Follow-Up on Open Internal Audit Observations

Internal Audit

June 2018

Bernalillo County Internal Audit
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Table of Contents

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Report

INTRODUCTION

We performed the internal audit services described below solely to assist Bernalillo County in evaluating whether open internal audit observations issued through October 2017 had been resolved. We also updated the master observation list "Matrix" that includes a plan of action, the person responsible for the plan of action, and the planned date of completion, if available. This master observation list will assist the County in tracking the status of each internal audit observation. Our services were conducted in accordance with the Consulting Standards issued by the American Institute of Certified Public Accountants, Generally Accepted Government Auditing Standards, and the terms of our contract agreement for internal audit services. Since our procedures were applied to samples of transactions and processes, it is possible that significant issues related to the areas tested may not have been identified.

PURPOSE AND OBJECTIVES

Our follow-up on open internal audit observations was performed in response to management and the Audit Committee's interest in whether previous moderate to high risk internal audit observations had been resolved. We assessed the current status of each observation.

The follow-up internal audit was not intended to be a complete re-audit of the departments and functions; therefore, our procedures were limited in scope compared to the procedures that would be performed in a full internal audit of each department or function. Processes were analyzed to determine if adequate corrective actions were implemented to resolve the observation and small samples were selected to determine if certain new processes were properly implemented.

SCOPE AND PROCEDURES PERFORMED

In order to follow-up on the observations to determine if each had been resolved, we interviewed a number of County employees and performed the following procedures:

- Obtained the observation Matrix from County Accounting;

- Compared the Matrix to the prior year's Matrix to ensure that all observations were included and also assessed observations from internal audits performed after the prior year's Matrix was completed;

- ◆   Read relevant County policies and procedures;

- ◆   Performed walk-throughs of various systems;

- ◆   Tested various departmental reports;

- ◆   Classified each observation as resolved or unresolved; and,

- ◆   Provided County Accounting with the updated Matrix.

Summary by department of resolved and unresolved observations:

Audit Area	Number of observations resolved	Number of observations unresolved
Accounts Payable and Contract Monitoring	0	2
BSO Inventory & Training	0	4
Community Custody Program	1	0
Emergency Management	0	2
Fire and Rescue	1	3
Fleet/Facilities Management	1	0
FMLA Administration	0	3
Grant Initiation and Approval Process	1	0
Human Resources	1	4
Information Technology	1	0
Metropolitan Detention Center	7	1
Memorandum of Understanding	0	3
Parks and Recreation	2	2
Records Management and Public Info	1	0
Risk Management	2	2
Travel and Per Diem	2	0
Total	**20**	**26**

Summary by fiscal year of resolved and unresolved observations:

Fiscal Year	Number of observations resolved	Number of observations unresolved
2013	2	0
2014	1	0
2015	4	5
2016	1	2
2017	5	14
2018	7	5
Total	**20**	**26**

SUMMARY OF UNRESOLVED PRIOR AUDIT OBSERVATIONS

There were a total of 46 open high to moderate risk internal audit observations outstanding from 2012 through February 2017, 20 of which were resolved during this audit (see Appendix A). We have included a summary of the remaining unresolved internal audit observations below, with a description of the follow-up test work performed, and with updated management responses to the outstanding observation.

September 2014 Metropolitan Detention Center—Timekeeping and Scheduling

Time coding and documentation—"MDC Personnel Policy Recording Time Worked states documentation and submission requirements including the employee's responsibility for accuracy of time worked and approval from their supervisor."

Risk Level—High

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of April 2018—Workforce Management is still in the process of having the Kronos system implemented. Currently, management does not have an estimate for the completion date.

March 2015 Sheriff's Office Inventory and Training

Inventory tracking—"The Sheriff's Office does not have a process in place to track inventory in the warehouse in a way to prevent theft or loss. There was no inventory count performed in calendar year 2014. An inventory tracking system should be created and policies and procedures updated to ensure that all inventory is tracked."

Risk Level—High

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of May 2018—The Sheriff's Department is in the process of hiring another inventory tech that is scheduled to start by June 2018. Annual inventory was completed in January 2018 and information is being uploaded into Quartermaster. Once fully staffed and trained we will begin to perform periodic checks to ensure inventory accuracy.

Firearm tracking—"There were discrepancies in the firearms maintained and the inventory listings. All firearms were subsequently located by the department. Additionally, the process to track and organize firearms does not appear to be adequate. A physical count at the armory should be performed to ensure all firearms are tracked on the listing including the serial number and/or tag number."

Risk Level—High

Status: Unresolved—Follow-up test work was performed June 2018. REDW requested the physical inventory counts performed for January 2018 and April 2018. There was no evidence of a reconciliation to the inventory listing was performed, therefore, we could not verify that all items were accounted for.

Updated Response from Management as of June 2018—The Sheriff's Department has updated their unissued weapon policy to include cross checking counts against the records held in Quartermaster. In addition, the Sheriff's Office has updated their inventory sheet to include a column indicating the armory inventory has been compared to department inventory.

Firearm qualifications—"Instances were identified where deputies were carrying firearms they had not qualified with, or had qualified with firearms that were not tracked on inventory. The armory should implement a process to allow for accurate monitoring of firearms (personal or department issued) that deputies are carrying on duty."

Risk Level—High

Status: Unresolved—Follow-up test work was performed June 2018. REDW requested five deputy inventory sheets and the related qualification cards. We found two instances where the weapons included on the deputy inventory sheets did not match the qualification cards. Therefore, we will consider this unresolved as it does not appear that there is a comparison performed to ensure all deputies qualified with those weapons on their inventory sheets.

Updated Response from Management as of June 2018—The Sheriff's Department switched from a quarterly qualification schedule to a trimester schedule in 2018. The Sheriff's Department has updated their range policy for issued weapons to include the reconciliation of qualification cards to personal inventory after the completion of the first trimester of each fiscal year. This process will be implemented following the first trimester of FY 2019.

Assignment of inventory—"Discrepancies were identified between the personnel inventory sheet when compared to the inventory system and the inventory in the possession of the deputies. BCSO should create a process that requires the transfer in/out forms to be utilized and the system updated on a regular basis in order to accurately track the inventory items."

Risk Level—Moderate

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of May 2018—Quartermaster is operational and will be 100% once the tech starts and is trained in June 2018. Once completed, the Sheriff's Department will do periodic checks to confirm accuracy.

April 2016 Accounts Payable and Contract Monitoring

Outdated vendor information—"Approved vendors are maintained in the SAP system and supporting documentation should be maintained to validate vendor information. It was identified that many of the vendors included in the Vendor Listing did not have the required Vendor Master Form on file as they were utilized prior to the SAP system being implemented. Additionally, the Vendor Master Form was not utilized at that time."

Risk Level—Moderate

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of April 2018—The Active/Inactive Vendor customized report has been completed as of August 23, 2017. It is expected that AP use the Active/Inactive Vendor report to determine and flag the records that will need to be deleted, and then IT ERP will go in and archive these records. Some vendors are already marked for deletion, however the whole list needs to be compiled before any archiving can take place. Date of completion is to be determined.

Payment amount does not agree to contract—"Departments are responsible for ensuring that vendors are accurately charging the County in accordance with the contract. However, during our test work there were several invoices with amounts charged that did not agree to the contracted rates for goods/services."

Risk Level—High

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of April 2018—Procurement and Business Service (PBS) was unable to hold required training due to resource availability and work associated with drafting a new Home Rule Procurement Ordinance, which began in early 2017. The revised timeframe for training is 3rd quarter of FY19. It is important to note, that on May 14, 2018, PBS will be implementing a web-based contracts application; there is no restriction to who will be given display access. The current system is very outdated, not user friendly and has limited search capabilities. The new application is very user-friendly and includes easy search and display functionality, thereby making it convenient for departments to find their contracts in a matter of seconds, which in turn allows departments to check invoice pricing against the contracts quickly.

August 2016 Human Resources

Lack of workforce management policies—"The Workforce Management (WFM) group was established to centralize public safety overtime requests. Since the group was established, the WFM group now consists of eight employees and has primarily focused on performing various monitoring procedures over MDC labor issues, as well as performing data analytics over labor

statistics. There were no formal policies and procedures and no formal reporting requirements for the WFM group."

Risk Level—High

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of June 2018—Since the move of WFM to LRM, WFM just started developing policies and does not have anything complete yet.

Detail self-insurance invoices were not reviewed—"The contracts with the medical insurance providers indicate that the County is responsible for reviewing the detail of claims and ensuring the payment amounts are appropriate. Our testing determined that the County was not reviewing the invoice detail to ensure the invoice included only covered members."

Risk Level—High

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of April 2018—HR Benefits currently performs an internal review of claims on a monthly basis. Monthly reviews have revealed sufficient data to make sure claims are being handled consistently and timely. HR expects this observation to be fully resolved and ready to test by the next follow-up audit.

Inaccurate tracking of leave without pay—"Employees are required to pay back the County for any missed deductions while the employee was on leave without pay. These amounts are manually tracked on a spreadsheet including the benefit payments due and received from employees. Our testing identified that there was not policy or consistent process for determining the amount of deduction from an employee's payroll once they have returned to work."

Risk Level—High

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of April 2018—HR Benefits will develop a repayment form with the terms of the repayment. HR Director and HR Benefits will draft Administrative Instructions and routed for approval for the repayment process by June 2018.

General IT policies and procedures over user access was not being followed—"The HR department has elected to keep an in-house IT staff to perform administrative duties for the HR system, Empath. These responsibilities include granting user's access to Empath and monitoring changes to the Empath system. Based on our observations and inquires with the HR IT department, the general IT policies for the County are not being consistently followed."

Risk Level—High

Status: Unresolved—Follow-up test work was performed in June 2018. We obtained evidence that HR IT was centralized to the County's IT Department during February 2017. However, we were unable to obtain evidence of periodic user access reviews and therefore will consider this unresolved.

Updated Response from Management as of June 2018—As part of the Human Resources Information System (HRIS) restructuring, functionalities and processes of most applications were successfully integrated into IT standard processes, and follow IT policies and procedures. The Empath transition is still in progress. HR, Payroll, and IT are currently working together to review and clarify the business processes and roles accesses around the Empath application.

November 2016 Risk Management

No evidence of back-ups for key roles or department cross-training employees—"A back-up employee should be designated and trained to ensure there is a continuity of these business processes in the event an employee is unable to perform their job responsibilities. Our testing determined that 4 of 4 employees interviewed did not have assigned back-ups who could perform key responsibilities if needed. Additionally, there were no cross-training initiatives implemented to ensure business continuity throughout the department."

Risk Level—Moderate

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of April 2018—Key roles in the Claims area were identified, and process maps were created. In addition, an effort is currently underway to update the process maps and identify opportunities for cross training. As part of this effort, an eye towards creating efficiencies has been the focus of the process map update. Unnecessary steps are being identified and removed from the process. In order to ensure adequate cross-training within the Claims section, the Claims Manager developed a "uniform training system" to which new and current members of the Claims section are being trained.

Labor soft data was incomplete—"Risk Management utilizes Labor Soft to track worker's compensation and 1st party auto and property claims for the County. The information in Labor Soft includes a combination of manual entries made by claims analysts at Risk Management during claim initiation, and updated payment information received from NMAC. Labor Soft should accurately reflect the claim information for worker's compensation and 1st party auto and property."

Risk Level—High

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of April 2018—Risk Management proposed to establish deadlines for inputting information into Labor Soft. Risk Management Claims section will input all claim notification information into Labor Soft no later than 15 business days of day of receipt. Next, Claims section will utilize the Comparison Tool to ensure NMAC and Labor Soft data is updated. To ensure compliance with the aforementioned plan, Risk Management will determine periodic auditing of the process. The entire process will be updated and added to, or amended in "In Process." Lastly, NMAC is migrating to a new claims database, which will provide more efficiency.

November 2016 Memorandum of Understanding

Lack of guidance for MOU/IGA initiation and monitoring—"Section 11-Contracts of the procurement document does not specifically address initiating or monitoring the County's MOU/IGA agreements. Additionally, based on discussions with various County departments, there did not appear to be a consistent process for determining when a MOU versus an IGA should be used."

Risk Level—Moderate

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of April 2018—Procurement and Business Service (PBS) consulted with Legal in May 2017 to establish defined criteria regarding on when to use an MOU versus and IGA, however due to the delay in conducting training, incorporation of the revised material into Section 11 (Contracts), of the Purchasing Guidelines has not occurred. PBS is currently working on updating all sections of the purchasing guidelines to be in line with the new Procurement Ordnance which will be completed by July 1, 2018. Training will occur by 3rd quarter FY19.

Compliance was not consistently monitored—"Each County department is responsible for monitoring the compliance of each agreement initiated or used by that department. Currently, there are not consistent processes followed by departments for initiating and monitoring these agreements."

Risk Level—Moderate

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of April 2018—PBS consulted with Legal in May 2017 to establish defined criteria regarding on when to use an MOU versus and IGA, however due to the delay in conducting training, incorporation of the revised material into Section 11 (Contracts), of the Purchasing Guidelines has not occurred. PBS is currently working on updating all sections of the purchasing guidelines to be in line with the new Procurement Ordnance which will be completed by July 1, 2018. Training will occur by 3rd quarter FY19.

MOU/IGA listing was incomplete—"According to Section 11-Contracts of the Purchasing and Contracting Guidelines, all contracts, including MOU/IGAs, must be routed through Procurement. Procurement is then responsible for maintaining these agreements within the Oracle database. We tested nine departments which had a total of 247 agreements on the active listing. Our testing identified 46% (113 agreements) were no longer active and should have been terminated in the system. Additionally, 9% (23 agreements) were unable to be identified by the department as active or terminated."

Risk Level—Moderate

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of April 2018—Due to resource availability, a bi-annual reporting process has not been established. With the implementation of the new contracts system, PBS will have the ability to run reports to make distribution at any time.

February 2017 Emergency Management

Training requirements were not tracked—"The County is required to maintain 80% compliance level with the NIMS training for employees based on requirement included in the Administrative Manual. Based on our test work, there was not a consistent process in place to track required training for all County employees outside of the Emergency Management Department. Our testing determined that several departments selected for testing were not in compliance with the training requirements."

Risk Level—Moderate

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of April 2018—Emergency Management has been successful in working with HR Training to complete 70% of this task. Currently MYBLC is able to produce a report that breaks down by department the number of Bernalillo County Employees that have taken ICS 100, 200, and 700. Since this IA we have seen a vast improvement in what was currently in place, where Emergency Management relied upon individual departments to provide a spreadsheet of employees that had taken the courses. This task is an ongoing activity and will continue to be monitored periodically to ensure compliance.

NIMS compliance Manual training requirements, for specific employee levels, appeared to out of date—"Emergency Management maintains the Administrative Manual and the NIMS Compliance Manual, which help to ensure the County is in compliance with Federal, State, and Local requirements. These policies had not been updated since 2014 and 2005, respectively. Our evaluation of the policies determined that requirements specified in the Administrative Manual were either no longer applicable, or needed to be updated to appropriately reflect current requirements (e.g. training requirements included trainings that were no longer available, and a Long-Term Recovery Plan was never created)."

Risk Level—Moderate

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of April 2018—Emergency Management has been working with the state to determine how the National Incident Management System updated doctrine (October 2017) will impact planning, training, and exercises for local jurisdictions. The state is currently reviewing all of the new requirements and determining how these will be implemented. With the release of the new NIMS Doctrine, required training courses are also under revision and expected to be released in the next 12 months.

March 2017 Fire and Rescue

No process to evaluate unusual inventory usage—"Logistic warehouse personnel have significant access within the ENVI system and transactions are not consistently reviewed and after inventory leaves the warehouse it is no longer tracked. In order to monitor inventory activity, the Fire and Rescue Dept. should be periodical analyzing usage at each of the stations and at the warehouse. The ENVI system has a wide variety of reporting tools that could be used to identify any unusual or inappropriate trends; however, we identified that there were no procedures being performed."

Risk Level—Moderate

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of April 2018—The Logistics Division, Technical services Captain, shop inventory & supply coordinators have meet with the county's personnel that manage and use the SAP system. During the meeting, we were able to determine that SAP will meet all of our needs and comply with the recommendations that were given to us as part of the audit. Since then, we have been compiling a list of equipment, supplies, and assets that will be tracked. Once completed, we will send it to the county SAP administrator and they will assist in creating the tracking methods. Full implementation is dependent on workload however, we continue to work on this as a priority and our goal is to be on SAP system in the next 6-12 months.

Inventory was not tracked appropriately—"Fire and Rescue inventory items are tracked in SAP, the ENVI system, or excel listings at each of the various storage locations. Our testing identified that several inventory items that were not include on the inventory listings."

Risk Level—Moderate

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of April 2018—The Logistics Division has implemented the use of some of the ENVI system in the atrium warehouse along with the continued use of Excel spreadsheets in both warehouses. We have also implemented quarterly audits. Since our meeting with the county's SAP Administrators, we will be transitioning to the SAP system in the next 6-12 months.

Process not followed for maintaining required inventory levels—"The Fire Stations have required minimum and maximum levels of inventory that should be maintained at each of the locations. Vehicles have a required quantity of inventory that should be maintained on the appropriate vehicle manifest. Our testing determined that several inventory items exceeded the maximum quantity allowed on site, some were under the minimum required, some had more items than what was required by the vehicle manifest, and some had less items than what was required by the vehicle manifest."

Risk Level—Moderate

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of April 2018—The Logistics Division will develop and implement a policy for ordering inventory that will include minimum and maximums and standardize supply closets. This should be completed once we have finalized the SAP program in 6-12 months. SharePoint forms have been updated to include a column for quantity on hand prior to submission of orders, this has been completed. The Operations Division is finalizing and completing the vehicle manifest policy; this should be completed within the next three months.

July 2017 FMLA Administration

Monitoring of FMLA administration—"The Benefits group within the Human Resources Dept. is responsible for administering FMLA in accordance with regulations and County policies. The only method used to track FMLA by the Benefits group was an excel spreadsheet. There were no controls in place to ensure that employee's FMLA information was entered accurately into the tracking spreadsheet and that all employees on FMLA were appropriately included. Additionally, there did not appear to be appropriate controls or oversight on the FMLA hours reported. There was no training provided to timekeepers and supervisors for their responsibilities for the FMLA reporting."

Risk Level—High

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of April 2018— The FMLA Process Committee submitted the recommendation to the County Manager on April 10, 2018. The County will continue with the implementation of the Kronos timekeeping software until it is implemented County wide (estimated date of implementation completion is July 2020). Once fully implemented, the committee will reevaluate for further recommendations.

Lack of FMLA policies and Procedures—"The County did not have desk policies and procedures specifically directed for department individuals responsible for FMLA processes. The comparison of the County's FMLA Guidelines and procedures to industry best practices identified were not included in the policy."

Risk Level—High

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of April 2018—HR, Payroll, IT and WFM are currently in the implementation phase of Kronos timekeeping, which is an absence management module. Once the Kronos software is implemented, policies and procedures will be developed for timekeepers. The full implementation will be completed in 2nd quarter of FY 2019. HR Benefits currently has guidelines for timekeepers and are given refresher training during quarterly timekeeper meetings.

Departmental reporting of FMLA was not accurate—"Supervisors within each department are responsible for ensuring that their employees are accurately submitting timecards, and monitoring the FMLA time entered by employees. There was not a clear understanding of who in the County is responsible for tracking FMLA hours, and supervisors and timekeepers did not have the resources to determine if appropriate approval was obtained prior to reporting FMLA, or to determine if the employee had remaining FMLA. There were no desk procedures and no

training provided directly to the supervisors/timekeepers responsible for approving FMLA. Additionally, there were no controls in place to ensure that the FMLA entered by the timekeepers were accurate and allowable."

Risk Level—Moderate

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of April 2018—The FMLA Process Committee submitted the recommendation to the County Manager on April 10, 2018. The County will continue with the implementation of the Kronos timekeeping software until it is implemented County wide (estimated date of implementation completion is July 2020) once fully implemented, the committee will reevaluate for further recommendations.

September 2017 Parks and Recreation

Community center rental fees were not charged in accordance with the approved rates— "Community center rental fees are approved by the County Commission and are applied to every community center by the Parks and Recreation Accountant. The community centers are notified via email when a rental fee change occurs. Our testing determined that several community center rentals tested were charged fees that did not agree to the updated approved Short-Term Facility Use Fees Schedule. It was determined that the old fees schedules continued to be available within the system."

Risk Level—High

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of April 2018—Current standardized fees were disseminated to all Life Centers with flyers posted at all facilities with the current fees to ensure consistent pricing. Life Centers will implement their final fee increase in July of 2018. Once a year, the Section Manager and Community Center Managers will review current fees and train all staff to ensure standard practice throughout.

Noncompliance with cash handling AI—"County's AI No. AD-2-Collection of Monies and Handling Requirements, states that all cash, checks, and money orders received are to be deposited within 24-hours. Additionally, the Parks and Rec. Dept. policy requires that two individuals sign off on the daily cash reconciliation."

Risk Level—High

Status: Unresolved—Follow-up test work was performed in June 2018. REDW obtained a daily cash reconciliation and related deposit slip from May 2018 and tested to determine if all cash, checks, and money orders were deposited within 24-hours and that two individuals signed off on the daily cash reconciliation. However, we were unable to obtain supporting evidence of daily cash reconciliation and deposit for the events that occurred during FY 2018 in a timely manner. We will retest in our next Follow-up audit.

Updated Response from Management as of April 2018—Parks and Recreation will have all documents available to retest in the next follow-up audit.

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This report is intended for the information and use of Bernalillo County management, the audit committee, members of the Board of Commissioners of Bernalillo County, and others within the organization. However, this report is a matter of public record, and once accepted its distribution is not limited.

REDW LLC

Albuquerque, New Mexico
July 10, 2018

APPENDIX A—SUMMARY OF RESOLVED INTERNAL AUDIT OBSERVATIONS

August 2012 Records Management and Public Information

Email record retention—"The County did not have an email record retention policy and email accounts of former key employees were permanently deleted after 180 days. Additionally, the State Records Center and Archives was not notified at least 60 days prior to deletion as required by statute. As a result, some email records that should be considered public record were not maintained in accordance with state requirements."

Risk Level—High

Status: Resolved—Follow-up test work was performed in June 2018. We obtained the updated Email Use Policy that addressed those emails that are considered public records and the disabled email account maintenance periods.

April 2013 Metropolitan Detention Center

Initial background checks—"MDC Policy 3.11 governing background checks was not consistently followed. Additionally, MDC Policy 20.01 had conflicting language as it related to screening and selection of volunteers."

Risk Level—High

Status: Resolved—Follow-up test work was performed in June 2018. We obtained Background Check Policy 3.11 where it requires background checks to be performed before an employee is hired. We compared this policy to the Screening Policy, MDC 20.01, and determined that Policy 3.11 was updated to remove conflicting verbiage. Finally, we obtained internal documentation that tracks employment applications and background checks and determined that background checks were conducted before employees were hired.

September 2013 Community Custody Program

Forms and signatures—"There are various forms that are required to be completed and approved throughout the inmates' time in the Community Custody Program (CCP). Many of the required forms were often missing from the inmates' files. Additionally, there were many versions of forms in use, and newer versions of the same forms not in use. Different files from the same period of time used different versions of the same form."

Risk Level—High

Status: Resolved—Follow-up test work was performed in June 2018. We obtained policy 23.00 noting that all Officers are required to complete the monitoring checklist to ensure all documents have been completed. Additionally, we obtained evidence of monthly audits over the CCP files for compliance.

September 2014 Metropolitan Detention Center—Timekeeping and Scheduling

Leave notification and coding requirements—"Employees were not consistently notifying MDC timely, or at all, for a leave of absence. Additionally, there were multiple leave with pay coding errors. Sufficient notice should be given for all leave of absences to ensure MDC can properly fill vacancies. MDC should consider monitoring these absences and implementing consequences for employees who repeatedly violate the policy."

Risk Level—Moderate

Status: Resolved—Follow-up test work was performed in June 2018. We obtained Telestaff Supervisor view and determined that supervisors are no longer allowed to modify time in Telestaff.

Roster change timelines and accuracy—"Roster changes were not completed accurately or timely. MDC should implement a process to monitor roster changes and continue to perform periodic audits of roster changes to ensure that changes made are appropriate or consider centralizing the process to strengthen controls."

Risk Level—Moderate

Status: Resolved—Follow-up test work was performed in June 2018. We obtained time sheet corrections from the department to Workforce Management (WFM), who approves time corrections, and traced to Telestaff and determined that the roster change was completed accurately. Based on our conversations with management, it appears that there are proper controls in place to update and perform changes in employees roster in Telestaff.

December 2014 Information Technology

Data storage—"AI IT09 Desktop/Laptop Usage Guidelines requires that all sensitive or critical data is stored on network servers. From the results of our workstation testing, it is apparent that some users store County data on their local desktops/laptops. Laptops are not encrypted. Loss of a laptop could result in sensitive data stored locally being lost or compromised. Users should receive training on the importance of storing County data on network drives. Laptop hard drives should be encrypted."

Risk Level—Moderate

Status: Resolved—Follow-up test work was performed during June 2018. It appears that the County has an Information Security and Internet Safety training requirement for all new hires and an annual IT training requirement for existing employees. We reviewed the training material which addressed the areas noted in the observation.

March 2015 Public Works Fleet Management

Monitoring of fuel consumption—"The Fleet department prepares quarterly reports and provides those to departments; however, there was no process to track or investigate unusual fuel activity or trends. Additionally, 14 of the 22 vehicles tested from the Fuel Usage report had mileage entry errors."

Risk Level—Moderate

Status: Resolved—Follow-up test work was performed in June 2018. We obtained the Fleet Management Department Fuel Consumption report and identified responses back to the FFMD Director when usage increases/decreases 10%. Additionally, we traced a sample of meter correction work orders to the Fleet Management System, M5 to ensure all updates are authorized and are being appropriately tracked. Based on these reports and procedures, Bernalillo County has a formal process to ensure fuel usage variances are investigated and mileage is properly recorded in M5.

April 2016 Finance Grant Initiation and Approval Process

Grant approval tracking process—"The Grant Administrator emails out grant opportunities to departments as they are identified; however, there is not tracking process in place to gather all these opportunities and determine which were relevant to the department, which were further pursued, or if funding was received. Without a tracking process it is unclear what action was taken based on the efforts of the Grant Administrator, and based on discussions this correspondence was not fully utilized."

Risk Level—High/Moderate

Status: Resolved —Follow-up test work was performed in June 2018. REDW obtained the updated AI SG01, which updated the state grant application process. Grant opportunities are distributed to various stakeholders through a "Grant Activity Week" report, which summarizes the grant opportunities and a "Monthly HUB Reporting" spreadsheet, which summarizes the Departments response to the grant opportunity. We obtained these reports for the month of June 2018 and determined that the process in place for tracking grants has been properly implemented. In addition, we obtained evidence of the Grant Application Process training available within MYBLC and noted that employees receive notification of trainings.

August 2016 Human Resources

Overtime approval process is not being followed—"Rules and Regs require that when an employee is intending to work overtime, they must obtain written approval prior to performing the overtime duties."

Risk Level—Moderate

Status: Resolved—Follow-up test work was performed in June 2018. We obtained the updated "Section 510 Overtime Pay for FLSA Nonexempt Employees" and determined that Bernalillo County added verbiage changing the requirement from prior written approval to prior verbal approval to performing the overtime duties.

November 2016 Risk Management

Worker's compensations payments were not supported by original claim support—"Worker's compensation claims are submitted to Risk Management by the employee filing the claim. Claims Specialist at Risk Management are responsible for inputting the worker's compensation information into Labor Soft and verifying the claim is supported. 15 of 120 worker's compensation claims were not included in Labor Soft. Additionally, 1 of those 15 claims did not have any supporting detail to ensure the claim was truly a County worker's compensation claim."

Risk Level—Moderate

Status: Resolved —Follow-up test work was performed in June 2018. A process was implemented to ensure all worker's compensation claims are uploaded into Labor Soft and claim documentation is reviewed for completeness. A process has been implemented to ensure claims are entered timely into Labor Soft. We obtained the Labor Soft Quality Assurance Report from June 2018, and determined that uploads into Labor Soft were complete. We selected a worker's compensation claim from February 2018 and tested to determine that the claim was entered into Labor Soft properly.

Invoice detail was not sufficient for tort claims—"Invoices approved for payment should provide adequate detail to allow the approver to determine if the amounts requested are reasonable for the services received on the claim. Our testing determined that 25 of 25 tort payments tested did not have appropriate documentation from NMAC prior to review and approval of the payment."

Risk Level—High

Status: Resolved —Follow-up test work was performed in June 2018. Risk Management has been in contact with the New Mexico Association of Counties regarding the expected level of detail to be provided during invoicing. We obtained an invoice and payment listing report detail to corroborate the level of detail received from NMAC.

March 2017 Fire and Rescue

Unsupported inventory adjustments—"The ENVI system was set up to allow only certain individuals the access to change inventory levels on hand. Warehouse personnel who were responsible for performing periodic inventory counts also had the ability to adjust inventory levels within the system. Additionally, there was no documentation retained for the ENVI periodic inventory counts."

Risk Level—Moderate

Status: Resolved —Follow-up test work was performed in June 2018. We obtained the FY 18 inventory count that was performed by the Enterprise Resource Planning Department for Fire and Rescue. We obtained documentation of an adjustment request made in the ENVI system during May 2018 and observed that all inventory adjustments were properly approved.

April 2017 Metropolitan Detention Center

Female inmates transported without a female officer present—"MDC's Transportation and Hospital Police Holds Policy states that female inmates are to be escorted by at least one female staff member present at all times, unless otherwise directed by the Jail Administrator or designee. Our testing determined instances where a single female inmate was not accompanied by a female transportation officer."

Risk Level—Moderate

Status: Resolved—Follow-up test work was performed in June 2018. We obtained Inmate Movement and Control Policy AI 8.05 which states that "Female inmates cannot be escorted/transported by only one male Officer, if a male Officer is transporting or escorting a female inmate there will always be a second Officer present, no exceptions." We obtained two daily transportation logs and identified all instances of woman being transported included two officers.

September 2017 Parks and Recreation

Inconsistent special event processes—"Vendors renting space for special events should be assessed fees in accordance with an approved rate schedule. Our testing determined that there were no documented procedures to ensure vendors were charged consistent fees. We identified vendor rentals where employee and veteran discounts were given; however, the Department did not allow for discounts for rental services. Additionally, there was not a process in place to ensure a complete list of participating vendors was made and all rental fees were reconciled to that listing to ensure all fees were properly tracked and collected. Finally, there were vendors tested that did not have evidence of participation including an application and payment support. Therefore, we were unable to determine if that vendor participated in the event."

Risk Level—High

Status: Resolved—Follow-up test work was performed in June 2018. We selected an event from May 2018 and tested to determine if all participating vendor's total payments were made in accordance with an approved rate schedule and that the vendor was included on the event's participant listing.

Rental details on the application did not match the system—"Community centers will enter application information for rentals to reserve the space and document the date, time and purpose of the rental. For our sample over car center rentals, the information on the application did not match the system/calendar maintained by Parks and Recreation. Additionally, there was no documentation to evidence the reason the application information was different from the system."

Risk Level—Moderate

Status: Resolved—Follow-up test work was performed in June 2018. We obtained the Los Padillas Community Center (LPCC), Mountain View Community Center (MVCC) and Paradise Hills Community Center (PHCC) Rec Center Facility Training Certifications (including certification in facility rentals completed in February 2018. In addition, we performed test work over 5 events from April/May to ensure event applications were consistent with the event calendar.

October 2017 Travel and Per Diem

Supporting documentation of travel expenses not on file—"The County's Travel Procedures state that a completed Travel/Registration Reimbursement for must include all supporting itemized receipts for travel expenses, or an affidavit of lost receipts explaining why a receipt cannot be submitted and the nature of the travel expense must be provided. During our test work we identified several travel expenses that did not have a completed Travel/Registration

Reimbursement form. Due to the lack of support, we were unable to determine whether employees were accurately reimbursed for their travel expenses."

Risk Level—Moderate

Status: Resolved—Follow-up test work was performed in June 2018. The Department implemented a system that alerts of any violations.We obtained e-mail correspondence for the months of April and May 2018 requesting additional travel/registration documentation in instances where submissions were not complete. In addition, REDW obtained the tracking spreadsheet as of June 2018 and identified that that the Department is tracking travel violations and attempting to resolve them in a timely manner.

Travel/Registration Reimbursement Form not submitted timely—"The County's Travel Procedures state that a designated Travel Liaison must submit a Travel/Registration Reimbursement form to the Travel Coordinator within 14 business days after the travel/event."

Risk Level—Moderate

Status: Resolved—Follow-up test work was performed in June 2018. The Department implemented a system that alerts of any violations.We obtained e-mail correspondence for the months of April and May 2018 requesting additional travel/registration documentation in instances where submissions were not complete. In addition, REDW obtained the tracking spreadsheet as of June 2018 and identified that that the Department is tracking travel violations and attempting to resolve them in a timely manner.

October 2017 Metropolitan Detention Center

Property Inventory Forms not signed or completed consistently—"MDC's Inmate Property Inventory policy requires that the inmate sign the Property Inventory Form that lists the personal property that has been turned over to the Property Technician at intake. Our testing identified that the forms were completed in an inconsistent manner."

Risk Level—Moderate

Status: Resolved—Follow-up test work was performed during June 2018. We obtained the directive in an e-mail form from the Corrections Technician Supervisor to the cash accounting staff at MDC. The directive addresses the observation and enforces procedures that considers our recommendation. Additionally, we obtained property inventory form records and determined that they were consistent and properly completed.

Disbursement receipts not maintained—"MDC's Cash Accounting Policy states that the Corrections Technician will file the signed receipt with the shift cash accounting documentation. Our testing identified disbursements that did not have a copy of the signed receipt with the shift cash accounting documentation."

Risk Level—Moderate

Status: Resolved—Follow-up test work was performed in June 2018. We obtained the Cash Accounting Training Manual outlining step-by-step procedures to ensure cash disbursements are

properly completed. Additionally, we obtained evidence that a majority of the MDC Accounting Staff attended the training on August 3, 2017.

Inadequate cash shift reconciliation support—"MDC's Cash Accounting Policy states that the Corrections Technician assigned to cash accounting will complete a Cash Drawer count Report at the end of each shift, and the off going and oncoming Corrections Technicians must count the cash drawer and sign the close drawer report. Our testing of several shift reconciliations determined there were several instances where the cash shift reconciliation did not comply with policy."

Risk Level—Moderate

Status: Resolved—Follow-up test work was performed in June 2018. We obtained the Cash Accounting Training Manual outlining step-by-step procedures to ensure cash disbursements are properly completed. Additionally, we obtained evidence that a majority of the MDC Accounting Staff attended the training on August 3, 2017.