



**December 9, 2015**

**Performance Audit**

# City Clerk Change of Guard

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Office of the City Clerk

**Report No. 15-108**



**CITY OF ALBUQUERQUE  
OFFICE OF INTERNAL AUDIT**

PERFORMANCE AUDIT REPORT  
CITY CLERK CHANGE OF GUARD  
OFFICE OF THE CITY CLERK  
REPORT NO. 15-108

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# City Clerk Change of Guard

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Audit #15-108

The audit was performed to determine if the Office of the City Clerk's internal controls ensure regulatory compliance requirements will be met during staffing transitions.

## Executive Summary

From November 30, 2013 through May 18, 2015 the City of Albuquerque (City) was without an appointed City Clerk (Clerk). The Assistant City Clerk was appointed the Acting Clerk and was required to perform the duties of both her position and those of the Clerk. The Clerk has many regulatory responsibilities and must ensure that all applicable regulatory requirements are met.

The Clerk's Office was aware of, but did not have current policies and procedures to address, the large number of regulatory requirements imposed by the State of New Mexico and the City; a majority of which are related to municipal elections. The Clerk's Office did not have current policies and procedures to ensure the identified 195 regulatory requirements it must meet could be completed. Although some policies and procedures were in place, many were outdated and did not reflect recent changes to State Statutes.

Regulatory requirements should be documented in policies and procedures to ensure they will be accomplished and to facilitate transitions in the Clerk and other Clerk's Office positions. Without policies and procedures, there is a high risk that one or more of the requirements might not be completed, which could have significant impacts for the Clerk's Office and the City.

The Clerk's Office agrees there is a need to update/create policies and procedures, establish succession plans, and identify what records should be maintained by the Clerk's Office or City departments.

## Recommendations & Benefits

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By creating and updating policies and procedures and other internal controls pertaining to the Clerk's Office, the Clerk will be able to:

- Ensure regulatory requirements are met,
- Develop succession plans,
- Provide formal training to all employees,
- Ensure requirements are consistently met by cross-training all employees into additional positions, and
- Develop a listing of official records the Clerk's Office is responsible for maintaining.



# City of Albuquerque

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*Office of Internal Audit*

December 9, 2015

Accountability in Government Oversight Committee  
P.O. Box 1293  
Albuquerque, New Mexico 87103

Audit: Performance  
City Clerk Change of Guard Audit  
Audit No. 15-108

**FINAL**

## INTRODUCTION

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The Office of Internal Audit (OIA) conducted a Change of Guard performance audit of the Office of the City Clerk (Clerk's Office). The OIA Director added the audit to the Fiscal Year (FY) 2015 Audit Plan when the City of Albuquerque (City) posted the vacant City Clerk (Clerk) position in December 2014. The audit objectives, scope and methodology information can be found in **Appendix A**.

The purpose of the audit was to determine if the Clerk's Office has internal controls, including policies and procedures, and succession plans in place to ensure that regulatory requirements imposed by the State of New Mexico and the City are consistently met. The audit identified 195 regulatory requirements that require action by the Clerk. Regulatory requirements include, but are not limited to, ensuring municipal elections are held according to New Mexico State Statute (Statute) and ensuring the City complies with the Inspection of Public Records Act (IPRA).

The previous Clerk resigned in November 2013, and the position was not permanently filled until May 18, 2015. During the interim, the Assistant City Clerk was appointed the Acting City Clerk, which required that she perform her duties as well as those of the Clerk. The duties included preparations for the municipal election held on October 6, 2015.

According to the City's website:

The Office of the City Clerk maintains all official records for the City of Albuquerque, conducts municipal elections, accepts bids from the general public, as well as accepts service of process for summons, subpoenas and tort claims on behalf of the City of Albuquerque. The City Clerk is the chief records custodian for the City of Albuquerque and processes requests for public records pursuant to the New Mexico Inspection of Public Records Act (IPRA). The Office of the City Clerk also manages the Office of Administrative Hearings and is responsible for conducting all hearings specifically assigned by City of Albuquerque ordinance, including vehicle seizures, animal appeals, handicap parking and personnel matters.

## FINDINGS

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*The following findings concern areas that OIA believes could be improved by the implementation of the related recommendations.*

1. THE CITY CLERK SHOULD ENSURE POLICIES AND PROCEDURES ARE IN PLACE FOR ALL REGULATORY REQUIREMENTS.

Personnel changes in the Clerk's Office, including a vacant Clerk position, required the Acting City Clerk to perform the duties of two positions. The Acting Clerk's time was focused on ensuring the duties of both positions were completed and not on ensuring policies and procedures were in place, or current, for regulatory requirements. A majority of the regulatory requirements relate to managing municipal elections in compliance with State Statutes. The Statutes related to election requirements have changed; however, the Clerk's Office policies and procedures have not been updated to reflect those changes.

A review of the Clerk's Office policies and procedures for the identified 195 regulatory requirements identified the following:

- Current policies and procedures were available for 17 of the requirements,
- Policies and procedures were outdated for 92 of the requirements, and
- Policies and procedures could not be found for 86 of the requirements.

Outdated or nonexistent policies and procedures can decrease the effectiveness of the Clerk's Office, especially when new employees are learning how to perform their jobs. All employees of the Clerk's Office should be aware of the many regulatory requirements and the procedures for ensuring they are consistently met. For example, in July 2014, the Clerk's Office made a mistake in calculating the number of signatures required for a voter sponsored initiative. Because of the error, the initiative was not put on the ballot due to not having enough valid signatures.

The Committee of Sponsoring Organization of the Treadway Commission's (COSO) *Internal Control-Integrated Framework (Framework)* can be used by management to design and implement internal controls within an entity. Principle 12 of the *Framework* states that management should establish control activities through the use of policies and procedures. Policies are what should be done, while procedures are how to do it. Policies and procedures should be formally documented and establish responsibility in addition to accountability. Management should periodically assess policies and procedures for relevance and effectiveness.

### RECOMMENDATIONS

The City Clerk should:

- Designate an employee with knowledge and experience to oversee review of regulatory requirements for associated policies and procedures.
- Update all outdated policies and procedures.
- Create policies and procedures for regulatory requirements that do not have any.
- Ensure policies and procedures are reviewed yearly and updated as soon as a process or regulation changes.

### RESPONSE FROM THE CITY CLERK

*“The Office of the City Clerk agrees that the policies and procedures for the specific regulatory requirements identified in this audit need to be updated or created. Each of the regulatory requirements will be reviewed along with any related policies and procedures. After a thorough review, each will be prioritized and a plan of action will be developed to update policies and create new ones. In addition, a process will be developed to ensure that periodic updates of all policies and procedures occur annually or as needed.”*

*“The City Clerk has identified a position which will be responsible for reviewing regulatory requirements and updating policies and procedures annually.”*

### ESTIMATED COMPLETION DATE

*“A project plan will be developed by February, 2016. However, due to a large number of requirements that were identified and possible legal issues and analysis related thereto; this will be an ongoing initiative and an estimated completion date for the entire project cannot be determined at the present time.”*

2. THE CITY CLERK SHOULD DEVELOP AND DOCUMENT FORMAL SUCCESSION AND TRAINING PLANS.

Succession planning and training in the Clerk's Office and Office of Administrative Hearings is in early, informal, stages. Previous City Clerks did not formalize succession plans to be implemented when positions were vacated. Additionally, it was not anticipated that the Clerk position would be vacant for an extended period of time.

The City's approved FY16 budget listed twelve full-time equivalent (FTE) employees in the Clerk's Office and five FTE employees in the Office of Administrative Hearings. A majority of the employees could identify another employee in the Clerk's Office with sufficient knowledge to perform portions of their jobs. However, training and cross-training of positions was informal, and provided only when an opportunity occurred. Employees were not provided formal, hands-on training in the duties required for their positions. Not having formalized, written succession and training plans in place, lessens the ability of the Clerk's Office to provide a seamless transition during times when the Clerk, or other positions are vacant.

Principle 4 of the *Framework* addresses the need to plan and prepare for succession. "The importance of each role is determined by assessing what the impact would be if that role was temporarily or permanently unfilled." Management needs to "enable individuals to develop competencies appropriate for assigned roles and responsibilities, reinforce standards of conduct and expected levels of competence for particular assignments, [and] tailor training based on roles and needs."

The City Clerk position should be well defined and documented, while a position with multiple employees available to accomplish similar job duties may not need as much detail. Every position should have at least one formally identified back-up that has been trained and is knowledgeable of the position's responsibilities. Training and cross-training, aimed at developing and retaining employee knowledge, skills, and abilities, will help ensure the Clerk's Office can continually meet regulatory requirements.

RECOMMENDATIONS

The City Clerk should:

- Formally identify primary job responsibilities for every position within the Clerk's Office.
- Identify key positions, and develop written succession plans for those positions.
- Develop formal training to ensure employees can meet regulatory requirements.
- Train all employees on assigned job responsibilities to ensure continuation of service, and cross train back-up employees.

RESPONSE FROM THE CITY CLERK

*“The Office of the City Clerk agrees that a formalized succession and training plan should be established. The City Clerk has begun evaluating the current organizational structure, the needs of the organization and the corresponding job descriptions for each position. The aim is to create a career ladder and organized training and support program. This program will provide a path and opportunity for employees to acquire the training and skill sets necessary to support positions during a vacancy or temporary absence. Furthermore, election duties have been identified and delegated in accordance with the job description for each employee.”*

ESTIMATED COMPLETION DATE

*“A project plan will be completed by April, 2016 and will be fully implemented over a two year span.”*

3. RECORDS TO BE FILED WITH THE CLERK SHOULD BE SPECIFIED AND THE CLERK SHOULD BE DESIGNATED AS THE CITY’S OFFICIAL RECORDS CUSTODIAN.

The City Charter and City Ordinances identify numerous documents/records that must be maintained with the Clerk. However, a comprehensive list of the records to be filed with the Clerk has not been created.

The City’s website states, the “City Clerk maintains all official records for the City of Albuquerque.” Because the City has not clearly and concisely communicated which records must be maintained by the Clerk’s Office, departments may incorrectly conclude the Clerk’s Office is maintaining records, and may be destroying documents that should be retained by the City departments. Conversely, departments may send records to the Clerk’s Office that should be retained by the departments. The City’s Records Center was established to store the City’s records, but it has a finite amount of space and cannot store all records that are required to be maintained by the City.

The City’s record retention policy is to comply with the *Government Records Retention and Disposition Schedule*, Section 1.19.8 and other applicable sections of the New Mexico Administrative Code (NMAC). The City’s compliance with record retention policies and its ability to comply with IPRA is dependent on maintaining records in accordance with the NMAC retention schedules. However, it is not feasible for departments to send all records that must be retained, to the Clerk’s Office.

In addition, the City Clerk has not been formally designated as the City’s Records Custodian by the Mayor; although, the City’s website and Administrative Instruction 1-7 state that the Clerk is the Chief Records Custodian. Section 1.13.10.7(U) NMAC defines a Records Custodian as "the statutory head of the agency using or maintaining the records or the



custodian's designee." Amending City Ordinance to officially designate the Clerk as the City's Record Custodian will ensure the Clerk will always be responsible for maintaining the City's records.

#### RECOMMENDATIONS

The City Clerk should:

- Develop a comprehensive directive of records that must be filed with the Clerk's Office, and prepare and communicate the requirements to City departments.
- Inform the department records custodians that records not included in the directive should be maintained within the department in accordance with NMAC record retention schedules.

The Mayor should:

- Work with the City Council to amend City Ordinance to officially designate the City Clerk as the Mayor's designee for Records Custodian in accordance with Section 1.13.10.7(U) NMAC.
- Request the Chief Administrative Officer include language in AI 1-7 to reference the City Ordinance that designates the City's Records Custodian.

#### RESPONSE FROM THE CITY CLERK

*"The Office of the City Clerk agrees that there is not a comprehensive list of records that must be filed with the City Clerk. The Office of the City Clerk is embarking on a project to analyze the various records held by each department and to update the City's Records Retention Schedule. This project will enable the Clerk's Office to identify the source of various documents related to each department, identify where they are held (electronic database or hard copy file) and determine the proper maintenance and storage of official documents. As part of this effort, the Records Retention and Disposition committee will be reestablished to support the project. The Office of the City Clerk will provide a forum to continuously communicate records retention, storage and maintenance requirements to the departments."*

#### ESTIMATED COMPLETION DATE

*"January, 2017."*

#### RESPONSE FROM THE MAYOR

*"The Administration will amend the City Ordinance to officially designate the City Clerk as the Mayor's designee for Records Custodian and update the*

*language in AI 1-7 to reference the amended City Ordinance.”*

ESTIMATED COMPLETION DATE

*“January, 2017.”*

## CONCLUSION

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The recently appointed Clerk has an opportunity to improve the Clerk's Office's performance by revising the department's policies and procedures to ensure all regulatory requirements will be met. Additionally, the updated policies and procedures will be available for succession planning, training and to ease through transitions when there is turnover in critical positions.

The Clerk also should develop a directive to assist City departments in determining which types of records should be retained at the department level and which types of records should be maintained at the Records Center. The Clerk should then communicate the directive Citywide to ensure compliance with NMAC *General Records Retention and Disposition Schedules*, facilitate IPRA compliance, and reduce the volume of records submitted to the Clerk.

Throughout the audit, the personnel in the Clerk's Office were cooperative and welcomed the audit. Their time and assistance was greatly appreciated.

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Principal Auditor

REVIEWED

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Internal Audit Manager

APPROVED:

APPROVED FOR PUBLICATION:

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

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Chairperson, Accountability in  
Government Oversight Committee

## APPENDIX A

### OBJECTIVES

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The objectives of the audit were:

- To determine whether the Office of the City Clerk can meet regulatory requirements through internal controls.
- To determine whether the Office of the City Clerk has clearly defined and written succession plans for all positions.

### SCOPE

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Our audit did not include an examination of all functions and activities related to the Office of the City Clerk. Our scope was limited to the objectives above for the high level, general operations of the Office of the City Clerk from December 1, 2013 through May 31, 2015.

This report and its conclusions are based on a review of specific City Clerk duties and do not represent an examination of all related transactions and activities. The audit report is based on our examination of activities through the completion of fieldwork on October 14, 2015 and does not reflect events or accounting entries after that date.

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.

### METHODOLOGY

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Methodologies used to accomplish the audit objectives include but are not limited to the following:

- Identifying City Clerk regulatory requirements included in:
  - New Mexico State Statutes,
  - The Albuquerque City Charter
  - City of Albuquerque Ordinances,
  - City of Albuquerque Resolutions, and
  - City of Albuquerque Administrative Instructions.
- Reviewing policies, procedures, and internal control documentation related to the regulatory requirements of the City Clerk's Office.
- Interviewing Office of the City Clerk personnel to document responsibilities and how they meet regulatory requirements.

- Identifying requirements with current policies and procedures in place along with formal succession planning.
- Identifying requirements where policies and procedures or formal succession planning should be implemented.
- Other methodologies as needed.