



City of Albuquerque

Office of Internal Audit

P.O. BOX 1293, ALBUQUERQUE, NM 87103

August 24, 2016

Councilor Dan Lewis, President
City Council
P.O. Box 1293
Albuquerque, NM 87103

Dear Councilor Lewis:

We have completed the Office of Internal Audit's Annual Report for Fiscal Year (FY) 2016. The Accountability in Government Oversight Committee approved the Annual Report on August 23, 2016, and we are pleased to transmit it to the City Council for your review.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Lawrence L. Davis', is written over a faint circular stamp.

Lawrence L. Davis, Acting Director
Office of Internal Audit



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

August 24, 2016

Honorable Mayor Richard J. Berry, Members of the City Council, and Citizens of Albuquerque:

The Accountability in Government Oversight (AGO) Committee would like to recognize the Office of Internal Audit (OIA) Acting Director and his staff for their continued service to the Administration, City Council and the Citizens of the City of Albuquerque.

As this annual report demonstrates, OIA produces audits that include recommendations intended to improve City processes which result in potential cost savings. It also shows the service OIA provides by offering its expertise in responding to requests for assistance from department personnel.

The AGO Committee has found the OIA staff to be a professional and respected resource for the City of Albuquerque. As an independent, objective set of eyes that can help the organization accomplish its objectives, OIA is certainly an integral part of the City of Albuquerque government.

Sincerely,

Gerald T. Kardas, Chairperson for
Accountability in Government Oversight Committee

Patricia A. Caristo
Mark D. Jarmie
Robert M. Doughty III
Raul J. Anaya



City of Albuquerque

Office of Internal Audit

Fiscal Year 2016 Annual Report



Increasing the City's efficiency, effectiveness, and accountability to the citizens of Albuquerque



Office of Internal Audit

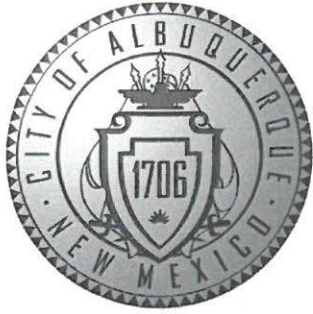
Fiscal Year 2016 Annual Report
July 1, 2015 - June 30, 2016

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Mission Statement

*Provide independent audits that promote transparency,
accountability, efficiency, and effectiveness of City
government for the citizens of Albuquerque.*



City of Albuquerque

Office of Internal Audit

P.O. Box 1293 Albuquerque, New Mexico 87103

August 24, 2016

Honorable Mayor Berry, Members of the City Council, Accountability in Government Oversight (AGO) Committee, and Citizens of Albuquerque:

I am pleased to present the Office of Internal Audit (OIA) Annual Report for the fiscal year ended June 30, 2016 (FY2016). The Annual Report illustrates OIA's performance and is required by Section 2-10-14 ROA 1994 of the Accountability in Government Ordinance.

In FY2016, OIA completed various audits contained in the Annual Audit Plan, as well as other non-audit services requested by the Administration, the City Council, and a citizen to address emerging issues. OIA issued 27 reports, responded to 50 requests for assistance, and identified potential cost savings of approximately \$208 thousand, which is 25 percent of OIA's budget.

The AGO Committee provides functional oversight of OIA to ensure audits and other non-audit services are performed in an impartial, equitable, and objective manner. Audit and non-audit services provide objective findings and recommendations to help the Administration and City Council:

- Improve program performance and operations,
- Reduce costs,
- Facilitate decision making by parties with responsibility to oversee or initiate corrective action,
- Contribute to public transparency and accountability, and
- Ensure that taxpayer dollars are spent efficiently and effectively.

The terms for two AGO Committee members will expire on September 1, 2016. The City Council will be responsible for appointing the law enforcement/law background member, and the Administration will be responsible for appointing the Certified Public Accountant member.

OIA continually strives to maximize the value of our services and looks forward to serving the Citizens of Albuquerque, the City Council, and the Administration by providing independent value added services.

Sincerely,

Lawrence L. Davis,
Acting Director

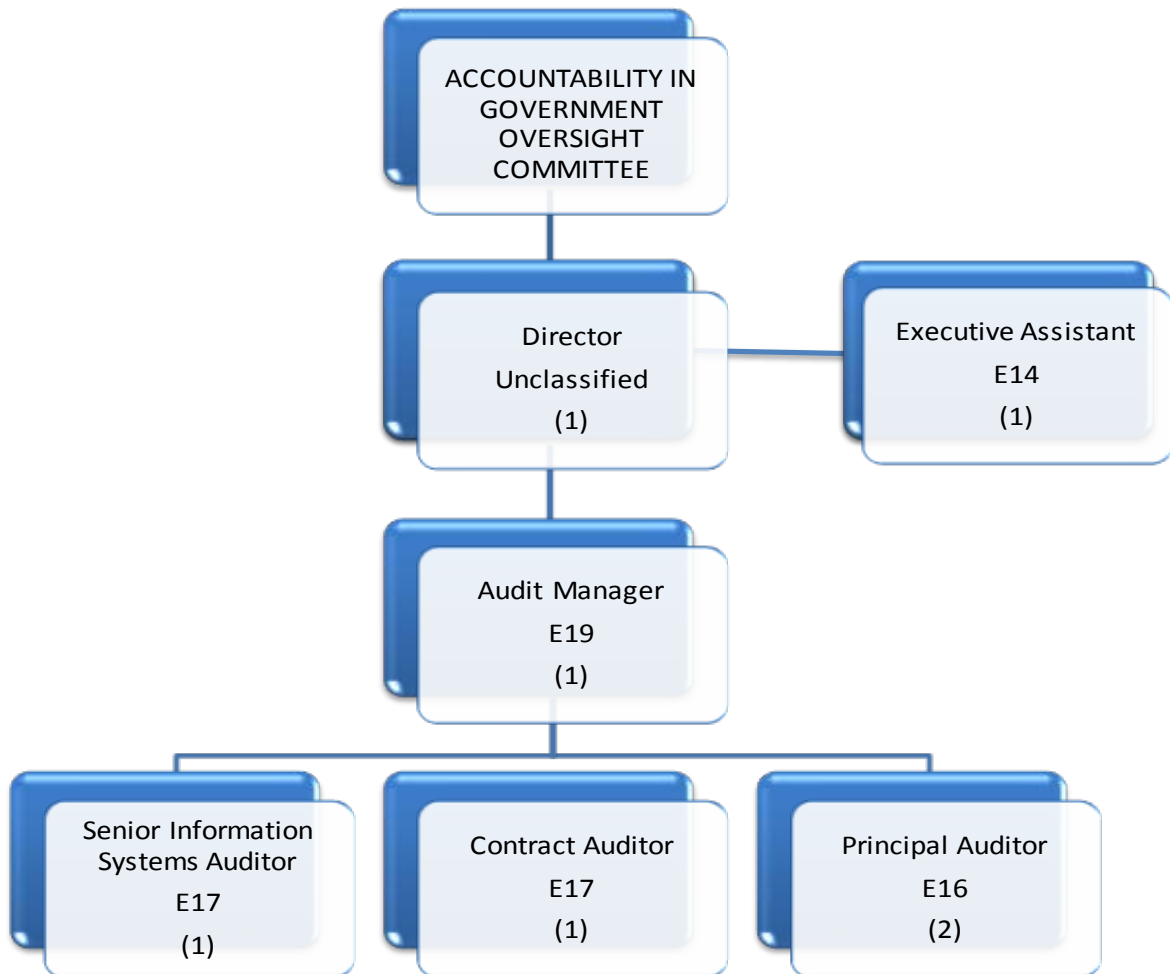
Organization Chart

June 30, 2016

Section 2-10-5 ROA 1994 of the Accountability in Government Ordinance creates the Accountability in Government Oversight (AGO) Committee. The AGO Committee consists of five members from the community at large. The primary functions of the AGO Committee are to appoint the Director of the Office of Internal Audit (OIA), approve OIA's annual audit plan, and approve audit and follow-up reports.

AGO Committee Composition

Name	Term Expiration	Representative
Gerald T. Kardas, CPA (Chair)	9/1/2016	CPA
Patricia A. Caristo, NMLPI	9/1/2016	Law
Robert M. Doughty III	9/1/2017	Management
Mark D. Jarmie	9/1/2018	At-large
Raul J. Anaya	9/1/2018	At-large



FY2016 Audit Reports

Audit No. 14-104

Common Cash Bank Reconciliations

October 28, 2015



Annually, since fiscal year (FY) 2008, the City of Albuquerque's (City's) Comprehensive Annual Financial Report has contained a finding pertaining to the City's inability to reconcile its Common Cash account. External auditors characterized City bank reconciliations as "unnecessarily complex and cluttered with reconciling items that should have been resolved in previous years."

The audit found that Common Cash reconciliations are not accurate or timely. Common Cash transactions are not centrally documented or fully understood by the Department of Finance and Administrative Services (DFAS) personnel responsible for performing the reconciliation.

Common Cash reconciliations do not accurately capture the City's complex cash activities, include incorrect assumptions, contain unidentified reconciling amounts, and are routinely performed more than 60 days after the end of each calendar month. Monthly unidentified reconciling amounts ranged from \$460 thousand to negative \$2.2 million. As a result, through October 2014, the City maintained an excess \$2 million cash buffer because the general ledger did not produce an accurate and timely cash position.

Historically, DFAS offset the net unidentified Common Cash reconciliation amounts with investment income at fiscal year-end. DFAS processed accounting entries between Common Cash and investment income to align the City's general ledger with the Common Cash bank balances. This practice was discontinued in FY2013. Since then, unidentified reconciling amounts have been carried forward and DFAS is working toward identifying and resolving the unidentified Common Cash differences.

Audit No. 15-101

B & D Industries, Inc. (2 Reports Issued)

October 28, 2015

For the 5-year period July 1, 2010 to June 30, 2015, the City paid B&D Industries, Inc. (B&D) more than \$16.4 million for work performed on all contracts. This audit, however, only addressed the two B&D on-call service contracts for electrical and HVAC.

The audit found that B&D had not met numerous contract requirements of both on-call service contracts and that 100 percent of the invoices sampled were missing at least one item required by the contract. As a result, the



City was overcharged \$23,936; formal authorizations to start work were not obtained; and subcontractors performed work on City facilities without City approval. B&D refunded the City the identified overcharges.

Audit No. 15-104

Printer/Copier Security

December 9, 2015



Today's printer/copiers are sophisticated multifunction devices that can send emails, scan and save documents, and send faxes. To manage these tasks, the devices have onboard computer operating systems and hard drives, and are connected to the City's network to process multi-user requests. While enhancing productivity, these devices introduce risks to a networked computing environment. Security features are available, but activation of the features is strictly the customer's responsibility.

No evidence of any data breach related to printer/copiers was identified during the audit. However, the audit did find that printers and copiers on the City's network have not been optimally secured against unauthorized access. Many citywide printer/copiers have security features that had not been activated. Additionally, the audit found that the Department of Technology and Innovation does not have a complete list of printer/copiers that are connected to the City's network.

Audit No. 15-105

B & Y Pest Control Inc. (2 Reports Issued)

January 8, 2016

The City paid B&Y Pest Control, Inc. (B&Y) more than \$105,000 for pest control services during the 18-month audit period, July 1, 2013 through December 31, 2014. During the audit, B&Y's contract with the City expired and was not renewed. As the audit was already underway and the City had received multiple complaints from various City departments pertaining to B&Y's services and billings, OIA continued and completed the audit.

The audit found that B&Y did not fully comply with contract requirements and overbilled the City \$13,692. B&Y inaccurately billed the City at higher service rates and quantities; did not include all the required information on invoices; and did not consistently record all the information required by the New Mexico Department of Agriculture on service records.



December 9, 2015



The City Clerk (Clerk) has many regulatory responsibilities and must ensure that all applicable regulatory requirements are met. For nearly two years, the City operated without an appointed City 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 audit found that the City Clerk's Office (Clerk's Office) did not have current policies and procedures to ensure that the 195 regulatory requirements imposed by the State of New Mexico and the City could be addressed or completed; a majority of which are related to municipal elections.

The audit also found that a formal succession plan and training program have not been developed to help manage unexpected vacancies and address the official duties of the Clerk's Office. Additionally, a comprehensive list of records to be maintained by the Clerk has not been created.

Regulatory requirements should be documented in policies and procedures to ensure they will be accomplished and to facilitate transitions in any position in the Clerk's Office. 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.

October 28, 2015

Over the six-year period, fiscal year (FY)2010 to FY2015, the City paid Adecco Employment Services Incorporated (Adecco) and New Koosharem Corporation (also known as Select Staffing), approximately \$23.3 million and \$29.5 million, respectively for staffing agency services. The City paid each staffing agency approximately \$8.2 million over the 18-month audit period, July 1, 2013 through December 31, 2014.



The audit of the Adecco contract found that Adecco is not ensuring that the information on invoices and periodic reports is accurate. As a result of incorrect invoice costs the City was overcharged an estimated \$38,540.

The audit of the Select Staffing contract found that Select Staffing also was not ensuring the accuracy of invoice information. Incorrect billing rate charges were included on invoices. These inaccuracies resulted in both overcharges as well as undercharges, and did not result in a net overcharge to the City.

December 9, 2015



In 2011, the Solid Waste Management Department (SWMD) contracted with Friedman Recycling (Friedman) to construct a local area single-stream Materials Recovery Facility that could accept, sort, and process comingled recyclable materials. Since 2011, more than 91,000 tons (over 182 million pounds) of recyclable materials have been diverted from the landfill and delivered to Friedman to be recycled.

The contract between the City and Friedman specifies that the City will deliver a minimum of

3,200 tons of recyclable materials to Friedman monthly. Although the City has not consistently reached the minimum delivery goal each month, the amount of recyclable materials is increasing.

The audit found certain errors and discrepancies with regard to the calculations of recycling revenue and tipping fees. However, each error had been identified by either SWMD or Friedman and accurately corrected prior to the audit. Discrepancies were noted on the tipping fee schedule and were also corrected prior to having any financial impact to the City. As a result, the report included no findings but provided an in-depth understanding of the contract. SWMD appreciated and acknowledged the value of the report and stated, “The report is the most comprehensive description of the intricacies of the Friedman contract that has been written.”

February 24, 2016

The City’s website has approximately 2,500 individual pages of information and receives nearly 300,000 unique visitors each month. The accuracy and completeness of the website’s information is imperative as each page may contain numerous links to various documents and other official sources of information.



The audit found that, of 594 webpages reviewed, 62 pages had bad links, 76 pages had outdated content, 20 pages did not have accurate content, and 10 pages had exceptions to the City’s External Link Standard. The City’s External Link Standard requires that links to non-City websites be identified with an image of a globe. The globe image serves as an indicator to ABQ311 operators that the link is external and the information therein should not be relied upon or dispensed to the public as official sources of information.

April 27, 2016



Administrative Instructions are city-wide internal policies and operational procedures. The City’s first Administrative Instructions were created in 1992 to provide policies and procedures for activities that are not adequately controlled by other rules or regulations.

The audit found that the City does not have a clear process or defined expectations for how to maintain Administrative Instructions. As a result, various City Administrative Instructions are outdated, need to be reviewed, and should be revised. Of 172 active

Administrative Instructions, 124 (72%) are more than 10 years old. From a judgmental sample of 21 Administrative Instructions selected for review, 18 (86%) contained outdated or irrelevant information. One such Administrative Instruction prohibited the use of staples or tacks for official postings on bulletin boards and required invisible scotch-type tape be used.

The City’s Administration formed a small committee to address the audit findings and recommendations. By reviewing, updating, and revising the Administrative Instructions, the City’s Administration will help ensure that active Administrative Instructions are applicable and relevant to the current operations of the City.

June 22, 2016

The Security & Parking Services Division of the City’s Department of Municipal Development operates a total of 763 single-space parking meters and 72 multi-space pay stations for a total of approximately 1,300 metered parking spaces available to the public. In 2015, combined revenue from parking meters and pay stations totaled over \$950,000.



The audit found that the Security & Parking Services Division’s current processes might not detect missing revenue and other fiscal errors. Significant inconsistencies and internal control weaknesses were noted and include lack of reconciling collection receipts to actual funds received, unresearched/undocumented discrepancies, infrequent collection of pay station revenue, limited monitoring activities and outdated policies and procedures.

Management agreed with all of the report recommendations. The Security & Parking Services Division must develop policies and procedures to address collection and reconciliation processes for all of the meters and pay stations in its inventory. Revenue should be tracked and analyzed so that unexplained fluctuations are identified and researched promptly.

FY 2016 Non-Audit Project Reports

Non-Audit No. 15-304

Greenwood Invoice Review No. 2

August 18, 2015



Scott T. Greenwood, Attorney at Law performed negotiations between the City and the Department of Justice. The original amount of the contract was \$70,000, the first supplement increased the contract amount to \$220,000, and the second supplement brought the total contract amount to \$750,000. The contract amount is for services only; related expenses and taxes are excluded and are to be paid in addition to the \$750,000.

At the request of the Albuquerque City Council, a secondary review was performed by OIA over the computational accuracy of hours billed, and the appropriateness of reimbursable expenses paid to Mr. Greenwood. For the period of August 2014 through March 2015, the City paid Mr. Greenwood \$257,819 for professional services and \$52,229 for related expenses and taxes.

The review identified two issues that were brought to Mr. Greenwood's attention. First, five airline tickets totaling \$3,685 were invoiced twice. Second, three transportation charges totaling \$218 were invoiced in error. Upon notification of the issues, Mr. Greenwood corrected the errors prior to receiving payment from the City.

The second contract supplement requires reimbursement for meals to be paid at the Federal per diem rate (in 2015 \$46/day), though the supplement does not clearly indicate whether all Federal per diem rules apply. This resulted in 79 days of invoiced per diem that did not follow Federal regulations. Mr. Greenwood did not bill the City for 22 days, and over billed the City for 57 days; the effect was a net under billing of \$137.

Non-Audit No. 15-307 Public Art Urban Enhancement Program Contracts

August 6, 2015

The Public Art Urban Enhancement Program (Program) was created to encourage and promote public art within the City, including paintings, sculptures, music, and history presentations. Tangible public art is purchased using the one-percent set aside from General Obligation Bond proceeds, and non-tangible public art is purchased using the Urban Enhancement Trust Fund. All Program contracts must be approved by the Cultural Services



Department (CSD) Director and in place before work can begin or art can be purchased.

Thirty-eight percent of contracts tested had been purchased or work had begun before the contract had been approved by the CSD Director. Additionally, the Program does not track when each step in the contracting process has occurred, which has contributed to the late approval of contracts.

By not ensuring that the CSD Director approves the contracts before work begins or art is purchased the City may be liable for unapproved costs.

Non-Audit No. 15-308

Accounts Payable Check Process

July 9, 2015



OIA received a complaint from a vendor regarding a lost check and the City's Accounts Payable (A/P) check issuing process. The complaint cited delays with the A/P process, multiple payment inquiries, a check issued but not received, and the process for the reissuance of checks.

OIA reviewed and documented the A/P check process in an attempt to determine if a systemic problem with the A/P process and issuance of checks existed. Though various opportunities for improvement were identified, the review did not identify issues with the A/P check process that would result in missing checks, and confirmed that the process was operating according to written procedures.

There are a variety of reasons why a vendor does not receive a check. However, it appears the check may have been lost or misplaced during the external mailing process.

Non-Audit No. 15-309

Psychologist Contract Review

October 27, 2015

The Albuquerque City Council (Council) received anonymous complaints regarding a contracted psychologist for the Albuquerque Police Department's (APD) Behavioral Science Division (BSD) and two affiliated companies. Council forwarded the information to OIA for review.

Based on the information provided to Council, OIA's research and subsequent interviews, some of the allegations listed in the anonymous complaint proved to be issues while others did not.

The review found that the contracted psychologist's responsibilities and involvement with APD, coupled with the psychologist's multiple affiliations with City vendors, had developed over time



into a complex, connective network with multiple conflicting elements. The network involved conflicting roles and responsibilities, unclear roles and representation, and conflicting business relationships.

For example, the contracted psychologist was simultaneously considered a City official, a City contractor, as well as the Agency Director of a City vendor. As a result, the contracted psychologist submitted invoices for his services rendered as a City contractor and then, as BSD Acting Director, approved the invoices for payment.

The various issues identified indicate an overall breakdown in administrative oversight and controls by City departments over APD contracts.

Non-Audit No. 16-301 Special Investigations Division Cash Count

August 20, 2015



At the request of APD, a petty cash count was conducted to ensure the Special Investigations Division's (SID) custodian funds were accounted for and deposited in accordance with department procedures at fiscal year-end. All petty cash funds were properly accounted for and deposited in the appropriate bank account.

A previous recommendation for SID to request access to produce a statement that would allow confirmation of deposits from the United States (U.S.) Department of the Treasury (Treasury) was not resolved. Without such a statement, SID was unable to verify that all deposits from the U.S. Treasury were received. A new recommendation was added to verify SID bank account information with the U.S. Department of Justice deposit reports because SID funds were erroneously deposited into the City's Common Cash bank account.

The New Mexico Legislature amended the New Mexico Forfeiture Act. As of July 1, 2015, the amendment discontinued the practice of forfeiture asset sharing between local law enforcement agencies and the Federal government. As a result, the recommendations are no longer applicable to the City and are only included for informational purposes.

Non-Audit No. 16-302 Solid Waste Cash Security Review

October 22, 2015

On August 17, 2015, the Solid Waste Management Department's (SWMD) Eagle Rock Convenience Center (Convenience Center) was the victim of theft by a staffing agency employee. The non-audit service was initiated to review and identify cash security controls in place, and provide recommendations to help improve overall cash security at the Convenience Center.



OIA provided multiple recommendations on how to improve cash security at all three SWMD convenience centers, including the implementation of electronic keypads or a radio frequency identification system in place of keys; requiring a minimum of two cashiers in each convenience center booth at all times; and installation of additional security cameras.

Non-Audit No. 16-303 Department of Justice Expenditures

February 8, 2016



In April 2014, the U.S. Department of Justice (DOJ) completed its civil investigation of the Albuquerque Police Department (APD). The investigation noted various deficiencies, and a settlement agreement to correct the deficiencies was finalized in October 2014. In fiscal year (FY) 2015, the Albuquerque City Council (Council) appropriated \$1 million and reserved an additional \$1 million to support the compliance costs with the DOJ settlement agreement.

At the request of a City Councilor, OIA performed a review of the quarterly DOJ expenditure reports for FY2015. The review included an assessment of the DOJ implementation expenditures, and a review of the allocation method used by APD in cases where a vendor provided services and/or goods for both standard APD operations and DOJ implementation activity.

The non-audit service identified a concern with one DOJ-related personnel cost. Currently, 100 percent of the Executive Director's salary is charged as a DOJ expenditure. As the Executive Director is also responsible for non-DOJ-related activities, it may be appropriate to charge only a percentage of his salary as a DOJ cost.

The Council has requested that APD submit quarterly DOJ-expenditure reports. APD has worked with the Council to develop an acceptable report format that provides a sufficient amount of detail.

Non-Audit No. 16-401 Animal Welfare Cash Count

March 24, 2016

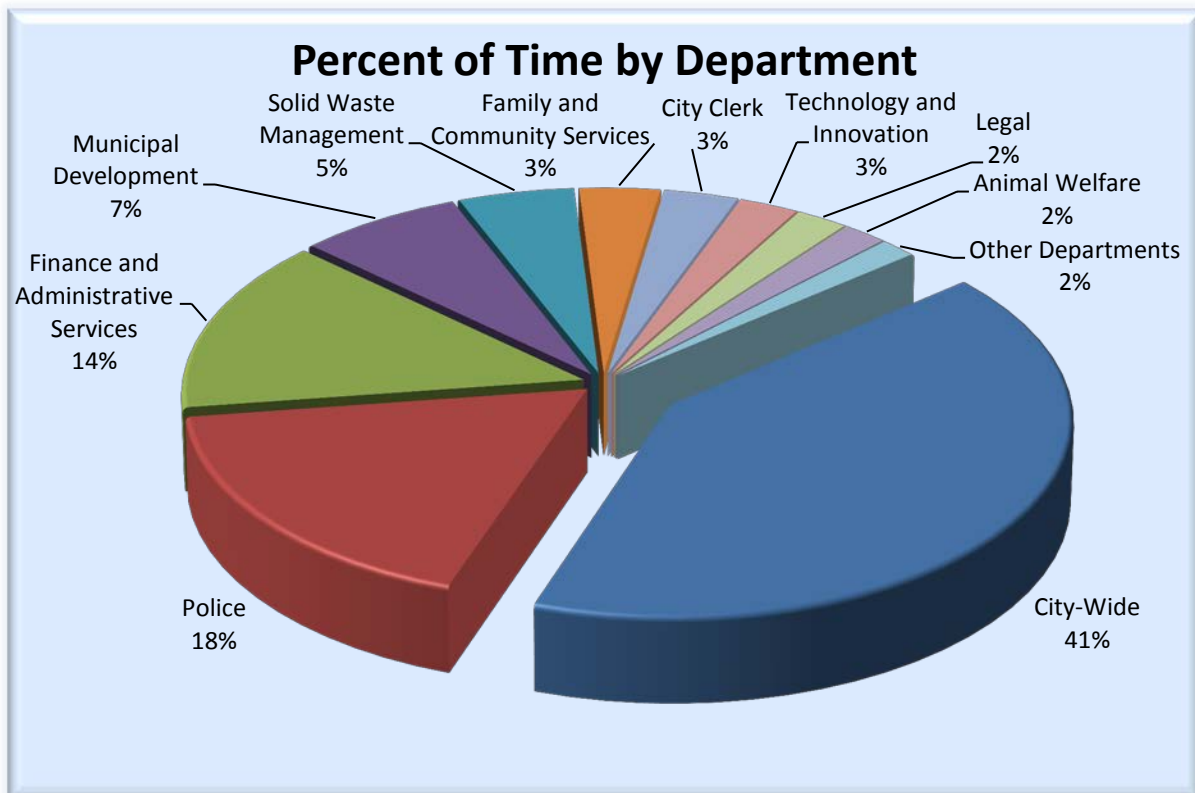


A surprise cash count was performed at the Animal Welfare Department's (AWD) store in the Coronado Center, Lucky Paws. The change fund was accounted for without exception. However, OIA identified four areas for improvement with regard to AWD practices and procedures pertaining to the custodian/sub-custodian agreements, cash handling certifications, internal policies and procedures, and miscellaneous funds retained at Lucky Paws.

Audit Hours by Department

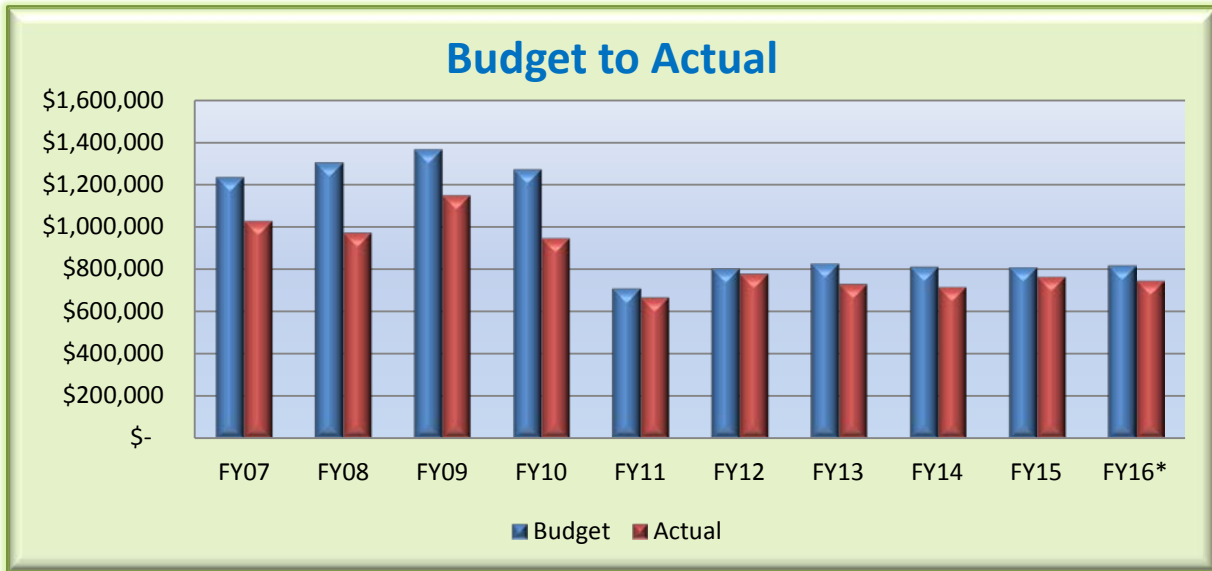
Department	Hours
City-Wide	2,323.50
Police	980.50
Finance and Administrative Services	797.25
Municipal Development	394.50
Solid Waste Management	278.25
Family and Community Services	193.50
Office of the City Clerk	178.50
Technology and Innovation	143.50
Legal	125.50
Animal Welfare	108.50
Other Departments	88.50
Total	5,612.00

The table above only includes directly applicable hours for OIA projects. Excluded hours include paid holidays, vacation leave, sick leave, and administrative time. Administrative time includes department activities such as staff meetings, required training to maintain certifications, and required management activities to maintain the day-to-day operations of the office. The chart below illustrates the percentage of time OIA dedicated to City departments in FY2016.



OIA Budget

OIA's original FY2016 budget was \$808,000. Due to technical adjustments for personnel costs, the FY2016 budget was increased to \$816,000. The FY2017 budget was approved at \$830,000.



Note: For the years FY2007 through FY2010, the budget also contained activity for the Office of Inspector General.

*Actual expenditures for FY2016 are approximate, as they are unadjusted and unaudited.

Performance Measures

The Program Strategy for OIA is to enhance public confidence and promote efficiency, effectiveness, accountability, and integrity in City government by:

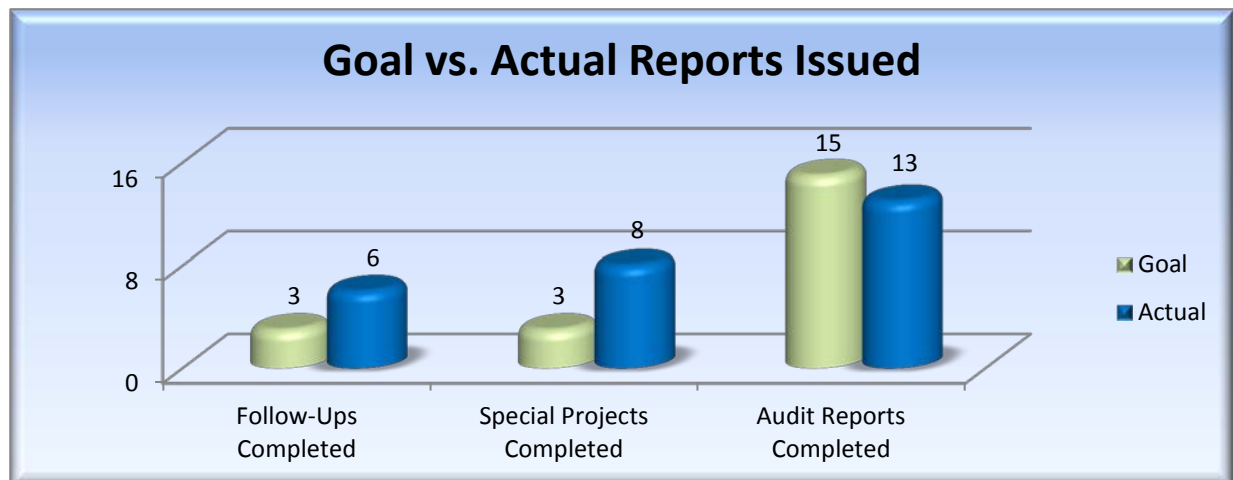
- ✦ Ensuring compliance with City ordinances, resolutions, rules, regulations and policies;
- ✦ Recommending operational improvements and measuring the efficiency and effectiveness of City programs; and
- ✦ Recommending programs/policies, which educate and raise the awareness of all City officials and employees.

The OIA Program Strategy is part of the City's Goal No. 8, *Government Excellence and Effectiveness*.

OIA's FY2016 Performance Measures

REPORTS ISSUED

OIA's output is measured by the number of reports completed during the year. OIA issued 27 reports in FY2016. Although the project mix differed from our goal, the value of OIA's efforts has been very beneficial to the City. The chart below illustrates the project goals versus actuals for FY2016.



Audit Reports

The FY2016 Goal was to complete 15 audits. Thirteen audit reports were issued and another eight audits were in various stages of completion at year-end. Audits require a significant amount of planning and documentation in order to meet Government Auditing Standards. The

audited entity and/or the Administration prepare formal responses to the audit recommendations, which are included in the final report.

Special Projects (Non-Audit Services)

The FY2016 Goal was to complete three special projects. Eight special projects were completed and another three were in various stages of completions at year-end. Special projects are performed at the request of the Administration and/or City Council, or in response to emerging issues. Generally, they do not require as much planning or documentation as audits and can be completed in less time.

Follow-Up Reviews

The FY2016 Goal was to complete three follow-up reviews. Five initial follow-ups and one comprehensive secondary follow-up reporting on the status of eight follow-ups with outstanding recommendations were completed in FY2016.

OIA follows-up on recommendations made in past audits to determine the status of implementation. Follow-ups help motivate the audited entities to make recommended changes. The follow-up reviews are generally conducted a year or more after an audit is completed.

REQUESTS FOR ASSISTANCE

OIA measures service quality by the number of requests for assistance received from other City departments and organizations. Requested assistance ranges from explanations of technical terms to advice on implementing internal controls. As shown below, the number of requests for assistance in FY2016 exceeded expectations by 15 requests.

FY2016 Requests for Assistance

Goal: 35 Requests



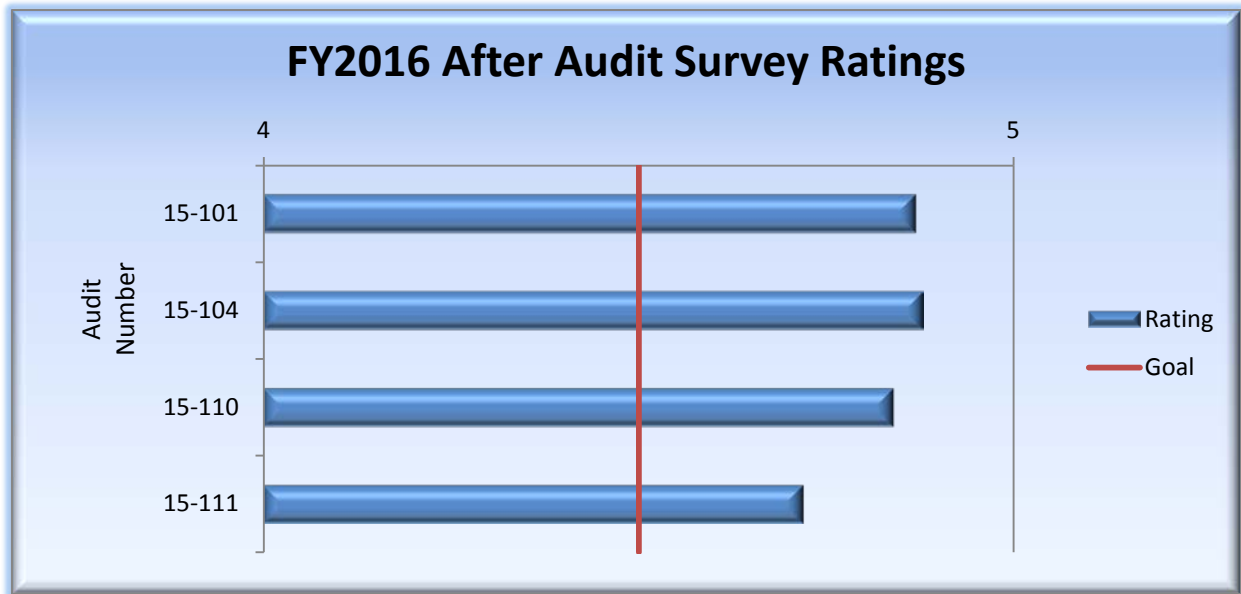
Actual: 50 Requests



 = 5 requests

AFTER AUDIT SURVEY RATINGS

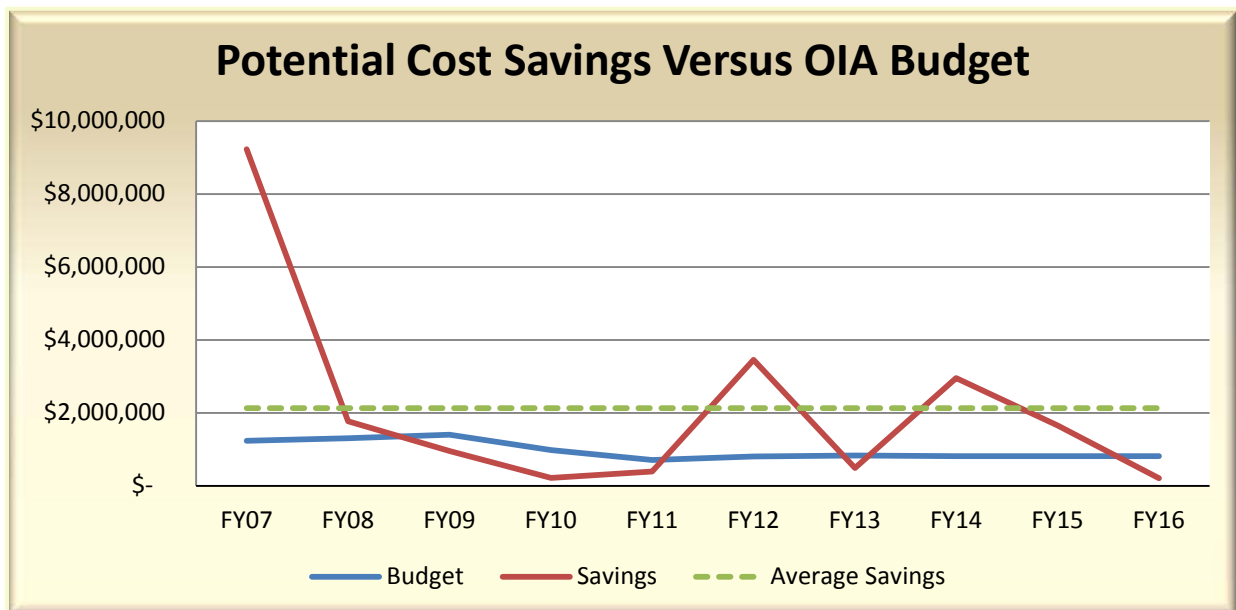
Another quality measure of OIA services is the average ratings provided by auditees after audits are completed. Each audited department is asked to complete an after-audit survey. The survey requests the auditee to provide a rating of the auditor, the audit process, and the audit report on a one to five scale, with five being the highest rating. The average goal for OIA's after audit surveys is 4.5. The average rating for FY2016 was 4.8. Auditees provided ratings for four of the thirteen FY2016 completed audits, as shown below.



SAVINGS IDENTIFIED BY PROJECTS

Each year OIA identifies costs savings, either one-time or recurring. OIA’s goal is to fully recover the costs of OIA’s operations. Projects completed in FY2016 identified potential savings equal to 25 percent of the department’s budget for the year.

Many projects result in increased efficiencies and compliance. However, the value gained from some projects cannot be easily quantified. As a result, this measure may not be achieved every year, as illustrated below. However, the potential annual savings identified by OIA over the past 10 years averaged \$2.1 million.



Implementation of Recommendations

OIA strives to improve the operational efficiency of departments through the implementation of audit recommendations.

Follow-up procedures rely on the department(s) providing the status of the recommendations. Follow-up procedures are substantially less in scope than an audit. The objective is to report on the status of corrective action regarding the findings and recommendations.

OIA conducted five initial audit report follow-ups in FY2016. City departments *fully implemented* or *resolved* 60 percent (23) of audit report recommendations, while 32 percent (12) were *in process* at the time of the follow-up. Eight percent (3) of recommendations were *not implemented* as illustrated in the following table.

Audit No.	Title	Original Report Date	Recommendations		
			Fully Implemented or Resolved	In Process	Not Implemented
14-11-105F	Transportation Infrastructure Tax – Citywide	2/29/2012	6	-	-
16-11-101F	Fiscal Management – Animal Welfare Department	9/15/2011	2	6	2
16-13-102F	Senior Home Services – Department of Senior Affairs	5/1/2013	8	2	-
16-13-105F	Residential Collections – Solid Waste Management Department	10/30/2013	4	-	1
16-13-106F	Park Maintenance – Parks and Recreation Department	10/30/2013	3	4	-
Recommendation Totals			23	12	3

In FY2016, OIA began the process of performing a secondary follow-up on audits with recommendations that were not *fully implemented* or *resolved* at the time of the first follow-up. A comprehensive follow-up report was issued on December 9, 2015 and provided the current status of 25 recommendations, from 8 previous follow-ups. Of the 25 recommendations, 3 were fully implemented (12%), 21 were in process (84%), and 1 (4%) had no progress toward implementation. The results of the comprehensive follow-up are outlined in the following table.

Audit No.	Report Title	Original and Follow-up Report Dates	Status of Recommendations		
			Fully Implemented or Resolved	In Process	Not Implemented
11-104	On-Call Contractors – DMD	2/29/2012			
	15-11-104F – First Follow-Up	1/28/2015	2	1	1
	16-199F – Comprehensive	12/9/2015	-	2	-
12-101	Fuel Usage and Security – DFAS	4/25/2012			
	14-12-101F – First Follow-Up	4/23/2014	5	4	1
	16-199F – Comprehensive	12/9/2015	2	3	-
12-102	Fleet Maintenance – AFD	6/27/2012			
	14-12-102F – First Follow-Up	6/18/2014	1	3	1
	16-199F – Comprehensive	12/9/2015	-	3	1
12-103	Firearms Inventory – APD	6/27/2012			
	14-12-103F – First Follow-Up	6/3/2014	7	2	-
	16-199F – Comprehensive	12/9/2015	-	2	-
12-106	ACVB – EDD	12/12/2012			
	15-12-106F – First Follow-Up	10/29/2014	4	1	1
	16-199F – Comprehensive	12/9/2015	-	2	-
12-107	Health & Social Service Centers – DFCS	2/27/2013			
	15-12-107F – First Follow-Up	1/28/2015	-	5	-
	16-199F – Comprehensive	12/9/2015	-	5	-
12-108	Take Home Vehicles – Citywide	12/12/2012			
	14-12-108F – First Follow-Up	7/18/2014	-	2	-
	16-199F – Comprehensive	12/9/2015	-	2	-
13-101	Disaster Recovery – DFAS & DTI	2/27/2013			
	14-13-101F – First Follow-Up	4/22/2014	4	3	-
	16-199F – Comprehensive	12/9/2015	1	2	-

OIA Staff



FY2016 Approved Staff Level = 7
Director, Audit Manager, Contract Auditor, Senior Information Systems Auditor, two Principal Auditors, and Executive Assistant

OIA had an approved staffing level of seven (7) for FY2016. OIA experienced staff turnover in two positions during FY2016; the Principal Auditor and Senior Information Systems Auditor positions were filled by year-end. The Director retired at the end of FY2016. Staff changes during FY2016 included:

- A Principal Auditor resigned in October 2015 and the position was filled in May 2016;
- The Senior Information Systems Auditor resigned in March 2016 and the position was filled in May 2016; and
- The OIA Director retired on June 30, 2016.

OIA staff members are well educated and hold numerous professional certifications:

- 4 Masters in Business Administration (MBA)
- 4 Certified Public Accountants (CPA)
- 2 Certified Internal Auditors (CIA)
- 1 Certified Information Systems Auditor (CISA)
- 2 Certified Government Auditing Professional (CGAP)
- 2 Certified Fraud Examiner (CFE)
- 1 Certified Information Technology Professional (CITP)
- 1 Certified in Financial Forensics (CFF)
- 1 Certified Six Sigma Green Belt (CSSGB)
- 1 Information Technology Infrastructure Library - Foundation (ITIL F v3)
- 1 Associate in Risk Management (ARM)



The staff is active in numerous professional organizations including:

- The Institute of Internal Auditors (IIA)
- The Association of Local Government Auditors (ALGA)
- The Association of Certified Fraud Examiners (ACFE)
- The Information Systems Audit and Control Association (ISACA)
- The American Institute of Certified Public Accountants (AICPA)
- The Albuquerque Chapter of Certified Public Accountants (ACPA)
- The Association of Government Accountants (AGA)



STAFF – BIOS

Debra D. Yoshimura – Director

Debra has worked for OIA three times; most recently returning to OIA as the Audit Manager in January 2013. Debra was appointed Director of the Office of Internal Audit in August 2013. Immediately prior to her return to the City, she spent six and one-half years as the Managing Director of Audit for the United States Olympic Committee in Colorado Springs, CO. She was the Director of Internal Audit for the University of New Mexico for two years. Debra worked in several positions in the OIA for twelve years, serving as the Director from 1996 through 2004. She also spent several years in public accounting. Debra graduated from New Mexico Tech with a BS in Environmental Psychology, and from Texas A&M-Corpus Christi with an MBA with concentration in Accounting. Debra is a CPA licensed in New Mexico, CIA, and CGAP. She is a member of the IIA, AICPA, ALGA, and ACFE.

Lawrence L. Davis – Audit Manager

Lawrence has more than 12 years of audit, accounting and financial management experience. He has a diverse background from both private and public sectors, which includes financial management experience with multi-billion dollar corporate expense accounts and public pension fund accounting experience with the New Mexico Educational Retirement Board's \$11 billion retirement fund. Lawrence received his BBA and MBA from the University of New Mexico – Robert O. Anderson School of Management with concentrations in accounting and finance, respectively. Lawrence previously worked for the Program Evaluation (Audit) unit of the New Mexico Legislative Finance Committee.

Alan R. Gutowski - Senior Information Systems Auditor

Alan has worked for OIA 2 times; most recently returning as the Senior Information Systems Auditor on May 14, 2016. He has worked for the City of Albuquerque (COA) for over 15 years. Alan was the Risk Finance Manager for the COA Risk Management Division from January 2012 thru May 2016. He previously worked for OIA from December 2000 – January 2012 as the Senior Information Systems Auditor and as the Audit Manager. Alan worked in the private sector from 1991 thru 2000 in the banking and healthcare industries in various positions, and in public accounting in various positions. He graduated from the University of New Mexico Anderson School of Management with a BBA with a concentration in Accounting. Alan is a CPA licensed in New Mexico, CISA, CITP, ITIL F v3, CFE, CIA, CSSGB, and ARM. He is a member of the AICPA, IIA, ISACA, ACFE, AGA, and ALGA.

Christina M. Owens - Contract Auditor

A member of OIA since November 2011, Christina has more than 15 years of audit and investigative experience in the private and governmental sectors. She is a graduate of the University of New Mexico – Robert O. Anderson School of Management and holds a Bachelor of Business Administration degree with an accounting concentration as well as a Master of Business Administration degree. Christina is a CPA licensed in the state of New Mexico and is also a CFE, CGAP, and CFF. She is a member of the AICPA, ACFE, IIA, and ALGA.

Kate Bach - Principal Auditor

Kate has over eight years of audit and accounting experience. Before joining OIA, Kate worked as an Internal Audit intern for a bank, and as an external auditor of for-profit companies, not-for-profit organizations, and various local governmental agencies around the State of New Mexico. Kate received her BBA in Accounting from the University of New Mexico – Robert O. Anderson School of Management, and is a licensed CPA in the State of New Mexico. Kate is a member of the IIA, ACFE, and ALGA, and sits on the Board of the Albuquerque Chapter of CPAs (ACPA).

Chad Mantelli - Principal Auditor

Chad has over ten years of audit and compliance experience in both the private and public sectors. He has served in various capacities for insurance companies, and financial institutions. Prior to joining OIA, Chad served as an auditor for the Office of the Inspector General at the New Mexico Department of Transportation. He is a graduate of the University of Texas – Dallas, and holds a Bachelor’s Degree in Economics and Finance. Chad also holds an MBA from New Mexico Highlands University. Chad is a member of the IIA and ALGA.

Consuelo Baca - Executive Assistant

Consuelo has been with the City of Albuquerque for 23 years. Her career began with the Department of Finance and Administrative Services-Employee Health Services, Risk Management and Purchasing. Consuelo then moved to the Solid Waste Management Department. She is currently the Executive Assistant in OIA/OIG. Consuelo is a member of the IIA and AICPA.