RCLC Director’s Report
Submitted to the Regional Coalition of LANL Communities Board on July 12, 2019

DOE IG investigation Report
On Monday, July 8 the Department of Energy Office of Inspector General (DOE-OIG) published a report dated July 2, 2019 that reported the closure of part of their investigation regarding the RCLC. The report stated that the DOE-OIG found no evidence that DOE employees inappropriately accepted meals and tickets to a sporting event from the RCLC. This allegation was one of the findings detailed in the August 2018 OSA special audit report on the RCLC. The DOE-OIG report also states that during the investigation “potential concerns regarding the Department’s oversight and management of the grant awarded to the RCLC” were identified. The report states that a separate investigation is still ongoing into this other area. Media coverage of this development was carried in several newspapers and blogs. The RCLC has not been contacted by the DOE-OIG and has not been notified when the subsequent report will be issued.

NM DFA Notification Regarding Annual Budget Submittal
Following the RCLC adoption of an annual budget in May staff reached out to the NM Department of Finance (NM DFA) to file the budget with the Local Government Division. A conversation with the Secretary’s office and the Local Government Division of DFA resulted in a review of the OSA audit by DFA and the agency then ruling that the RCLC, as a Joint Powers Agreement entity is not subject to the budget requirements of the Local Government Finance Act, and not required to submit an annual budget to the agency. In June DFA responded to inquiries by the RCLC and our fiscal agent with the following message: “We’ve reviewed the Special Audit that you sent our way and it does not appear that this agency meets the “criteria” as a Local Public Body as defined by Local Government Finance act section 6-6-1. The Office of the State Auditor throughout their report only references the requirement to adhere to the audit act and the mileage and per diem act. Because the RCLC was formed under the Joint Powers Act it is not directly under the regulatory authority of LGD except as the issues relate to LGD’s regulatory authority over its constituent local government members. Therefore, the RCLC would not be required to submit their annual budget to LGD.”

Prior to this message, RCLC staff did attempt to submit the FY 2020 budget to the Local Government Division but based on this clarification will not be mandated to do so in the future.
**Audits Update**

As discussed in previous audit updates, with approval of the New Mexico State Auditor the RCLC has contracted with Kubiak Melton & Associates (KMA) to conduct audits of the previous six years. The time to complete the audits was extended to the end of July in order to comply with possible expansion of the scope, based on the discovery process and input from the OSA. On July 9, 2019 KMA confirmed in writing the need to perform additional procedures, specifically related to FY 2015 through FY 2018. These additional procedures are matters the State Auditor suggested for KMA to perform as an addition to the original engagement.

This expansion of scope necessitates an amendment to the original contract. KMA is still on track to complete all audits by the end of July but staff recommends that the RCLC board adopt this amendment as soon as possible to ensure the audit is funded and completed within the estimated time frame.

KMA explains the expanded scope of work as follows:

“The purpose of these procedures is to extend the examination of key findings that were identified in the State Auditor’s Special Audit conducted in 2018. KMA CPAs have reviewed the elements of all findings in depth enabling us to place the original testwork performed during that engagement into context. Furthermore, KMA will reference each respective finding as it is identified in our workpapers. KMA does this not to rewrite the original findings, but to save time and effort and reference the deficiency as already documented, with the intention of providing further guidance for RCLC management. Based on our procedures and analyses, we are hereby submitting a contract amendment incorporating these extended procedures so that, with your agreement, it can be submitted to the State Auditor's Office for approval. We estimate the additional time required as part of these four years of engagements not to exceed 40 hours. Please let us know if you have any questions.”

**NMED Community Engagement Meeting on Monday, July 8**

Earlier in the year the New Mexico Environment Department announced that the lease on the Los Alamos Field Office was expiring and there was a possibility that the staff would be relocated to Santa Fe. At a public community engagement meeting in Los Alamos on Monday, July 8 the NMED Secretary, James Kenney announced that the Department was expediting an RFP to identify and lease a new space to keep the office, staff and the DOE Oversight Bureau in the immediate Los Alamos area. The department is seeking to have a temporary extension on their current lease while conducting the RFP lease process. The RFP process is estimated to take at least six months to complete.

**Upcoming RCLC Related Events:**

- **National Cleanup Workshop**
  The 2019 National Cleanup Workshop is scheduled for September 10-12 in Alexandria, Virginia. This is a key meeting for our local communities to meet with DOE EM officials, learn what is developments are ongoing in relevant areas, and present a united voice to DOE and members of Congress on the cleanup priorities for our local communities and region.
  RCLC staff and available board members plan to attend the workshop. This is a good opportunity to meet with the new EM leadership and continue to build the relationships and contacts to aid in achieving our mission.