

FOLLOW-UP OF

ALBUQUERQUE POLICE DEPARTMENT AND

ALBUQUERQUE FIRE DEPARTMENT SYSTEM PROCUREMENT

AND INTEGRATION PROJECT

REPORT NO. 07-02-133F



City of Albuquerque
Office of Internal Audit and Investigations



City of Albuquerque
Office of Internal Audit and Investigations
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Accountability in Government Oversight Committee
City of Albuquerque
Albuquerque, New Mexico

Follow-Up: ALBUQUERQUE POLICE DEPARTMENT AND ALBUQUERQUE FIRE
DEPARTMENT SYSTEM PROCUREMENT AND INTEGRATION PROJECT
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FINAL

INTRODUCTION

The Office of Internal Audit and Investigations (OIAI) performed a Follow-up of Audit No. 02-133, Albuquerque Police Department (APD) and Albuquerque Fire Department (AFD) System Procurement and Integration Project issued on September 28, 2005. The purpose of our Follow-up is to report on the progress made by APD management in addressing our findings and recommendations.

Background Information Relating to Audit No. 02-133

Albuquerque Police Department

In September 1988 APD purchased a records management system (RMS). In 1997 APD purchased a computer aided dispatch (CAD) system. The CAD system was used by both APD and AFD. No records management or reporting tools were included with the initial purchase. During the late 1990s the APD chief was concerned that the RMS and CAD systems were not integrated and did not interface with each other.

Albuquerque Fire Department

The State of New Mexico required AFD to report data compliant with the National Fire Incident Reporting System (NFIRS). AFD purchased a RMS in early Fiscal Year (FY) 2003, which was successfully implemented in June 2003 at an overall cost of approximately \$400,000. AFD was then able to meet NFIRS requirements. The audit determined that the RMS implemented by AFD successfully met the Department's needs. Therefore, there were no findings in the report related to AFD.

SCOPE, OBJECTIVES, AND METHODOLOGY

Our Follow-up procedures consist of inquiries of City Personnel, and review and verification of applicable documentation to assess the status of our audit recommendations. Our Follow-up is substantially less in scope than an audit. Our objective is to ensure management has taken meaningful and effective corrective action in regards to our findings and recommendations. The audit was conducted in accordance with Government Auditing Standards, except Standard 3.49, requiring an external quality review.

The scope of the Follow-up did not include an examination of all the functions, system procurement and integration activities of APD. We limited our scope to actions taken to address our audit recommendations from September 2005 through September 2006.

We determined the following:

RECOMMENDATION NO. 1:

The RMS alarm module stopped working in 1998. APD was not able to bill false alarm violators until the end of FY03 when APD implemented the CryWolf alarm billing and tracking system. The loss of this revenue to the city was a result of turnover of system administrators and personnel within the APD Records Division during this period.

The audit recommended that APD management have controls in place to ensure that all revenue billing for which it is responsible is processed on a timely basis. The audit also recommended that APD have the management controls in place to ensure that if a software system crashes or fails, proper support is obtained through either outside contractual support services or internal support services.

APD management responded to the audit as follows: "When the RMS alarm module stopped working in 1998, APD was left with no choice but to replace the antiquated and unsupported system. As a result, the Cry Wolf billing and tracking software system was ultimately implemented in late FY/03. APD agrees that proper support should be in place for all software systems. Contractual support services have been obtained and have been in place since the implementation of the Cry Wolf system."

ACTION TAKEN

The audit recommendation has been fully implemented. APD has implemented the CryWolf alarm billing and tracking software. APD provided CryWolf subsidiary and City general ledger information for OIAI to review. Our review of this information indicated that APD is processing alarm permit and fine revenue timely. APD has an on-going annual maintenance contract with CryWolf. APD also has a contract with a consultant trained on the CryWolf system.

While conducting the Follow-up, we noted variances between the CryWolf subsidiary and City general ledger financial information for FY03 through FY06. Administrative Instruction 2-2 requires departments to reconcile their accounts receivable to the centralized general ledger system on a monthly basis. APD management explained that all alarm fee and permit payments are sent to a lock box serviced by a local financial institution (institution). APD management told OIAI that the variances are due to unreadable report information provided by the institution. OIAI asked APD management if anyone reconciles the differences between the ledgers. APD management said that the variances are not reconciled. If variances are not reconciled, Citizens' payments for alarm permits and fees might not get applied to the proper customer account.

This is a repeat finding. A previous audit of the Citywide Fiscal Year 2004 Year-End Close, Audit No. 05-101B dated August 31, 2005, revealed that the APD Alarm Unit was not reconciling the false alarm accounts receivable balance in Fund 287 – False Alarm Education and Enforcement Fund to the general ledger. The previous audit recommended that APD adhere to Administrative Instruction 2-2. APD responded that it concurred that it should adhere to Administrative Instruction 2-2.

RECOMMENDATION

APD should reconcile variances between the CryWolf subsidiary and the City's general ledger.

RESPONSE FROM APD

“All legible cash receipt documents received from the processing bank (institution) by the APD false alarm unit are posted. Occasionally, the information from the bank is not sufficient to allow the receipt to be posted to a CryWolf account, resulting in a discrepancy between the general ledger and the CryWolf subsidiary ledger. APD believes the total net

discrepancies over the four fiscal years to be \$9,460.41, while total collections during that same period were \$3,020,572.41.

<i>“FY/03</i>	<i>\$ 215.00</i>
<i>“FY/04</i>	<i>\$3,786.17</i>
<i>“FY/05</i>	<i>\$ 14.50</i>
<i>“FY/06</i>	<i>\$5,444.74</i>

“The APD Alarm Unit will continue to work with the processing bank in an effort to obtain sufficient data to post all receipts and reconcile all differences on a timely basis.”

RECOMMENDATION NO. 2A:

Council Bill No. R-01-350 was approved by City Council for APD to purchase a “Message Switch & Mobile Data Computer Application” with \$1.5 million of G. O. bond money. According to APD, the Message Switch & Mobile Data Computer Application would establish the necessary infrastructure to support current and future APD mobile computing needs. In March 2003, APD spent \$705,304 of this G.O. bond money to replace its CAD. This was outside the scope of the project that the City Council approved. On February 7, 2005, City Council approved Council Bill No. R-04-191 which included a request by APD to expand the scope of the Message Switch/Mobile Data project. This was done after the \$705,304 was spent to replace the current CAD system. The request stated, “The scope is hereby expanded to include the purchase of necessary software, hardware and automation equipment to upgrade technological capabilities.” APD spent G.O. bond funds prior to obtaining approval to expand the scope of the Message Switch project.

The audit recommended that APD obtain City Council approval prior to spending G.O. bond funds for projects outside of the initial project scope.

APD management responded to the audit as follows: “APD believes that it has complied with all legal requirements for spending G. O. Bond funds. APD did not change the scope of the “Message Switch” bond issue and all programmatic and fiscal activity was done with the advice and consent of the City’s Capital Improvement Program Division.”

ACTION TAKEN

The audit recommendation has been fully implemented. APD management stated that if it is determined that the scope of a CIP project does not meet the identified expenditure needs; a

request will be made to CIP to modify the project scope through the CIP Cleanup Hearing Process.

RECOMMENDATION NO. 2B:

Department of Municipal Development (DMD)/CIP personnel verbally approved APD's requests to use G.O. bond funds for purchases outside the scope of the project. APD wanted to use the funds to upgrade its CAD system. Management felt that, due to computer technology advances, the Message Switch/Mobile Data Computer Application was obsolete. The CAD system did not fall under the scope of the Message Switch project. In February 2003 there was a meeting between DMD/CIP, APD, and Department of Finance and Administrative Service (DFAS)/ISD to review the scope of the Message Switch project. After the scope was reviewed, CIP determined that APD could use the funds to upgrade the current CAD system. In March 2003, APD used a portion of the \$1.5 million G.O. bond money to upgrade the CAD system at a cost of \$705,304. CIP stated that there was no written documentation to support the decision, everything was verbal.

The audit recommended that DMD ensure that CIP personnel document all interpretations when a department questions whether a proposed expenditure falls within the scope of G.O. bond funded projects.

DMD management responded to the audit as follows: "DMD concurs with the recommendation and has taken corrective action. DMD no longer provides verbal authorization for expenditure of capital funds. DMD/Fiscal staff review all requests for purchases that utilize capital funds. As part of their review process, they check for both fund availability and project scope compliance. Written approval is provided on the purchase requisition before it is submitted to the DFAS/Purchasing Division. On February 6, 2004, the DMD and DFAS directors jointly issued an instruction memo to all department directors and fiscal managers which outlined these revised procedures."

ACTION TAKEN

The audit recommendation has been fully implemented. DMD provided a copy of the instruction memo jointly issued on February 6, 2004 by DMD and DFAS directors to all City departments. Department directors and fiscal managers are required to obtain approval from DMD/CIP fiscal staff on all requisitions, disbursement requests and purchase order adjustments that site CIP funds as the funding source. DMD/CIP fiscal staff will review and approve the submitted documentation to ensure both project scope compliance and fund availability.

RECOMMENDATION NO. 3:

A needs assessment is a systematic exploration of the way things are and the way things should be. A needs assessment is a means by which an individual or a group can begin to anticipate and plan for the technical, human, time, and financial resources that are going to be required in the successful implementation of a project. Prior to the CAD/RMS integration project, a decision was made to upgrade the current CAD system at a cost of \$705,304. A review of the purchase documentation by the OIAI indicated that the upgrade was actually a system replacement. A needs assessment was never done for the upgrade. OIAI inquired as to why this amount of money was spent to upgrade a portion prior to replacing the entire system. A member of the Project Management Team stated, "No one on the project team realized that the CAD upgrade would cost so much." APD personnel also stated that they performed an informal needs assessment for the CAD/RMS project, but this process was not documented.

The audit recommended that APD management ensure that APD Support/Technical Services documents the process and results of a needs assessment prior to embarking on a project.

APD management responded to the audit as follows: "APD respectfully disagrees with this finding and believes that they assiduously followed the technical guidance provided by the U.S. Department of Justice (DOJ) for public safety IT projects. While the needs assessment for this project may not have been documented in a manner preferred by Internal Audit, APD did, in fact, conduct a needs assessment that is viewed by other agencies, vendors, and industry consultants as resulting in one of the most comprehensive list of end-user requirements seen among law enforcement agencies..."

OIAI responded with the following comment, "OIAI asked five separate times since August 2002, to see documentation of a needs assessment and none was provided. In May 2005, the APD Project Manager stated that the needs assessment was documented on index cards and notes that were lost. This comprehensive response supported with documentation would have been more useful to OIAI during the audit."

ACTION TAKEN

The audit recommendation has been fully implemented. OIAI followed-up with APD management regarding the steps that will be taken to ensure that a needs assessment will be completed prior to embarking on future projects. APD management stated that all projects will continue to adhere to the Technical Review Committee and Information Systems Council guidelines, and a needs assessment will be conducted before undergoing any major projects.

OIAI reviewed the Information Technology Project Management (ITPM) policy, and determined that it requires the following projects to follow the ITPM standard:

- Any project with an information technology professional services component that is greater than \$55,000; or
- Any project where application software will or could be shared by multiple Departments; or
- Any implementation of a new version or major revision of application software which is not a "commodity" (as defined by City policies); or
- Any project designated by the Technical Review Committee (e.g., high-risk, emerging technology). "Emerging technology" is defined as technology used by the City government for the first time or for a new purpose. The Project Initiation Plan/Project Chart and Implementation Report requirement may be waived by TRC for projects in this category.

One of the requirements of the ITPM standard is the completion of a Project Concept Report (PCR). The completion of a Needs Analysis is one of the requirements within the PCR.

RECOMMENDATION NO. 4:

APD's Support Services Division was responsible for the overall management of the Department's Information Technology (IT) projects and ongoing IT operations. During the period from FY2002 through FY2005, four different APD officers held the position of the Support Services Division Manager. These APD officers were not technically experienced persons or did not have project management backgrounds. There had not been consistent management over the CAD/RMS project due to the frequent rotation of APD officers through the Support Services Division Manager position.

The audit recommended that APD implement an organizational structure that provides consistent management to effectively oversee complex IT projects and ongoing IT operations. It also recommended that APD continue to seek approval to hire an IT manager who can provide qualified technical management over the department's IT projects and ongoing IT operations.

APD management responded to the audit as follows: "The APD recognizes the need for an organizational structure to provide consistent management to oversee IT projects and ongoing operations. The need for this specialized organizational structure was not given sufficient priority in prior budget requests to be recommended for funding. A position paper requesting a Technical

Manager and appropriate support staff for this project will be submitted during the FY/07 budget development cycle. In the interim, APD is attempting to determine if funding for at least a Technical Manager can be identified within the FY/06 operating budget.

ACTION TAKEN

The audit recommendation has been fully implemented. APD hired two Systems Analysts in November 2004. In July 2006 APD posted the Technical Manager position and three System Administrator positions. In mid July 2006 APD hired a System Administrator. APD is in the process of interviewing applicants for the Technical Manager position and the two remaining System Administrator positions. APD has also reassigned a Sergeant and two Officers to the Technical Services unit. These individuals are being used to help facilitate the implementation of the CAD/RMS project and will act as trainers for APD officers.

RECOMMENDATION NO. 5:

APD implemented its IT Strategic Plan (plan) in December 2003. The Executive Endorsement section of this plan required APD to update this document annually. APD stated that the plan had not been reviewed and revised since initial implementation due to limited staffing and turnover in upper management. The Support/Technical Services Section was in charge of implementing technology for the entire APD.

The audit recommended that APD management regularly review and revise the long-range IT Strategic Plan.

APD Management agreed that long-range IT plans should be regularly reviewed and revised. APD Management stated they would try to identify staffing to accomplish this task on a regular and timely basis.

ACTION TAKEN

This audit recommendation has not been implemented. APD management informed OIAI that there is no one within APD to perform an update and revision of the long-range IT Strategic plan. APD anticipates this task to be completed by the individual who is eventually hired as the new Technical Manager.

RECOMMENDATION

The long-range IT Strategic Plan should be reviewed and revised as soon as the APD Technical Manager is hired.

RESPONSE FROM APD

“The APD is in the process of hiring a Technical Manager and will assign the update and review of the APD Strategic IT Plan to the manager after the selection and hiring process is completed. This is one of many tasks which the APD will have for this individual. The review and update of the IT plan will be set as a priority for the first months after the position is filled. The expectation at this time is that this task will be completed by the end of March 2007.”

CONCLUSION

APD has fully implemented or resolved four of the five recommendations noted in the initial audit. DMD has fully implemented or resolved the one recommendation noted in the initial audit. APD should ensure that the long-range IT Strategic Plan is reviewed and revised as soon as the APD Technical Manager is hired. Also, APD should reconcile variances between the CryWolf subsidiary and the City’s general ledger.

We appreciate the assistance and cooperation of APD and DMD personnel during the Follow-up.

Audit Manager

REVIEWED:

Internal Auditor

APPROVED:

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