

Post-Audit Review 13-02: Internal Support Services

May 2014

City Auditor

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OFFICE OF INTERNAL AUDIT

Stan Sewell, City Auditor

May 19, 2014

To: Mayor Andy Berke
City Council Members

Subject: Post-Audit Review of Internal Support Services (Report #13-02)

Dear Mayor Berke and City Council Members:

Attached is a summary report on the status of audit recommendations in our 2013 Internal Support Services report. The purpose of this report is to confirm whether, and to what degree, management has implemented the recommendations made in the original audit.

The original audit surveyed 196 city employees on services provided by the Finance, General Services, Information Technology, City Attorney and Human Resources Departments. The audit concluded:

1. Overall, respondents were more satisfied with services than dissatisfied;
2. The survey identified two areas of excellence and 20 areas needing improvements, based upon thresholds of 90% or higher satisfaction and 30% or lower;
3. The average level of satisfaction was 52%, with the range extending from 20-93%; and,
4. The average level of dissatisfaction was 20%, with the range extending from 0-53%.

The audit had 10 recommendations for the various departments. In addition to issues related to high levels of dissatisfaction, recommendations also informed departments of the need to develop a customer satisfaction tool and adopt performance measures related to customer service satisfaction ratings. At the time of this Post-Audit Review, three recommendations were not implemented, one was partially implemented, and six were implemented.

Recommendations partially implemented and not implemented are herein reported to the Audit Committee for follow-up, as appropriate.

This Post-Audit Review consisted principally of inquiries of City personnel and examinations of various supporting documentation. It was substantially less in scope than an audit in accordance with generally accepted government auditing standards. The evidence obtained provided a reasonable basis for our conclusions; however, had an audit been performed, other matters might have come to our attention that would have been reported to you and our conclusions may have been modified.

Sincerely,

Stan Sewell, CPA, CGFM, CFE
City Auditor

Attachment

cc: Audit Committee
Travis McDonough, Chief of Staff
Jeff Cannon, Chief Operating Officer
Cary Bohannon, General Services Director
David Carmody, Purchasing Manager
Todd Dockery, Human Resources Administrator
Wade Hinton, City Attorney
Brian Kiesche, Fleet Manager
Daisy Madison, Chief Financial Officer
Brent Messer, Chief Information Officer

RECOMMENDATIONS NOT IMPLEMENTED (3)

Recommendation	Actions Taken
4 We recommended Fleet Management Division leadership develop a method for measuring customer service satisfaction and adopt customer service satisfaction performance standards to determine how well it is meeting expectations of its clients – other City departments.	Fleet management will use Survey Monkey to formulate customer service satisfaction questions and will distribute it to vehicle operators who have used the garages for their feedback. Based upon the questions asked and feedback provided they will measure the level of satisfaction of the users.
7 We recommended Information Technology management consider the results of the Internal Support Services Survey and take action upon areas of dissatisfaction noted within it.	The new CIO has been working diligently since arriving only a few months ago, one of his goals is to publish a strategic plan that will detail some of the changes to come, and the course of the rest of this year is dedicated to restructuring and retooling DIT to become a very efficient, valuable operation and asset for the City. Once reorganized, the constant improvement won't stop. They will continue to analyze and improve processes and grade themselves (publicly) through use of service level agreements and key performance measures (more so than just customer service satisfaction) to strive for perfection.
10 We recommended the Finance and Administration Department management develop a method for measuring customer service satisfaction and adopt customer service satisfaction performance standards to determine how well it is meeting expectations of its clients – other City departments.	The Finance Department is looking into the possibility of issuing a survey this fiscal year. They are making inquiries on the use of Survey Monkey to facilitate this process.

RECOMMENDATION PARTIALLY IMPLEMENTED (1)

Recommendation	Actions Taken
6 We recommended Human Resources management develop a method for measuring customer service satisfaction and adopt customer service satisfaction performance standards to determine how well it is meeting expectations of its clients – other City departments.	Human Resources management has not formally surveyed its users but they are focusing their efforts on developing a process for soliciting employee feedback and through the recent Budget for Outcomes process have identified certain results and subsequent measurements that they would like to see moving forward. This process will help to not only ensure customer satisfaction but will include a measurement and areas for improvement within City Departments which also will assist in improving employee retention.

RECOMMENDATIONS FULLY IMPLEMENTED (6)

Recommendation	Actions Taken
1 We recommended Purchasing Division management consider the results of the Internal Support Services Survey and take action upon areas of dissatisfaction noted within it.	The Purchasing Division released <i>The City of Chattanooga Procurement Instructional Manual 2014</i> . Training for the new manual was provided to all buyers and Department/Division requisitioners as the new document was unveiled. The training included specific sessions regarding Sensitive Minor Equipment, Fixed Assets, and Surplus Procedures. The Surplus Property Policy and Procedure is still not a fluid or efficient process. However, in the coming year they hope to have an electronic tool in place to automate and organize the process. The development of the new Electronic Content Management system will be a great resource to aid in eliminating the manual and antiquated process currently employed.
2 We recommended Purchasing Division management develop a method for measuring customer service satisfaction and adopt customer service satisfaction performance standards to determine how well it is meeting expectations of its clients – other City departments.	In April, the Purchasing Division released a Purchasing Services Satisfaction Survey which used all six measurements employed in the Internal Audit Survey. In using the same criteria, they hope to have the opportunity to see if any improvement has been made. In addition to the six measures from the last survey, there will be a question regarding the level of satisfaction as it pertains to the “responsiveness of your buyer” and a space for comments, concerns, or suggestions in future surveys.

Recommendation

Actions Taken

- 3 We recommended Fleet Management Division leadership consider the results of the Internal Support Services Survey and take action upon areas of dissatisfaction noted within it.
- 5 We recommended Human Resources management consider the results of the Internal Support Services Survey and take action upon areas of dissatisfaction noted within it.

Fleet Management addressed all areas of dissatisfaction in the audit which were cost of repairs, cost of leased vehicles and usefulness of management reports. They specifically continue to incrementally remove department owned vehicles and convert into internally owned vehicles where fleet bears the burden of the cost of repairs. They believe they are competitive for full service lease rates, and have identified the two areas that will greatly reduce the cost of the city to own and operate a vehicle. The largest opportunity lies in the resale value of the vehicle and also the timing of the resale. Their management reports are being electronically sent (email) and should easily reach their target audience. They have also added miles per gallon reporting for the various department managers.

Over the past year, the Human Resources Department has continued to restructure and reorganize in order to provide the best possible service and response to all city employees, potential employees and retirees. This has included moving towards a customer-focused business model to have HR liaisons (through an HR Generalist team) assigned to certain departments as initial contacts and assistance for HR related questions and needs. An HR Generalist has worked closely with Fire & Police administration and staff to determine opportunities for improvement and has made several suggestions that will continue to improve on personnel processes for the Fire & Police departments. Having a specific HR contact person will allow the HR staff to better know and understand specific departmental needs and challenges which in turn will assist in recruiting a more qualified workforce and a more customer focused HR department. Additionally, they are placing a greater emphasis on HR compliance and have developed an internal investigation process to help respond to employee complaints, investigate the issues and make recommendations to help resolve the concerns. They are hoping to add a new training coordinator and a staff person specifically focused on employee relations. These two positions would help develop and coordinate management and employee training for departments.

Recommendation**Actions Taken**

- 8 We recommended Information Technology management develop a method for measuring customer service satisfaction and adopt customer service satisfaction performance standards to determine how well it is meeting expectations of its clients – other City departments.
- 9 We recommended the Finance and Administration Department management consider the results of the Internal Support Services Survey and take action upon areas of dissatisfaction noted within it.

The Information Technology Department issued a survey in February to all users. The survey covered a wide spectrum of areas handled by the IT Department. Based upon the responses of the survey, they will setup performance measures and strive to improve their processes.

Finance coordinated training with the Purchasing Division and enhanced payment procedures to address the deficiencies noted in the survey.

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