



City of Albuquerque

Office of Internal Audit

FOLLOW-UP OF
SOLID WASTE MANAGEMENT DEPARTMENT
(SWMD) – RESIDENTIAL COLLECTIONS

FOLLOW-UP #16-13-105F

December 9, 2015

INTRODUCTION

The Office of Internal Audit (OIA) performed a follow-up of Audit No. 13-105, Solid Waste Management Department (SWMD) – Residential Collections. The purpose of this follow-up is to report on the progress made by SWMD 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 October 30, 2013, through the submission of actions taken on November 23, 2015.

BACKGROUND

The Residential Collection Division services approximately 173,000 residential addresses twice weekly—once for automated trash collection and once for automated curbside recycling. The Division also manages on-request large-item pickups.

The Residential Collection Division continues to increase operational efficiencies with the aid of technology. All collection vehicles are equipped with GPS units to track route progress, and historical GPS data is available for further analysis. These monitoring controls provide effective tracking and control of daily residential collection services.

SWMD collaborates with the Albuquerque Bernalillo County Water Utility Authority (ABCWUA) to jointly bill customers for water and solid waste services. The billing system is a strength in SWMD's system of internal controls, as it was designed specifically for utility vendors, utilizes an industry-leading relational database management system, and is web-based, enabling the billing system to be accessed by any networked computer. Customer penalties for non-payment include property liens and water service shutoff, which enhance SWMD revenue collection efforts.

SUMMARY

The audit included five recommendations; four are fully implemented and one is in process.

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



Fully Implemented



Resolved



In Process



Not implemented

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Recommendation #1: SWMD should enforce its Timekeeping Ethics Policy and ensure that supervisors are approving biweekly timecards for all hourly employees. Final approval of timecards for all non-exempt hourly employees should be completed each pay period by the biweekly Monday deadline. When an employee’s supervisor is not available, another supervisor should be designated to approve timecards.

Response from SWMD: “Solid Waste Management Department (SWMD) agrees with the finding and recommendation. SWMD began implementing the Kronos payroll system in September 2012. One of the desirable features of Kronos is the ability for supervisors to review employee timecards on a daily basis on-line. Supervisors can identify problems or issues with the time cards and resolve any errors the same day. At the time of implementation, we thought supervisors would be approving time cards daily and that is how the supervisors were initially trained. It was only after going live that we discovered we can only approve time cards at the end of the pay period. This misconception caused confusion as to the approval process by supervisors and some supervisors stopped approving time cards altogether. During this time, the primary focus of the department and Kronos consultants was on getting SWMD employees paid. The efforts for several months after going live were spent programing the Kronos software to meet the department’s needs and making sure employees were able to clock in and out. Another factor that contributed to time cards not being approved by supervisors was with the delegation process, when a supervisor is out and he delegates the approval process to another supervisor. At the time of Kronos implementation and for several months afterward, Kronos consultants had not programed the delegation processes into SWMD’s software. To ensure supervisors understand the approval process for time cards, the Payroll Officer held one-on-one training for all supervisors July 31 through August 8. The training also included the delegation process for supervisors. Since training was completed, we have gone through one pay period where approximately 95% of supervisors approved employee time cards.”

Estimated Completion Date: “Our goal is to have 100% participation by supervisors by October 31, 2013.”

Status Reported by SWMD as of November 23, 2015: “SWMD has taken several actions to ensure timely biweekly timecard approval. First, delegation issues within the original Kronos implementation have been corrected, allowing managers to successfully delegate their timekeeping duties in the event of their absence. As supervisors were establishing familiarity with the Kronos navigation and processes, they were also receiving additional training from both ERP and the SWMD Payroll personnel. Additionally, reports to monitor supervisor activity and approval statuses were run by the Payroll personnel on a weekly basis, showing potential issues/discrepancies and were followed up with additional hands-on training.

“On May 31st, 2015, the SWMD’s Kronos software was upgraded to a City-wide version and

integrated into their network. With this upgrade, all SWMD managers and supervisors were required to attend a 4 hour training class held during May 26 – 28th, 2015. Since the upgrade implementation, ERP training, and hands-on internal payroll training; in congruency with Director Oversight for quality control, timecard approvals by supervisors have gone from 77% during the Pay Period Ending 06/26/15; 97% for Pay Period ending 08/07/15, 100% for Pay Period Ending 09/18/15 to 100% for the most recent Pay Period Ending 10/30/15. With both the Director’s oversight, and the SWMD Payroll department’s internal controls, non-approval issues are caught and addressed before becoming problematic, successfully meeting the outlined goal of 100% approvals.”



Fully Implemented – SWMD Management is actively monitoring compliance with its Timekeeping Ethics Policy. SWMD Management has communicated an expectation that supervisors will approve biweekly timecards and that supervisors will delegate responsibility for timecard approval to an alternate supervisor if the regular supervisor is not available on the approval date.

Recommendation #2: SWMD should issue a written policy for approval of credits and adjustments to customer accounts. The policy should clearly identify the requirements and standards for granting credits and adjustments. The policy should also identify required management signoffs and dollar thresholds. The policy should be reviewed at least annually and submitted to the Department of Finance and Administration (DFAS) for review.

Response from SWMD: “Solid Waste Management Department agrees with the finding and recommendation. The policy on adjustments was at some point documented by the Department and followed by the Quality Assurance and Billing Sections. However, the Department was unable to locate the actual written document. The process has been in practice for several years and new employees are trained to follow it. The Auditor found that the process was being followed. The Department has rewritten the policy as it could not be located either in hard copy or electronically. The written policy has been submitted to the Auditor. The Department will review the policy annually and submit it to the Department of Finance and Administration (DFAS) for review.”

Status Reported by SWMD as of November 23, 2015: “SWMD was able to locate the document Refuse Billing Accounts Receivable and Bad Debt Write-Off Procedure. SWMD has a procedure with documentation for every Debit, Credit or Write off done by the department.”



In Process – SWMD has a written procedure for approval of credits and adjustments to customer accounts. The policy was last reviewed on March 1, 2015, but has not been annually submitted to DFAS for approval per Administrative Instruction 2-2.

Recommendation #3: SWMD should refine the procedure for deactivating billing system access for terminated and transferred employees. The process should ensure that such login credentials be deactivated as soon as the employee no longer has a business need to access the billing system. Deactivated credentials should have no access to system functionality. SWMD should also consider periodic reviews of billing system access rights, to ensure that all user IDs are authorized and that assigned user rights are appropriate for job responsibilities.

Response from SWMD: “Solid Waste Management Department agrees with the finding and recommendation. Access to the Customer Care and Billing system (CC&B) requires user profiles to be set up in both the billing system itself and also in an additional database (Weblogic). If a user profile exists in CC&B and not Weblogic, the user will not be allowed access to CC&B, and vice versa. The two terminated employees that still had access rights did have user profiles in both systems. These two profiles have since been deactivated. The user profiles for the 40 employees believed to retain limited access only existed in CC&B, not Weblogic. Therefore, they could not log in to CC&B because their profiles did not exist in both systems. The 40 employees were linked to a ‘Purged’ user profile. The Purged profile still allowed access to some screens in CC&B that should have been deleted from the profile. The Purged profile has since been modified as a whole. The users in the Purged profile are only kept for reference purposes and no longer have access to any screens.

“Maintenance on terminated employees’ access to CC&B has been intermittent. This is due to the fact that employees are located in different divisions and occasionally, at different sites entirely. The CC&B Administrator is not customarily informed when employees are terminated and no longer require access. The CC&B Administrator will begin bi-annual reviews of CC&B user profiles. The list of users will be sent to each Superintendent with a memo requiring review and reauthorization of user access.”

Status Reported by SWMD as of November 23, 2015: “SWMD uses the COA provided Employee Clearance Form to ensure terminated or transferred employees no longer have access to business and other systems at the Department. At the time of this audit SWMD managed their own servers, now with all servers being managed by ISD at City Hall the action must be done by ISD. SWMD does copy our IT team on the form so they can email ISD regarding the change. SWMD gets a monthly report from ABCWUA showing employees at SWMD who have current access to CC&B for review and updating.”



Fully Implemented – SWMD has refined its process for reviewing employee access on the billing system and for notifying the Department of Technology and Innovation and the ABCWUA about promptly revoking employee access upon termination.

Recommendation #4: SWMD should regularly analyze missed residential pickup calls to identify potential process improvements. Such analysis may identify root causes of recurring process problems that can be controlled or minimized by SWMD, thereby reducing the volume of 311 missed pickup calls and improving service performance.

Response from SWMD: “Solid Waste Management Department agrees with the finding and recommendation. The Department has on occasion reviewed data to identify specific root causes of recurring service problems such as residential missed pickups associated with particular drivers and/or specific areas. To date, the Department has not found any definitive patterns. However, the Department will work with the newly hired in-house GIS Specialist to create and provide regular reports to the Collections Superintendent for analysis.”

Status Reported by SWMD as of November 23, 2015: “The Solid Waste Management Department has not identified any definitive patterns or a root cause of recurring service problems with any residential missed pick-up. The Solid Waste Department requires all Supervisors to look for such anomalies by calling back the customer, site visits or interviewing the route driver. The Department is in its first stages of implementing fully integrated fleet management software (Fleet Mind) that will allow us to improve our operation to maximize our profit potential.”



Fully Implemented – SWMD is regularly analyzing missed residential pickup data. The analyses have benefitted the department by disclosing that missed pickups do not correlate to particular drivers or routes and provide knowledge about specific addresses with repeat missed pick-up requests.

Recommendation #5: SWMD should develop a written procedure for manually recording tonnages at the scale house in the event that information systems are unavailable. The procedure should have sufficient detail to instruct an alternate employee to perform the tasks should the regular employee be on leave or otherwise unavailable.

The procedure should define

- (1) When to activate,
- (2) The sequence of required steps,
- (3) Mandatory data elements,
- (4) Person(s) responsible for performing each step, and
- (5) Process for updating information systems upon restoration of services.

Response from SWMD: “Solid Waste Management Department agrees with the finding and recommendation. The Cerro Colorado Landfill has a gasoline generator on site that will kick-on

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in the event of an electrical power failure. If the generator does not kick-on or if there is a failure of the information system, the scale house cashiers are trained to manually record tonnages. Although all cashiers have been trained in the manual procedures, the procedures were not in a written form. The SWMD Fiscal Officer met with the scale house cashiers and developed the written procedures for recording manual tonnages. The written procedures were then sent to the Office of Internal Audit on June 7, 2013.”

Status Reported by SWMD as of November 23, 2015: “Solid Waste Management Department has implemented a written procedure to manually record tonnages in case of power failure. It is located at Cerro Colorado Scale House and it is posted on the bulletin board for the employees to utilize when and if needed. All personnel have been trained on this process. Any new employees will be trained on this process.”



Fully Implemented – SWMD created a detailed written procedure for manually recording tonnages at the scale house in the event that information systems are unavailable.

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