



**Financial and Audit Oversight Committee (“FAOC”)
Meeting Action Report**

Committee: Financial and Audit Oversight Committee (“FAOC”)

Members: Representative Larry Romero (Chair)
Representative Emma Acosta
Representative Courtney Niland
Representative Carl Robinson

Non-Members: Bertha Ontiveros, Assistant City Attorney
Edmundo Calderon, Chief Internal Auditor
Mark Sutter, Chief Financial Officer
Denise Grizzle, Comptroller
Tony Ramos, Treasury Services Coordinator
Linda Thomas, Human Resources Director

Staff Assignee: Edmundo S. Calderon – Chief Internal Auditor

Meeting Date/Time: Wednesday, April 22, 2015 – 1:00 P.M.

1. Call to order and introductions.

Chair Larry Romero called the meeting to order at approximately 1:00 P.M. MST.
It was determined that there was a quorum.

2. Approval of Minutes for the Financial and Audit Oversight Committee meeting of January 21, 2015. [Internal Audit, Edmundo Calderon, (915) 212-1365]

Motion made by Representative Niland, seconded by Representative Acosta and unanimously carried to approve the minutes for the Financial and Audit Oversight Committee (“FAOC”) Meeting of January 21, 2015.

AYES: Representative Niland, Representative Acosta, Representative Romero and Representative Robinson

NAYS: None

ABSTAIN: None

ABSENT: None

3. Discussion on Audit Plan Updates. [Internal Audit, Edmundo Calderon, (915) 212-1365]

Mr. Edmundo Calderon, Chief Internal Auditor, went over the Audit Plan updates for the 2nd quarter. Mr. Calderon stated that the Audit Plan will be tied in with the Strategic Goal Plan and Goal 6.6 and Goal 6.8. Mr. Calderon went on to review the completed audits. In respect to the sales tax issue and the City being charged by vendors, Representative Robinson inquired about ways to fix the situation. Mr. Calderon stated that unfortunately there is very little that the City can do because it is controlled by the State Comptroller's Office. Representative Robinson requested for the Comptroller's Office to look into ways for us to preclude the situation. Representative Robinson then proceeded to inquire about the City Manager's Office and Elected Officials P-Card Review and wanted to know how much sales tax would be on a purchase totaling \$122,000 and stated that it would not be a small amount on sales tax and it would be worth looking into this matter. Representative Robinson then inquired about other sales tax issues and violations with the Food and Beverage Policy. Representative Romero inquired if there was a record on employees who violated the policy. Mr. Calderon stated that there is.

Mr. Calderon then went on to review the restitution payments and the amount the City has collected as well as restitution payments that the City has not received and is currently working with the City Attorney's Office to address failure to pay restitution payments. Mr. Calderon then continued to discuss issued audits, pending audits, trainings attended by the Internal Audit office and hours worked by the Internal Audit Office.

No action was taken on this item.

4. Discussion on Hotel Occupancy Tax Audit Bid update. [Internal Audit, Edmundo Calderon, (915) 212-1365]

Mr. Edmundo Calderon, Chief Internal Auditor, provided an updated on this item stating that that the Purchasing Department is currently in negotiations on a contract with the winning bid and the expectations from the company that are expected.

No action was taken on this item.

5. Discussion on Client Surveys. [Internal Audit, Edmundo Calderon, (915) 212-1365]

Mr. Calderon provided a brief summary on the surveys and results received as well as provided the 2nd quarter data.

No action was taken on this item.

6. Discussion on Risk Management and Employee Bonding. [Benefit Services & Risk Management, Monica Casarez, (915) 212-1280]

Ms. Monica Casarez with Human Resources Department introduced Mr. Jim Brundidge with the USI Insurance Company, the City's bonding agency, to present and discuss the bonding policy for the City. Representative Robinson inquired about the Chief Financial Officer, the Treasurer and Comptroller and their bonds. Mr. Brundidge stated that each has to have a separated bond required by the State of Texas for each individual name.

No action was taken on this item.

7. Discussion on City change Funds to City Departments. [Office of the Comptroller, Tony Ramos, (915) 212-1161]

Ms. Denise Grizzle, Comptroller, introduced Tony Ramos, Treasury Services Coordinator. Mr. Ramos presented and reviewed the City change funds to City Departments. Mr. Ramos discussed the definition of change funds, the requirements, the City Departments that participate in change funds and the process and procedures for overages/shortages. Representative Romero inquired about disciplinary action taken for money being taken. Dr. Mark Sutter, Chief Financial Officer, stated that disciplinary action is taken and is administered by the Department.

No action was taken on this item.

8. Adjournment

A motion to adjourn was made by Representative Courtney Niland. The motion was seconded by Representative Emma Acosta.

Meeting adjourned at approximately at 1:44 P.M MST.

Submitted by:

**Representative Larry E. Romero
Chair, Financial and Audit Oversight Committee**

**Edmundo S. Calderon – Chief Internal Auditor,
Internal Audit Office**