



BROWNSVILLE
PUBLIC UTILITIES BOARD

AUDIT COMMITTEE MEETING

• • • Thursday, August 21, 2025



BROWNSVILLE
PUBLIC UTILITIES BOARD

Call Open Meeting To Order



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Public Comments



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1. Presentation and Discussion of Audit Committee Calendar

2025 Audit Committee Meeting Schedule

Audit Committee Meeting Date	Agenda Items Due	Review Agenda with Committee Chair	Agenda Posting Date
2/13/2025	1/28/2025	1/30/2025	2/7/2025
5/22/2025	5/13/2025	5/15/2025	5/16/2025
8/21/2025	8/12/2025	8/14/2025	8/15/2025
11/20/2025	11/10/2025	11/13/2025	11/14/2025





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2. Presentation and Discussion of Annual Audit Plan Fiscal Year (FY) 2024/2025 Status Update

Quarter 1 Status Report — Audits

Audit	Start	End	Status
<i>Accounting & Treasury – Investments</i>	<i>10/17/2024</i>	<i>11/7/2024</i>	<i>Completed</i>
<i>Finance</i>	<i>10/17/2024</i>	<i>12/20/2024</i>	<i>Completed</i>
<i>Payroll</i>	<i>10/17/2024</i>	<i>4/11/2025</i>	<i>Completed</i>
<i>Purchasing</i>	<i>11/15/2024</i>	<i>3/7/2025</i>	<i>Completed</i>
<i>Warehouse</i>	<i>11/15/2024</i>	<i>3/12/2025</i>	<i>Completed</i>
<i>W/WW Engineering & Capital Planning</i>	<i>11/15/2024</i>	<i>12/9/2024</i>	<i>Completed</i>
<i>Revenue Recovery</i>	<i>11/15/2024</i>	<i>1/15/2025</i>	<i>Completed</i>
<i>Wastewater Lift Stations</i>	<i>12/9/2024</i>	<i>3/4/2025</i>	<i>Completed</i>
<i>Potable Water Transport Services</i>	<i>12/9/2024</i>	<i>1/15/2025</i>	<i>Completed</i>
<i>W/WW Sludge Management</i>	<i>12/9/2024</i>	<i>1/15/2025</i>	<i>Completed</i>
<i>Calpine Hidalgo Meeting</i>	<i>12/13/2024</i>	<i>12/20/2024</i>	<i>Completed</i>
<i>Unannounced Cash Count #1</i>	<i>12/13/2024</i>	<i>12/20/2024</i>	<i>Completed</i>

Quarter 1 Status Report — Follow-up Audits

Audit	Start	End	Status
<i>Electric Meter Shop</i>	<i>10/17/2024</i>	<i>11/7/2024</i>	<i>Completed</i>
<i>Energy Efficiency & Conservation</i>	<i>10/17/2024</i>	<i>11/7/2024</i>	<i>Completed</i>
<i>Talent Acquisition & Staffing</i>	<i>10/17/2024</i>	<i>11/7/2024</i>	<i>Completed</i>
<i>Accounting & Treasury – Training & Travel</i>	<i>12/10/2024</i>	<i>12/20/2024</i>	<i>Completed</i>
<i>Collections</i>	<i>12/10/2024</i>	<i>12/20/2024</i>	<i>Completed</i>

Quarter 2 Status Report — Audits

Audit	Start	End	Status
<i>Analytical Lab</i>	<i>1/14/2025</i>	<i>6/27/2025</i>	<i>Completed</i>
<i>Environmental Compliance</i>	<i>1/14/2025</i>	<i>5/19/2025</i>	<i>Completed</i>
<i>Pre-treatment</i>	<i>1/14/2025</i>		<i>In Progress</i>
<i>AMI Project Badger Contract Review</i>	<i>1/14/2025</i>	<i>6/13/2025</i>	<i>Completed</i>
<i>Unannounced Cash Count #2</i>	<i>1/30/2025</i>	<i>1/31/2025</i>	<i>Completed</i>
<i>Calpine Hidalgo Meeting</i>			<i>Meeting Not Scheduled</i>
<i>Customer & Support Services</i>	<i>2/25/2025</i>	<i>3/12/2025</i>	<i>Completed</i>
<i>W/WW Operations</i>	<i>2/25/2025</i>	<i>5/2/2025</i>	<i>Completed</i>
<i>Unannounced Cash Count #3</i>	<i>2/28/2025</i>	<i>3/7/2025</i>	<i>Completed</i>
<i>NERC Compliance Review</i>	<i>3/12/2025</i>	<i>5/2/2025</i>	<i>Completed</i>
<i>Meter Services</i>	<i>3/21/2025</i>	<i>5/2/2025</i>	<i>Completed</i>
<i>Cross Connection Control</i>	<i>3/21/2025</i>	<i>7/24/2025</i>	<i>Completed</i>

Quarter 2

Status Report — Follow-up Audits

Audit	Start	End	Status
<i>Customer Service</i>	<i>1/14/2025</i>	<i>1/31/2025</i>	<i>Completed</i>
<i>W/WW Engineering</i>	<i>3/4/2025</i>	<i>4/11/2025</i>	<i>Completed</i>
<i>W/WW Project Development</i>	<i>3/4/2025</i>	<i>4/11/2025</i>	<i>Completed</i>
<i>Energy Risk Management</i>	<i>3/4/2025</i>	<i>3/12/2025</i>	<i>Completed</i>
<i>Accounting & Treasury – Corporate Card</i>	<i>3/4/2025</i>	<i>3/27/2025</i>	<i>Completed</i>
<i>Accounting & Treasury – Petty Cash #2</i>	<i>3/4/2025</i>	<i>3/12/2025</i>	<i>Completed</i>
<i>Electric T&D – New Connections</i>	<i>3/4/2025</i>	<i>3/27/2025</i>	<i>Completed</i>
<i>Human Resources</i>	<i>3/4/2025</i>	<i>3/27/2025</i>	<i>Completed</i>
<i>P-Card</i>	<i>3/4/2025</i>	<i>3/27/2025</i>	<i>Completed</i>
<i>Real Estate</i>	<i>3/7/2025</i>	<i>3/27/2025</i>	<i>Completed</i>

Quarter 3

Status Report — Audits

Audit	Start	End	Status
<i>Facility Maintenance – Annex</i>	4/11/2025	7/24/2025	Completed
<i>General Manager</i>	4/11/2025		In Progress
<i>Board of Directors</i>	4/11/2025	6/27/2025	Completed
<i>Unannounced Cash Count #4</i>	4/30/2025	5/2/2025	Completed
<i>Calpine Hidalgo Meeting</i>			Meeting Not Scheduled
<i>Unannounced Cash Count #5</i>	5/19/2025	6/2/2025	Completed
<i>Accounting & Treasury – Petty Cash #1</i>	5/19/2025	6/2/2025	Completed
<i>Electric Operations</i>	5/19/2025	6/27/2025	Completed
<i>Raw Water Supply</i>	5/19/2025	6/27/2025	Completed
<i>W/WW Plant Maintenance</i>	5/19/2025	7/31/2025	Completed
<i>Electric T&D Const. & Maintenance</i>	5/19/2025		In Progress
<i>Digital Information Platforms</i>	6/27/2025		In Progress
<i>Communications & Public Relations</i>	6/27/2025		In Progress
<i>Call Center</i>	6/27/2025		In Progress

Quarter 3 Status Report — Follow-up Audits

Audit	Start	End	Status
<i>Facility Maintenance - FM 511 Service Yard</i>	<i>4/11/2025</i>	<i>5/2/2025</i>	<i>Completed</i>
<i>Warehouse Annual Inventory Count</i>	<i>5/19/2025</i>	<i>6/13/2025</i>	<i>Completed</i>
<i>Legal Services – Contracts</i>	<i>5/19/2025</i>	<i>6/27/2025</i>	<i>Completed</i>

Quarter 4

Status Report — Audits

Audit	Start	End	Status
<i>Unannounced Cash Count #6</i>	7/31/2025	8/18/2025	<i>Completed</i>
<i>Training & Organizational Dev.</i>	7/31/2025		<i>In Progress</i>
<i>Asset Management & CIP Delivery</i>	7/31/2025		<i>In Progress</i>
<i>Calpine Hidalgo Meeting</i>			<i>Meeting not Scheduled</i>
<i>Unannounced Cash Count #7</i>			<i>Not Initiated</i>
<i>Accounting & Treasury – Petty Cash #2</i>			<i>Not Initiated</i>
<i>Overtime – Companywide</i>	8/18/2025		<i>In Progress</i>
<i>Compensation & Benefits</i>	8/18/2025		<i>In Progress</i>
<i>Accounting & Treasury – Accounts Receivable</i>	8/18/2025		<i>In Progress</i>
<i>Unannounced Cash Count #8</i>			<i>Not Initiated</i>
<i>Accounting & Treasury – Accounts Payable</i>			<i>Not Initiated</i>
<i>Legal Services – Contracts</i>			<i>Not Initiated</i>
<i>Warehouse Annual Inventory Count</i>			<i>Not Initiated</i>

Quarter 4 Status Report — Follow-up Audits

Audit	Start	End	Status
<i>Safety & Security Operations</i>	<i>7/17/2025</i>	<i>7/31/2025</i>	<i>Completed</i>
<i>Revenue Recovery</i>	<i>7/17/2025</i>	<i>7/31/2025</i>	<i>Completed</i>
<i>Purchasing</i>			<i>Not Initiated</i>
<i>Warehouse</i>			<i>Not Initiated</i>
<i>Wastewater Lift Stations</i>			<i>Not Initiated</i>



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3. Presentation and Discussion of Audit Reports for FY 2024/2025

a. Audit Reports With No Findings

Opinion: Key internal controls are satisfactory.

1. Board of Directors
2. Electric Operations
3. Meter Services
4. North American Electric Reliability Corporation Compliance Review
5. Unannounced Cash Count 4th

b. Audit Reports With Findings

Opinion: Key internal controls are satisfactory and/or need improvement.

1. Accounting & Treasury – Petty Cash #1 (1)
2. Analytical Laboratory Review (2)
3. Cross Connection Control (6)
4. Environmental Compliance (1)
5. Facility Maintenance – Annex (2)
6. Payroll (5)
7. Raw Water Supply (1)
8. Unannounced Cash Count 5th (1)
9. Water & Wastewater Operations (1)
10. Water & Wastewater Plant Maintenance (5)

c. Six Month Follow-up (Completed)

1. Accounting & Treasury – Corporate Credit Card

d. Six Month Follow-up (Pending) Certain Items not Completed

1. Electric Transmission & Distribution – New Connections
2. Facility Maintenance – FM 511 Service Yard
3. Human Resources
4. Legal Services – Contracts
5. Procurement Card
6. Real Estate
7. Revenue Recovery
8. Safety & Security Operations
9. Warehouse Annual Inventory Count
10. Water & Wastewater Engineering
11. Water & Wastewater Project Development

Electric T&D – New Connections Follow-up

Objective: To report status of management's responses to audit issued September 2024.

Status: Out of the eight recommendations, seven have been completed, and one is still pending.

Completed:

- Job Descriptions
- Justification for Additional Hours Worked
- Meter Seals Issuance
- Job Safety Analysis Forms
- Personal Injury Assessment Forms
- Pending Service Requests
- Pending Service Orders

Still Pending:

- Procedures and/or Work Tasks

Facility Maintenance – FM 511 Service Yard Follow-up

Objective: To report status of management's responses to audit issued October 2024.

Status: Out of the five recommendations, two have been completed, and three are still pending.

Completed:

- Job Descriptions
- Custodial Work Requests

Still Pending:

- Procedures
- Key Inventory & Distribution Process
- Facility Security Access

Human Resources Follow-up

Objective: To report status of management's responses to audit issued September 2024.

Status: Out of the three recommendations, two have been completed, and one is still pending.

Completed:

- Misclassification of Employee Recognition Program Budget Expenses
- Employee Recognition Program

Still Pending:

- Procedures, Handbook & Work Instructions

Legal Services Contracts Follow-up

Objective: To report status of management's responses to audit issued November 2024.

Status: All recommendations are still pending.

Still Pending:

- Policy, Procedures & Work Instructions
- Expired Contracts and Insurances
- Transfer of Contract Ownership
- Contract Management
- Vendor Performance Questionnaire Forms

Procurement Card Follow-up

Objective: To report status of management's responses to audit issued September 2024.

Status: Out of the six recommendations, four have been completed, and two are still pending.

Completed:

- Active P-Card Cardholder Listing
- P-Card Administration Process
- P-Card Holder Transactions
- Inventory Lists

Still Pending:

- Procedure & Manual
- P-Card Audits (Sales Tax)

Real Estate Follow-up

Objective: To report status of management's responses to audit issued September 2024.

Status: Out of the four recommendations, two have been completed, and two are still pending.

Completed:

- Procedure & Work Instructions
- Job Descriptions

Still Pending:

- Landworks System
- Expired Contracts

Revenue Recovery Follow-up

Objective: To report status of management's responses to audit issued January 2025.

Status: Out of the three recommendations, two have been completed, and one is still pending.

Completed:

- Meter Seals Issuance
- Records Retention Process

Still Pending:

- Policy, Procedures & Work Instructions

Safety & Security Operations Follow-up

Objective: To report status of management's responses to audit issued January 2025.

Status: Out of the four recommendations, three have been completed, and one is still pending.

Completed:

- Security Operations Processes
- Contract & Invoice Approval Process
- Post Orders

Still Pending:

- Security Master Plans

Warehouse Annual Inventory Count Follow-up

Objective: To report status of management's responses to audit issued November 2024.

Status: Out of the two recommendations, one has been completed, and one is still pending.

Completed:

- Fuel Ordering & Inventory Procedure

Still Pending:

- Sand, Caliche and Limestone Process

Water & Wastewater Engineering

Follow-up

Objective: To report status of management's responses to audit issued September 2024.

Status: Out of the seven recommendations, three have been completed, and four are still pending.

Completed:

- Job Descriptions
- Project Management
- Pending Work Orders

Still Pending:

- Electric, Water & Wastewater Service Policies
- Procedures
- Expired Contracts
- Records Retention Process

Water & Wastewater Project Development Follow-up

Objective: To report status of management's responses to audit issued September 2024.

Status: Out of the nine recommendations, five have been completed, and four are still pending.

Completed:

- Project Management
- New Construction – Financial Guarantees for Infrastructure
- Daily Construction Reports
- Reallocation of Capital Asset and Contracts
- Vehicle Inspections

Still Pending:

- Work Instructions
- Job Descriptions
- Inaccurate Invoice Approvals
- Records Retention Process



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4. Presentation and Discussion of Risk Assessment FY 2026/2028



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5. Presentation and Discussion of Proposed Annual Audit Plan FY 2025/2026



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6. Consideration and/or Request for Future Agenda Items



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Questions



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Adjournment
