



City of Albuquerque

Office of Internal Audit

FOLLOW-UP OF THE
PARKS & RECREATION DEPARTMENT
PARK MAINTENANCE AUDIT

Report #16-13-106F

February 24, 2016

INTRODUCTION

The Office of Internal Audit (OIA) performed a follow-up of Audit No. 13-106, Parks & Recreation Department – Park Maintenance during fiscal year (FY) 2016. The purpose of this follow-up is to report on the progress made by the Parks & Recreation Department (PRD) in addressing the audit's findings and recommendations. Our follow-up procedures rely on the department providing the status of the recommendations.

A follow-up is substantially less in scope than an audit. The objective is to report on the status of corrective action regarding the audit's 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 on January 5, 2016.

BACKGROUND

The Park Management Division (Park Management) within the PRD is responsible for 287 city parks. Park Management's main focus is sustaining a healthy park system to make Albuquerque a great place to live and play. Parks help people connect with nature and to each other. As places to relax, play, learn, and where people come together, parks are essential to the health of urban communities.

In addition to a status report for each of the original audit findings, the PRD Director provided an in-depth description of the changes that PRD has encountered since the 2013 audit. PRD's full response is included as **Appendix A**.

According to the PRD Director, the YARDI electronic work order management system has been fully implemented and is being used to track maintenance at each Albuquerque park. Additionally, as of November 2014, PRD began restructuring and re-organizing the department. Along with the restructuring, significant changes were made in PRD upper management that involved the:

- Director,
- Deputy Director (newly added position),
- Fiscal Manager,
- Park Management Superintendent, and
- Park Management Irrigation Program Coordinator.

Important changes have also been made to the fiscal operations within Park Management since November 2014, some of which involve weekly reconciliations of purchases, reduction in the

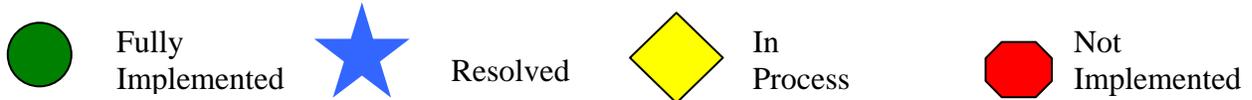
number of active Purchase cards (P-cards), changes to the levels of signature authority, and the relocation of a fiscal employee to Pino Yards to help improve internal controls and ensure separation of duties.

Another noteworthy change within PRD is that median maintenance has been transferred to the Solid Waste Management Department's Clean Cities Division and is no longer a part of PRD.

SUMMARY

Of the seven recommendations addressed in the original PRD – Park Maintenance audit report, three have been fully implemented or resolved and four are in process.

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



Recommendation #1: PRD should:

- Develop and follow a master maintenance plan for the City's parks. To establish and expedite the maintenance plan, Park Management should:
 - Require each Area Supervisor to formally track the maintenance within his/her area.
 - Provide the supervisors with an approved tracking method (i.e. MS Excel) and format to ensure consistency among Areas.
- Contact the Commission for Accreditation of Park and Recreation Agencies for additional guidance.

Response from PRD: *“PRD acknowledges the absence of a master maintenance plan for parks, medians, and trails. Implementation of the YARDI, work order management system, which was purchased in 2012, will greatly assist Park Management in development of this plan. Roll out of the YARDI system is expected to happen by December 2013. Utilization of initial YARDI information coupled with the existing “park modes” maintenance guidelines will allow Park Management to develop a comprehensive maintenance plan by mid-2014. Development of the master maintenance plan will be the responsibility of the assistant director and the superintendent of Park Management.*

“Development of the master maintenance plan will also include an up-to-date inventory of all parks, medians and trails. In July 2013, PRD began working with Recreation Accessibility Consultants, LLC to perform an accessibility audit of all PRD parks, facilities and trails. Completion of the entire audit is expected to take one year. Part of the completion of this audit will be to produce an accurate inventory of all parks, medians, and trails.”

Status Reported by PRD as of January 5, 2016: PRD is in the process of developing a Master

Maintenance Plan. The plan includes categorizing the parks into specific tiers that support the level of maintenance effort for each.



In Process

The estimated implementation date for the Master Maintenance Plan (MMP) is February 1, 2016. The MMP will be followed throughout the growing season, and data will be collected using YARDI. At the end of the season, PRD will analyze the data collected and adjust the MMP as needed.

Recommendation #2: PRD should: Implement the electronic work order system to track the maintenance performed at each park, median and trail and to compile data pertaining to the requirements for their successful upkeep.

- Review the dates of work orders on a regular basis to ensure they are archived or destroyed in compliance with record retention policies.
- Train supervisors to use the management tools available including reports from the electronic work order system and GPS.

Response from PRD: *“PRD acknowledges the lack of the ability to track maintenance performed at the parks, medians, and trails. Completed work orders are currently stored at the Pino Yards in cardboard banker’s boxes and do not allow for tracking of performed maintenance. Implementation of the YARDI, work order management system, which is happening now in Park Management Area 4, will assist area supervisors and their superintendents in the ability to track performed maintenance. By mid-2014, YARDI will allow the current seven area supervisors to assign, supervise, and follow-up on performed maintenance in a timely manner.*

“In addition, Park Management superintendents and area supervisors are now learning how to monitor and track assigned crews with the GPS devices that have been installed in the maintenance fleet. Purchase of tablets and/or laptops for the YARDI system will allow supervisors to more easily keep track of their assigned work crews. Interface of the GPS system with assigned City of Albuquerque cell phones is difficult at this time.”

Status Reported by PRD as of January 5, 2016: YARDI has been implemented and is being used by all 13 Park Maintenance areas. Each maintenance crew has been successfully trained on working with YARDI. The system will enable management and supervisors to:

- Track maintenance within each area,
- Review and re-assess completed work at each park, and
- View approvals of each park area.

PRD is in compliance with records retention requirements and paper work orders are being phased out.



Fully Implemented

PRD has implemented its electronic work order system, YARDI, and has archived or destroyed files according to the records retention requirements. Supervisors have also been trained to use management tools in the YARDI electronic work order system.

Recommendation #3: PRD should:

- Establish and enforce written policies and procedures and
- Review and update written policies and procedures annually.

Response from PRD: *“PRD acknowledges the lack of basic written policies and procedures. The reactive nature of our business and the loss of key personnel over the last several years have caused Park Management and its employees to drift away from what were once well-established policies and procedures. The superintendent of Park Management along with the assistant director of the Parks and Recreation Department will be responsible for the writing, implementation and training of policies and procedures. Old policies will be reviewed and standardized for all PRD divisions. New policies surrounding fiscal management, purchasing, maintenance expectations and the YARDI system will be written, staffed and approved in early 2014.”*

Status Reported by PRD as of January 5, 2016: As an on-going effort, PRD is establishing policies and procedures involving YARDI. As the MMP is further developed, PRD will evaluate the need for additional written policies and procedures.



In Process

PRD continues to establish and communicate new policies and procedures to the staff; however, they have yet to formally document the policies and procedures in writing.

Recommendation #4: PRD should:

- Establish formal policies and procedures which address the purchasing process,
- Develop a dollar threshold for purchases which would require the Fiscal Manager’s approval prior to authorizing the purchase, and
- Require increased communication with the Fiscal Manager regarding purchases and budgets.

Response from PRD: *“The Fiscal Manager interviewed in this audit began work for the Department in January 2013 and the audit interview occurred in April 2013. The interview is an incomplete assessment of the checks and balances for the Department. The finding should include the following in the body of the report:*

“The Parks and Recreation Department and the Fiscal Manager recognize the need for better communication and updated fiscal procedures. The Department Fiscal Manager conducts regular monthly budget meetings with all of the Department's Division Managers to include the Park Management Division. These regular meetings include a review of expenditures, as well as a pre-view of proposed spending and budget projections. The Parks and Recreation Department had implemented Financial Procedures in Fiscal Year 2011 and will review and revise the procedures for the entire department with input from all divisions within PRD.”

PRD Additional Comments:

“The current Fiscal Manager retired on August 30, 2013. The Parks and Recreation Department is currently in the process of hiring a replacement Fiscal Manager. The Park Management Purchasing Officer has been instructed to have all completed purchasing requisitions initialed by the Park Management Superintendent and the Acting Fiscal Manager.

“In addition, the Parks and Recreation Department has created a multidisciplinary, department-wide committee to specifically address policy and procedure review and implementation which includes purchasing policy and procedures. It is expected that these “new” procedures will strengthen both communication and fiscal management by the Fiscal Manager.”

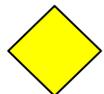
Estimated Completion Date:

“The completion date for these policies and procedures is spring 2014.”

AUDITOR'S COMMENT

To ensure an accurate assessment of PRD's fiscal practices, OIA spoke with the Fiscal Manager on August 29, 2013, and confirmed she does not receive copies of requisitions and is not asked to verify budget availability prior to purchases being made.

Status Reported by PRD as of January 5, 2016: To improve communication and oversight of purchasing, PRD has relocated a member of its fiscal staff from the PRD 4th Street location to the Pino Yards. The employee reports to the PRD Fiscal Officer and is in daily communication with both Park Management and the Fiscal Manager. Additionally, PRD has established a dollar threshold; purchases exceeding \$2,500 must be reviewed and approved by either the Fiscal Officer or Fiscal Manager. The Fiscal Manager meets with the budget office and a Park Management manager at least quarterly to discuss Park Management's financial status.



In Process

PRD has increased and improved communication with the Fiscal Manager regarding budget and purchases. Additionally, PRD has established a dollar threshold for purchases requiring the Fiscal Manager's review and approval. PRD signature authorities have been reviewed and adjusted. Formal policies and procedures have not yet been documented.

Recommendation #5: PRD should:

- Review the fiscal operations of Park Management and
- Establish formal policies and procedures for fiscal operations that will address, at a minimum:
 - Separation of duties
 - Consistent policies and procedures
 - Oversight and approval processes

Response from PRD: *“PRD acknowledges the need to strengthen controls surrounding fiscal operations. The following operating procedure has been formalized in Park Management procedures.*

- *“Until the implementation of the YARDI work management system, Park Management will employ a paper tracking sheet to monitor tool and equipment inventories assigned to the stockroom, area satellites and individual employees.*
- *“The Materials Manager will be authorized to initiate acquisitions up to \$1,000.00 in order to maintain efficiency of the division.*
- *“The Assistant Superintendent is authorized to initiate acquisitions up to \$5,000.*
- *“Park Management currently employs a ‘three-way’ check and balance procedure to fill material and equipment requests. First, a written request will be submitted. That request must be approved by an authorized party which includes the assistant superintendents. Third, the acquisition will be purchased and subsequently issued. Payment will be approved at the assistant superintendent or superintendent level.*
- *“Area supervisors will be required to fill out an in house requisition to purchase in order to acquire materials and equipment. Phone requests for emergency repairs will be documented immediately.”*

Status Reported by PRD as of January 5, 2016: PRD hired a new Fiscal Manager in November 2014 and has worked to improve the fiscal operations of Park Management. Various changes and improvements have been made. A designated accountant has been assigned as the P-card coordinator for Park Management and has reduced the number of P-cards. The Fiscal Manager and Fiscal Officer conduct quarterly financial reviews with the Park Maintenance Superintendent and budget office. Additionally, the Fiscal Manager meets with the Park Maintenance Superintendent weekly to discuss financial issues or purchases.



In Process

PRD has reviewed its fiscal operations and made significant changes. However, formal policies and procedures have not yet been documented.

Recommendation #6: PRD should:

- Conduct an initial inventory count of all supplies on hand;
- Update the inventory records regularly as purchases are made and supplies issued;
- Conduct an inventory count of supplies at least annually and reconcile to the inventory records;
- Perform a full verification of all permanent and temporary issuance files to update existing files;
- Conduct a periodic verification of permanent and temporary issuance files at least annually.

Response from PRD: *“PRD acknowledges that an accurate inventory of existing supplies and equipment has not been updated in years – with the exception of assigned vehicles. PRD realizes that there is a large dollar amount of supplies in the equipment cage at Pino Yards and in the supply rooms at the area satellites. As a matter of implementation of the YARDI system, an accurate inventory of all areas will be completed by late 2013 or early 2014. Inventory of existing supplies will be the responsibility of the superintendent of Park Management and the designated fiscal manager.”*

Status Reported by PRD as of January 5, 2016: Park Management conducted a detailed inventory of all supplies in the equipment cage at Pino Yards and on all of the irrigators’ trucks in 2015. Supplies and equipment are accounted for as they are issued to employees. Inventory of supplies and equipment will be conducted annually.



Fully Implemented

PRD has taken inventory of the supplies on hand and has recorded the information in the YARDI work order system. Through YARDI, the inventory records are updated in real time. Additionally, the permanent and temporary issuance files have been reviewed and are monitored monthly.

Recommendation #7: PRD should request a safety inspection of the herbicide storage room at Pino Yards and ensure that a copy of the results is on-hand and readily available.

Response from PRD: *“PRD acknowledges that Park Management could not provide results of the recent (2013) inspection of the herbicide storage area that was conducted by the New Mexico State Agriculture Inspector. Historically, the state of New Mexico has only provided inspection results when a deficiency was noted. The Superintendent of Park Management, a licensed New Mexico State Pesticide Applicator, conducted an inspection of the storage area on July 15, 2013 in the company of the assistant director of the Parks and Recreation Department. In addition, the superintendent also contacted New Mexico State Agriculture Inspector with the request to re-inspect the herbicide storage room at Pino Yards. To date, that inspection is yet to be scheduled.”*

Status Reported by PRD as January 5, 2016: PRD has annual inspections of storage areas by the New Mexico Department of Agriculture (NMDA). Park Management is currently scheduling the next inspections. Some improvements have been completed to the storage area including: spill protection, ventilation, and the identification and proper disposal of unneeded chemicals.



Resolved

According to the PRD Deputy Director, the NMDA performed an inspection of the Pino Yards storage facilities at the end of December 2015 and no deficiencies were noted. PRD has yet to receive the final inspection report. OIA observed the storage room and noted that improvements had been made to the room. PRD remains responsible for ensuring that all storage rooms are inspected and meet NMDA requirements.

Follow-Up
Parks & Recreation Department
Park Maintenance
February 24, 2016

#16-13-106F

SUBMITTED:

Contract 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



City of Albuquerque

Parks and Recreation Department

Richard J. Berry, Mayor

Interoffice Memorandum

DATE 11/6/2015

To: Debra D. Yoshimura, Director Office of Internal Audit

From: ~~Barbara Taylor, Director Parks and Recreation Department~~
[Handwritten signature]

Subject: STATUS OF RECOMMENDATIONS FOR AUDIT REPORT NO. 13-106,
 PARKS & RECREATION DEPARTMENT – PARK MAINTENANCE

As of November 2014, the Parks and Recreation Department (PRD) began restructuring and re-organizing several positions in order to meet the community responsibilities and goals set forth by the current administration. As part of our responses to the audit recommendation's its important to note that the following significant changes were made in upper management:

- Director
- Deputy Director (this is a new position for PRD)
- Fiscal Manager (3rd fiscal manager in 2 years)
- Park Management Superintendent (Began in August 2015)
- Irrigation Program Coordinator, Park Management

The changes that were made have a direct impact not only on the PRD, but also on the Park Management Division and our responses to the audit that was conducted in 2013.

Prior to the restructuring of the PRD, the Assistant Director was responsible for oversight of all 7 divisions that make up the PRD. As part of the re-organizing of the department the Deputy Director has direct oversight of Park Management, Planning Design and Open Space. The Assistant Director has direct oversight of Golf Management, Aquatics and Recreation. The Strategic Support Division, Deputy Director and Assistant Director report directly to the Director of PRD. This allows more oversight and guidance for each division and has allowed the PRD to make changes necessary to address any issues or needs a division may have in a timely basis. As new management began they reviewed the process at the PRD and started changing and instituting new procedures immediately.

The following changes have been made to the Park Management Division since November 2014:

- YARDI was implemented and is being used in all 13 park maintenance areas.
- Master Maintenance Plan (MMP) is currently being completed to reflect the use of YARDI.
- Park Maintenance Crews have been re-assigned based on the MMP.
- Weekly meetings take place involving the Director, Deputy Director, Park Management Superintendent, Superintendent of Operations and the Fiscal Manager.
- The Management Superintendent meets with supervisors on a weekly basis.
- Irrigation training is scheduled for Park Management employees.
- All Park Management supervisors received 20 hours of human resource, customer and management training in service and other key areas that relate to park management.

The following changes have been made to the Fiscal Operations in the Park Management Division since November 2014:

- An Accountant Level 1(AL-1) has been moved from the 4th street offices to the Park Management Division at Pino Yards. This employee is part of the fiscal staff and reports to the Fiscal Officer, not to management in Park Management Division.
- The AL-1 has been assigned as the P-card Coordinator for Park Management Division.
- Park Management has been reduced to 2 P-Cards for the division.
- Weekly reconciliations are done to ensure purchases are approved.
- All items above \$500 must require a pre-approval by division manager.
- Materials manager is authorized to initiate purchases up to \$1,000 to maintain efficiency in the division, however this amount will not cause park management to exceed its budget and they are reviewed by accounting staff on site.
- Fiscal Manager and Fiscal Officer conduct quarterly reviews with Park Management Superintendent and budget
- Fiscal Manager meets with the Park Superintendent on a weekly basis to discuss any financial issues or purchases
- All purchases in excess of \$2,500 must be reviewed and signed off by the fiscal manager or the fiscal officer. New signature authority has been assigned see below.
 - Purchases up to \$5,000 require division manager and fiscal manager or fiscal officer review and signature.
 - Purchases between \$5, 0001 and \$50,000 require Deputy Director, or Assistant Director and Fiscal Manager Review and signature.
 - Items above \$50,001 require review by Fiscal Manager prior to being submitted to Department Director for signature and approval.
- Budget analyst is aware of changes above and will not process a requisition without approval from the appropriate fiscal staff. All requisitions without proper signature are returned to the Fiscal Manager.

The above changes were made by the new management in the PRD based on the operational need of the department and to ensure proper oversight and accountability.

Please see the following responses to the audit recommendation's (**PRD's responses in red**).

Report Finding #1 & #2 Recommendations:

PRD should:

- Develop and follow a master maintenance plan for the City's parks. To establish and expedite the maintenance plan, Park Management should:
 - Require each Area Supervisor to formally track the maintenance within his/her area.
 - Provide the supervisors with an approved tracking method (i.e. MS Excel) and format to ensure consistency among Areas.
- Contact the Commission for Accreditation of Park and Recreation Agencies for additional guidance.
- Implement the electronic work order system to track the maintenance performed at each park, median and trail and to compile data pertaining to the requirements for their successful upkeep.
- Review the dates of work orders on a regular basis to ensure they are archived or destroyed in compliance with record retention policies.
- Train supervisors to use the management tools available including reports from the electronic work order system and GPS.

PRD is working on the completion of phase 1 of the Master Maintenance Plan (MMP) for the Park Management Division. Several meetings have taken place with our consultant, MRWM and based on their review of best practices we are implementing the recommendations into the MMP. The general approach to the plan includes the development of a maintenance plan document, the creation of maintenance checklists for major work activities, categorizing our parks into specific tiers that support the level of maintenance effort for each facility, and reviewing and analyzing the YARDI system.

YARDI supports the Master Maintenance Plan and vice-versa and is currently operational in all 13 park areas. Training has been conducted with each maintenance crew as YARDI was implemented in each area. The system will allow management and supervisors to do the following.

- o Track maintenance within each area.
- o An electronic work order system that shows review and approvals per park area.
- o Allow management to review and re-assess work done at each park.

Paper work orders are being phased out and Park Management is adhering to records retention requirements.

Median maintenance has been transferred to Solid Waste Department's Clean Cities Division and is no longer a part of PRD.

Report Finding #3, #4 & #5 Recommendations:

PRD should:

- Establish and enforce written policies and procedures and
- Review and update written policies and procedures annually.
- Establish formal policies and procedures which address the purchasing process,
- Develop a dollar threshold for purchases which would require the Fiscal Manager's approval prior to authorizing the purchase, and
- Require increased communication with the Fiscal Manager regarding purchases and budgets.
- Review the fiscal operations of Park Management and
- Establish formal policies and procedures for fiscal operations that will address, at a minimum:
 - o Separation of duties
 - o Consistent policies and procedures
 - o Oversight and approval processes

The establishment of policies and procedures regarding YARDI and the Master Maintenance Plan is an on-going effort. The Training and Certification Program will be rewritten. However, the new Trainer and Acting Superintendent recently joined Park Management. As the Master Maintenance Plan is further developed, the need for other written policies and procedures will be evaluated.

To help Park Management with purchasing and to improve communication and oversight an Accountant Level 1 was moved from the location at 4th street to the Park Management Division at Pino yards. This employee is part of the fiscal staff and reports to the fiscal officer and is in daily communication with Park Management as well as the fiscal department. They assist with purchasing and ensure PO's and Requisitions are properly filled out and have the appropriate signatures and ensures the current dollar thresholds are not exceeded. Having an employee from the fiscal division on site ensures that any questions or concerns can be addressed and the fiscal division is fully aware of purchases being made.

PRD is now requiring all purchases that exceed \$2,500 to be reviewed and approved by either the Fiscal Officer or the Fiscal Manager. The Fiscal Manager has also informed the budget analyst that any requisition exceeding this amount won't be signed off by budget if they don't see one of the two signatures.

The Fiscal Manager meets with budget and the division manager at a minimum every quarter to discuss the financial status of the Park Management Division.

Report Finding #6 Recommendations:

PRD should:

- Conduct an initial inventory count of all supplies on hand;
- Update the inventory records regularly as purchases are made and supplies issued;
- Conduct an inventory count of supplies at least annually and reconcile to the inventory records;
- Perform a full verification of all permanent and temporary issuance files to update existing files;
- Conduct a periodic verification of permanent and temporary issuance files at least annually.

As part of the implementation of YARDI, Park Management conducted a detailed inventory of all supplies contained in the equipment cage at Pino Yards and on all of the irrigators' work trucks. All supplies and equipment are accounted for as they are issued to employees. Annual inventories will be conducted to provide further protective measures.

Report Finding #7 Recommendations:

PRD should request a safety inspection of the herbicide storage room at Pino Yards and ensure that a copy of the results is on-hand and readily available.

Park Management has annual inspections of our storage area conducted by the State. Currently, Park Management is setting up the next inspection with NMDA. Some improvements have been completed to the storage area for spill protection, ventilation and proper disposal of un-needed chemicals. The new Park Management Superintendent has reduced the amount of herbicide and obsolete chemicals that were kept on hand and the amount is regularly monitored and purchased as needed.