

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: NOVEMBER 21, 2006

DEPARTMENT: CITY AUDITOR'S OFFICE

DIRECTOR: RADFORD SNELDING

Consent Discussion

SUBJECT:

General Report by the City Auditor

Fiscal Impact

No Impact

Augmentation Required

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

To give a status report on the Audits and Projects in Process and open Investigations and Control Reviews.

The City Auditor's Office has audits and projects and investigations and control reviews as assigned in the annual audit plan. At each of the Audit Oversight Committee Meetings the City Auditor reports on the status of work currently open.

RECOMMENDATION:

Report only; no action required.

BACKUP DOCUMENTATION:

Submitted after meeting Two PowerPoint Slides

Minutes:

Chairman Kern disclosed that he has served as the Treasurer for Bill Young in years gone by and was also the Campaign Treasurer for Undersheriff Doug Gillespie. He did not think that created a conflict in his feelings for pursuing Metro and following through with the responsibility of completing this audit. He deferred to the City Attorney for advice. Chief Deputy City Attorney John Redlein explained that it would not create a conflict and the Chairman did not need to abstain.

Mr. Snelding informed the committee of the current audits and projects underway as follows: The Information Systems and Records audit is headed up by Nancy Beaty but is currently on hold because Ms. Beaty had more than two active audits when this began and two is the limit. One of those additional audits she has is the Building & Safety Permits Division audit which is in the planning stage. Bryan Smith is currently assigned to the Metro Police audit; however, that is on hold as well. Mr. Snelding has made contact with the Clark County Auditor and they agreed to do a joint audit for Metro's funding. Because the county cannot proceed with that audit for some time, Mr. Snelding suggested removing the audit from the active list.

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Mr. Snelding continued by saying that Ms. Beaty is also heading up the Fire and Rescue, Fire Prevention and Investigation audit, which is on hold because there is a new system in the department and audit staff would like to give the department time to implement the new system before undergoing an audit. The city-wide audit of the P-Card purchasing system is in the fieldwork stage and is being headed up by Mr. Smith. Bill Cimo is in charge of the Credit Card Receipting audit which is in the reporting stage. Philip Marmurowski is tasked with the city-wide software audit, currently on hold due to shift in priorities. Mr. Marmurowski is also in charge of the Cell Phone Charge and Long Distance Telephone Calls audits, both of which are in the fieldwork stage.

Mr. Snelding explained that during his last report, he had mentioned a project for the express inspections in the Building and Safety Department. That report has been released and will be available for review at the next Audit meeting. It does not show on the current list because it is no longer in progress now that the report has been released. He concluded by stating there are five investigations in progress and Gary Phillips is in charge of those as well as six completed control reviews, all of which had memos issued.

Member Workman inquired about some of the audits such as Metro and Fire and Rescue. He questioned whether there was some significant issue that had brought the necessity of an audit forward that would now remain neglected by putting the audit on hold. Mr. Snelding replied that Metro has been on hold for some time now. It began as an audit of the funding and there was some resistance from the department. In response to that resistance, the City decided to team with Clark County and thought a third party should be brought in to perform the audit to eliminate conflict. The other audits were routine and when they came up for assignment, were assigned to individuals who already had several audits underway. There are no time sensitive issues.

Chairman Kern indicated he was concerned with the resistance and delay surrounding the Metro funding audit. He asked who the third party consultant was that would be doing the audit. Mr. Snelding informed him that third party has yet to be retained. There will be a joint Request for Proposal to find an independent Certified Public Accountant. The Chairman thought it had been delayed too long and questioned whether someone else from the City should address this issue with the County Auditor. Mr. Snelding was not sure if the County is ready to move forward with the audit at this time as it appeared that the desire is not there.

Chairman Kern said the media has been watching Metro and questioning some of the funding requests and disbursements Metro has made. He did not want the City to be involved in any issue that may arise in the future. He was disturbed Metro could put it off this long.

Vice-Chairman Brown asked about the scope of the Metro audit. Mr. Snelding indicated the limit of the audit was the funding formula. There was some preliminary work done but then Metro questioned the City auditing and possibly changing the funding formula, which would impact the County. That is what prompted the idea of actually working with the County on it.

Chairman Kern requested that Mr. Snelding bring this item back for an update and discussion at the next Audit Oversight Committee meeting. Mr. Snelding indicated he would bring it back as its own agenda item and he will be sure to have spoken with the County Auditor and will be prepared to give a full report of the situation.