



**BROWNSVILLE**  
PUBLIC UTILITIES BOARD

# AUDIT COMMITTEE MEETING

---

• • • Wednesday, May 20, 2026



**BROWNSVILLE**  
**PUBLIC UTILITIES BOARD**

# Call Open Meeting To Order

---



**BROWNSVILLE**  
**PUBLIC UTILITIES BOARD**

# Public Comments

---



**BROWNSVILLE**  
PUBLIC UTILITIES BOARD

---

# **1. Presentation and Discussion of Audit Committee Calendar**

# 2026 Audit Committee Meeting Schedule

<b>Audit Committee Meeting Date</b>	<b>Agenda Items Due</b>	<b>Review Agenda with Committee Chair</b>	<b>Agenda Posting Date</b>
<b>2/18/2026</b>	<b>2/6/2026</b>	<b>2/9/2026</b>	<b>2/11/2026</b>
<b>5/20/2026</b>	<b>5/8/2026</b>	<b>5/12/2026</b>	<b>5/14/2026</b>
<b>8/19/2026</b>	<b>8/7/2026</b>	<b>8/11/2026</b>	<b>8/13/2026</b>
<b>11/18/2026</b>	<b>11/6/2026</b>	<b>11/9/2026</b>	<b>11/12/2026</b>





**BROWNSVILLE**  
PUBLIC UTILITIES BOARD

## **2. Presentation and Discussion of Pending Certain Items not Completed FY 2024/2025**

# Pending Certain Items not Completed FY 24/25

Follow-Up Audits	Completed Audit Date	Follow-up Report Date	Findings	Implemented	In Progress
Electric Meter Shop	4/2/2024	11/7/2024	4	4	0
Energy Efficiency & Conservation	4/2/2024	11/7/2024	3	2	1
Talent Acquisition & Staffing	4/26/2024	11/7/2024	2	1	1
Customer Service	7/17/2024	1/31/2025	4	3	1
Electric T&D - New Connections	9/30/2024	3/27/2025	8	8	0
Human Resources	9/30/2024	3/27/2025	3	2	1
P-Card Audit	9/30/2024	3/27/2025	6	6	0
WWW Engineering	9/4/2024	4/11/2025	7	4	3
WWW Project Development	9/4/2024	4/11/2025	9	6	3
Real Estate	9/4/2024	3/27/2025	4	3	1
Facility Maintenance - 511 Service Yard	10/11/2024	5/2/2025	5	4	1
Warehouse Inventory Count	11/15/2024	6/13/2025	2	2	0
Legal Services - Contracts	11/27/2024	6/27/2025	5	5	0
Safety & Security Operations	1/15/2025	7/31/2025	4	4	0
Wastewater Lift Stations	3/4/2025	9/26/2025	3	3	0
Purchasing	3/7/2025	9/17/2025	1	1	0
Warehouse	3/12/2025	9/17/2025	9	9	0
Certain Items not Completed			79	67	12



**BROWNSVILLE**  
PUBLIC UTILITIES BOARD

## **3. Presentation and Discussion of Annual Audit Plan FY 2025/2026 Status Update**

# FY 25/26 – Quarter 1 Status Report – Audits

<b>Audit</b>	<b>Start</b>	<b>End</b>	<b>Status</b>
<i>Electric Engineering</i>	<i>10/2/2025</i>	<i>5/7/2026</i>	<i>Completed</i>
<i>Southmost Regional Water Authority</i>	<i>10/2/2025</i>	<i>12/23/2025</i>	<i>Completed</i>
<i>Power Production</i>	<i>11/3/2025</i>	<i>4/22/2026</i>	<i>Completed</i>
<i>Energy Control Center Operations</i>	<i>12/1/2025</i>	<i>1/22/2026</i>	<i>Completed</i>
<i>Fuel &amp; Purchased Energy Control</i>	<i>11/3/2025</i>	<i>12/23/2025</i>	<i>Completed</i>
<i>Calpine Hidalgo</i>	<i>11/12/2025</i>	<i>12/1/2025</i>	<i>Completed</i>
<i>Unannounced Cash Count #1</i>	<i>10/31/2025</i>	<i>12/1/2025</i>	<i>Completed</i>
<i>Unannounced Cash Count #2</i>	<i>11/25/2025</i>	<i>12/1/2025</i>	<i>Completed</i>

# FY 25/26 – Quarter 1

## Status Report – Follow-up Audits

Audit	Start	End	Status
<i>Payroll</i>	<i>10/10/2025</i>	<i>10/31/2025</i>	<i>Completed</i>
<i>Environmental Compliance</i>	<i>10/31/2025</i>	<i>12/1/2025</i>	<i>Completed</i>
<i>Water &amp; Wastewater Operations</i>	<i>10/31/2025</i>	<i>12/1/2025</i>	<i>Completed</i>
<i>Unannounced Cash Count #5</i>	<i>12/1/2025</i>	<i>12/23/2025</i>	<i>Completed</i>
<i>Accounting &amp; Treasury – Petty Cash Count #1</i>	<i>12/1/2025</i>	<i>1/22/2026</i>	<i>Completed</i>
<i>Analytical Laboratory</i>	<i>12/1/2025</i>	<i>12/23/2025</i>	<i>Completed</i>
<i>Raw Water Supply</i>	<i>12/1/2025</i>	<i>12/23/2025</i>	<i>Completed</i>

# FY 25/26 – Quarter 2 Status Report – Audits

Audit	Start	End	Status
<i>Unannounced Cash Count #3</i>	<i>January</i>	<i>1/26/2026</i>	<i>Completed</i>
<i>Robindale Wastewater Treatment Plant</i>	<i>1/12/2026</i>	<i>3/19/2026</i>	<i>Completed</i>
<i>South Wastewater Treatment Plant</i>	<i>1/12/2026</i>	<i>3/19/2026</i>	<i>Completed</i>
<i>Information Technology Applications Support</i>	<i>2/9/2026</i>		<i>In Progress</i>
<i>Information Technology Hardware, Cyber &amp; Network Management</i>	<i>2/9/2026</i>		<i>In Progress</i>
<i>Information Technology Solutions &amp; Project Management</i>	<i>2/9/2026</i>		<i>In Progress</i>
<i>Unannounced Cash Count #4</i>	<i>February</i>	<i>3/2/2026</i>	<i>Completed</i>
<i>Calpine – Hidalgo</i>	<i>3/5/2026</i>	<i>3/19/2026</i>	<i>Completed</i>
<i>Water &amp; Wastewater Operations &amp; Construction</i>	<i>3/2/2026</i>		<i>In Progress</i>
<i>Substations &amp; Relaying</i>	<i>3/2/2026</i>		<i>In Progress</i>

# FY 25/26 – Quarter 2

## Status Report – Follow-up Audits

<b>Audit</b>	<b>Start</b>	<b>End</b>	<b>Status</b>
<i>Cross Connection Control</i>	<i>1/26/2026</i>	<i>2/11/2026</i>	<i>Completed</i>
<i>Facility Maintenance – Annex</i>	<i>1/26/2026</i>	<i>2/11/2026</i>	<i>Completed</i>
<i>Water &amp; Wastewater Plant Maintenance</i>	<i>1/12/2026</i>	<i>1/22/2026</i>	<i>Completed</i>
<i>Unannounced Cash Count #6</i>	<i>2/9/2026</i>	<i>2/11/2026</i>	<i>Completed</i>
<i>Asset Management &amp; CIP Delivery</i>	<i>3/2/2026</i>	<i>3/19/2026</i>	<i>Completed</i>
<i>Call Center</i>	<i>3/2/2026</i>	<i>3/19/2026</i>	<i>Completed</i>
<i>Overtime</i>	<i>3/2/2026</i>	<i>3/19/2026</i>	<i>Completed</i>
<i>Pretreatment</i>	<i>3/2/2026</i>	<i>4/2/2026</i>	<i>Completed</i>
<i>Communications &amp; Public Relations</i>	<i>3/2/2026</i>	<i>4/2/2026</i>	<i>Completed</i>
<i>Digital Information Platforms</i>	<i>3/2/2026</i>	<i>4/22/2026</i>	<i>Completed</i>
<i>Electric Trans &amp; Dist. &amp; Const &amp; Maintenance</i>	<i>3/2/2026</i>	<i>4/22/2026</i>	<i>Completed</i>
<i>General Manager</i>	<i>3/2/2026</i>	<i>4/22/2026</i>	<i>Completed</i>
<i>Accounting &amp; Treasury – Accounts Receivables</i>	<i>3/2/2026</i>	<i>3/19/2026</i>	<i>Completed</i>

# FY 25/26 – Quarter 3 Status Report – Audits

Audit	Start	End	Status
<i>Unannounced Cash Count #5</i>	<i>April</i>	<i>5/7/2026</i>	<i>Completed</i>
<i>Cashiers</i>	<i>April</i>		<i>Not Initiated</i>
<i>Finance Office</i>	<i>April</i>		<i>Not Initiated</i>
<i>Unannounced Cash Count #6</i>	<i>May</i>		<i>Not Initiated</i>
<i>Electrical Support Services</i>	<i>May</i>		<i>Not Initiated</i>
<i>Supervisory Control And Data Acquisition</i>	<i>May</i>		<i>Not Initiated</i>
<i>Unannounced Cash Count #7</i>	<i>June</i>		<i>Not Initiated</i>
<i>Calpine – Hidalgo</i>	<i>June</i>		<i>Not Initiated</i>
<i>Financial Services</i>	<i>June</i>		<i>Not Initiated</i>

# FY 25/26 – Quarter 3

## Status Report – Follow-up Audits

Audit	Start	End	Status
<i>Accounting &amp; Treasury – Accounts Payable</i>	<i>4/22/2026</i>		<i>In Progress</i>
<i>Compensation &amp; Benefits</i>	<i>4/22/2026</i>	<i>5/7/2026</i>	<i>Completed</i>
<i>Legal Services - Contracts</i>	<i>4/22/2026</i>		<i>In Progress</i>
<i>Training &amp; Organizational Development</i>	<i>4/22/2026</i>	<i>5/7/2026</i>	<i>Completed</i>
<i>Unannounced Cash Count #1</i>	<i>June</i>		<i>Not Initiated</i>
<i>Unannounced Cash Count #2</i>	<i>June</i>		<i>Not Initiated</i>
<i>Southmost Regional Water Authority</i>	<i>June</i>		<i>Not Initiated</i>



**BROWNSVILLE**  
**PUBLIC UTILITIES BOARD**

---

# **4. Presentation and Discussion of Audit Reports for FY 2025/2026**

# a. Audit Reports with No Findings

---

1. Calpine Hidalgo Energy Center Meeting
2. Robindale Wastewater Treatment Plant
3. South Wastewater Treatment Plant
4. Unannounced Cash Count #3
5. Unannounced Cash Count #4
6. Unannounced Cash Count #5

# **b. Audit Reports with Findings**

---

1. Electric Engineering
2. Power Production

# c. Six Month Follow-up Recommendations Implemented

---

1. Call Center
2. Facility Maintenance – Annex
3. General Manager
4. Unannounced Cash Count #6

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

---

1. Accounting & Treasury – Accounts Receivable
2. Asset Management & CIP Delivery
3. Communications & Public Relations
4. Companywide Overtime
5. Compensation & Benefits
6. Cross Connection Control
7. Digital Information Platforms
8. Electric Transmission & Distribution Construction & Maintenance
9. Pretreatment
10. Training & Organizational Development

# Accounting & Treasury – Accounts Receivable Follow-up

---

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

**Status:** Out of the four recommendations, three are implemented and one is not implemented.

## Implemented:

- Job Description
- Voided Invoices
- Management Approval on Write-off Accounts

## Not Implemented:

- Procedure

# Asset Management & CIP Delivery

## Follow-up

---

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

**Status:** Recommendation still not implemented.

**Not Implemented:**

- Policy, Procedures & Plan

# Communications & Public Relations

## Follow-up

---

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

**Status:** Out of the five recommendations, four are implemented and one is not implemented.

### Implemented:

- Inefficiencies in Invoice Approval Process
- Contract Management
- Vehicle Inspections
- Job Description

### Not Implemented:

- By-Laws, Policy & Procedure

# Companywide Overtime Follow-up

---

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

**Status:** Recommendation still not implemented.

**Not Implemented:**

- Policy & Procedure

# Compensation & Benefits Follow-up

---

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

**Status:** All recommendations remain not implemented.

## Not Implemented:

- Policies & Procedures
- HR Systems Integration

# Cross Connection Control Follow-up

---

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

**Status:** Out of the six recommendations, three are implemented and three are not implemented.

## Implemented:

- Work Instructions
- Job Descriptions
- Allocation of Resources

## Not Implemented:

- Enforcement Requirements
- Customer Service Inspections (CSI) for New Water Services
- Customer Service Inspections (CSI) for Existing Water Services

# Digital Information Platforms

## Follow-up

---

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

**Status:** All recommendations remain not implemented.

**Not Implemented:**

- Procedures & Program
- ECRM Project: Phase II Electronic Forms
- ECRM Project: Phase II Record Retention Process

# Electric Transmission & Distribution Construction & Maintenance Follow-up

---

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

**Status:** Out of the 15 recommendations, 10 are implemented and five are not implemented.

## Implemented:

- Lack of Contract
- Electrical Glove Inspection & Testing Process
- Inventory Controls
- Weekly Spot Checks
- Contract Scope of Work
- Program Requirements vs. Job Descriptions
- Justification of Additional Hours Worked
- Records Retention Process
- Inaccurate Budget Coding
- State Inspection Process

## Not Implemented:

- Procedure, Program & Work Instructions
- Arc Flash and Electric Shock Prevention Program
- Pending Service Requests
- Utility Locate Services
- Inoperable Units

# Pretreatment Follow-up

---

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

**Status:** Out of the four recommendations, three are implemented and one is not implemented.

## Implemented:

- FOG Enforcement Guidelines
- Invoice Reconciliation
- Records Retention Process

## Not Implemented:

- Waste Hauler Manifest Forms

# Training & Organizational Development Follow-up

---

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

**Status:** Out of the two recommendations, one is implemented and one is not implemented.

**Implemented:**

- Harassment Training

**Not Implemented:**

- Procedure



**BROWNSVILLE**  
**PUBLIC UTILITIES BOARD**

# **5. Presentation and Discussion of Pending Certain Items not Completed FY 2025/2026**

# Pending Certain Items not Completed FY 25/26

Follow-Up Audits	Completed Audit	Follow-up Report	Findings	Implemented	In Progress
	Date	Date			
Payroll	4/11/2025	10/31/2025	5	2	3
Environmental Compliance	5/19/2025	12/1/2025	1	0	1
Accounting & Treasury - Petty Cash Count #1	6/2/2025	1/22/2026	1	0	1
Cross Connection Control	7/24/2025	2/11/2026	6	3	3
Asset Manegment & CIP Delivery	9/17/2025	3/19/2026	1	0	1
Overtime	9/17/2025	3/19/2026	1	0	1
Pretreatment	9/17/2025	4/2/2026	4	3	1
Communications & PR	9/26/2025	4/2/2026	5	4	1
Digital Information Platforms	9/26/2025	4/22/2026	3	0	3
Electric T&D and C&M	9/26/2025	4/22/2026	15	10	5
Accounting & Treasury - Accts Receivable	9/30/2025	3/19/2026	4	3	1
Compensation & Benefits	10/31/2025	5/7/2026	2	0	2
Training & Organizational Development	10/31/2025	5/7/2026	2	1	1
<b>Certain Items not Completed</b>			<b>50</b>	<b>26</b>	<b>24</b>



**BROWNSVILLE**  
PUBLIC UTILITIES BOARD

# **6. Discussion and/or Requests for Future Agenda Items**

---



**BROWNSVILLE**  
**PUBLIC UTILITIES BOARD**

# Questions

---



**BROWNSVILLE**  
**PUBLIC UTILITIES BOARD**

# Adjournment

---