PERFORMANCE AUDIT REPORT

OF

PERSONNEL SERVICES
HUMAN RESOURCES DEPARTMENT

REPORT NO. 13-103

Human Reso

City of Albuquerque
Office of Internal Audit

Report No. 13-103

Executive Summary

The Office of Internal Audit (OIA) conducted a performance audit of the Human Resources Department (HRD) – Personnel Services. The audit was included in the fiscal year (FY) 2013 audit plan passed by the City of Albuquerque (City) Council.

HRD had 33 positions budgeted for the following major functioning areas in fiscal year 2012: Administration, Benefits and Insurance, Public Service University, and Personnel Services (Employment/Employee Relations). Structurally, the Personnel Services function is divided into four divisions: Employment, Classification and Compensation, Training, and Human Rights.

Are the services provided by the Employment and Classification and Compensation Divisions aligned with goals and objectives of City Departments?

The current established performance measure, requiring employment actions to be processed within 72 hours from receipt, is frequently exceeded. Of a sample of 24 personnel actions processed by HR Analysts during fiscal year 2012,

- 12 of 24 personnel actions were processed more than 72 hours after receipt; and
- On average, each personnel action was processed within approximately ten days.

Are the services provided by the Employment and Classification and Compensation Divisions monitored internally?

HRD does not consistently track key data to measure and analyze internal performance, monitor trends over time, help support decision-making, and ensure HRD is fulfilling its stated oversight role.

The hiring process is not measured by HRD to identify ways to minimize the length of time to hire applicants or help determine the benefits of implementing the NEOGOV system. A review of 24 hiring packets submitted to HRD during fiscal year 2012 found that the City's on-boarding process takes an average of 90 days from close of advertisement to the employee's start date.

Is the Employment Division administering the overall employment function in accordance with HRD policies and procedures?

Temporary Payroll Upgrades are not processed in accordance with HRD's policies and procedures. A sample of 20 of the 201 employees who received a temporary upgrade in fiscal year 2012 was reviewed.

- 13 of 20 requests for temporary upgrade were not submitted to HRD for review and approval;
- 1 of 20 requests for temporary upgrade was reviewed and approved by HRD, but not properly filed by HRD;
- 8 of 20 temporary upgrades were provided for a dollar amount greater than the maximum amount allowed in the collective bargaining agreements and HRD's policies and procedures; and
- 10 of 20 temporary upgrades continued for longer than the maximum time allowed in the collective bargaining agreements and HRD's policies and procedures.

HRD also does not track the frequency and cost of temporary payroll upgrades granted to employees, or upgrades that are denied, which could be used to expedite future determinations for same or similar positions.

HRD does not enforce the requirement for annual employee performance evaluations, development of goals and objectives, and training plans for all employees.

Is the Classification and Compensation Division maintaining the position classification system and all reclassification requests in accordance with HRD policies and procedures?

Position reclassification reviews conducted by HRD are not performed in a timely manner. Based on a review of all 25 filled position reclassification reviews performed by HRD during fiscal year 2012, the average time from the request for a position review to the completion of the review is approximately 108 days.

Findings Not Related to a Specific Objective

HRD does not have the Human Resources Information System (HRIS) general control policies and procedures documented, including written processes to grant and terminate database access, define user roles, or identify access needed to perform the required functions of those roles.

HRD provided a list of active users of the HRIS system. A review of a sample of 17 system users identified one employee whose access was not revoked after terminating employment with the City.

Recommendations and management responses are included in the audit report.

City of Albuquerque

Office of Internal Audit

P.O. BOX 1293 ALBUQUERQUE, NEW MEXICO 87103

May 1, 2013

Accountability in Government Oversight Committee
City of Albuquerque
Albuquerque, New Mexico

Audit: Performance Audit
Human Resources Department – Personnel Services
Audit No. 13-103

FINAL

INTRODUCTION

The Office of Internal Audit (OIA) conducted a performance audit of the Human Resources Department (HRD) – Personnel Services. The audit was included in the fiscal year (FY) 2013 audit plan passed by the City of Albuquerque (City) Council.

HRD has 33 positions budgeted for the following major functional areas in fiscal year 2012: Administration, Benefits and Insurance, Public Service University, and Personnel Services (Employment/Employee Relations). The Personnel Services function is divided into four divisions: Employment, Classification and Compensation, Training, and Human Rights. The Employment and Classification and Compensation divisions consist of two HR Managers, four HR Analysts, one HR Records Specialist, and one Senior Office Assistant, for a total of eight budgeted positions.

There are approximately 24 additional positions throughout the City (outside HRD) that are significantly involved in the performance of human resources functions. These positions are filled by departments and include staff that may or may not have the same level of human resources background and/or experience as the HRD staff.

The Employment Division (ED)

The key business objectives of the division are to recruit and retain a qualified and diverse workforce to meet the varied needs of the organization. ED aligns its goals with the City's mission and goals, and links procedures with other departments' procedures to ensure consistency citywide.

The key business processes in this division include:

- Recruit and select all City employees;
- Develop employment procedures and guidelines and provide education to City departments, HR Analysts, HR Coordinators, and HR Staff;
- Train and teach New Employee Orientation;
- Process legal and public records requests;
- Conduct background checks;
- Manage records to include the official personnel files of all City employees; and
- Develop performance measures for HR Staff.

The Classification and Compensation Division (CCD)

The key business objectives of the division are to manage and maintain the City's classification/compensation system. The key business processes in this division include:

- Maintain and monitor position management;
- Develop and maintain salary schedules;
- Analyze compensation;
- Create, update, and modify job descriptions and positions;
- Conduct job analysis and salary surveys;
- Consult and advise other City departments; and
- Evaluate job classifications and organizational structures.

The City employees who are significantly involved in the performance of human resources functions were asked to respond to questions about the ED and CCD's performance, efficiency, timeliness, and communication. A review of the 19 returned surveys, from 14 of 24 City departments, identified many inconsistent responses. Areas for improvement identified in some surveys did not concern other survey respondents. Some of the areas for improvement indicated in the survey responses, include:

- Hire additional HR analysts, specifically in the ED;
- Minimize the paperwork, routing, and approvals process for personnel actions;
- Improve communication with City departments, and understand the departments' operational and business needs;
- Improve the timeliness of personnel actions, specifically the hiring process and position reclassification reviews; and
- Improve the preparedness, standardization, and communication of key processes and practices in ED and CCD.

Key terms utilized in this report:

- CobiT – An internationally accepted process framework for Information Technology (IT) that provides a comprehensive IT governance, management, control, and assurance model. CobiT objectives support enterprises in the development, implementation, and continuous improvement and monitoring of good IT-related governance and management practices.
- NEOGOV – An on-demand applicant management system that automates the entire hiring system. NEOGOV is the leader in the market for public sector recruitment, selection, and applicant tracking systems. The City is currently implementing NEOGOV to replace Lotus Notes, the current Human Resources Information System (HRIS).

AUDIT OBJECTIVES

The objectives of the audit were to determine:

- Are the services provided by the Employment and Classification and Compensation Divisions aligned with goals and objectives of City Departments?
- Are the services provided by the Employment and Classification and Compensation Divisions monitored internally?
- Is the Employment Division administering the overall employment function in accordance with HRD policies and procedures?
- Is the Classification and Compensation Division maintaining the position classification system and all reclassification requests in accordance with HRD policies and procedures?

SCOPE

The audit included an examination of the functions and activities related to the Human Resources Department – Personnel Services Division. Our scope primarily focused on the key processes and practices within the ED and CCD in effect as of FY2012.

This report and its conclusions are based on information taken from an examination of related transactions and activities. The audit report is based on our examination of activities through the completion of fieldwork, March 8, 2013, and does not reflect events or transactions after that date.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

METHODOLOGY

Several methodologies were utilized to achieve the audit objective. These evidence gathering techniques included, but were not limited to:

- Collecting information from a Survey sent to each City department
- Reviewing HRD's Personnel Rules and Regulations, Sections 100, 300, 600, 700, 1000

- Reviewing the Collective Bargaining Agreements
- Reviewing Administrative Instruction No. 7-45
- Reviewing the Final Report on the Organizational Design Project by Matrix Consulting Group (issued December 2012)
- Analyzing various reports generated from PeopleSoft and the current HRIS (Lotus Notes/PARS)
- Selecting samples from various reports and reviewing supporting documentation
- Interviewing various HR Coordinators and HR Analysts
- Reviewing IT Governance Institute's Control Objectives for Information and related Technology (CobiT) audit guidelines
- Reviewing Government Finance Officers Association (GFOA) Best Practices

FINDINGS

The following findings concern areas that we believe could be improved by the implementation of the related recommendations.

1. THE CAO SHOULD ENSURE THE PROCESS FOR TEMPORARY PAYROLL UPGRADES IS FOLLOWED BY ALL DEPARTMENTS AND APPROPRIATELY MONITORED BY HRD.

   In some circumstances, employees may be temporarily upgraded to a higher level position due to the absence of a higher level employee or to cover a vacant position. The employee's rate of pay is upgraded to reflect the additional duties. The length of time an employee is upgraded and the amount of the pay increase are limited by HRD's policies and procedures and by the collective bargaining agreements.

   According to HRD Policies and Procedures Section 700,

   - Requests for temporary upgrades must be submitted in writing to Human Resources identifying the circumstances and why the request is being submitted. Requests for temporary upgrades are reviewed and approved by the Human Resources Director.
   - Temporary upgrades may last up to 90 days for M Series employees, 6 months for E and I Series employees, and 160 hours for B, C, Q and J Series employees.
   - Employees covered by B, C, Q and J pay plans may be temporarily upgraded to a position which is classified no higher than an M13, E13 or an I6.

   City departments are responsible for requesting temporary payroll upgrades through HRD, with the exception of those granted for sworn police and fire employees and upgrades of ten days or less. Requests for upgrades are made by completing a paper form and routing it to HRD. The departmental timekeepers enter the temporary upgrades and pay increases in the

electronic payroll system. Central Payroll personnel do not receive copies of the request for upgrade forms, and therefore, must assume the upgrades are properly approved and consistent with City policy.

A sample of 20 out of 201 employees from areas other than fire and police, who received a temporary payroll upgrade during fiscal year 2012, was reviewed for compliance with applicable policies and collective bargaining agreement provisions.

a. Thirteen of the 20 requests for temporary upgrade were not submitted to HRD for review and approval. Nine of these did not have supporting documents on file at HRD or the requesting department. One of 20 requests for temporary upgrade was reviewed and approved by HRD, but not properly filed by HRD.

   According to the New Mexico Administrative Code 1.15.6, General Personnel Records, "retention of the documents in employee personnel files, including personnel action forms and authorization forms, should be kept for three years after employee separated from agency or retired."

b. Eight of the 20 temporary upgrades were provided for a position level and dollar amount greater than the maximum amount allowed in the collective bargaining agreements and HRD's policies and procedures. One employee received a 35 percent upgrade, increasing his hourly rate from $15.12 to $20.46, without review and approval from HRD.

c. Ten of 20 temporary upgrades continued for longer than the maximum time allowed in the collective bargaining agreements and HRD's policies and procedures.

HRD does not currently have an automated method to monitor and ensure compliance with the restrictions on the number of hours or days and the dollar amount of temporary upgrades. According to HRD personnel, the department does not have adequate staff to dedicate an employee to monitor and ensure compliance with temporary upgrades, due to the volume of personnel actions that must be processed.

HRD does not track the frequency and cost of temporary payroll upgrades granted to employees, or upgrades that are denied, which could be used to expedite future determinations for same or similar positions. Additionally, HRD does not have information on temporary upgrades granted for sworn police and fire employees, and upgrades granted for less than ten days.

Improved tracking of temporary upgrades will be useful for determining compliance – or non-compliance - with policies and procedures, educating departments, decision making, and future determinations for same or similar positions. The Final Report on the Organizational Design Project, Matrix Consulting Group also identified internal control

issues where some temporary upgrades and pay can be approved without HR's approval or knowledge.

RECOMMENDATIONS

The CAO should:

- Require all departments to follow HRD's temporary payroll upgrade policies and procedures, especially when the collective bargaining agreement is silent about the maximum length of time an upgrade can be received;
- Require all departments to submit requests for temporary payroll upgrades to HRD for their approval for all employees, except sworn police and fire, as required by HRD policies and procedures; and
- Consider rescinding or revising Administrative Instruction 7-45 which allows departments to approve and enter upgrades of ten days or less without notifying HRD.

HRD should:

- Monitor compliance with policies for temporary upgrades in coordination with Central Payroll personnel; and
- Identify and document a way to track the frequency and cost of all temporary upgrades granted and denied, including those provided to sworn police and fire, and those provided for less than ten working days.

RESPONSE FROM CAO/HRD:

"The CAO and HRD agree with this recommendation. The CAO will provide notice to departments to follow all policies and procedures governing temporary payroll upgrades, and to ensure compliance with relevant collective bargaining agreements. In addition, CAO and HRD will undertake a review of Administrative Instruction 7-45 Temporary Upgrades for Employees other than Sworn Police and Fire to determine its effectiveness, take steps necessary to ensure compliance, and/or consider recession of the Administrative Instruction."

ESTIMATED COMPLETION DATE

"Human Resources Department is requesting additional time to conduct a more detail analysis to the finding to provide a comprehensive solution."

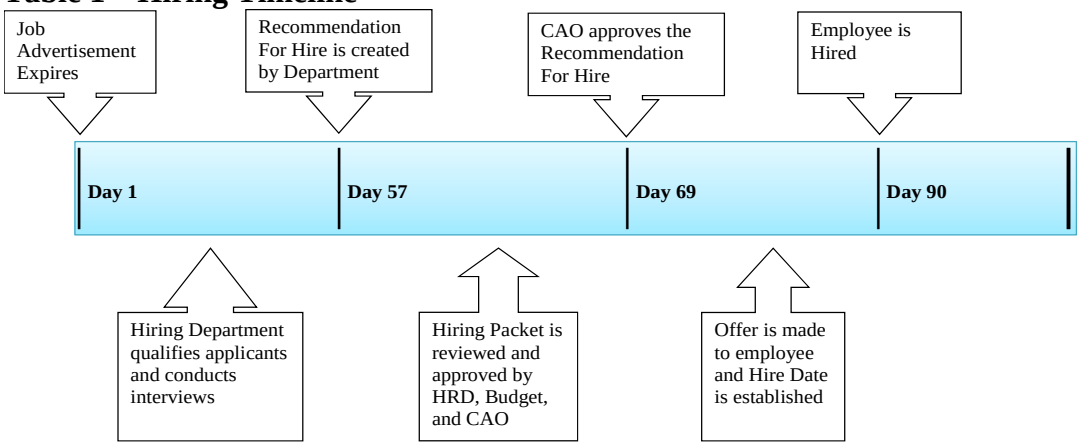
2. HRD SHOULD MEASURE THE HIRING PROCESS TO IMPROVE EFFICIENCY.

HRD is currently in the process of implementing a new automated recruiting system, NEOGOV, to replace the current system, Lotus Notes. However, the hiring process is not

measured by HRD in order to identify ways to minimize the length of time it takes to fill a position. These measures could help HRD to determine the benefits of replacing Lotus Notes.

A sample of 24 hiring packets submitted to HRD during fiscal year 2012 was reviewed to determine the length of time it takes to fill a position. The City's hiring process took an average of 90 days from close of the advertisement to the employee's start date. The average time period for key steps in the hiring process are shown in **Table 1** below.

Table 1 – Hiring Timeline



Source: Hiring Packets submitted to HRD during Fiscal Year 2012

As shown in **Table 1** above, hiring departments spent an average of 57 days reviewing applications, qualifying applicants, interviewing, and creating the hiring packet. The average time from when the Recommendation for Hire (RFH) was created to when it was reviewed and approved by HRD, the Budget Department, and the CAO ranged from 4 to 36 days, with an average of 12 days. The employee started work an average of 21 days later.

According to the HRD Director, the Lotus Notes system is incapable of providing the information necessary to measure the hiring process electronically. The department cannot dedicate an employee to do this manually.

By measuring the hiring process, HRD will be able to minimize the length of time it takes for applicants to be hired, and determine the benefits of implementing the NEOGOV system. According to a 2010 Survey on HR Metrics by the International Public Management Association for Human Resources Benchmarking Committee, metrics relating to hiring are the most important to top management.

RECOMMENDATION

HRD should track and monitor the hiring process to identify ways to improve efficiency and help determine the benefits of implementing the NEOGOV system.

RESPONSE FROM HRD

"HRD agrees with this recommendation. HRD has identified "time to hire" as a key performance indicator. Previous attempts with collecting and tracking key data in the employment process have been inhibited as a result of difficulties in extracting reliable and repeatable data from the legacy applicant management system. HRD is in the process of implementing the NEOGOV applicant management system which includes tracking and reporting features that will enable measurement of the hiring process."

ESTIMATED COMPLETION DATE

"HRD plans NEOGOV implementation in mid-July 2013."

3. HRD SHOULD MEASURE THE TIME TO COMPLETE POSITION RECLASSIFICATION REVIEWS.

Position Reclassification Reviews conducted by the CCD are not performed in a timely manner. CCD performed 25 position reclassification reviews of filled positions during fiscal year 2012. The average time from the request for a position review to the completion of the review ranged from 2 to 355 days with an average of 108 days.

The CCD does not track the amount of time it takes to perform a review. According to staff, oftentimes the division is instructed to discontinue conducting position reviews by the CAO or Department Directors. In fiscal year 2012, nine position classification reviews were cancelled due to promotions, transfers, and reorganizations.

According to the City of Albuquerque Merit System Ordinance (3-1-3), "The Director of Human Resources shall exercise leadership in and encourage the development of effective personnel administration within the departments, agencies, and special programs in the city service, and make available the resources of the Human Resources Department to this end." The CCD could enhance its role as a customer service organization, and build and maintain a trusting working relationship with customers by performing position reclassification reviews in a timely manner.

RECOMMENDATION

HRD should:

- Measure the time period for completion for all position reviews that are submitted to the division in an effort to reduce the amount of time it takes to

perform a review; and

- Perform position reviews within the expected time frame, or provide the requesting department an explanation when the expected time frame will be exceeded.

RESPONSE FROM HRD

"***HRD agrees with this recommendation. CCD currently logs and collects information related to requests for reclassification reviews including; but not limited to, date of receipt, and date of completion. CCD will begin to track additional information such as, date review is initiated. CCD will monitor overall time a reclassification review is pending, and the actual time to complete the review. It is important to recognize, as noted in the Audit Report, there are a variety of factors and organizational perspectives that are considered in establishing the priority of reclassification reviews."***

ESTIMATED COMPLETION DATE

"CCD will begin tracking this information immediately."

4. HRD SHOULD COLLECT AND TRACK KEY DATA TO DEVELOP MEANINGFUL MEASURES.

HRD does not consistently track key data to measure and analyze internal performance, monitor trends over time, help support decision-making, and ensure HRD is fulfilling its stated oversight role. According to a 2010 Survey on HR Metrics by the International Public Management Association for Human Resources Benchmarking Committee, metrics fall into several categories:

- Staffing ratios
- Workforce demographics
- HR resources and activities
- HR outcomes

According to the HRD Director, Lotus Notes does not interface with PeopleSoft, the City's timekeeping software; this makes tracking some data difficult. For example, a review of the number of new hires during fiscal year 2012 from PeopleSoft showed many inconsistencies when compared to the number of applications received by the City during fiscal year 2012, which were recorded in Lotus Notes.

By using data to develop meaningful measures, HRD would be able to gauge its effectiveness and efficiency in achieving its mission and goals. The information can also be useful to help in decision making.

The ED has a current established performance measure requiring employment actions to be processed within 72 hours from receipt. However, it is not being monitored. An analysis of a sample of 24 personnel actions processed by HR Analysts during fiscal years 2012 and 2013, through January 28, 2013, determined:

- 12 of 24 personnel actions were processed more than 72 hours after receipt; and
- On average, personnel actions processing takes approximately ten days.

By monitoring and adjusting performance measures accordingly, HRD would have performance measures that are quantifiable, timely, and relevant.

GFOA Best Practices recommends that program and service performance measures be developed and used as an important component of long-term strategic planning and decision making which should be linked to governmental budgeting. Performance measures should:

- Be based on program goals and objectives that tie to a statement of program mission or purpose;
- Measure efficiency and effectiveness for continuous improvement;
- Be verifiable, understandable, and timely; and
- Be reported internally and externally.

The Final Report on the Organizational Design Project, Matrix Consulting Group also recommended that HRD implement performance targets for key HR functions.

RECOMMENDATION

HRD should:

- Use the following HR resource and activity measures, staffing ratios, and workforce demographics for the ED and CCD, and monitor those measures:

- Time to hire/fill a position;
- Cost per hire;
- Frequency and cost of salary increases (management/non-management);
- Number of management and non-management positions;
- Demographics (ages of employees used for succession planning and recruiting);
- Turnover rates (voluntary/involuntary) of major classes of employees; and
- HR staff and expense to FTE ratio.

- Monitor employee satisfaction, work environment, and quality of supervision through performance surveys and exit interviews, in order to consider HR outcome measures such as:
  - Quality of hire (employees who made it past probation to employees terminated during probation);
  - Manager satisfaction; and
  - Candidate satisfaction.

- Run and review reports in the NEOGOV and PeopleSoft systems regularly to determine whether departments are entering information accurately and completely, to minimize inconsistencies between systems.

- Collect data and monitor key ratios that will help develop measures, such as:
  - Applicants interviewed to total applicants ratio;
  - Qualified to non-qualified applicants ratio; and
  - External to internal applicant ratio.

RESPONSE FROM HRD

"HRD agrees with this recommendation, in part. Collecting, tracking, and analyzing key data, will assist with establishing performance targets and will provide an appropriate method of monitoring system and program performance to provide a basis for process improvement.

"HRD performance measures were refined and added during the last budget cycle and include numerous performance measures across all HRD divisions. Data collection mechanisms have been

established or are in development. Implementation of the NEOGOV applicant management systems will improve data collection capabilities related to the activities of the ED. Further remediation and development of the Human Capital Management (HCM) Performance Management module of the PeopleSoft ERP system will enhance data collection capabilities and provide the basis for analyzing a variety of HR metrics. On a continuous basis, current measures will be evaluated, refined, and replaced as necessary to focus on the organizational expectations and desired results."

ESTIMATED COMPLETION DATE

"This is a continuous ongoing activity."

5. HRD SHOULD DEVELOP AND IMPLEMENT AN EMPLOYEE PERFORMANCE EVALUATION SYSTEM.

The HRD does not enforce the requirement for annual employee performance evaluations, development of goals and objectives, and training plans for all employees in coordination with City departments. According to the Employment Manager, the department does not have adequate staff to dedicate an employee to enforce the requirement for employee evaluations, because of the volume of personnel actions.

With the implementation of a performance evaluation system, Department Directors, HR personnel, and the City will have a greater understanding of areas needing attention, improvement, or training, and the goals and objectives of city employees. An effective performance evaluation system will allow the City to identify the performance gap between performance and the standard of performance, and establish and uphold the principle of accountability for performance.

According to Administrative Instruction 7-32-1, "at least once each fiscal year, each employee shall confer with his or her supervisor and develop an employee work plan (EWP); compliance will be measured in part by ensuring that each employee has a current EWP on file in the Human Resources Department within 30 days of the beginning of the fiscal year."

The Final Report on the Organizational Design Project, Matrix Consulting Group also recommended that HRD take lead responsibility for developing, in conjunction with other departments, an employee performance evaluation system.

RECOMMENDATION

HRD should develop and take lead responsibility for an employee evaluation system that provides for annual evaluation, development of goals and objectives, and training plans for all employees within the organization, and maintain a formal accountability structure for completing evaluations.

RESPONSE FROM HRD

"HRD disagrees, in part, with this recommendation. A process of performance planning and assessment is in place as provided through Administrative Instructions 7-32-1 and 7-32-2. Administrative Instruction 7-31-1 Employee Work Plans and Administrative Instruction 7-31-2 Performance Evaluation Guides prescribe approaches to performance appraisal and that evaluation of employee performance are conducted annually. Departments annually submit completed evaluations to the Human Resources department for review and retention.

"There is a significant opportunity to improve ease of use and consistent administration with the implementation of the Human Capital Management (HCM) Performance Management module of the PeopleSoft ERP system. In conjunction with Manager Self-Service the processing of evaluations can be automated with significant reduction in processing and retention of paper forms.

"While not a recommendation the Audit Report states; "The HRD does not enforce the requirement for annual performance evaluations, development of goals and objectives, and training plans for all employees in coordination with City departments." In order to address this finding, HRD will provide notice to all departments of the requirements of Administrative Instruction 7-31-1 Employee Work Plans and Administrative Instruction 7-31-2 Performance Evaluation Guides and a current listing of department staff subject to the provisions of the Administrative Instructions. In addition, HRD will develop a tracking mechanism to ensure newly hired and promoted employees are placed under a performance evaluation within 30 days of their

appointment."

ESTIMATED COMPLETION DATE

"Notice to all departments of the requirements of Administrative Instruction 7- 31-1 Employee Work Plans and Administrative Instruction 7-31-2 Performance Evaluation Guides will be provided within 45 days.

"The development of a tracking mechanism to ensure newly hired and promoted employees are placed under a performance evaluation within 30 days of their appointment will be included in the scope of on-boarding process development targeted for completion in Fiscal Year 2014.

"Implementation of HCM Performance Management module and Manager Self-Service within ERP system will be governed by the ERP Roadmap."

6. HRD SHOULD DOCUMENT THE GENERAL CONTROLS FOR THE HRIS AND TRANSFER THE ROLE OF SYSTEM ADMINISTRATOR TO THE CITY'S INFORMATION TECHNOLOGY SERVICES DIVISION (ITSD).

A. General Controls

The developers of the HRIS did not document the general control policies and procedures, including written processes to grant and terminate database access, define user roles, or identify access needed to perform the required functions of those roles. General controls help ensure the proper operation of information systems by creating the environment for proper operation of application controls.

The current HRIS was developed in-house. The HRIS is actually two systems, functioning as one desktop application, which organize and display databases on a user's local workstation. Lotus Notes is used as an application management system, and the Personnel Action and Release System (PARS) is an electronic routing and approval process for personnel actions and position releases.
Control Objectives for Information and related Technology (CobiT) control practices suggest "establishing a set of user account management procedures to address requesting, establishing, issuing, suspending, modifying and closing user accounts and related user privileges; included should be an approval procedure outlining the data or system owner granting the access privileges." By having information system general control policies and procedures documented, the System Administrator would be able to assign the appropriate

access needed to perform the required functions of each employee's role.

B. Terminating System Access

HRD provided a list of active users of the HRIS system as of December 2012. A sample of 17 active users was reviewed. One user in the sample remained on the list after terminating employment with the City in fiscal year 2011.

The System Administrator for the HRIS is the Employment Division manager. She does not revoke user rights in coordination with ITSD. The City of Albuquerque Access Revocation Policy states: "the ITSD shall permanently revoke a user's access to a City information technology asset upon written notification from one of the following:

- The user's Department Management;
- The Department owning the information technology asset;
- The Human Resources Department."

According to the City of Albuquerque Cyber Security Newsletter (December 2012), "our organization handles a great deal of confidential information, including data known as Personally Identifiable Information. Personally Identifiable Information is so valuable, all employees need to take steps to protect this information, and help ensure our organization and information is secure." Terminating system access when appropriate will help ensure that only authorized people who have a need to know can access our confidential information.

RECOMMENDATION

HRD should:

- Document the general control policies and procedures for the HRIS, including written processes to grant and terminate database access, define user roles, and identify access needed to perform the required functions of those roles; and
- Transfer the system administrator duties to ITSD, including the responsibility for terminating user access to the HRIS when employees transfer and/or terminate their employment.

RESPONSE FROM HRD

"The current HRIS referenced in this audit is an in house

developed Lotus Notes system used for posting jobs and processing applications. Lotus Notes cannot be accessed from outside the CABQ firewall. As a result when the NT or network ID is revoked by ITSD for a terminating employee access to Lotus Notes is no longer available to them.

"HRD agrees with this recommendation. Written processes and procedures will be in place to govern access to NEOGOV. Lotus Notes is being replaced by software as a service provider, NEOGOV. A functional area of Human Resources, HRIS, will serve as system administrators for NEOGOV and as such will maintain access including adding new, changing, or deleting system users. A request form will be utilized to document the request for access, the Employment Manager approval, and to record the access granted or removed by the HRIS area of Human Resources. The process definition is being updated for NEOGOV implementation.

"The security or access administrators for NEOGOV will be the HRIS functional area within Human Resources. ITSD and Human Resources are in agreement that the Access Revocation Policy is in need of review and revision in light of the City's acceptance of cloud based or software as service applications such as NEOGOV. These specific function applications are typically administered by the user departments, in this case Human Resources."

ESTIMATED COMPLETION DATE

"HRD plans NEOGOV implementation in mid-July 2013."

CONCLUSION

CCD and ED will improve their operations and services, by monitoring and improving key processes and actions, and developing key metrics to allow for benchmarking. This can be accomplished by using the HRIS system to collect, analyze, track data, and coordinate with other City departments to address concerns and minimize inconsistencies.

HRD divisions will have data to measure and analyze internal performance, monitor trends over time, identify areas requiring more attention, help support decision-making, and gauge the department's effectiveness and efficiency in achieving its mission and goals.

By implementing these recommendations, HRD can fulfill its stated oversight role.

We appreciate the assistance and cooperation of HRD during the audit.

_____
Staff Auditor

REVIEWED:

_____
Internal Audit Manager

APPROVED:

_____
Carmen Kavelman, CPA, CISA, CGAP, CFE
Director, Office of Internal Audit

APPROVED FOR PUBLICATION**:**

_____
Chairperson, Accountability in
Government Oversight Committee