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 Eddie Holguin Jr. (Not Present)
Non-Members:	Carmen Arrieta-Candelaria, CFO Dr. Mark Sutter, City Comptroller
Staff Assignee:	Edmundo S. Calderon – Chief Internal Auditor
Meeting Date/Time:	Monday, January 27, 2014 – 1:03 P.M.

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

   Representative Courtney Niland called the meeting to order at approximately at 1:08 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 14, 2013. [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 October 14, 2013.

AYES:	Representative Niland, Representative Acosta, Representative Romero
NAYS:	None
ABSTAIN:	None
ABSENT:	Representative Holguin

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

   Summary:
   Edmundo Calderon, Chief Internal Auditor, explained the purpose of the Audit Plan Updates. Representative Acosta had some concerns and questions on the Kids Excel payments. Mr. Calderon stated that a follow-up audit will be performed on this audit in the future. Representative Niland stated that all other non-profit organizations that receive funds from

the City should be included in the auditing processing. Representative Niland then stated that she has concerns with the Environmental Services Department with regards to purchasing and procurement issues. Carmen Arrieta-Candelaria, Chief Financial Officer, was present to provide additional details in regards to this issue. Representative Niland stated that this item should go to council to be made aware of and to discuss what corrective action(s) needed to take place to assure it wouldn't happen again. Representative Niland stated that she would like to make a motion for a formal presentation to be made before City Council to state what happened, how it happened and plans for corrections in the future. Mr. Calderon stated that a Follow-Up Audit will be performed and that time is provided to see if corrective action was done and explained why performing a complete thorough audit is an issue of time and cost.

Mr. Calderon then went on to explain other functions of the audit plan updates. Representative Romero asked if the procedures in regards to the Tax Office and overpayments have been corrected. Mr. Calderon explained that the procedures are a work in progress in the Tax Office and overpayments. Other Tax Office procedures were discussed. Carmen Arrieta-Candelaria, CFO, went on to commend the Internal Audit Office on the passing accomplishment of the Annual External Quality Assurance Review. Mr. Calderon went on to explain any hurdles that the department may experience.

Motion made by Representative Niland, seconded by Representative Acosta to bring a formal presentation to City Council in regards to the Environmental Services Department Purchasing Audit and recommend to City Council for a full audit to be performed.

AYES:	Representative Niland, Representative Acosta, Representative Romero
NAYS:	None
ABSTAIN:	None
ABSENT:	Representative Holguin

4. Adjournment

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

Meeting adjourned at approximately at 1:47 P.M MST.

Submitted by:

Larry E. Romero

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

Edmundo S. Calderon

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