CITY CLERK DEPT.
2016 APR 28 PM 4:12

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

Committee:	**Financial and Audit Oversight Committee ("FAOC")**
Members:	Representative Courtney Niland (Chair) Representative Carl Robinson Representative Emma Acosta (arrived @ 1:11 pm) Representative Peter Svarzbein (Not Present)
Non-Members:	Dr. Mark Sutter, Chief Financial Officer Don Minton, Assistant City Attorney Veronica Soto, Community Development Director
Staff Assignee:	Edmundo S. Calderon – Chief Internal Auditor
Meeting Date/Time:	Wednesday, March 23, 2016 – 1:29 P.M.

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

   The meeting was called to order at approximately 1:29 P.M. MST.
   It was determined that there was a quorum.

2. **Selection of the FAOC Chairperson.**

   Motion made by Representative Acosta, seconded by Representative Robinson and unanimously carried to approve Representative Courtney Niland as the FAOC Chairperson.

AYES:	Representative Niland, Representative Acosta and Representative Robinson
NAYS:	None
ABSTAIN:	None
ABSENT:	Representative Svarzbein

3. **Discussion and Action on the City of El Paso Internal Audit Charter [Internal Audit, Edmundo Calderon, (915) 212-1365]**

   Mr. Calderon explained that the Charter must be reviewed annually and then proceeded to discuss the Charter and its components which included the mission and scope of work of the Internal Audit Office, Accountability, Independence, Responsibility, Authority etc.

   Motion made by Representative Niland, seconded by Representative Robinson and unanimously carried to approve the City of El Paso Internal Audit Charter.

AYES:	Representative Niland, Representative Acosta and Representative Robinson
NAYS:	None
ABSTAIN:	None
ABSENT:	Representative Svarzbein

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

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

AYES:	Representative Niland, Representative Acosta and Representative Robinson
NAYS:	None
ABSTAIN:	None
ABSENT:	Representative Svarzbein

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

   Mr. Edmundo Calderon, Chief Internal Auditor, went over the completed audits, pending audits, projects, training sessions completed, community service and hours for the 1st Quarter of fiscal year 2016. Representative Robinson inquired about the Tax Office Refunds in regards to duplicate payments. Mr. Calderon stated that there is a procedure in process to locate these payments and more information would be provided by the Tax Office at a later date to better answer his questions. Representative Niland inquired about the Country Club Light Project and Mr. Calderon stated that they will invite Mr. Ted Marquez of Street Light Maintenance for the next FAOC meeting to provide an update. Dr. Mark Sutter, CFO, stated that he would provide the committee with additional information as far as who ordered the lights, how many were ordered, etc. Representative Niland also inquired about the scope of work and check and balances with art projects. Mr. Calderon stated that this item can be discussed in further detail during the next FAOC Meeting. Representative Robinson also requested for the Archeological Museum to be put in the audit plan as well. Representative Acosta inquired about the El Paso Municipal Vehicle Storage Facility and if it was paying for itself. Dr. Sutter stated that it is and would provide this item in the next financial report.

   No action was taken on this item.

6. **Discussion on EMS Billing Compliance Program Update. [Internal Audit, Edmundo Calderon, (915) 212-1365]**

   Mr. Calderon provided an update and invited Chief Mario D'Agostino, Fire Department, to answer any questions the committee may have. Mr. Calderon stated that he was appointed the Medicare Compliance Officer and the City co-sourced with Fitch and Associates and they helped in putting the compliance program together on how the medical billing is done and to make sure there is no up-coding. Mr. Calderon also stated that the Fire Department will go through extensive training on this process.

   No action was taken on this item.

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

Mr. Calderon provided a brief summary and the process on the surveys. Mr. Calderon then proceeded to discuss the results received as well as provided the 1st quarter data.

No action was taken on this item.

8. **Discussion on Empowerment Zone Loans. [Community Development, Veronica Soto, (915) 212-0138]**

There was no quorum at 1:07 p.m. so Representative Niland asked for Ms. Veronica Soto, Community Development, to begin with the presentation until the meeting officially began at 1:29 p.m. due to Representative Acosta arriving at 1:11 p.m. during the presentation. Ms. Soto provided an update and discussed loans that are in default. Representative Robinson inquired about uncollectable loans and requested for information to be provided. Don Minton, Assistant City Attorney and Pat Degman, Comptroller, were present to elaborate on Representative Robinson's question. Representative Acosta inquired about support for collecting loans and if there are guidelines. Ms. Soto stated that there are guidelines and processes for collecting on loans and it's done through a Federal Database.

No action was taken on this item.

9. **Discussion on Action Plan for Grants Compliance. [Pat Degman, Comptroller, (915) 212-1145]**

Ms. Patricia Degman, Comptroller, was present to provide the presentation. Ms. Degman stated that there were no findings found in the financial audit that was conducted by BKD, the City's external auditors. Ms. Degman stated that there were issues with the grants and further explained the different types of grants and what the City is doing to correct these issues. Ms. Degman stated that they would create and consolidate an OTC Grants Management Team that would consist of a Grants Administrator and Grant Accounting Managers. Ms. Degman then stated that there would be a shared cross-training, help amongst each other and have monthly grant team meetings. Representative Niland thanked Representative Robinson for spear heading this item. Dr. Sutter elaborated more on this new structure.

10. **Adjournment**

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

Meeting adjourned at approximately at 3:04 P.M MST.

Submitted by:

Representative Niland
Chair, Financial and Audit Oversight Committee

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

2016 APR 28 PM 4:12
CITY CLERK DEPT.