



GARLAND

INTERNAL AUDIT

**City Secretary Processes &
Procedures Audit**

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Authorization

An audit of the City Secretary's office is on the Annual Audit Plan for FY2015. Under the authority of Article VII, Section 5 of the Garland City Charter, this was approved by the Garland City Council.

Objective

The preliminary objective was to evaluate the effectiveness of the City Secretary's record retention process. Based on risks identified in recent audits, transition of roles to a new City Secretary, and discussions held with the Audit Committee Chairwoman, City Manager and new City Secretary, IA determined that evaluating the City Secretary Office's current processes and procedures would add more value at this time.

IA's new objective is to provide recommendations that may help strengthen the processes in general at the City Secretary's office.

Scope and Methodology

IA conducted this limited scope audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives.

The scope of our review was limited to documenting the current general processes and procedures at the City Secretary's office. IA did not perform a detailed study of every relevant system, procedure, or transaction.

The methodology included the following:

- Conducting a walkthrough with the City Secretary in order to gain an understanding of their current processes
- Review of City Secretary Directives 1, 2, 3 & 5
- Review of documentation file codes and process flows
- Holding discussions with Senior Management and other Personnel
- Evaluating employee training options in regards to City Secretary's Directives and policies
- Review of Professional and Personal Services Audit (201407)

Based on the audit work performed, any deficiencies in internal control that are significant within the context of the audit objectives are stated in the Areas for Improvement section starting on page 3.

Background

The Garland City Charter established the position of City Secretary to be appointed by the City Council and to have a direct-reporting role to the City Manager. They are charged with carrying out duties established by the City Charter and local ordinances, as well as State and Federal laws that relate to the office. The position, by ordinance, also includes holding the office of Records Management Officer for the City.

The City Secretary Department's mission is to facilitate, support and enhance the efforts of the City Council to fulfill the duties and responsibilities of their office and the ability of the general public to acquire and access public records and information. The City Secretary's office is responsible for the operation and integrity of the Records Retention Centers and the destruction of City records as provided by the Local Government Code.

Source: City's Intranet, City Secretary Directive 2 & 3 and City of Garland website

Overall Conclusion

IA's review of the current processes at the City Secretary's office revealed areas of concern related to document retention and destruction, employee training, and policies and procedures. At the time when actions have been taken regarding the recommendations listed below, IA will consider an evaluation of controls to verify the effectiveness.

Internal Audit would like to note that the City Secretary was very cooperative and has taken many proactive steps to improve both the record retention process and procedures in general.

Areas for Improvement

The Areas for Improvement may not be all-inclusive of areas where improvement might be needed as IA did not perform a detailed study of every relevant system, procedure, and transaction. IA identified the following:

- There is not a complete and accurate record of the documents held at the City's Retention Centers as required by City Secretary Directive 2. During an investigation that arose during IA's Cash Count Audit (201406) dated September 14, 2014, IA was unable to locate a box that was noted as being held at the retention center.
- Per discussion with the City Secretary, there are many items in both the City's retention centers and in the City Secretary's Office that are past their destruction date as outlined in City Secretary Directive 3.
- There is confusion regarding the process of filing documents at the City Secretary's Office, placing items on the City Council meeting agendas, requesting documents, etc.
- There are process inefficiencies related to City Council-approved documents. Currently, after a document is signed, it goes back to the original requesting department. The department is then responsible for providing this original document to the City Secretary's Office for filing.
- Departments are currently not notifying the City Secretary when they have sent documents to the City Secretary's Office for filing. There is no process in place to ensure that items are received and appropriately filed.
- As reported in the Professional and Personal Services Audit (201407) dated March 24, 2015, 34% of sampled Professional and Personal Service contracts were not on file with the City Secretary's Office. Out of those not on file, 58% were approved by the City Council.
- Four out of five of the City Secretary Directives have not been updated in more than seven years. Three out of these four have not been revised in more than 18 years.

Recommendations & Management Responses

In order to address the control weaknesses identified, IA recommends the following:

Document Retention and Destruction:

- Request and obtain a list of current contracts/agreements from all City departments.
- Organize and catalogue documents that are held in the City's retention centers.
- Schedule a destruction of necessary files for items held at the City's retention centers.

Management Response:

Concur with the findings of Internal Audit

Action Plan:

- When all Managing Directors / Directors have designated a legal document liaison for their department(s), a request for the full list of contracts/agreements will be made.
- CSO is working with inventory companies to obtain an estimate for cataloguing all records (boxes) at the retention center.
- Two destructions will occur:
 - May 2015
 - FY 2016 (Fall 2015)

Implementation Date:

August 31, 2015

Training:

- Establish a representative in each department that would function as a liaison between the departments and the City Secretary's Office.
- Work with Human Resources to ensure that training on City Secretary Directives and the document retention process is added to the HR training calendar, for liaisons.

Management Response:

Concur with the findings of Internal Audit

Action Plan:

- The first request to designate a liaison was sent to Managing Directors on April 8, 2015.
- The second request will be made at the April 28, 2015 Town Hall meeting.
- The third request will be an email to Managing Directors who have not responded to the previous email and verbal requests.
- CSO will work with Human Resources to revise Directive(s) 1, 2, 3, and 5 and to include the Directives in the existing New Manager Training Class

Implementation Date:

August 30, 2015

Policies and Procedures:

- The City Secretary should retain all original documents that were approved by the City Council. Once this has been scanned, a copy of the document should be sent to the original requesting department.
- Create checklists for the department representative to utilize for document transfer to the City Secretary's Office.
- Create flow charts to document the process of approving/retaining contracts in the following instances:
 - Less than \$100,000
 - Greater than \$100,000
- Create internal policies for the City Secretary's Office, detailing allowable timeline for scanning original documents, the process of uploading files to the City's imaging software, naming conventions, personnel responsibilities, etc.
- Update the City Secretary Directives to include the current processes, roles and procedures as it relates to City Council document processing, records storage and destruction, the departmental filing of original documents, and the Code of Ordinances. Consider compiling all five Directives into one comprehensive Directive. Ensure that the updated Directive defines who is accountable for completing various tasks throughout the processes listed below:
 - Filing various documents with the City Secretary
 - Placing items on the City Council meeting agenda
 - Documenting the request process
 - Expectations related to the timeliness of document transfer

Management Response:

Concur with the findings of Internal Audit

Action Plan:

- Standard Operating Procedures for the CSO will be updated to document the internal policies.
- Checklists and flow charts will be provided to the department liaisons by the City Secretary before August 31, 2015.
- City Secretary will revise the existing Directive(s) to ensure accountability for delivering legal documents to the CSO.

Implementation Date:

Internal Policies - May 31, 2015

Remaining items - August 30, 2015