



Internal Audit

Social Services – Sponsorship Grants

May 2013

Bernalillo County Internal Audit Social Services – Sponsorship Grants

Executive Summary

SUMMARY OF PROCEDURES

REDW performed an internal audit of Bernalillo County Social Services sponsorship grants. Our internal audit focused on evaluating the policies and procedures over the County's prioritization and selection of Social Service sponsorship projects and determining the effectiveness of the County's monitoring activities over expenditures made by the recipients. In fiscal year 2012 there was approximately \$1.6 million awarded in sponsorship grants.

In order to determine whether policies and procedures were followed:

- We gained an understanding of the process by interviewing relevant personnel, reading policies and procedures and relevant State Statutes;
- We obtained a list of all fiscal year 2012 Request for Qualifications (RFQ) and Request for Proposals (RFP) awards. We selected a sample of 32 RFQ and 21 RFP awards and tested the award documentation for compliance with policy including category of the recipient program, recipient status as a non-profit agency, monitoring performed by Social Services, amount awarded to the recipient, and the selection process to award funds.

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

We identified areas during the course of the audit where controls were functioning properly and established procedures were followed. Most notably, the RFQ process, from selection through monitoring, was operating effectively with no significant issues found during the audit.

There were no significant medium or high risk observations identified during the audit.

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Further detail of our purpose, objectives, scope, and procedures is included in the internal audit report.

REDW LLC

Albuquerque, New Mexico
June 26, 2013

Bernalillo County Internal Audit Social Services – Sponsorship Grants

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Bernalillo County Internal Audit Social Services – Sponsorship Grants Report

INTRODUCTION

We performed the internal audit services described below solely to assist Bernalillo County in evaluating whether sponsorship grants awarded by Social Services are selected and monitored according to policy. Our services were conducted in accordance with the Consulting Standards issued by the American Institute of Certified Public Accountants, Generally Accepted Government Auditing Standards, and the terms of our contract agreement for internal audit services. Since our procedures were applied to samples of transactions and processes, it is possible that significant issues related to the areas tested may not have been identified.

An entrance meeting was held on May 7, 2013, and fieldwork began that week. An exit conference was held on June 26, 2013, and final management responses were received on July 18, 2013.

Although we have included management's responses in our report, we do not take responsibility for the sufficiency of these responses or the effective implementation of any corrective action.

PURPOSE AND OBJECTIVES

REDW performed an internal audit of Bernalillo County Social Services sponsorship grants. Our internal audit focused on evaluating the policies and procedures over the County's prioritization and selection of Social Service sponsorship projects and determining the effectiveness of the County's monitoring activities over expenditures made by the recipients. In fiscal year 2012 there was approximately \$1.6 million awarded in sponsorship grants.

SCOPE AND PROCEDURES PERFORMED

Interviews: In order to gain an understanding of the internal control process over the sponsorship grants, we interviewed the following personnel:

- Rosanna Suazo, Special Projects Coordinator

Policies and Procedures and Other Documentation: In order to gain an understanding of the processes and controls over social services sponsorship grants we read the:

- Written policies and procedures for the solicitation and award of Social Service sponsorship grants; and
- Relevant portions of State Statutes including NMSA 13-1-37.

Testwork Performed:

We obtained all fiscal year 2012 Request for Qualifications (RFQ) and Request for Proposals (RFP) awards and selected a sample of 32 RFQ (64% of total) and 21 RFP (78% of total) awards and tested that:

- The recipient fell into one of the 16 program categories serviced by Social Services.
- Recipients did not receive both an RFP and an RFQ award in the same year.
- Recipients were private, incorporated, non-profit agencies registered with the State of New Mexico Public Regulation Commission.
- Social Services was obtaining a completed Funding Request Form and monitoring each of the award recipients to ensure the funds were used for the approved purpose.
- For RFQ award recipients, the award granted was not greater than \$10,000 as required by policy.
- For RFP award recipients, the Procurement Process was followed as detailed in State Statute Chapter 13, and the contracts had a term of one year with an option to renew for three additional one year terms.

Utilizing 13 of the awards tested above as well as an additional 10 submissions received from programs that were not selected to receive awards, we tested the selection process by testing that:

- The points assigned to each application submitted were consistently applied.
- The applications which received the highest number of points were awarded funds while those with a lower number of points were not.

OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT RESPONSES

We identified areas during the course of the audit where controls were functioning properly and established procedures were followed. Overall we did not encounter any significant issues; policies were followed in the RFP's and RFQ's tested.

We identified the following weaknesses relating to the Bernalillo County Social Services sponsorship grants processes:

1) RFP Monitoring

A Program Monitoring Review Form is filled out annually by the Program Monitor for each of the RFP award recipients, prior to renewing the contracted award. There were 2 of 21 awards tested where the form was not filled out in its entirety.

Risk Level: Low – The Program Monitoring Form was not completed and signed by the Program Monitor. However, all of the information required for the completion of the form was present in the file, so it appears that the review occurred but the form was not completed.

Recommendations

Provide additional training to Program Monitors and stress the importance of completing the Program Monitoring Review Form for each award recipient.

Management Response

Upon review of the audit report for our Social Services Sponsorship Grants process under the RFP and RFQ process, we are aware of a low level risk observed during the RFP monitoring.

We concur with the recommendation of 1) providing additional training to Program Monitors, and 2) stressing the importance of completing the Program Monitoring Review Form for each award recipient. In addition, staff responsible for completing the Program Monitoring Review Form is considering other mechanisms to ensure this process is completed such as returning a completed and signed copy of the Program Monitoring Review Form back to the agency.

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This report is intended for the information and use of Bernalillo County management, the audit committee, members of the board of commissioners of Bernalillo County and others within the organization. However, this report is a matter of public record, and once accepted its distribution is not limited.

REDW LLC

Albuquerque, New Mexico
June 26, 2013