

INTERNAL AUDIT REPORT

2016-01

Office of the Ombudsman Follow-Up

Anchorage Assembly

February 24, 2016

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Municipality of Anchorage

Ethan Berkowitz, Mayor

Internal Audit Department

February 24, 2016

Honorable Mayor and Members of the Assembly:

I am pleased to present for your review **Internal Audit Report 2016-01; Office of the Ombudsman Follow-Up; Anchorage Assembly**. A brief summary of the report is presented below.

In accordance with the 2015 Audit Plan, we have completed a follow-up audit of the Office of the Ombudsman. The objective of this follow-up audit was to determine the effectiveness of corrective actions taken by the Office of the Ombudsman on the deficiencies contained in Internal Audit Report 2011-07. To accomplish our objective, we reviewed case statistics reports from CityView from the last five years. We also reviewed selected citizen complaints from 2015 to determine if the complaints were properly documented and resolved, and that citizens were properly notified with the resolutions. In addition, we reviewed the annual report of activities required by Anchorage Municipal Code (AMC) 2.60.160, *Reports*, prepared by the Ombudsman and determined if formal investigation reports were properly retained. Moreover, we determined if CityView was used effectively to document and manage citizen complaints. Finally, we determined if the Office of the Ombudsman had developed desk procedures.

Management action corrected and significantly improved all of the issues identified in Internal Audit Report 2011-07. Our follow-up audit revealed that action taken by the Office of the Ombudsman corrected all six of the deficiencies. However, the Office of the Ombudsman did not always post notices in the public areas of buildings owned or leased by the Municipality or the Anchorage School District, informing citizens of their rights and protections.

There were six follow-up findings and one new finding in connection with this audit. Management was responsive to the findings and recommendations.

Michael Chadwick, CICA
Acting Director, Internal Audit



Municipality of Anchorage

Ethan Berkowitz, Mayor

Internal Audit Department

February 24, 2016

Internal Audit Report 2016-01 Office of the Ombudsman Follow-Up Anchorage Assembly

Introduction. In 2011 we performed an audit of the Office of the Ombudsman (Ombudsman's Office) and issued Internal Audit Report 2011-07 dated May 16, 2011. To assess the effectiveness of corrective action, we have performed a follow-up audit. This report contains the result of our follow-up audit.

Anchorage Municipal Charter Section 4.07, *Ombudsman*, establishes the Ombudsman's Office. The Ombudsman's Office is an independent, impartial municipal office that is readily available to the public and it reports to the Anchorage Municipal Assembly (Assembly). According to the Anchorage Municipal Charter "The jurisdiction, power and duties of the ombudsman include acts and omissions of employees and agents of the school district, as well as employees and agents of the municipality." The purpose of the Ombudsman's Office includes ". . . safeguarding the rights of persons and of promoting higher standards of competency, efficiency and equity in the provision of municipal services."

As of January 2016, the Ombudsman's Office was staffed by the Ombudsman, a Deputy Ombudsman, and an Associate Ombudsman. Since 2000, the Ombudsman's Office has used a database called CityView to manage citizen contacts made to the Office. CityView was updated in 2013 and in 2015.

Objective and Scope. The objective of this follow-up audit was to determine the effectiveness of corrective actions taken by the Ombudsman's Office on the deficiencies contained in Internal Audit Report 2011-07. To accomplish our objective, we reviewed case statistics reports from CityView

from the last five years. We also reviewed selected citizen complaints from 2015 to determine if the complaints were properly documented and resolved, and that citizens were properly notified with the resolutions. In addition, we reviewed the annual report of activities required by Anchorage Municipal Code (AMC) 2.60.160, *Reports*, prepared by the Ombudsman and determined if formal investigation reports were properly retained. Moreover, we determined if CityView was used effectively to document and manage citizen complaints. Finally, we determined if the Ombudsman's Office had developed desk procedures.

The audit was conducted in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review, and accordingly, included tests of accounting records and such other auditing procedures as we considered necessary in the circumstances. The audit was performed during the period of December 2015 through January 2016. The audit was requested by the Assembly.

Overall Evaluation. Management action corrected and significantly improved all of the issues identified in Internal Audit Report 2011-07. Our follow-up audit revealed that action taken by the Ombudsman corrected all six of the deficiencies. However, the Ombudsman's Office did not always post notices in the public areas of buildings owned or leased by the Municipality or the Anchorage School District (ASD), informing citizens of their rights and protections.

AUDIT FINDINGS FOLLOW-UP

1. Prior Finding: Unsolved Cases Increased Over Last Five Years.

- a. **Corrective Action.** Our review found that the number of unresolved cases had decreased significantly since our prior audit. Specifically, the number of unresolved cases decreased from 1,237 at the beginning of 2011 to 9 at the end of 2015.

**Office of the Ombudsman
 Case Statistics
 2011 – 2015**

<u>Number of Cases</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Beginning of Year	1,237	295	23	15	12
Opened	246	297	210	229	236
Resolved	1,188	569	218	232	239
End of Year	295	23	15	12	9

Source: CityView Database

- b. **Evaluation of Corrective Action.** Effective.
 - c. **Recommendation.** Not required.
 - d. **Management Comments.** Not required.
 - e. **Evaluation of Management Comments.** Not required.
2. **Prior Finding: Case Documentation and Case Management Not Adequate.**
- a. **Corrective Action.** Our review of selected 2015 case files found that the Ombudsman’s Office had improved controls over its case documentation and case management. Specifically, the Ombudsman’s Office staff had sufficient information for the complaints received in CityView and the staff properly notified the complainants of the resolutions.
 - b. **Evaluation of Corrective Action.** Effective.

- c. **Recommendation.** Not required.
- d. **Management Comments.** Not required.
- e. **Evaluation of Management Comments.** Not required.

3. **Prior Finding: Formal Investigation Reports Could Not Be Located.**

- a. **Corrective Action.** Our review found that the Ombudsman's Office had issued formal investigation reports as required by Anchorage Municipal Code of Regulations 2.60.003, *Investigations*, and maintained copies of the formal investigation reports according to the requirements of their current records retention schedule.
- b. **Evaluation of Corrective Action.** Effective.
- c. **Recommendation.** Not required.
- d. **Management Comments.** Not required.
- e. **Evaluation of Management Comments.** Not required.

4. **Prior Finding: Annual Reporting Needs Improvement.**

- a. **Corrective Action.** Our review found that the Ombudsman's Office had issued Annual Reports for 2012, 2013, and 2014. Our review also found that case resolutions and other statistics reported in the 2014 Annual Report were accurate and could be verified in the CityView and/or with hard copy case files.
- b. **Evaluation of Corrective Action.** Effective.

- c. **Recommendation.** Not required.
- d. **Management Comments.** Not required.
- e. **Evaluation of Management Comments.** Not required.

5. **Prior Finding: Lack of Desk Procedures.**

- a. **Corrective Action.** The Ombudsman's Office had procedures which were last updated on December 28, 2015. The procedure manual contained guidelines on the use of CityView and referenced the applicable AMC and Anchorage Municipal Code of Regulations regarding the Ombudsman's Office.
- b. **Evaluation of Corrective Action.** Effective.
- c. **Recommendation.** Not required.
- d. **Management Comments.** Not required.
- e. **Evaluation of Management Comments.** Not required.

6. **Prior Finding: CityView Reporting Function Needs Improvement.**

- a. **Corrective Action.** The Ombudsman's Office updated CityView in 2013 and in 2015. The updated version of CityView had "customizable" reporting functions, allowing the Ombudsman's Office's staff to create custom reports to fit their needs to help manage citizen complaints. These reports could be saved in a spreadsheet format

if needed for additional analysis. In addition, the reports readily provided case information such as the number of cases opened and closed, cases by department, and cases by Assembly District.

- b. **Evaluation of Corrective Action.** Effective.
- c. **Recommendation.** Not required.
- d. **Management Comments.** Not required.
- e. **Evaluation of Management Comments.** Not required.

NEW FINDING AND RECOMMENDATION

1. **Public Notices Not Always Posted.**

- a. **Finding.** The Ombudsman's Office has worked to improve its outreach efforts; however, it did not always post notices in public areas, in buildings owned or leased by the Municipality or ASD, informing citizens of their rights and protections. For example, we stopped by eight frequently visited public buildings and did not find any notices posted in public areas. Anchorage Municipal Code 2.60.155, *Notice to citizens*, states that "The ombudsman shall post notices and use other appropriate means to inform citizens of their rights and protections under sections 2.60.010 - 2.60.180. These notices shall be posted in public areas of all buildings owned or leased by the municipality or the school district."
- b. **Recommendation.** The Municipal Ombudsman should ensure that notices are posted in public areas as required by AMC 2.60.155.

- c. **Management Comments.** Management stated, “Management concurs with the Auditor’s finding. Since 2012, the Ombudsman’s Office has focused on improving office procedures, developing a Facebook page, upgrading our webpage on muni.org, implementing a CityView upgrade (reducing paper files by 90%), developing a CityView public portal, and conducting in-person outreach; posting of the required notice ‘slipped through the cracks’. The Ombudsman’s Office updated the poster in 2013 and provided 100+ copies to the Anchorage School District for posting. The Ombudsman’s Office is working with the Municipal Manager, Director of Economic and Community Development, and the Director of Real Estate Services, to ensure that Ombudsman posters are posted as required by AMC2.60.155.”
- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

Discussion With Responsible Officials. The results of this audit were discussed with appropriate Municipal officials on February 10, 2016.

Audit Staff:
Scott Lee