



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

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**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

**Staff Assignee:** Edmundo S. Calderon – Chief Internal Auditor

**Meeting Date/Time:** Wednesday, January 21, 2015 – 1:05 P.M.

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**1. Call to order and introductions.**

Chair Larry Romero called the meeting to order at approximately 1:05 P.M. MST.  
It was determined that there was a quorum.

**2. Approval of Minutes for the Financial and Audit Oversight Committee meeting of October 27, 2014. [Internal Audit, Edmundo Calderon, (915) 212-1365]**

Motion made by Representative Acosta, seconded by Representative Robinson and unanimously carried to approve the minutes for the Financial and Audit Oversight Committee ("FAOC") Meeting of October 27, 2014.

**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 1<sup>st</sup> quarter. He went on to discuss the Capital Improvement Program and the City Development Purchasing Review. Representative Romero asked if employees were spoken to in detail in regards to the Purchasing Review. Mr. Calderon stated the he did and discussed in further detail.

Representative Robinson questioned about the proper use of the P-Card, specifically regarding lunch purchases. Mr. Calderon stated that there needs to be a municipal purpose for the purchase of lunches and reoccurring incidents are subject to disciplinary action. Representative Acosta asked if there is a transaction process to catch abuse of p-card. Mr. Calderon stated that the departments have been cautioned to implement a proper segregation

of duties and the approver should be someone of an authority that will question an expenditure made.

Mr. Calderon went on to discuss the Federal Janitorial Contract Follow-Up Audit and the Fire and the Police Overtime Reports. Representative Acosta questioned why so much overtime is being worked and if it was allowed in their Collective Bargaining Agreement. Mr. Calderon stated that yes it is and explained further as to why. Mr. Calderon stated that the 911 operation center is short staffed and a plan is in the works, which has been asked by the City Manager, to correct it. Mr. Calderon then went on to summarize the Employee Hotline, the Tax Office Refunds, restitution payments, pending audits and upcoming audits.

No action was taken on this item.

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

Mr. Calderon provided a brief summary on the Client Survey Process and provided the 2<sup>nd</sup> quarter data.

No action was taken on this item.

**5. Discussion on Petty Cash Count Update. [Luis Ortiz, Treasury Services Coordinator, (915) 212-1161]**

Mr. Luis Ortiz went over a presentation of what the City Comptroller's office has done as a follow up and what corrective action plan was taken on the City Wide Cash Count by the Internal Audit Department. Mr. Ortiz discussed three observations which included the Museum and Cultural Affairs Department (MCAD) and petty cash; the Library Department and their petty cash accounts; and lastly, both the Parks Department MCAD have a lack of internal controls, no segregation of duties and no set procedures on how to handle cash. Mr. Ortiz went on to review the corrective action that Mr. Ortiz is putting in place to address these issues. Representative Robinson inquired about the requirements for having cash on hand. Mr. Ortiz explained the process for requiring petty cash by departments. Representative Robinson inquired if those departments who are handling monies are bonded. Mr. Calderon stated that he would have the Risk Management Department discuss further the bonding process and distribute a list of the employees that are bonded at the next meeting.

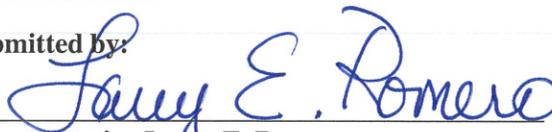
No action was taken on this item.

**6. Adjournment**

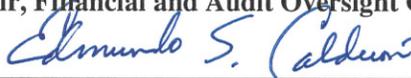
A motion to adjourn was made by Representative Emma Acosta. The motion was seconded by Representative Carl Robinson.

Meeting adjourned at approximately at 2:04 P.M MST.

Submitted by:



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



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