



City of Albuquerque

Office of Internal Audit

COMPREHENSIVE FOLLOW-UP
REPORT NO. 16-199F
December 9, 2015

INTRODUCTION

The Office of Internal Audit (OIA) performed a comprehensive second follow-up of the following audits.

- 11-104 On-Call Contractors – Department of Municipal Development (DMD)
- 12-101 Fuel Usage and Security – Department of Finance and Administrative Services (DFAS)
- 12-102 Fleet Maintenance – Albuquerque Fire Department (AFD)
- 12-103 Firearms Inventory – Albuquerque Police Department (APD)
- 12-106 Albuquerque Convention and Visitors Bureau – Economic Development Department (EDD)
- 12-107 Health and Social Service Centers – Department of Family and Community Services (DFCS)
- 12-108 Take Home Vehicles – Citywide
- 13-101 Disaster Recovery – DFAS and Department of Technology and Innovation (DTI)

The comprehensive follow-up is substantially less in scope than an audit. The objective is to report on the status of corrective action in regard to the findings and recommendations, which remained “In Process” or “Not Implemented” after the first follow-up. The scope was limited to actions taken to address the audit recommendations from the date of the first follow-up report through November 20, 2015. Comprehensive follow-up procedures rely on the department providing the current status and supporting documentation for addressing the recommendations.

BACKGROUND

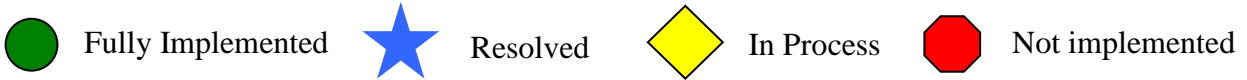
OIA begins the process for following up on an issued report approximately one year after the date of the initial report. A request to provide an update on the progress toward implementing the report recommendations is sent to the departments at that time. OIA requests information and documentation to support the progress.





This report is the second follow-up on any recommendations that were not fully implemented or resolved at the time of the first follow-up. A total of 25 recommendations were not fully implemented at the time of the first follow-ups. Of the 25 recommendations, 3 are fully implemented, 21 are in process, and 1 has no progress toward implementation. The recommendations, which are not fully implemented at the time of the second follow-up, are described below.

Comprehensive Follow-Up
 December 9, 2015
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

SUMMARY



The chart below provides a summary of the status of recommendations from each report. Details, including actions taken, are provided on subsequent pages. The symbols in the following legend identify the status of each recommendation.




Audit No.	Report Title	Original and Follow-up Report Dates	Status of Recommendations			
						
11-104	On-Call Contractors – DMD	2/29/2012				
	15-11-104F – First Follow-Up	1/28/2015	2	1	1	
	<i>16-199F – Comprehensive</i>	<i>12/9/2015</i>	-	2	-	
12-101	Fuel Usage and Security – DFAS	4/25/2012				
	14-12-101F – First Follow-Up	4/23/2014	5	4	1	
	<i>16-199F – Comprehensive</i>	<i>12/9/2015</i>	2	3	-	
12-102	Fleet Maintenance – AFD	6/27/2012				
	14-12-102F – First Follow-Up	6/18/2014	1	3	1	
	<i>16-199F – Comprehensive</i>	<i>12/9/2015</i>	-	3	1	
12-103	Firearms Inventory – APD	6/27/2012				
	14-12-103F – First Follow-Up	6/3/2014	7	2	-	
	<i>16-199F – Comprehensive</i>	<i>12/9/2015</i>	-	2	-	
12-106	ACVB – EDD	12/12/2012				
	15-12-106F – First Follow-Up	10/29/2014	4	1	1	
	<i>16-199F – Comprehensive</i>	<i>12/9/2015</i>	-	2	-	
12-107	Health & Social Service Centers – DFCS	2/27/2013				
	15-12-107F – First Follow-Up	1/28/2015	-	5	-	
	<i>16-199F – Comprehensive</i>	<i>12/9/2015</i>	-	5	-	
12-108	Take Home Vehicles – Citywide	12/12/2012				
	14-12-108F – First Follow-Up	7/18/2014	-	2	-	
	<i>16-199F – Comprehensive</i>	<i>12/9/2015</i>	-	2	-	
13-101	Disaster Recovery – DFAS & DTI	2/27/2013				
	14-13-101F – First Follow-Up	4/22/2014	4	3	-	
	<i>16-199F – Comprehensive</i>	<i>12/9/2015</i>	1	2	-	


Audit 11-104: On-Call Contractors – Department of Municipal Development (DMD):



Recommendation	1
Original Report Recommendation	DMD should develop comprehensive written policies & procedures for the on-call contract process.
Status as of First Follow-Up	 In Process – DMD has partially implemented the recommendation by expanding the Project Managers Handbook to include greater detail for on-call design and construction contracts. However, with the exception of Section 15: Architectural/Engineering (A/E) Contracts, the handbook does not provide criteria on how the determination is made to issue a contract as on-call. In addition, the updated Project Managers Handbook does not discuss how work will be distributed when there is more than one on-call vendor that provides the same type of services.
Current Status	 In Process – DMD has not taken additional action since completion of the original Follow-Up.

Recommendation	4
Original Report Recommendation	DMD should ensure that written policies match intended business practices.
Status as of First Follow-Up	 Not Implemented – Signature authority outlined in the Project Managers Handbook, updated in June of 2012, was not updated to include “approval of the Director of DMD or the Department Director.” In addition, a dollar limit on the authority of the Director of DMD is not included within the Project Managers Handbook. Finally, language on signature authority within the Project Managers Handbook is not consistent with signature authority language within Administrative Instructions 1-1 A1 and 1-1 D1.
Current Status	 In Process – DMD has included signature authority language for the On-Call Design Contracts in the Project Managers Handbook. The policy requires the signature authority be consistent with Administrative Instruction 1-1 A1 and 1-1 D-1. However, the Handbook is a draft and has not been formally approved.



Audit 12-101: Fuel Usage and Security – Department of Finance and Administrative Services (DFAS):

Recommendation	4
Original Report Recommendation	<p>DFAS-FMD management should:</p> <ul style="list-style-type: none"> • Require the Driver Authorization Form to be submitted by the employee’s department prior to entering the employee into FuelFocus. • Verify with the employee’s department that all employees entered into FuelFocus prior to the implementation of the FMD Fuel Operations Procedures Manual are authorized to obtain fuel. • Require Fuel Usage Logs from facilities without an ICU to be forwarded to the Accounting Assistant weekly. • Perform regular reconciliations between (1) PeopleSoft and employees in FuelFocus to remove terminated employees and (2) fuel card inventory to the City’s fleet to help ensure that only units requiring fuel have a fuel card. At a minimum, these reconciliations should be performed every 6 months. • Document the process of assigning fuel pin and fuel card numbers. Stay consistent when issuing these numbers in order to avoid duplicates, and create an audit trail.
Status as of First Follow-Up	<p> In Process – According to DFAS:</p> <ul style="list-style-type: none"> • DFAS-FMD updated the Driver Authorization Form to reflect required information for Key Valet and the Car Share Program. The Form must be filled out before a driver will be activated. Originally, ALL City Employees were uploaded to Fleet Focus. DFAS-FMD is currently working to deactivate all that do not have a Driver Authorization Form in place. • Fleet Management is in the process of reconciling Driver Authorization Forms with active drivers in Fleet Focus. Upon completion, the updated lists will be sent to department liaisons for verification. Changes will be entered in Fleet Focus as needed after department verification is complete. • DFAS-FMD will request a monthly report of terminated and transferring employees from the Human Resources Department (HRD) and will inactivate terminated employees listed on the HRD report. • Every 6 months a reconciliation will be performed to ensure that Driver Authorization Forms are in place for all active drivers. • DFAS-FMD maintains a list of fuel cardholders and pin numbers for Wex Fuel Cards. Fuel card numbers are system generated numbers and are recorded in Fleet Focus. • Pin numbers are assigned using a combination of year of birth and



	<p>employee identification number.</p> <ul style="list-style-type: none"> • Upon delivery of fuel to other department locations, the department receiving and issuing the fuel becomes responsible for monitoring and logging fuel usage. This information is not reported to DFAS-FMD.
Current Status	<p> In Process – DFAS states that the Driver Authorization audit has been completed and is up to date. PRD acknowledged the updated fuel security policies in a memo to DFAS shortly after the audit was originally completed, though not all facilities carry out month-end inventory procedures. DFAS still does not require facilities without an Island Control Unit (ICU) to provide Fuel Usage Logs to the Accounting Assistant weekly.</p>

Recommendation	5
Original Report Recommendation	<p>DFAS-FMD management should:</p> <ul style="list-style-type: none"> • Develop and document validation criteria and parameters, and the process for reviewing and updating these. • Review vehicle specifications for each type of vehicle included in the City’s fleet. The tank size specified for each City vehicle should then be compared to the vehicle fueling capacity limitations entered in FuelFocus. Incorrect fuel capacity limitations should be corrected. • Consider lowering the number of fuelings per day for all units that are allowed to fill-up 99 times per day.
Status as of First Follow-Up	<p> In Process – The Fuel Policy is updated; however, it does not address review and validation of equipment and vehicle fuel capacities. The number of fuelings is determined with the use of information on the Vehicle Entry Form; allowable fuelings average two per day with a few exceptions, such as public safety and other emergency vehicles.</p>
Current Status	<p> In Process – FuelFocus is up-to-date and active units are authorized to fuel based on vehicle type and requirements. Authorized fueling frequencies range from two to ten times in one day. The Fuel Policy still does not address review and validation of equipment and vehicle fuel capacities.</p>



Recommendation	7
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Original Report Recommendation	PRD-GMD management should: <ul style="list-style-type: none"> • Ensure that fuel on hand is reconciled to fuel inventory records on a monthly basis. Reconciliation results should be used to help ensure accuracy and accountability of fuel resources, and exceptions should be immediately reported to senior management within the department and/or the Albuquerque Police Department, if deemed appropriate. • Create a fuel usage log with information necessary to perform reconciliations, such as unit number, and reiterate to staff the requirement and importance of properly completing these logs.
Status as of First Follow-Up	 In Process – PRD-GMD developed new procedures and new fuel log forms in 2012; however, a recent review by PRD Management revealed that the fuel logs are not used consistently. PRD Management has committed to reviewing the fuel logs until completing them properly and consistently “has become a habit instead of an exception.”
Current Status	 In Process – PRD is continuing to use the fuel logs and develop the process for implementing the monthly fuel reconciliation. Staff changes affected the dual signature requirements, and implementation of the fuel reconciliation process.



Audit 12-102: Fleet Maintenance – Albuquerque Fire Department (AFD):



Recommendation	1
Original Report Recommendation	AFD should: <ul style="list-style-type: none"> • Strive to obtain applicable EVT technician levels for fleet mechanics outlined by NFPA 1071. • Ensure that factory warranties will not be voided as a result of fleet maintenance technician knowledge or lack of certifications.
Status as of First Follow-Up	 In Process – All AFD mechanics are manufacturer and ASE certified; two of the three mechanics also have some level of EVT certifications as outlined in NFPA 1071. Additionally, the fleet supervisor has both operational and managerial EVT certifications. A plan for escalating levels of certifications and/or specialized training is currently being developed and should be in place by the last quarter of FY2014. When implemented, the certification levels will ensure adequate and appropriate training is specific to and advantageous for AFD’s continued need to hire and retain qualified mechanics.
Current Status	 In Process – AFD has developed a Fleet Management Oversight

	Committee, which has the task of establishing benchmarks for achieving required certifications over the next two years.
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

Recommendation	2
Original Report Recommendation	<p>AFD should:</p> <ul style="list-style-type: none"> • Utilize City software systems to create and implement a comprehensive preventive maintenance and repair program that ensures compliance with factory warranties, NFPA standards and City regulations. • Create and implement documentation retention policies and procedures that are aligned with NFPA standards and State regulations for AFD vehicles, especially emergency vehicles. • Create and maintain AFD's Standard Operating Guidelines to include all vehicles maintained by the department.
Status as of First Follow-Up	<p> In Process – AFD does not currently utilize FleetFocus (City's fleet maintenance software) to its full capacity but continues to expand on its use of the system for tracking fuel and maintenance costs, which will help facilitate a comprehensive preventive maintenance and repair program. A service writer position has been added to the AFD Fleet program to assist with activities and operations including tracking vehicle maintenance, maintaining logs and records, and verifying invoices, warranties, and rebates.</p> <p>Document retention policies and Standard Operating Guidelines, updated in 2010, regarding the maintenance of AFD fleet apparatus are in place; however, these guidelines address the most critical emergency response vehicles but do not address support vehicles maintained by the department.</p>
Current Status	<p> In Process – AFD has initiated a service request and work order generation trial in FleetFocus, once the trial is complete the Standard operating guidelines will be implemented.</p>



Recommendation	3
Original Report Recommendation	<p>AFD should:</p> <ul style="list-style-type: none"> • Create and implement comprehensive policies and procedures that ensure vendor part and service costs are reasonable and in compliance with established contracts. • Ensure that all outsourced vehicle maintenance and repair invoices are reviewed and approved by AFD's fleet maintenance supervisor to ensure reasonableness and contractual compliance before payment. • Recover sales tax overcharges from vendors that are charging tax in

	<p>addition to labor rates.</p> <ul style="list-style-type: none"> Utilize contract clauses that allow AFD to capture recurring cost savings by furnishing vehicle parts needed for outsourced maintenance and repair services.
Status as of First Follow-Up	<p> In Process – The department is attempting to implement an inventory system with related accounting strings to track the usage and resulting costs of parts used for apparatus maintenance and repair. Through full use of FleetFocus, the AFD service writer will be able to track and verify cost savings, warranties, rebates, and parts furnished for in-house repairs, as well as repairs performed by outsourced vendors. The fleet maintenance supervisor is required to review and sign-off on all invoices prior to submitting the invoices to AFD Fiscal for further processing.</p> <p>With regard to sales tax overcharges, the Fire Chief at the time of the original audit findings decided that no further action was to be taken. The department will, however, ensure that all future charges are in full compliance with vendor contracts and the City’s purchasing guidelines.</p>
Current Status	<p> In Process – DFAS - Fleet Management is assisting AFD in developing procedures to address parts and service costs.</p>



Recommendation	5
Original Report Recommendation	AFD should ensure priority objectives are submitted by the due dates outlined within the City’s Approved Budget.
Status as of First Follow-Up	<p> Not Implemented – AFD has not yet fully submitted Priority Objective 4 from FY2009 to the City Council via Executive Communication.</p> <p>As detailed in the City’s on-line reporting program, submission of the preventive maintenance report as required by FY2009 Priority Objective 4 was delayed due to various reasons (continued research, examination of return on investment, and a comprehensive assessment of AFD’s fleet). As reported in FY2013 Annual Objectives, AFD was to submit the final report by the end of the 2nd quarter of FY2013.</p>
Current Status	<p> Not Implemented – AFD states that the Executive Communication will be submitted upon completion of the recommendations in Findings 2 and 3.</p>


Audit 12-103: Firearms Inventory – Albuquerque Police Department (APD):


Recommendation	1
Original Report Recommendation	APD should: <ul style="list-style-type: none"> • Amend the SOPs to require that a complete inventory, including the verification of all serial numbers, be taken annually. • Maintain documentation and dates when complete inventories were conducted.
Status as of First Follow-Up	 In Process – APD has amended SOP Section 3-75-8 (A) & (B.1.) which became effective May 19, 2014. The department is currently working with ITSD to create an electronic form that will simplify the completion of PD form 3003. After the 2014 Field Services bid in May, APD will conduct a complete inventory of Department issued equipment utilizing the newly created form.
Current Status	 In Process – APD responded that the department now requires all sworn personnel to carry department issued firearms. Due to the transition to department issued firearms, the 2014 annual inventory was put on hold and has not been completed. APD is working with the Department of Technology and Innovation (DTI) to develop a real-time inventory system. The system is in the testing phase.

Recommendation	5
Original Report Recommendation	APD should work with its IT Department to review and strengthen the electronic controls of the Quartermaster database.
Status as of First Follow-Up	 In Process – APD has worked with its IT department to review controls on the Quartermaster database. The system, along with physical internal controls is reasonably secure. However, the current system prohibits easy access to the information from outside of the immediate users in the Property Control Unit. The department is looking at other software, and will include a review of security concerns in any software evaluation.
Current Status	 In Process – APD responded that the department has examined other software, and is working with DTI to develop a database within the City's PeopleSoft Enterprise Resource Planning system that would use the electronic controls and other capabilities of PeopleSoft. While expected to provide a long-term solution, the PeopleSoft option is still in process.



Audit 12-106: Albuquerque Convention and Visitors Bureau (ACVB) – Economic Development Department (EDD):



Recommendation	1
Original Report Recommendation	<p>The CAO should:</p> <ul style="list-style-type: none"> • Ensure that future contracts include measures which are directly connected to the contract’s Scope of Services. • Develop clear, concise performance-based statements that will: <ul style="list-style-type: none"> ○ be tied to goals, objectives, and purpose of the work to be performed; ○ measure program results or accomplishments; and ○ be reliable, verifiable, and understandable.
Status as of First Follow-Up	<p> In Process – “Prior to extending the contract for FY 2014 terminology, reporting and a defined performance measure were updated. This was completed prior to July 1, 2014”.</p> <p>The ACVB FY 2014 contract extension includes additional performance measures for reporting purposes as well as a benchmark for the Return on Investment (ROI) performance measure. As a Request for Proposal (RFP) will be announced, and a new contract negotiated, for FY 2016, the City should ensure that future performance measures are directly connected to the contract’s Scope of Services as detailed by the related contractual exhibits.</p>
Current Status	<p> In Process – The City issued a Request for Proposal for a new contract. The responses have been evaluated and the recommendation was made to award the contract to ACVB. The new contract will have performance measures tied to the scope of service; however, the contract is not yet finalized.</p>

Recommendation	6
Original Report Recommendation	The CAO should ensure that all future contracts with the ACVB include a statement regarding the provisions of the Inspector General Ordinance.
Status as of First Follow-Up	<p> Not Implemented – “The extension to the Contract for FY14 and FY15 included language required by the Inspector General Ordinance. All new contracts will include a statement regarding the provision of the Inspector General Ordinance.”</p> <p>Though the ACVB contract includes verbiage regarding compliance with the Accountability in Government Ordinance (§2-10-1 ROA 1994), the contract extension does not make reference to the Inspector General Ordinance (§2-17-1 ROA 1994) as required by §2-17-12 (C)</p>



	<p>ROA 1994, which states: Every city contract, bid, proposal, application or solicitation for a city contract and every application for certification of eligibility for a city contract or program shall contain a statement that the individual understands and will abide by all provisions of the Inspector General Ordinance.</p>
Current Status	 In Process – According to the CAO and EDD the new contract, once finalized, will have the provisions of the Inspector General Ordinance.

Audit 12-107: Health and Social Service Centers (HSSC) – Department of Family and Community Services (DFCS):



Recommendation	1
Original Report Recommendation	<p>DFCS should:</p> <ul style="list-style-type: none"> • Establish and maintain lease contracts or MOUs for all HSSC property occupants. • Raise lease rates to help offset the costs of increased utility and facility maintenance burdens paid by the City on behalf of property occupants. • Create and implement comprehensive policies and procedures for managing HSSC property lease activities, including the requirements mandated by AI 2-2. • Collect delinquent lease account revenue and ensure A/R oversight procedures are performed in accordance with City regulations. DFAS-Accounting should not have to assume these responsibilities for DFCS.
Status as of First Follow-Up	 In Process – DFCS has partially implemented the recommendations by starting to update the lease agreements, and requesting that lease payments be added to the accounts receivable system; however, only one new lease agreement has been signed, and no estimate is available as to when the other three lease agreements are expected to be finalized. The lease agreement with USBC has been provided to the Accounts Receivable Division to be entered into the system.
Current Status	 In Process – DFCS received an opinion from the City's Legal department regarding the lease rates. While DFCS is working with DFAS - Real Property Division to calculate the rent to be charged to lessees, the rent will be based on the operational costs of the space and not market rates. As pending lease agreements are approved and executed, they will be entered into the Accounts Receivable System for payment tracking.

Recommendation	2
Original Report Recommendation	<p>DFCS should:</p> <ul style="list-style-type: none"> • Establish fiscal agent and not-for-profit contracts or MOUs for all HSSC collaborations. • Create and implement comprehensive internal controls that enable the department to manage fiscal agent activity, especially monetary accounts managed on behalf of the City. • Challenge USBC’s \$7,804 fund balance adjustment until USBC can justify the validity and provide supporting documentation for all unallocated expense items. • Create and implement an interim approval process with USBC for the disbursement of donation funds held on behalf of the City. • Ensure all disbursements from USBC support the mission and purpose of HSSCs.
Status as of First Follow-Up	<p> In Process – DFCS has partially implemented the recommendation by having the policies and procedures for the Trust and Agency account approved by DFAS. This allowed them to start the process to move the funds from Legacy Church to the newly established Trust and Agency account, eliminating the need for a fiscal agent. This process has been put on hold until the City’s Treasury Division and the new banking institution can determine the best avenue for completing this.</p> <p>There is no documentation to support that requests for the disbursement of funds from the USBC account are to be reviewed and approved by the Department Director, as the approval was verbal. According to DFCS, the disbursements from the USBC account were halted in December 2012. DFCS implemented the requirement that all disbursements are to adhere to the mission and goals set forth by DFCS. DFCS has not received the requested \$7,804 from USBC. According to the DFCS Director, he intends to follow-up with the Legal department for collection activity related to the requested \$7,804 from USBC.</p>
Current Status	<p> In Process – DFCS has not completed the transfer of funds from Legacy Church to the Trust and Agency account set up with the City's Fiscal Agent due to an administration change within Legacy Church. No further action has been taken to follow-up on the requested return of \$7,804 from USBC.</p>



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Recommendation	3
Original Report Recommendation	<p>DFCS should:</p> <ul style="list-style-type: none"> • Create and implement comprehensive internal controls that ensure and demonstrate City resource allocations were delivered to the department's intended recipients. • Retain sufficient supporting documentation that allows third parties to verify the accuracy of the agency's allocations. • Perform program monitoring activities to ensure uniformity and consistency among HSSC resource allocation programs and City systems.
Status as of First Follow-Up	<p> In Process – DFCS has partially implemented the recommendations by using the Federal Income Guidelines to qualify registrants for The Emergency Food Assistance Program, and has created and adopted a policy to address the inconsistency in the operations of the HSSCs. However, no policy has been created to address the requirements for retaining supporting documentation.</p>
Current Status	<p> In Process – DFCS has updated policies and procedures to reflect the specific requirements for each of the Income Eligible Services available. In addition, requirements for retaining supporting documentation have been added in the updated policies and procedures and include retaining hard copy files "for the past three (3) consecutive years for reference and audit tracking purposes." According to DFCS, hard copy files include the signed and dated client application for assistance. However, DFCS did not address the status of program activity monitoring.</p>



Recommendation	4
Original Report Recommendation	<p>DFCS should:</p> <ul style="list-style-type: none"> • Create and implement comprehensive internal controls that ensure consistent policies, procedures and documents are followed/used for donation acceptance activities. • Train all HSSC employees on created policies and procedures when complete. • Ensure all non-monetary donation documents contain statements to inform the donors that they are solely responsible for the stated value on the donation document. • Correct the statement contained on Los Griegos' donation documents that indicates the City is a 501(c)(3) with the correct IRS classification of 501(c)(1). • Work with the City's Treasury Department to establish accounts that


	would enable each HSSC to accept and disburse monetary donations. Such accounts must be non-reverting and ensure donations are allocated to the designated HSSC.
Status as of First Follow-Up	 In Process – DFCS has partially implemented the recommendations by creating and using documents for donations. The donation policy is under review by the HSSC managers; final approval will come from the DFCS Director. The non-monetary receipts have been updated to include language that indicates the responsibilities of the donor for item valuation, and to correctly list the City of Albuquerque as a Government Municipality – 501(c)(1). The Trust and Agency Policy addresses the allocation of the donation to the designated HSSC. However, training has yet to be provided on the use of the donation documents. Training is contingent on the approval and implementation of the Donation policy. As discussed previously in Recommendation #2, the process for creating separate funding strings is on hold until the City's Treasury Division and new banking institution can determine the best avenue for completing this.
Current Status	 In Process – DFCS updated and approved the Donation Policy and Procedure for use by the Department and HSSCs on November 3, 2015. Donation forms have been updated to include the City's designation as a municipal organization under Internal Revenue Code 170(c)(1) and include a statement that the estimated value of the donation line is to be completed by the donor only. DFCS states the Trust and Agency account, including separate funding strings, was established. However, the status of the training for HSSC employees on the donation policies and procedures was not addressed.


Recommendation	5
Original Report Recommendation	<p>DFCS should:</p> <ul style="list-style-type: none"> • Ensure HSSC management performs annual employee performance evaluations and specifically rates the performance of each HSSC employee. • Ensure HSSC managers create and perform additional employee performance controls, in addition to the annual employee performance evaluation, that would allow the department to detect fraud, waste or abuse of City assets by HSSC staff. • Work with the Human Resource Department to determine if HSSC positions should be classified as safety sensitive. • Ensure HSSC managers with supervisory functions comply with disciplinary actions outlined by regulations in instances of employee fraud,

	waste or abuse.
Status as of First Follow-Up	 In Process – DFCS has partially implemented the recommendations by completing 5 of the 13 HSSC employee evaluations within the past fiscal year (FY 2014) or current fiscal year (FY 2015). However, none of the employee evaluations were provided to HR as required by Administrative Instructions 7-32-1 and 7-32-2.
Current Status	 In Process – DFCS states the HSSC employee evaluations are up-to-date. HR requested that departments retain initial evaluations instead of sending to HR as expressed in Administrative Instructions 7-32-1 and 7-32-2. DFCS did not address the status of whether HSSC positions were determined to be safety sensitive.


Audit 12-108: Take Home Vehicles – Citywide:


Recommendation	1
Original Report Recommendation	The CAO should revise and update AI 4-5 to ensure that the use of the City’s vehicles is efficient, effective, and provides accountability while meeting the public health and safety needs of the City.
Status as of First Follow-Up	 In Process – Recommendation #1 was substantially completed; however, it does not address the matter of ensuring employees with take-home vehicles maintain records describing the need for the after-hour call outs and after-hour meetings.
Current Status	 In Process – Administrative Instruction (AI) 4-5 has not been updated since December 10, 2012 and does not address the matter of employees maintaining records with supporting detail for each of the emergency responses. The City's Application for Take-Home Assigned Vehicles only requests the "average frequency of emergencies that required your immediate response during the previous 12 Months (per week), using actual historical data." A line is provided for working hours and non-working hours. The form does not indicate that any support must be attached.



Recommendation	2
Original Report Recommendation	The CAO should ensure that department directors comply with AI 4-5.
Status as of First Follow-Up	 In Process – FMD has taken an active role in trying to ensure that all departments are in compliance with AI 4-5 by sending out an annual

	<p>notice to department directors reminding them that they must submit all Applications for their department on or before January 1st of each year. FMD tracks the submission of Applications, by department, on an Excel spreadsheet, so they are able to monitor the outstanding Applications. At the beginning of each calendar year the Director of DFAS reminds department directors that they must submit all Applications annually. While these reminders and the take-home vehicle application tracking spreadsheet are good controls to have in place, FMD is not ensuring all Applications are turned in before January 1st of each calendar year as required by AI 4-5. Upon review of the take-home vehicle application spreadsheet, OIA noted four of the 70 Applications had not been turned in to FMD for calendar year 2013. In addition, as of June 2014, 42 of the 75 Applications for calendar year 2014 had not been turned in to FMD.</p>
<p>Current Status</p>	<p> In Process – AI 4-5 has not been updated since December 10, 2012. The Fleet Management Division (FMD) of DFAS is uploading all applications to the Fleet Management system. This will give FMD the ability, in the future, to send quarterly reports to Department Directors with the current status of take-home vehicles, and allow Department Directors to review and make adjustments as needed. The spreadsheet with the listing of Take Home vehicles is not currently up-to-date, at least two individuals are included who are no longer City employees.</p>

Audit 13-101, Disaster Recovery – Department of Finance and Administrative Services (DFAS) and Department of Technology and Innovation (DTI):

<p>Recommendation</p>	<p>1</p>
<p>Original Report Recommendation</p>	<p>DFAS, ITSD should:</p> <ul style="list-style-type: none"> • Update the DR Plan documentation to include recovery instructions for all Tier 1 applications. • Work with other City departments to obtain recovery steps for applications that failover to the main datacenter. • Ensure that plan documentation contains current hardware requirements, physical locations of the underlying systems, and contact information for system administrators.
<p>Status as of First Follow-Up</p>	<p> In Process – DFAS stated that</p> <ul style="list-style-type: none"> • ITSD has updated the DR Plan for all but one of the Tier 1 applications. The excepted application is scheduled for an upgrade

	<p>in August 2014, and a DR test is pending this update.</p> <ul style="list-style-type: none"> • ITSD is working on a consolidation project with outlying datacenters as the first step for other departments to achieve failover capabilities. • ITSD now updates the physical locations monthly, publishes them internally, and displays them in ITSD's datacenter.
Current Status	 In Process – DTI has completed and recently updated the Disaster Recovery Plan documentation for all Tier-1 applications. However, documentation of DTI's role in the instructions for recovery of one application is not yet completed.

Recommendation	7
Original Report Recommendation	<p>DFAS, ITSD should:</p> <ul style="list-style-type: none"> • Review and update DR plan documentation on an annual basis. • Updates should incorporate changes in underlying systems and recovery procedures. • Include a reassessment of the critical applications list and recovery sequence in the annual review. • State the maintenance interval standards in future versions of the DR Plan.
Status as of First Follow-Up	 In Process – ITSD has scheduled the fourth quarter (April through June) of each fiscal year for the review and update of all DR documentation. The new revision was in process, pending documentation for one Tier 1 application (noted in response to Recommendation #1, above).
Current Status	 In Process – DTI updated the Disaster Recovery Plan during the fourth quarter of FY15; however, the last update was more than two years prior to that. Changes made to the Business Continuity Plan inputs are rolled forward, but not consistently updated.

Comprehensive Follow-Up
December 9, 2015
16-199F

Principal Auditor

REVIEWED:

Internal Audit Manager

APPROVED:

Debra Yoshimura, CPA, CIA, CGAP
Director, Office of Internal Audit

APPROVED FOR PUBLICATION:

Chairperson, Accountability in
Government Oversight Committee