

**FOLLOW-UP OF  
SPECIAL AUDIT OF THE  
COUNCIL SERVICES DEPARTMENT  
REPORT NO. 10-05-110F**



**City of Albuquerque  
Office of Internal Audit and Investigations**



***City of Albuquerque***  
***Office of Internal Audit and Investigations***  
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December 9, 2009

Accountability in Government Oversight Committee  
City of Albuquerque  
Albuquerque, New Mexico

Follow-Up: Special Audit Report  
Council Services Department  
10-05-110F

**FINAL**

INTRODUCTION

The Office of Internal Audit and Investigations (OIAI) performed a follow-up of Audit No. 05-110, Special Audit of the Council Services Department (Council Services) issued July 26, 2006. The purpose of our follow-up is to report on the progress made by Council Services management in addressing our findings and recommendations.

Council Services houses both the offices of the City Councilors and the Council staff. Three units operate under the guidance of the Director of Council Services:

- Legislative/Council Support Services:  
This unit's responsibilities include coordinating the legislative process, tracking legislation, coordinating the Council office, managing office accounting functions, and the overseeing support functions for Council meetings. This unit serves as a liaison with the Mayor's Office of Legislation and interacts with the public.
- Constituent Services and Community Relations:  
This unit provides support to individual Councilors, coordinates Councilors' schedules and special Council projects, attends community and neighborhood meetings, and maintains good media and community relations. This unit follows up on Constituent Services issues, identifies trends and makes recommendations for policy change.
- Policy Evaluation and Development Services:  
This unit provides policy and budget staff support to Council and Committees, drafts legislation, reviews legislation and proposals for policy implications, and coordinates special policy projects. This unit initiates and maintains databases, oversees the implementation of adopted policies, and provides guidance during Council review of the annual budget.

On April 18, 2005, City Council passed Resolution R-05-241, requesting a Special Audit of Council Services, which initiated the original audit performed by OIAI in 2006.

### SCOPE, OBJECTIVES, AND METHODOLOGY

Our follow-up procedures consist of interviews of City of Albuquerque (City) personnel and review and verification of applicable documentation to assess the status of our audit recommendations. Our follow-up is substantially less in scope than an audit. Our objective is to ensure management has taken meaningful and effective corrective action in regards to our findings and recommendations.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The scope of the follow-up did not include an examination of all the functions and activities related to Council Services. We limited our scope to actions taken to address our audit recommendations from the date of our final report, July 26, 2006 through September 25, 2009.

### RECOMMENDATION NO. 1:

City Council Rules of Procedure discuss confidentiality and campaign activity but there were no formal written departmental policies and procedures to guide staff and ensure compliance with City policy. Department personnel were unsure about policies and procedures including work schedules, compensatory time, telecommuting, extended leaves of absence, maternity leave, and performing work on political campaigns.

OIAI recommended Council Services develop formal written departmental policies and procedures to guide staff. The policies should be consistent with the City's policies and procedures as well as any other applicable laws, rules, or regulations.

Council Services responded that upon OIAI's recommendation, the director would prepare written department policies that clarify office procedures, requirements and expectations, including policies for managerial leave, compensatory time, and telecommuting. The policies were to be presented to Council Services staff on July 21, 2006 and would be maintained in the Offices of Council Services in a format that would be made accessible to all staff. The policies would be updated and supplemented as necessary.

### ACTION TAKEN

The audit recommendation has been fully implemented. The policies for work schedules, compensatory time, and telecommuting were put in writing and presented to Council Services staff on July 21, 2006. The policies are regularly presented to the staff and are currently under review to determine if revisions are needed. Council Services follows City Personnel Rules and Regulations for extended leaves of absence and maternity leave.

City Council Rules of Procedure regarding confidentiality and campaign activity have been circulated to Councilors and staff members, and discussed during a Council study session held in January 2009.

### RECOMMENDATION NO. 2:

Council Services transactions were reviewed to determine if they were accurately posted to the correct accounts and were in accordance with City policies and procedures. OIAI noted 14 exceptions out of 55 transactions (25%) tested. The transactions were not in accordance with the City Purchasing Card (PCard) Policies and Procedures Manual, Telecommunication Usage Policy, Cash Handling Manual, Travel Regulations and Mileage Reimbursement Form instructions.

Council Services personnel who processed transactions may not have had the knowledge and expertise to ensure the transactions were in accordance with relevant rules and regulations. Management may not have provided adequate oversight to ensure the transactions were processed in accordance with City policies and procedures.

OIAI recommended Council Services:

- Follow the PCard Policies and Procedures Manual, the Telecommunications Usage Policy, Travel Regulations and Mileage Reimbursement Form instructions.
- Develop a policy to ensure transactions are accurately posted to the general ledger, including periodic reconciliations of the department's financial records by management.

Council Services responded that it agreed with the recommendation and stated the following:

- Corrective action had already been taken prior to the issuance of the audit report.
- Personnel had received additional training on PCard Policies and Procedures and the Telecommunications Usage Policy.
- A trained management level staff member was overseeing office transactions and reconciling the financial records.

- The staff member who processed travel and mileage requests was experienced and knowledgeable about the Travel Regulations.
- All staff members would be informed of requirements and given instructions for mileage reimbursement by August 15, 2006.

#### ACTION TAKEN

The audit recommendation has been partially implemented. OIAI randomly chose to test 15 of 88 General Fund Council Services expenditures for the period of December 2007 through June 2009. The supporting documentation for the expenditures was reviewed to ensure the appropriate City policies and procedures were followed. The expenditures were then traced to the general ledger to ensure accurate posting to correct accounts. No exceptions were noted.

OIAI obtained a listing of PCard transactions for the period of March 2009 through August 2009. OIAI randomly chose 12 of 95 PCard transactions for testing. The transactions were reviewed to determine if they were in accordance with City PCard Policies and Procedures.

The following exceptions were noted:

- In four of 12 instances (33%), gross receipts tax was charged on the PCard transaction for goods. According to City PCard Policies and Procedures, the City is exempt from paying local, county and state gross receipts taxes for goods. The Purchasing Office must be promptly notified of such occurrence so that a non-taxable certificate can be issued to the vendor.
- In one of 12 instances (8%), the PCard transaction was with a vendor that is currently on City contract. According to the City PCard Policies and Procedures, the PCard should not be used to purchase goods or services from vendors that are currently on City contract.

#### RECOMMENDATION

Council Services should follow the PCard Policies and Procedures Manual to ensure gross receipts tax is not charged to PCard transactions and PCards are not used to purchase goods and services from vendors who have a contract with the City.

RESPONSE FROM COUNCIL SERVICES

*“Council Services has already taken corrective action on the noted exceptions. Council Services will only purchase goods from a select group of vendors that will accept the City’s non-taxable transaction certificate. In addition, Council Services staff will check the City’s list of vendors who have a contract with the City prior to purchasing goods with a PCard to ensure that City PCard Policies and Procedures are followed.”*

RECOMMENDATION NO. 3:

The Human Resources Department (HRD) Director stated that unclassified positions were not required to have job descriptions but typically did have position summaries which were maintained in the HRD - Classification and Compensation Division’s (CCD) files. The HRD-CCD stated that position summaries were not required and did not have any summaries on file for unclassified Council Services positions. HRD encouraged departments who hire individuals into unclassified positions to create job descriptions.

OIAI recommended Council Services develop job descriptions for its unclassified positions and copies be forwarded to HRD.

Council Services responded that it agreed with the recommendation and had assumed that such descriptions were on file in Council Services and with HRD. Council Services would prepare or review descriptions for all its unclassified employees and place copies with the office HR Coordinator and with HRD by August 15, 2006.

ACTION TAKEN

The audit recommendation has been partially implemented. OIAI obtained a list of all unclassified positions in Council Services as of September 2, 2009. The Council Services Director provided copies of job descriptions for three of the eight (38%) unclassified job codes. OIAI verified with HRD that these three unclassified job descriptions had been filed with HRD. However, the remaining five unclassified job codes (62%) in Council Services did not have job descriptions filed with Council Services or with HRD.

RECOMMENDATION

Council Services should develop job descriptions for all its unclassified positions and copies should be forwarded to HRD.

RESPONSE FROM COUNCIL SERVICES

*“As stated in the Audit report, unclassified positions are not required to have job descriptions or job summaries. Council Services has 9 unclassified job codes, which include the codes for City Councilors and the Director. The other seven unclassified codes are for Senior Policy Analyst/Planning, Council Policy Analyst/Planning, Policy Analyst I, Council Policy Analyst/Term, Administrative Assistant/Receptionist, Planned Growth Strategy Implementation Manager, and Intern. There are no job descriptions for Councilors, the Director, or the Intern, and because of the nature of those positions, there are no plans to draft job descriptions for those job codes. Recommendation No. 3 should take into account that job descriptions for three of the nine unclassified codes would serve little or no purpose.*

*“Council Services has job descriptions for Senior Policy Analyst/Planning, Council Policy Analyst/Term (which applies in all respects, except the term of the position, to Policy Analyst I), Administrative Assistant/Receptionist, and Planned Growth Strategy Implementation Manager. The PGS Implementation Manager position is not filled at this time, so the description was not provided to OIAI, but is on file in the Council office. The job description for the Council Policy Analyst/Planning is undergoing revisions but the draft description is available for review by the OIAI. Council Services will clarify that Council Policy Analyst/Term and Policy Analyst I are identical except for the term, and will confirm with the Human Resources Department that it has received copies of any description that is now on file in Council Services.”*

RECOMMENDATION NO. 4:

Councilors often did not participate in the hiring of Council Services staff. City Council Rules of Procedure stated the Director of Council Services should, after consultation with the President and the members of the Internal Operations Committee, hire, have charge of, and see that all employees of City Council perform their respective duties and should have general control of the City Council Office.

OIAI reviewed interview documentation for six vacancies and found that in five instances (83%) it was unclear who participated in the interview process. Council Services did not have a formal policy for its interview process and as a result, the records maintained varied from vacancy to vacancy.

OIAI recommended that in accordance with City Council Rules of Procedures, Council Services should communicate with the City Councilors to determine if they would like to participate in the interview process. OIAI recommended that a policy be developed to ensure the interview process was consistently documented.

Council Services responded that it agreed with the recommendation and would:

- Continue the process of involving Councilors in interviews.
- Consult with the Council President regarding all hiring decisions.
- Consult the remaining four members of the Internal Operations Committee regarding the hiring of new employees.
- Make the management of interview documentation more consistent by assigning this duty to the HR Coordinator.
- Prepare a policy for the interview process along with the general policies that were being prepared pursuant to Recommendation 1.

#### ACTION TAKEN

The audit recommendation has been fully implemented. OIAI reviewed interview documentation for the four vacant positions filled since the original audit in 2006. All four files included interview questions completed and signed by the interviewer, resumes, applications and scoring sheets. When the position was specific to a Councilor's work, he/she was included in the interview process. All interview documentation was centrally located in the HR Coordinator's office and was consistent and complete.

#### RECOMMENDATION NO. 5:

Council Services was not able to provide documentation for two of three performance measures (67%) for FY05. The performance measures reported did not measure the performance of Council Services' three units.

OIAI recommended Council Services develop performance measures that adequately measure the performance of its three units and maintain documentation to support the accomplishment of those measures.

Council Services responded that it agreed with the recommendation and would:

- Within six months, work with the Office of Management and Budget to revise its performance measures and continue to develop new measures.



- Develop a system to improve documentation of the accomplishment of the performance measures.

#### ACTION TAKEN

The audit recommendation has not been implemented. Council Services did not develop any performance measures for its three units for FY08 and had one performance measure reported for FY09. Due to personnel changes, Council Services did not maintain documentation to support the figure reported for FY09.

#### RECOMMENDATION

Council Services should develop performance measures that adequately measure the performance of its three units and maintain documentation to support the figures reported.

#### RESPONSE FROM COUNCIL SERVICES

***“Council Services is currently meeting with the Office of Budget and Management and by the time this follow-up to the Audit is released, will have performance measures in place for each of the Council Services’ three divisions. Council Services will also document the accomplishment of the measures.”***

#### CONCLUSION

Council Services has fully implemented two of the recommendations noted in the initial audit. Two recommendations have been partially implemented. One recommendation has not been implemented. Council Services should:

- Follow the PCard Policies and Procedures Manual
- Develop job descriptions for all its unclassified positions and forward copies to HRD, and
- Develop performance measures that adequately measure the performance of its three units and maintain documentation to support the accomplishment of those measures.

We appreciate the assistance and cooperation of Council Services personnel during the audit.

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Principal Auditor/Investigator

REVIEWED:

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Audit Manager

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Internal Auditor

APPROVED:

APPROVED FOR PUBLICATION:

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Director  
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Chairperson, Accountability in Government  
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