



# *City of Albuquerque*

## **Office of Internal Audit**

FOLLOW-UP OF  
DEPARTMENT OF FINANCE AND  
ADMINISTRATIVE SERVICES  
REAL PROPERTY DIVISION AUDIT  
FOLLOW-UP #15-12-105F

April 29, 2015

### **INTRODUCTION**

The Office of Internal Audit (OIA) performed a follow-up of Audit No. 12-105, Department of Finance and Administrative Services (DFAS), Real Property Division. The purpose of this follow-up is to report on the progress made by DFAS in addressing our findings and recommendations. Our follow-up procedures rely on the department providing the status of the audit recommendations.

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

We limited our scope to actions taken to address our audit recommendations from the final audit report dated September 26, 2012, through the submission of actions taken memo completed by DFAS on November 6, 2014, and additional substantive procedures completed through March 4, 2015.

### **BACKGROUND**

The Real Property Division provides comprehensive, professional real estate services for the benefit of the City of Albuquerque. The 2012 Performance Audit examined two distinct aspects of the Division: (1) Compliance with the Real Property ordinance, and (2) Completeness, accuracy, and administration of the Real Property database.

Two compliance-related recommendations were implemented during the 2012 audit and remain in force. Substantial progress has been made updating the database. Since August, 2012, the Division has added records for 760 properties, bringing the total to 2,185 property records. An additional 215 property records are in process. The Division has updated and corrected many data elements, enhancing the accuracy and reliability of the database.

Real Property Database – Then and now comparison

Data element	Aug. 2012	Feb. 2015
<b>Number of Property Records</b>	1,425	2,185
<b>Records with missing legal descriptions</b>	35	2
<b>Legal descriptions updated since 8/2012</b>	n/a	374
<b>Records lacking zone atlas page</b>	21	4
<b>Records lacking project description</b>	88	2

During FY2015, the City realigned administrative reporting for some divisions. As a result, the Real Property Division is transitioning from DFAS to the Planning Department. This restructuring will be completed July 1, 2015. This follow-up retains the wording of the original audit report.

**SUMMARY**

The Real Property Division is in the process of implementing the first finding, fully implemented the second and third findings, and resolved the fourth finding. Although progress has been made, there is still opportunity for improvement. Through ongoing quality control, the Real Property Division can ensure the accuracy, completeness, and reliability of the Real Property database.

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



Fully Implemented



Resolved



In Process



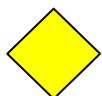
Not implemented

**Recommendation #1:** DFAS, Real Property should systematically inspect all database records for accuracy and completeness. The review should be performed by an individual independent of the original data entry process. This quality review should be completed prior to making the database available for public view.

**Response from DFAS:** “DFAS, Real Property is in agreement that all database records should systematically be inspected for accuracy and completeness. However, OIA’s review was conducted while the database was and is actively under development including the research and population of missing data elements as property records are located and verified. As such, during the dates of OIA’s fieldwork, the database was not yet at a point of completion whereby a comprehensive evaluation could reasonably yield a result accurately depicting the quality of the data. When all software issues have been resolved and all data has been entered in accordance with all available records, an individual, independent of the development and research team, will conduct a final quality control review.”

**Estimated Completion Date:** “The database is estimated to be completed within three months with an additional three months needed for quality control review.”

**Status Reported by the Real Property Division as of November 6, 2014:** “All 2,400 City owned properties have been entered into the database. All issues identified by OIA have been corrected. While quality control is going to be an ongoing process, a third party review will be requested after a vacant Research Technician position has been filled and properly trained, as this person will be in charge of the database.”



In Process – DFAS has made substantial progress in adding properties for City-owned properties. Subsequent to the audit, records for 760 have been added to the database.

Progress has also been made in correcting and expanding incomplete records.

**Recommendation #2:**

DFAS, Real Property should develop checklists for the following tasks:

- Appraisal Order and Review
- Processing Vacations of Right-Of-Way

These checklists should identify (1) the person(s) or department(s) responsible for authorizing each action, (2) actions required by ordinance or administrative instruction, (3) the sequence of required steps for each task, and (4) the person responsible for performing each step. Checklists should have sufficient detail to instruct an alternate employee to perform the tasks should the usual employee be unavailable. Checklists should be reviewed for changes at a fixed interval, and the effective date of the revised checklist should be stated in the document.

**Response from DFAS:** “DFAS, Real Property is in agreement with the recommendation to develop checklists for Appraisal Order and Review and Processing Vacations of Right-Of-Way.”

**Estimated Completion Date:** “Both checklists have been developed and copies were delivered to OIA on September 6, 2012.”

**Status Reported by the Real Property Division as of November 6, 2014:** “We have implemented both check lists.”



Fully Implemented – The Real Property Division created written checklists for both tasks. These checklists were added to the Division’s standard operating procedures.

**Recommendation #3:**

DFAS, Real Property should:

- Periodically examine its internal procedures to determine whether the documentation (1) has been properly designed to achieve control-related objectives, (2) accurately communicates steps to be performed, (3) assigns responsibility for each task, and (4) reflects approved changes in operating practice.
- Update procedures at a fixed interval, and the effective date of the changes should be stated

in the revised procedure.

**Response from DFAS:** “DFAS, Real Property is in agreement that it should periodically examine its internal procedures. This process is active and ongoing as evidenced by OIA’s findings that all of the Real Property transactions inspected were fully-compliant with their respective procedural checklists. This includes all elements of the Surplus Agent Checklist, save the notation regarding closing costs, which was recently revised to reflect the option of distributing the closing costs between the City and the buyer.”

**Estimated Completion Date:** “The Surplus Agent Checklist has been updated and a copy was delivered to OIA on September 6, 2012.”

**Status Reported by the Real Property Division as of November 6, 2014:** “We have been periodically examining our internal procedures in order to meet the recommendations set forth in #3.”



Fully Implemented – The Real Property Division has been periodically examining their internal procedures in order to meet the recommendations.

**Recommendation #4:**

DFAS, Real Property should develop a formal written request process for granting access to the non-public view of the City owned property database. The process should address the following elements:

- Each request should be made in writing
- Requests must be justified and approved by the employee’s manager/supervisor
- Database access will granted at the discretion of the Real Property Division Manager
- Access rights will be periodically reviewed by the Real Property Division
- Access rights will be promptly revoked when such access is no longer necessary
- Access requests will conform to DFAS – Information Technology Services Division Sensitive Data and User ID Security policies

DFAS, Real Property should update the Database Security Policy to reflect the access request process.

**Response from DFAS:** “DFAS, Real Property is in agreement with the recommendation for a formal written request process for granting access to the non-public view of the digital property files. This process had already been developed at the time OIA conducted its fieldwork. To that end, the

Follow-Up

Real Property Division – Department of Finance and Administrative Services

15-12-105F

Date: April 29, 2015

process delivered to OIA by Real Property is reflected in the recommendation nearly verbatim, with the exception that Real Property will also maintain a log to track access requests.”

**Status Reported by the Real Property Division as of November 6, 2014:** “Due to issues with the underlying software supporting the database, the software required major revamping. As part of this work, it was determined that a separate view would be created for public view including other city employees. This public view contains most of the information contained in Real Property’s private view and is now consistent with AGIS software, which is widely used throughout the City and should therefore be more user-friendly for the public. There is no longer a need for a formal request because there is no access being granted to the private view. Consequently recommendation #4 is no longer applicable.”



Resolved – The Real Property Division has redesigned the public and non-public views of the Real Property database. The public view now contains expanded public data and is also sufficient for research by other City departments. Access to the non-public area of the database is now restricted to employees of the Real Property Division, limited employees of the Planning Department, as determined by the Planning Director, City employees directly supporting Real Property operations, and IT support roles.

Follow-Up

Real Property Division – Department of Finance and Administrative Services

15-12-105F

Date: April 29, 2015

---

Senior Information Systems Auditor

REVIEWED:

---

Internal Audit Manager

APPROVED:

APPROVED FOR PUBLICATION:

---

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

---

Chairperson, Accountability in  
Government Oversight Committee