



City of Albuquerque
Office of Internal Audit
FOLLOW-UP OF PAYROLL AUDIT
DEPARTMENT OF SENIOR AFFAIRS
AUDIT #07-109
August 22, 2011

INTRODUCTION

The Office of Internal Audit performed a follow-up of Audit No. 07-109, Payroll Audit – Department of Senior Affairs (DSA). This follow-up is to report on the progress made by DSA management in addressing our findings and recommendations. Our follow-up procedures rely on the department providing the status of the recommendation.

Our follow-up is substantially less in scope than an audit. Our objective is to report on the status of corrective action in regards to our findings and recommendations.

We limited our scope to actions taken to address our audit recommendations from the date of our final report, May 30, 2007 through May 23, 2011.

BACKGROUND INFORMATION

DSA provides activities and opportunities to involve people age 50 and older in the Albuquerque and Bernalillo County community. The department promotes active, healthy aging, as well as care, especially to meet individual needs throughout the aging spectrum.

DSA provides services through three program strategies: (1) *Well Being* – provides activities and services for seniors to prevent social isolation and includes socialization, nutrition, health and education. (2) *Access to Basic Services* – Supports independent living and provides intervention services that support primarily frail low-income elders. Services include information, home delivered meals,

transportation, in-home services and senior center support services. (3) *Volunteerism* – provides service and awareness opportunities to get involved and support the community.

DSA operates six senior centers, two multi-generational centers and 24 meal sites where seniors may gather for organized activities, socializing and services. The centers include: Barelmas Senior Center, Bear Canyon Senior Center, Highland Senior Center, Los Volcanes Senior Center, North Valley Senior Center, Palo Duro Senior Center, Manzano Mesa Multigenerational Center and North Domingo Baca Multigenerational Center.

The fiscal year (FY) 2012 budget includes 108 full-time positions consisting of 52 general fund and 56 grant funded positions. DSA also hires temporary and seasonal employees, as needed.

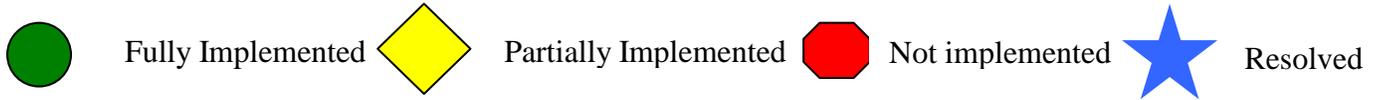
The total FY 2012 DSA budget is \$13.3 million. Payroll expenditures account for approximately \$9 million, or 68%, of the total department budget.

At the time of the original audit, the City used Empath as its payroll processing system. In January 2009 the City implemented PeopleSoft, and uses the Human Resources/Payroll module to process payroll.

SUMMARY

DSA fully implemented all three of the findings in the original audit.

The status of the recommendations is identified by the symbols in the following legend:



Recommendation #1 DSA should reassign duties so that the same individuals do not have conflicting duties for the recordkeeping and custody of assets. Someone other than the timekeeper should prepare the payroll checks and pay slips for distribution to supervisors.

Response: DSA concurred with the recommendation and had reassigned duties so that the same individuals did not have conflicting duties for the recordkeeping and custody of assets.

 Fully Implemented

Status Reported by DSA: Currently there are four timekeepers: an Accountant Two, Accountant One, Accounting Assistant and the Fiscal Manager. Due to the vacancy of another Accountant One position for two months, the Fiscal Manager had to enter payroll. During this time the Approver was a Division Manager. Once the Fiscal area is fully staffed, the Accountant One and the Accounting Assistant will be the timekeepers. The Accountant Two will audit the payroll and the Fiscal Manager will be the Approver with a Division Manager being the backup Approver. An Executive Assistant picks up the checks from Department of Finance and Administrative Services (DFAS) – Treasury Division (Treasury), another Division Manager is the back up for this function. A Senior Office Assistant, along with the individual who picks up the checks prepares the pay slips and checks for distribution.

OIA Note: OIA confirmed with DFAS – Information Technology Services Division, DSA currently has four timekeepers and two approvers with access in PeopleSoft.

Recommendation #2 DSA should routinely review the information on the report maintained by DFAS- Treasury to ensure the information is correct. Any necessary corrections should be documented and followed up by DSA to final resolution.

Response: DSA concurred with the recommendation that they should have been more diligent in determining that Treasury had updated their records to reflect the corrections provided by DSA. Since the initiation of the audit, DSA had resubmitted the corrected copy twice to Treasury. DSA would continue to notify Treasury of any changes and follow up to ensure Treasury has made those changes.



Fully Implemented

Status Reported by DSA: The individuals responsible for picking up payroll are an Executive Assistant and a Division Manager. Another employee is also on the list with Treasury. She has recently resigned from the City. DSA will be drafting a letter to remove her.

OIA Note: OIA confirmed the names provided by DSA agreed to those on record with DFAS – Treasury. The terminated employee's name had been removed from the list.

Recommendation #3: DSA should update employee applications annually for outside employment in compliance with Personnel Rules and Regulations.

Response: DSA concurred with the recommendation. Historically, when the department had been made aware that an employee had or intended to seek outside employment, the employee was provided with an Outside Employment Form. After the employee completed their portion of the form, the department ensured the form had been completed and submitted for the appropriate signatures.

Annually in January, DSA would notify supervisors of staff who had submitted a request the prior year for outside employment. In the future, the department would notify each employee individually who had an outside employment form on file for the previous calendar year, remind them that a renewal is due if they would continue outside employment, and that failure to do so would result in violation of City Personnel Rules and Regulations 310: Employment Outside the City Service, and could result in disciplinary action.



Fully Implemented

Status Reported by DSA: Each year around January a memo is sent from our Personnel Officer reminding employees that if they have another job outside of the City that they need to fill out and submit the Outside Employment Form. Once the employee turns it in the supervisor fills out their piece and then it is routed to the Director. After the Director signs the form it is routed to Risk Management and then to HR.

If we find that an employee has outside employment and has not turned in the form, disciplinary action will be taken for the employee has violated City Personnel Rules and Regulations.