processes including application, proper documentation, and customer service response times. Test to determine if fees are collected, properly recorded, and reconciliations are performed timely and accurately. Ensure policies and procedures are followed.	September 2018	150-170
Assessor’s Office	Test processes in place to ensure properties are accurately assessed, including the processes to add and update property records, identify and value new properties, and track changes in ownership including mobile homes.	October 2018	180-200
Incident Resolution	Evaluate the various processes throughout the County for receiving, recording, monitoring, and resolving conflicts. Test to determine if all complaints appear to be tracked and resolved timely.	October 2018	200-220
Real Estate/ Right of Way	Test the real estate acquisition and sales process to determine if real estate transactions are performed in accordance with policies and procedures. Determine if real estate/lease transactions are processed in compliance with policies and procedures, as well as applicable laws and regulations.	December 2018	150-170
Treasurer’s Office	Perform annual internal audit procedures. Ensure compliance with selected aspects of the Investment Policy and other internal policies.	February 2019	90-100
Records Management	Ensure the updated policies and procedures related to record retention are consistently followed by departments and that the scanning of paper documents is in accordance with the documented processes.	February 2019	140-160

2019 Audit Plan			
Audit Area	Description/Audit Risk	Tentative Timing	Estimated Hour Range
Capital Assets-Public Art	Evaluate tracking and storing of public art and processes for additions, updates and deletions to the records.	March 2019	100-110
Public Works- Fleet and Fuel	Ensure fuel usage is adequately tracked and reconciled. Assess the process for issuing and tracking fuel cards and monitoring usage.	April 2019	160-180
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	100-120
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	150-180
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. Utilize an artificial intelligence technology to assess financial data. Perform test procedures over unusual results.	Throughout year	120
Total planned hours for fiscal year ending June 30, 2019			1,680–1,890

2020 Audit Plan			
Audit Area	Description/Audit Risk	Tentative Timing	Estimated Hour Range
Emergency Communication	Evaluate Emergency Communication processes to determine if policies and procedures and applicable regulations are being followed, and requests for public safety support are responded to timely and accurately. Assess the computer aided dispatch system to determine if it is utilized effectively.	September 2019	160-180
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	September 2019	140-170

2020 Audit Plan			
Audit Area	Description/Audit Risk	Tentative Timing	Estimated Hour Range
	determine if budget amendments were properly handled. Test the departmental budget creation, tracking and reporting processes.		
Animal Care	Obtain an understanding of the new processes in place at Animal Care and test to determine if processes are in compliance with internal policies and procedures. Evaluate a selection of expenditures to determine if they appear appropriate. Test the process for assessing, collecting and reconciling fees.	October 2019	160-180
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.	October 2019	220-240
Information Technology (IT)	Test a selection of IT controls including configuration controls, access-related controls, process-related controls, and compliance with related policies and procedures. Test to determine if purchases for IT related items, including software, are properly approved by IT and are evaluated for need prior to the purchase.	November 2019	180-200
Sheriff's Office	Determine if key processes are being performed in accordance with policies and procedures, including evidence and records management.	January 2020	160-180
Purchasing	Determine if adequate controls are in place to ensure compliance with new requirements for procurement. Test for timeliness and efficiencies in completing the purchasing process.	February 2020	180-200
Treasurer's Office	Perform annual internal audit procedures. Ensure compliance with selected aspects of the Investment Policy and other internal policies.	February 2020	90-100
Community Custody Program (CCP)	Test the CCP fee assessment process to ensure inmates are charged the correct fees and that fees are collected timely. Test the collection process on past due amounts.	March 2020	180-200
Risk Assessment and Planning FY21	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 2020	100-120

2020 Audit Plan			
Audit Area	Description/Audit Risk	Tentative Timing	Estimated Hour Range
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 2020	140-170
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. Utilize an artificial intelligence technology to assess financial data. Perform test procedures over unusual results.	Throughout year	100
Total planned hours for fiscal year ending June 30, 2020			1,810 -2,040

ADDITIONAL AREAS CONSIDERED

In addition to the audit areas identified above, we considered the following areas within the audit rotation schedule 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.

- Accounts Payable
- Bonds
- Cash Receipts
- Clerk’s Office
- Housing
- Solid Waste
- Substance Abuse
- Youth Services Center

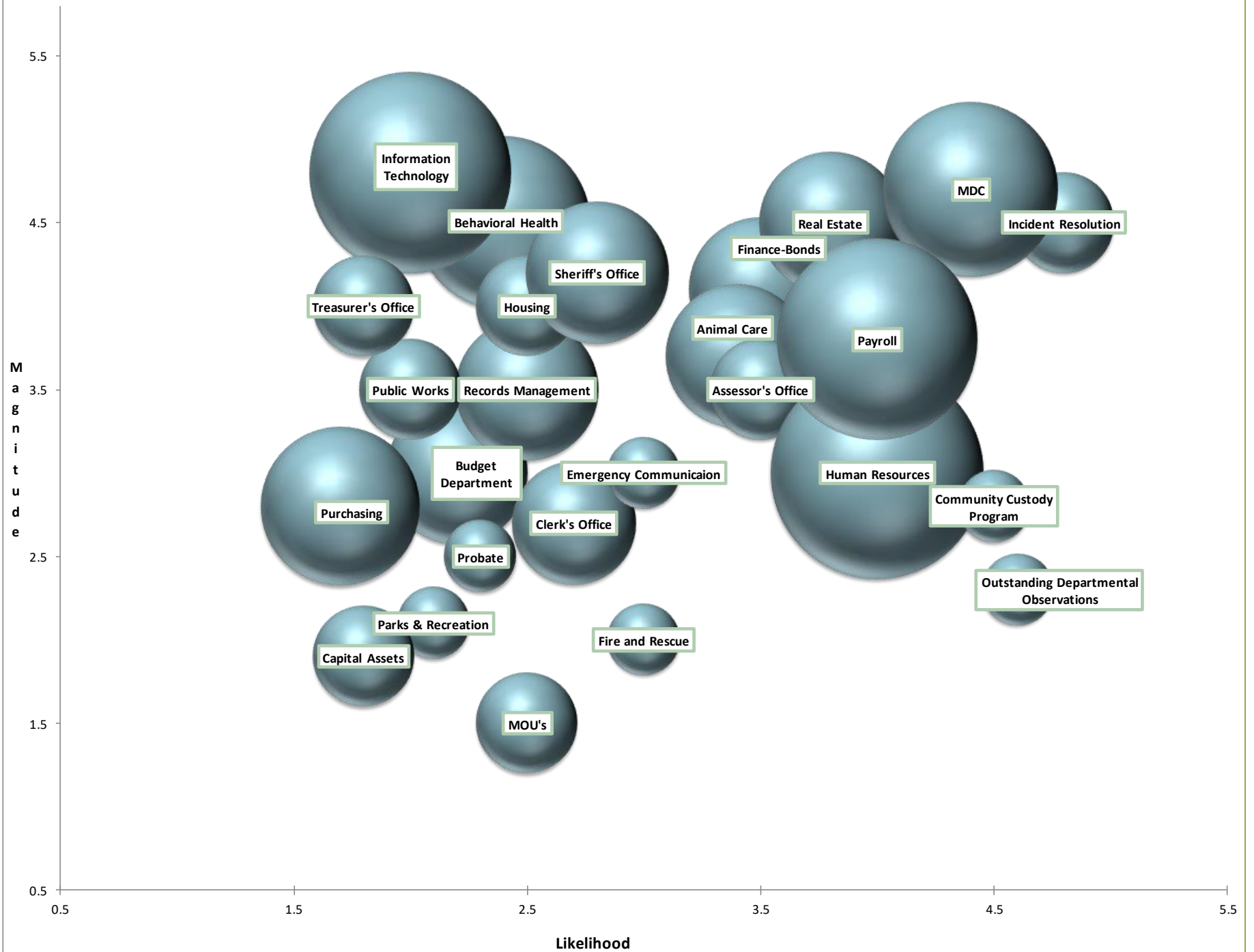
AUDIT COMMITTEE APPROVAL

A draft of this plan was discussed and approved by the audit committee on July 18, 2018. The plan is ready for submission to the County Commissioners for their approval.

REDW LLC

Albuquerque, New Mexico
July 19, 2018

Appendix A-Risk Matrix



APPENDIX B – AUDIT CHART

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Departments							
Legal							
Economic Development					X		
Human Resources	X			X			X
MDC	X	X	X		X		X
Compliance Office							
Capital Improvement Program					X		
Community Services Division							
Communication Services							
Office of Senior and Social Services	X						
Office of Community Engagement and Outreach							
ABC Community Schools							
Housing		X					
Parks and Recreation					X		
Planning and Development Services					X		
Finance Division							
Accounting and Budget		X	X			X	X
Business Improvement/Performance							
Information Technology		X	X		X		X
Bonds		X					
Cash Receipts			X				
General Services Division							
Accounts Payable			X				
Constituent and Support Services							
Procurement and Business Services			X	X	X		X
Risk Management	X			X		X	
Real Estate	X					X	
Unclaimed/Indigent Cremation Program							
Health and Public Safety Division							
Animal Care							X
Behavioral Health						X	
Emergency Communications	X						X
Fire and Rescue				X			
Workforce Management				X			
Emergency Management				X			
Youth Services Center	X						
Public Works Division							
Facilities and Fleet Management		X				X	
Operations and Maintenance							
Solid Waste and Diversified Services							
Technical Services		X			X		
Elected Officials							
Assessor's Office	X					X	
Clerk's Office			X				
Probate Court						X	
Sheriff's Office		X					X
Treasurer's Office			X	X	X	X	X
County Wide-Cash Receipts		X					
County Wide-Incident Resolution						X	