

**CITY AUDITOR'S OFFICE
AS OF JUNE 30, 2007**



Report No. CAO 2600-0708-04

November 29, 2007

RADFORD K. SNELDING, CPA, CIA, CFE

CITY AUDITOR

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BACKGROUND





The City Auditor's Office has provided 1,004 audit recommendations requiring corrective action to City Departments since January 1, 1999. This report summarizes the status of these audit recommendations as of June 30, 2007.

OBJECTIVES

The objective of our follow-up program is to ensure that audit recommendations are being appropriately addressed by City management and to track the status of the recommendations. Much of the benefit from audit work is not in the findings reported or the recommendations made, but in their effective resolution. City management is responsible for addressing audit recommendations. This follow-up is a process to help management fulfill this responsibility.

SCOPE AND METHODOLOGY

Our follow-up program is in accordance with Operating Instruction A. 050 of the City Auditor's Office Operating Instruction Manual. The status of each audit recommendation is identified using the following classifications:

| | | |
|---|-------------------|--|
|  | Complete | The recommendation has been implemented or some other action has been taken to effectively correct the deficiency. |
|  | Incomplete | The recommendation has not been implemented. |
|  | Extended | The recommendation has not been implemented due to circumstances beyond the department's control. |
|  | Not Due | Due date is after June 30, 2007. |

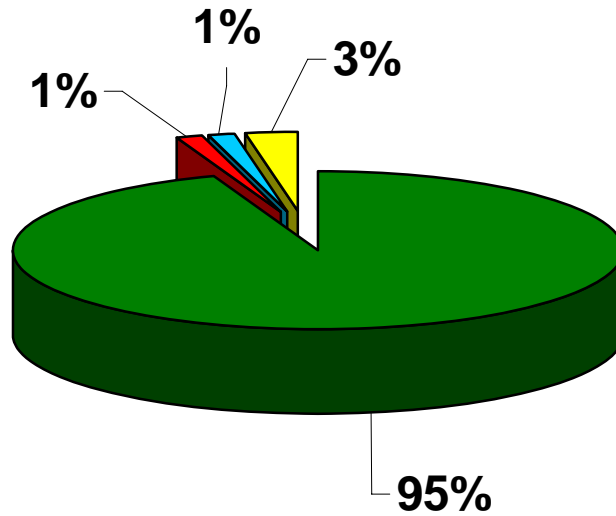
For each audit recommendation, City management provides an estimated completion date. An audit recommendation is classified as being Not Due until this date has passed and then the audit recommendation becomes Incomplete or Extended. An audit recommendation remains in one of these classifications until City management completes the recommendation and notifies our Office. Subsequently, audit staff obtain and evaluate evidence supporting management's representation. If the evidence demonstrates that the recommendation has been adequately addressed, the auditor identifies the recommendation as being Complete.

CONCLUSION

The accompanying charts/tables (pages 2 to 4) summarize the status of the audit recommendations in total and by department. Following the charts, each audit recommendation is classified as Incomplete, Extended, or Not Due and listed by department. The Management Action Plan response was obtained from the original audit report.

While city management has made progress toward the implementation of the audit recommendations contained in the various reports, additional efforts should be made in finalizing incomplete recommendations.

1,004 Recommendations January 1999 – June 2007



| | Complete | Incomplete | Extended | Not Due | Total |
|--------------------|------------|------------|-----------|-----------|--------------|
| Fiscal Year | 949 | 13 | 15 | 27 | 1,004 |
| 2006-2007 | 26 | 8 | 1 | 27 | 62 |
| 2005-2006 | 67 | 0 | 4 | 0 | 71 |
| 2004-2005 | 69 | 3 | 2 | 0 | 74 |
| 2003-2004 | 39 | 0 | 0 | 0 | 39 |
| 2002-2003 | 87 | 1 | 0 | 0 | 88 |
| 2001-2002 | 155 | 0 | 3 | 0 | 158 |
| 2000-2001 | 112 | 1 | 0 | 0 | 113 |
| 1999-2000 | 394 | 0 | 5 | 0 | 399 |

13 Incomplete

Recommendations Summary

Fiscal Year

| DEPARTMENT | 2000-2001 | 2002-2003 | 2004-2005 | 2006-2007 | TOTAL |
|-----------------------------|------------------|------------------|------------------|------------------|--------------|
| Field Operations | --- | -- | 3 | -- | 3 |
| Finance & Business Services | 1 | 1 | -- | -- | 2 |
| Leisure Services | -- | -- | -- | 8 | 8 |
| TOTAL | 1 | 1 | 3 | 8 | 13 |

949 Complete Recommendations Summary

Fiscal Year

| DEPARTMENT | 1999-2000 | 2000-2001 | 2001-2002 | 2002-2003 | 2003-2004 | 2004-2005 | 2005-2006 | 2006-2007 | TOTAL |
|--------------------------------|------------|------------|------------|-----------|-----------|-----------|-----------|-----------|------------|
| AFI | -- | -- | 11 | -- | -- | -- | -- | -- | 11 |
| Building & Safety | 54 | 1 | -- | -- | -- | -- | -- | 7 | 62 |
| City Attorney | -- | -- | -- | -- | 1 | -- | -- | -- | 1 |
| City Manager | 14 | 8 | 1 | 5 | 6 | 9 | -- | -- | 43 |
| Detention & Enforcement | 2 | 6 | 6 | -- | -- | -- | 12 | 1 | 27 |
| Field Operations | 3 | -- | 22 | 25 | -- | 21 | 5 | -- | 76 |
| Finance & Business Services | 43 | 30 | 43 | 25 | 2 | 5 | 3 | 2 | 153 |
| Fire & Rescue | 30 | -- | -- | -- | -- | -- | -- | -- | 30 |
| Human Resources | 41 | 32 | -- | 26 | 2 | 2 | -- | -- | 103 |
| Information Technologies | 83 | -- | 37 | -- | -- | 4 | -- | 2 | 126 |
| Leisure Services | 87 | 2 | 24 | 6 | -- | 27 | 44 | 5 | 195 |
| Municipal Court | 29 | 10 | -- | -- | -- | -- | 3 | 1 | 43 |
| Neighborhood Services | -- | -- | -- | -- | 4 | -- | -- | 8 | 12 |
| Office of Business Development | -- | -- | -- | -- | 21 | -- | -- | -- | 21 |
| Planning & Development | 8 | -- | -- | -- | 3 | -- | -- | -- | 11 |
| Public Works | -- | 23 | 11 | -- | -- | 1 | -- | -- | 35 |
| TOTAL | 394 | 112 | 155 | 87 | 39 | 69 | 67 | 26 | 949 |

DETAIL STATUS

Status Page

Building and Safety

Review of Building and Safety Department Express Inspections

| | | | | | |
|----------|--------------------|----|----------------------------|----------|----|
| <u>1</u> | 752 0607 07 | 5. | Monthly Performance Report | Extended | 11 |
|----------|--------------------|----|----------------------------|----------|----|

Detention and Enforcement

Audit of Detention and Enforcement Training Unit

| | | | | | |
|----------|---------------------|----|-------------------------------|----------|----|
| <u>2</u> | 1401 0506 06 | 1. | Training Database Limitations | Extended | 12 |
|----------|---------------------|----|-------------------------------|----------|----|

| | | | | | |
|----------|---------------------|----|-------------------------------|----------|----|
| <u>3</u> | 1401 0506 06 | 2. | Training Database Differences | Extended | 13 |
|----------|---------------------|----|-------------------------------|----------|----|

Field Operations

Audit of Durango Hills Golf Course Management Contract

| | | | | | |
|----------|---------------------|-----|--|------------|----|
| <u>4</u> | 1701 0405 05 | 05. | 2. Sales Tax Collection and Remittance | Incomplete | 14 |
|----------|---------------------|-----|--|------------|----|

| | | | | | |
|----------|---------------------|-----|----------------------------|------------|----|
| <u>5</u> | 1701 0405 05 | 06. | 1. Sales Tax For Purchases | Incomplete | 14 |
|----------|---------------------|-----|----------------------------|------------|----|

| | | | | | |
|----------|---------------------|-----|-----------------|------------|----|
| <u>6</u> | 1701 0405 05 | 07. | 1. Property Tax | Incomplete | 15 |
|----------|---------------------|-----|-----------------|------------|----|

Audit of City Vehicle Replacement Program

| | | | | | |
|----------|---------------------|-----|-----------------------------------|----------|----|
| <u>7</u> | 1702 0506 02 | 02. | 1. Projected Vehicle Useful Lives | Extended | 15 |
|----------|---------------------|-----|-----------------------------------|----------|----|

| | | | | | |
|----------|---------------------|-----|-----------------------------------|----------|----|
| <u>8</u> | 1702 0506 02 | 02. | 2. Projected Vehicle Useful Lives | Extended | 16 |
|----------|---------------------|-----|-----------------------------------|----------|----|

Finance and Business Services

Audit of Parking Enforcement and Collections

| | | | | | |
|----------|---------------------|-----|--|------------|----|
| <u>9</u> | 1401 0001 02 | 01. | 1. Delinquent Parking Citation Collections | Incomplete | 17 |
|----------|---------------------|-----|--|------------|----|

Audit of Wastewater Pollution Control Facility and Sewer Services

| | | | | | |
|-----------|---------------------|--------|-----------------------|----------|----|
| <u>10</u> | 1501 0102 02 | B. 02. | 1. Sewer Fee Billings | Extended | 17 |
|-----------|---------------------|--------|-----------------------|----------|----|

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Finance and Business Services

Audit of Wastewater Pollution Control Facility and Sewer Services

11 **1501 0102 02** B. 04. 1. Performance Reports Extended 18

12 **1501 0102 02** B. 04. 2. Performance Reports Extended 19

Audit of Special Improvement District Administration

13 **602 0203 04** 06. 1. Fee Waivers Incomplete 19

Audit of Controls Over City Utility Payments And Costs

14 **2001 0405 03** 03. 1. Allocation of Utility Costs Extended 20

Audit of Financial Services Grant Fiscal Administration

15 **601 0607 06** 1. Allocation of Indirect Costs for Federal Grants Not Due 21

Audit of City Procurement Card Program

16 **2001 0607 09** 1. Desk Procedures Not Due 21

17 **2001 0607 09** 2. P-Card Transaction Analysis Not Due 22

18 **2001 0607 09** 3. Prohibited P-Card Purchases Not Due 23

19 **2001 0607 09** 4. P-Card Strike Program Not Due 24

20 **2001 0607 09** 5. Approver Training Not Due 25

21 **2001 0607 09** 6. Identification of Contracting Opportunities Not Due 25

22 **2001 0607 09** 7. Card Activity Evaluation Not Due 26

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Finance and Business Services

Audit of City Procurement Card Program

23 **2001 0607 09** 8. Management Reporting Not Due 26

24 **2001 0607 09** 9. Transaction Categories and Descriptions Not Due 27

Information Technologies

Audit of Controls Over City Utility Payments And Costs

25 **2001 0405 03** 01. 2. Utility Usage Monitoring Extended 28

Audit of City Cell Phone Charges

26 **2005 0607 10** 1. a. Inventory Assignment and Accountability Not Due 28

27 **2005 0607 10** 1. c. Inventory Assignment and Accountability Not Due 29

28 **2005 0607 10** 2. 1. Business or Personal Call Accountability Not Due 29

29 **2005 0607 10** 2. 2. Business or Personal Call Accountability Not Due 30

30 **2005 0607 10** 3. Cell Phone Plans Not Due 30

31 **2005 0607 10** 4. 1. Cell Phone Usage Not Due 31

32 **2005 0607 10** 4. 2. Cell Phone Usage Not Due 32

Audit of Citywide Long Distance Telephone Calls

33 **2006 0607 11** 1. Accountability Not Due 32

Leisure Services

Safekey Cash Counts

34 **2200 0607 04** 1. Cash Handling Practices Incomplete 33

DETAIL STATUS

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Leisure Services

Safekey Cash Counts

| | | | | | |
|-----------|---------------------|----|-----------------|------------|----|
| <u>35</u> | 2200 0607 04 | 2. | Safekey Signage | Incomplete | 34 |
|-----------|---------------------|----|-----------------|------------|----|

Audit of Safekey Payment Collection Controls

| | | | | | |
|-----------|---------------------|----|----------------------|------------|----|
| <u>36</u> | 1601 0607 05 | 1. | Program Fee Policies | Incomplete | 35 |
|-----------|---------------------|----|----------------------|------------|----|

| | | | | | |
|-----------|---------------------|----|------------------------------|------------|----|
| <u>37</u> | 1601 0607 05 | 2. | Payment Collection Oversight | Incomplete | 36 |
|-----------|---------------------|----|------------------------------|------------|----|

| | | | | | |
|-----------|---------------------|----|--------------------|------------|----|
| <u>38</u> | 1601 0607 05 | 3. | Sign-In Procedures | Incomplete | 37 |
|-----------|---------------------|----|--------------------|------------|----|

| | | | | | |
|-----------|---------------------|----|----------------------------|------------|----|
| <u>39</u> | 1601 0607 05 | 4. | Unpaid Balance Collections | Incomplete | 38 |
|-----------|---------------------|----|----------------------------|------------|----|

| | | | | | |
|-----------|---------------------|----|-----------------|------------|----|
| <u>40</u> | 1601 0607 05 | 5. | Safekey Records | Incomplete | 38 |
|-----------|---------------------|----|-----------------|------------|----|

| | | | | | |
|-----------|---------------------|----|------------------------------------|------------|----|
| <u>41</u> | 1601 0607 05 | 6. | Payment Processing Using Computers | Incomplete | 39 |
|-----------|---------------------|----|------------------------------------|------------|----|

Municipal Court

Las Vegas Municipal Court

| | | | | | | |
|-----------|----------------|--------|----|--------------------------------|----------|----|
| <u>42</u> | 1999 07 | B. 03. | i. | Correspondence With Defendants | Extended | 40 |
|-----------|----------------|--------|----|--------------------------------|----------|----|

| | | | | | | |
|-----------|----------------|--------|-----|--------------------------------|----------|----|
| <u>43</u> | 1999 07 | B. 03. | ii. | Correspondence With Defendants | Extended | 40 |
|-----------|----------------|--------|-----|--------------------------------|----------|----|

| | | | | | | |
|-----------|----------------|--------|------|---------------------------------|----------|----|
| <u>44</u> | 1999 07 | C. 02. | iii. | User Passwords For Court System | Extended | 41 |
|-----------|----------------|--------|------|---------------------------------|----------|----|

| | | | | | | |
|-----------|----------------|--------|-----|---------------------------|----------|----|
| <u>45</u> | 1999 07 | C. 04. | ii. | Limits On Cash In Drawers | Extended | 41 |
|-----------|----------------|--------|-----|---------------------------|----------|----|

| | | | | | | |
|-----------|----------------|--------|--|-----------------------------|----------|----|
| <u>46</u> | 1999 07 | D. 02. | | Bail Register Report Errors | Extended | 42 |
|-----------|----------------|--------|--|-----------------------------|----------|----|

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Office of Communications

Audit of Video Services

| | | | | | |
|---------------------------|--------------------|----|--|---------|-------|
| <u>47</u> | 201 0607 12 | 1. | Compliance with Outside Programming Requirements | Not Due | 43 |
| <u>48</u> | 201 0607 12 | 2. | Programming Retention | Not Due | 44 |
| <u>49</u> | 201 0607 12 | 3. | Operational Measurements | Not Due | 45 |
| <u>50</u> | 201 0607 12 | 4. | Equipment Tracking | Not Due | 46 |
| <u>51</u> | 201 0607 12 | 5. | Surplus Equipment | Not Due | 47 |
| <u>52</u> | 201 0607 12 | 6. | System Backup | Not Due | 48 |
| <u>53</u> | 201 0607 12 | 7. | Technical Support Contingency Plan | Not Due | 49 |
| <u>54</u> | 201 0607 12 | 8. | Web Surveys | Not Due | 50 |
| <u>55</u> | 201 0607 12 | 9. | Standard Operating Procedures | Not Due | 50-51 |

DETAIL:

**DEPARTMENTAL AUDIT
RECOMMENDATION FOLLOW-UP**

Building and Safety

Due Date : 11/15/2006

Extended

- 1 752 0607 07 Review of Building and Safety Department Express Inspections**
5. Monthly Performance Report

Recommendation:

Building and Safety management should develop a more accurate method of calculating monthly performance data.

Management Action Plan (November 9, 2006):

Daily reports are sent to Finance and the Cashier Supervisor. Daily Reports are kept until quarterly audits by a supervisor and periodic audits by the City Auditor.

Estimated Date of Completion:
November 15, 2006

Auditor: N. Beaty

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Detention and Enforcement

Due Date : 12/31/2006

Extended

- 2 1401 0506 06 Audit of Detention and Enforcement Training Unit
1. Training Database Limitations

Recommendation:

D&E management working with Training should evaluate alternative training software packages that will better meet the needs of Training and the entire Department. D&E management should purchase and implement new training software. The training software package should include, at a minimum, the following functions:

- Functions that allow for efficient, consistent, and accurate data entry of training attended.
- Decision making functions to allow for automatic evaluation of the training status of employees against D&E policies, and P.O.S.T., ACA, and CALEA standards.
- Read-only access and report generation capabilities by other D&E units for independent verification of the accuracy of their training records.
- Reporting functions that effectively summarize the training status of employees.
- Audit trail features to track changes to the system.

Management Action Plan (June 27, 2006):

Management and training have evaluated alternative training software packages. We are in the process of selecting a package with input from City Information Technologies. Once the software has been purchased, implementation will include training and configuration.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Detention and Enforcement

Due Date : 12/31/2006

Extended

- 3 1401 0506 06 Audit of Detention and Enforcement Training Unit
2. Training Database Differences

Recommendation:

Training should develop, document, and implement a standard protocol for data input into the training database. This protocol should include, at a minimum, the following:

- Standard course titles for classes attended by employees.
- Standards for identification of date of training when a training course is held over a period of days.
- Standards for documentation of authorized firearms.
- Standards for documentation of firearm qualifications, whether an officer passed or failed, and remedial training.
- Standards for entry of new employees into the database.

Management Action Plan (June 27, 2006):

A standard protocol for data entry has been developed and is a component of the specifications identified for the software evaluation. Once the software has been selected and purchased, implementation will include training and configuration.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Field Operations

Due Date : 9/30/2005

Incomplete

- 4 1701 0405 05 Audit of Durango Hills Golf Course Management Contract
05. 2. Sales Tax Collection and Remittance

Recommendation:

If the Contractor fails to obtain a refund from the Department of Taxation, the Project Manager should require the Contractor to reimburse the City for the sales tax overpayments.

Management Action Plan (April 14, 2005):

The City will provide assistance to the Contractor to obtain a refund of the sales tax. If such efforts are unproductive, the City will issue a claim against the Contractor as recommended.

Auditor: W. Cimo

Field Operations

Due Date : 3/31/2006

Incomplete

- 5 1701 0405 05 Audit of Durango Hills Golf Course Management Contract
06. 1. Sales Tax For Purchases

Recommendation:

The Project Manager should consult with the City Attorney's Office to determine whether DHGC can take advantage of the City's tax exemption status. If DHGC is unable to take advantage of the City's tax exemption status, the Project Manager should evaluate the tax implications of outsourcing the golf course operation and consider other possible alternatives to minimize DHGC's operating costs.

Management Action Plan (April 14, 2005):

Given the procedure what has been in place, we take some exception to the findings in that the Project Manager did not see invoices which would have shown sales tax being paid. The Project Manager will meet with the City Attorney's Office and the Purchasing Division to determine how purchases at the DHGC should be made to take advantage of the City's tax exempt status and to minimize operating costs.

Auditor: W. Cimo

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Field Operations

Due Date: 6/30/2005

Incomplete

- 6 1701 0405 05 Audit of Durango Hills Golf Course Management Contract
07. 1. Property Tax

Recommendation:

The Project Manager should seek formal resolution from the City Attorney's Office as to whether the current outsourcing arrangement for DHGC qualifies for tax exemption.

Management Action Plan (April 14, 2005):

The Project Manager should certainly be involved, however, a directive for formal resolution from the City Attorney's Office would be more appropriately made from the City Manager's Office.

Auditor: W. Cimo

Field Operations

Due Date : 6/1/2006

Extended

- 7 1702 0506 02 Audit of City Vehicle Replacement Program
02. 1. Projected Vehicle Useful Lives

Recommendation:

The Fleet Services Manager should assign each vehicle's projected useful life based on the history of the vehicle being replaced and the projected annual usage.

Management Action Plan (October 12, 2005):

Fleet Management and Finance will establish criteria for the assignment of useful life. At a minimum, the process will address historical trending, projected use, and governmental accounting guidelines.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Field Operations

Due Date : 1/3/2006

Extended

- 8 1702 0506 02 Audit of City Vehicle Replacement Program
02. 2. Projected Vehicle Useful Lives

Recommendation:

The Fleet Services Manager should consider rotating low-use and high-use vehicles among staff/departments to balance and optimize the use of all vehicles in the fleet.

Management Action Plan (October 12, 2005):

Dovetails with item 2.1 above. A fleet specific software program will make this a doable task in a timely fashion. The Vehicle Advisory Committee (more fully discussed in recommendation 3.1 below) would be charged with making recommendations to allocate the City's vehicular fleet, that is not assigned to specific individuals, to maximize their usefulness. This committee should have the authority to direct changes to the fleet configuration where resistance is encountered and, quite frankly, expected.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Finance and Business Services

Due Date 2/1/2001

Incomplete

- 9 1401 0001 02 Audit of Parking Enforcement and Collections
01. 1. Delinquent Parking Citation Collections

Recommendation:

We recommend that the Parking Collections Unit establish a formal delinquent parking fines and penalties collection program including the use of an automated case tracking system. City management should evaluate the internal resources necessary to operate a successful collections program and consider soliciting the services of a collection agency to further enhance their efforts.

Management Action Plan (October 6, 2000):

Agree with the above recommendations. An additional collections officer has been budgeted for fiscal year 2001 and employment began on August 17, 2000. Furthermore, the City is also soliciting bids from collection agencies in connection with EMS bad debts. The EMS RFP will serve as a reference for another RFP that will consolidate various other departments that need collection services—which would include parking collections. Finance will work with IT on the use of an automated case tracking system. An investigation of commercial-off-the-shelf and in-house solutions will be conducted.

Auditor: B. Smith

Finance and Business Services

Due Date : 10/1/2001

Extended

- 10 1501 0102 02 Audit of Wastewater Pollution Control Facility and Sewer Services
B. 02. 1. Sewer Fee Billings

Recommendation:

Sewer Services management should change the sewer services billing to a quarterly billing cycle and adjust the penalty policies to align with this change.

Management Action Plan (August 8, 2001):

The Business Services Division (BSD) is recommending a proposed Municipal Code change to a quarterly billing cycle where the penalty fee would be assessed on the outstanding balance for the quarter rather than the unpaid balance of the bill. These code changes are projected for implementation around October 2001.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Finance and Business Services

Due Date : 12/31/2002

Extended

- 11 1501 0102 02 Audit of Wastewater Pollution Control Facility and Sewer Services**
B. 04. 1. Performance Reports

Recommendation:

Sewer Services should create a monthly performance report with additional performance data needed by upper management.

Management Action Plan (August 8, 2001):

As mentioned, the BSD anticipates converting the current sewer billing system to the Oracle-based Hansen Industries system. The new system, fully integrated with the planning, building inspection, public works, business licensing, and finance functions, will allow for the creation of many different management reports. In order to best allocate personnel resources (both BSD and Information Technology), no changes will be made to the legacy system, but rather the improved management reports will be focused on the new Hansen system when it is brought up in late Fall, 2002.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Finance and Business Services **Due Date : 12/31/2002** **Extended**
12 **1501 0102 02** **Audit of Wastewater Pollution Control Facility and Sewer Services**
B. 04. 2. Performance Reports

Recommendation:

For information that is not easily accessible from the sewer service system, Sewer Services should work with Information Technologies to access this data.

Management Action Plan (August 8, 2001):

As mentioned, the BSD anticipates converting the current sewer billing system to the Oracle-based Hansen Industries system. The new system, fully integrated with the planning, building inspection, public works, business licensing, and finance functions, will allow for the creation of many different management reports. In order to best allocate personnel resources (both BSD and Information Technology), no changes will be made to the legacy system, but rather the improved management reports will be focused on the new Hansen system when it is brought up in late Fall, 2002.

Auditor: B. Smith

Finance and Business Services **Due Date : 12/31/2003** **Incomplete**
13 **602 0203 04** **Audit of Special Improvement District Administration**
06. 1. Fee Waivers

Recommendation:

The City Treasurer's Office should develop written SID policies and procedures addressing fee waivers. The policies and procedures should address SID fee waiver authority, supporting waiver documentation requirements, and handling of waivers with related parties.

Management Action Plan (April 11, 2003):

We concur.

Timetable: We expect to have the policies and procedures complete by September 30, 2003

Auditor: W. Cimo

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Finance and Business Services

Due Date : 10/4/2005

Extended

- 14 2001 0405 03 Audit of Controls Over City Utility Payments And Costs
03. 1. Allocation of Utility Costs

Recommendation:

In conjunction with the development of a utility usage monitoring program, the Department of Finance should develop and implement a more extensive utility cost allocation program.

Management Action Plan (April 4, 2005):

The issues brought forth in the audit will need to be addressed through organizational change. To that end, the City Manager's Office has created a Utility Management Task Force to address the issues. The Task Force will include, at a minimum, representatives from Finance and Business Services, Field Operations, Public Works, and Information Technologies. The Task Force will facilitate the development of a coordinated process for obtaining, managing and processing payments for utility services, specifically power, water, gas, cable, and solid waste.

The process will include identification and analysis of existing processes and lines of responsibility. It will identify the functional needs of utility stakeholders and create both an organizational as well as a technical solution to manage the program. This Task Force will address the recommendations brought forward in Findings 1 through 6.

We estimate addressing organizational needs in six months, and technological needs in 15 to 18 months. We appreciate the efforts of the auditors in their review of this process and look forward to their continued input as we respond to their findings.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Finance and Business Services

Due Date : 7/1/2008

Not Due

- 15 601 0607 06 Audit of Financial Services Grant Fiscal Administration
1. Allocation of Indirect Costs for Federal Grants

Recommendation:

City Management should review the benefits and costs identified in this audit for an indirect cost allocation plan for Federal Grant Awards and evaluate whether such a plan would be beneficial to the City.

Management Action Plan (October 18, 2006):

Financial Services Division will evaluate cost allocation methodologies and goals to develop a comprehensive cost allocation strategy.

Estimated Date of Completion:
Implementation in fiscal year 2008

Auditor: N. Beaty

Finance and Business Services

Due Date : 12/31/2007

Not Due

- 16 2001 0607 09 Audit of City Procurement Card Program
1. Desk Procedures

Recommendation:

Finance should create documented desk procedures for all positions involved in the administration, processing, and monitoring of P-Card transactions. The division of responsibilities between Purchasing and Accounting should be clearly defined within these procedures.

Management Action Plan (April 11, 2007):

Purchasing and Accounting will create desk procedures for all positions involved in the Pcard program.

Auditor: B. Smith

Incomplete: Not implemented.
Extended: Not implemented due to circumstances beyond the department's control.
Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Finance and Business Services

Due Date : 12/31/2007

Not Due

- 17 2001 0607 09 Audit of City Procurement Card Program
2. P-Card Transaction Analysis

Recommendation:

Finance should evaluate what additional routine data analysis could be performed to improve the monitoring of P-Card transactions. An evaluation should be made of data mining and analysis tools that could be used.

Finance should document its objectives, methodology, and procedures to be followed by the P-Card Program Administrator and/or Accounting in monitoring the performance of the P-Card program. Responsibilities and the timing for completing this monitoring should be clearly defined and documented. The following are examples of areas that could be monitored on a regular basis:

- Transactions of unusual amounts or relationships
- Questionable vendors identified by name or by MCCs (standard codes that the credit card industry maintains to categorize merchants)
- Weekend and holiday purchases
- Evidence of split transactions
- Year-end spending

Management Action Plan (April 11, 2007):

Purchasing and Accounting will identify reports and create desk procedures that will aid in the evaluation of Pcard transactions. The timing and frequency of this analysis will be outlined in the documents.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Finance and Business Services

Due Date : 12/31/2007

Not Due

- 18 2001 0607 09 Audit of City Procurement Card Program
3. Prohibited P-Card Purchases

Recommendation:

Finance should improve controls over prohibited P-Card transactions as follows:

- Finance should evaluate the adequacy of the current listing of prohibited transactions.
- Finance should implement procedures and assign responsibility for identification and reporting of identified prohibited transactions. Cardholders should be made aware of violations.
- Measures should be taken to make identification of items covered under purchase agreements more easily identifiable for cardholders, approvers, reconcilers, and those given responsibility for identification of prohibited transactions.
- Finance should formally request that any additional goods/services specifically restricted for purchase with a P-Card by other departments be communicated to them.
- Finance should evaluate the feasibility of implementing a process by which blanket or contract purchase agreement contracted amounts could be decremented for eligible P-Card transactions.

Management Action Plan (April 11, 2007):

Finance will improve controls over prohibited P-Card transactions through:

- Review of the current list of prohibited transactions and evaluation of any additional policies and procedures used by City departments.
- Formalizing the process for the identification and reporting of prohibited P-Card transactions. After notification of a violation, the Approver will be required to submit a corrective action to Finance within an established timeframe.
- Updating desk procedures to include reporting schedule requirements analysis criteria. Procedures will identify timelines for notification and reporting of prohibited transactions.

The software functionality to decrement from a PO is not currently available. Finance will continue to evaluate options for possible enhancements to the application which may be made available in the future.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Finance and Business Services

Due Date: 12/31/2007

Not Due

- 19 2001 0607 09 Audit of City Procurement Card Program
4. P-Card Strike Program

Recommendation:

Finance should re-evaluate the effectiveness of the current P-Card strike program and address the identified deficiencies:

- The details on how the strike program is administered should be more clearly documented.
- The definition of a strike should be clearly defined and documented.
- A cumulative summary of strikes should be maintained.
- Strikes should be more clearly identified on the strike monitoring spreadsheet.
- Correspondence regarding strikes should be better documented and tracked.
- The P-Card Program Administrator's role in the strike program should be defined and documented.
- Justifications for a cardholder maintaining their P-Card after repeated violations of policy/procedure should be documented.
- The steps that must be taken prior to revoking an employee's P-Card and responsibility for carrying out these steps should be clearly defined and documented.

Management Action Plan (April 11, 2007):

Purchasing and Accounting will collaborate on an evaluation of the current strike program for clarity and consistency. The definition of a strike, when and how a strike will be issued, revocation of a P-Card, and an improved method of strike tracking will be developed and documented.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Finance and Business Services

Due Date : 12/31/2007

Not Due

- 20 2001 0607 09 Audit of City Procurement Card Program
5. Approver Training

Recommendation:

Finance should develop and implement a required training program for P-Card approvers. This program should include periodic refresher courses as deemed appropriate. Finance should also develop a document for P-Card approvers that provides guidance for reviewing P-Card transactions and common “red flags” of fraudulent, improper, and abusive transactions.

Management Action Plan (April 11, 2007):

Finance has partnered with Internal Audit to implement a training program with extensive training materials. This item has been completed for all existing P-Card program participants and is in place to train all future P-Card program participants. We will continually evaluate the adequacy of the training materials provided to Approvers.

To further ensure compliance by P-card participants, we will address Approver accountability. It is our intent to formalize the notification process to approvers regarding violations of P-card procedures and policies. The notification will require the approver to submit a corrective action plan to Finance within an established time frame.

Auditor: B. Smith

Finance and Business Services

Due Date : 12/31/2007

Not Due

- 21 2001 0607 09 Audit of City Procurement Card Program
6. Identification of Contracting Opportunities

Recommendation:

Purchasing should develop improved reports for buyers to review for identification of contracting opportunities. In addition, Purchasing should formalize and document the P-Card transaction evaluation process to be performed by its buyers.

Management Action Plan (April 11, 2007):

Reports will be developed and procedures documented to assist Buyers in identifying contracting opportunities.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department’s control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Finance and Business Services

Due Date : 12/31/2007

Not Due

- 22 2001 0607 09 Audit of City Procurement Card Program
7. Card Activity Evaluation

Recommendation:

Finance should create a documented approach/methodology to follow in evaluating cardholder activity and spending limits. Reports could annually be sent out to each department summarizing the number of P-Card transactions, total dollar amounts, and the spending limits for each cardholder. Department management could then be asked to review the report and justify the retention of low usage cards (based on a threshold established by Finance) and confirm the continuation of the established spending limits.

Management Action Plan (April 11, 2007):

A report will be developed to properly monitor card usage and card limits. Justifications will be requested from Departments with low usage cards or excessive card limits. A determination will be made by Purchasing as to whether the low usage cards will be cancelled or if limits will be adjusted.

Auditor: B. Smith

Finance and Business Services

Due Date : 12/31/2007

Not Due

- 23 2001 0607 09 Audit of City Procurement Card Program
8. Management Reporting

Recommendation:

Finance should determine what management reports should be created to summarize P-Card program activity. The following should be defined and documented:

- Information to be included in the reports
- Source of information
- Staff responsible for creation of the reports
- Timing of creation and distribution of the reports
- Individuals to whom the reports will be distributed

Management Action Plan (April 11, 2007):

Finance will identify and develop a P-Card reporting strategy.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Finance and Business Services

Due Date : 12/31/2007

Not Due

- 24 2001 0607 09 Audit of City Procurement Card Program
9. Transaction Categories and Descriptions

Recommendation:

Finance should implement procedures for the regular review of transactions using available transaction categories/identifiers (e.g., GL codes, MCC codes). Cardholders should be formally reminded of the importance of the proper categorization of purchases and to provide descriptive information in the transaction description field.

Management Action Plan (April 11, 2007):

Finance will develop and distribute a procedure addressing the acceptable level of transaction categorization and transaction review criteria.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Information Technologies

Due Date : 10/4/2005

Extended

- 25 2001 0405 03 Audit of Controls Over City Utility Payments And Costs
01. 2. Utility Usage Monitoring

Recommendation:

In conjunction with the development of the utility usage monitoring program, Information Technologies should evaluate the needs of this program and use this information in establishing utility processing on a new systems platform.

Management Action Plan (April 4, 2005):

Information Technologies Management agrees that a program to monitor usage would establish the bases for identifying support solutions. The functional needs of the program, as well as whom and how many would be using it will help I.T. determine the appropriate system requirement. Early identification of the software requirements, users, and access will aid in the determination of the hardware component requirement, as well. Additionally, the assessment of third party monitoring tools in the market could both automate and accelerate the discovery of system solutions and the implementation process.

Auditor: B. Smith

Information Technologies

Due Date : 10/5/2007

Not Due

- 26 2005 0607 10 Audit of City Cell Phone Charges
1. a. Inventory Assignment and Accountability

Recommendation:

Better inventory control procedures are needed. Better inventory controls can be started by:
Performing a complete physical inventory to validate that the Phone System records are accurate and current.

Management Action Plan (April 11, 2007):

A departmental list of cellular devices will be produced from the Phone System and distributed to each department for their review and validation of use, assignment and need. The information gathered from this review will be used to identify the correct disposition of each device and update the Phone System records.

Auditor: P. Marmurowski

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Information Technologies

Due Date: 10/5/2007

Not Due

27 2005 0607 10 Audit of City Cell Phone Charges

1. c. Inventory Assignment and Accountability

Recommendation:

Better inventory control procedures are needed. Better inventory controls can be started by:
All cell phones should be assigned to an individual in order to have accountability over monthly calls and expenses. Assignment to an individual should be made to as many phones as possible.

Management Action Plan (April 11, 2007):

A departmental list of cellular devices will be produced from the Phone System and distributed to each department for their review and validation of use, assignment and need. The information gathered from this review will be used to identify the correct disposition of each device and update the Phone System records.

Auditor: P. Marmurowski

Information Technologies

Due Date : 8/3/2007

Not Due

28 2005 0607 10 Audit of City Cell Phone Charges

2. 1. Business or Personal Call Accountability

Recommendation:

Management should establish a control system for ongoing monitoring of cell phone usage. Cell phone costs are based on total usage, both local and long distance are billed the same. If employees were encouraged to use desk phones, where possible, overage charges could be significantly reduced.

Management Action Plan (April 11, 2007):

All cell phones will be placed in a pooled minutes plan with each vendor eliminating any overage charges. Reminders about City policy and suggested alternatives practices will be distributed to users.

Auditor: P. Marmurowski

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Information Technologies

Due Date : 7/31/2007

Not Due

- 29 2005 0607 10 Audit of City Cell Phone Charges
2. 2. Business or Personal Call Accountability

Recommendation:

Management should increase the reimbursement rate for personal calls made on cell phones. A higher reimbursement rate would provide actual cost recovery and it would most likely reduce the number of personal calls on cell phones. With less usage the City's cell phone bill should be reduced.

Management Action Plan (April 11, 2007):

Industry charge plan standard rates will be reviewed for a possible adjustment.

Auditor: P. Marmurowski

Information Technologies

Due Date: 7/2/2007

Not Due

- 30 2005 0607 10 Audit of City Cell Phone Charges
3. Cell Phone Plans

Recommendation:

Management must reduce the cell phone plan choices for easier and better control monitoring. There should be a review to determine the needs of each cell phone user to determine which plan best serves the need of the City and the end user at the least cost.

Management Action Plan (April 11, 2007):

We have met with the vendors and are consolidating the plans so we will have one pooled plan for each vendor. We will have 5 different prices for each vendor Basic plan without PDA and with PDA, advanced plan without PDA and with PDA and wireless data card. This will allow for an easier review of vendor bills. Additionally, we will be having quarterly reviews with each vendor to ensure all phones are on the correct plan. Users will not need to make plan choice. Results of the departmental inventory survey will be used to determine the proper plan distributions.

IT and Finance have met and are planning on transitioning the billing process from direct cost to the user to a single standard price to users for each type of service through the Communications ISF.

Auditor: P. Marmurowski

Incomplete: Not implemented.
Extended: Not implemented due to circumstances beyond the department's control.
Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Information Technologies

Due Date : 7/2/2007

Not Due

- 31 2005 0607 10 Audit of City Cell Phone Charges
4. 1. Cell Phone Usage

Recommendation:

Management must begin to gain control over the increasing cost of cell phone. This process can be started by:

Requiring that all new cell phone requests be accompanied by a questionnaire to determine the user needs. This questionnaire would be the basis for the assignment of the cell phone plan, which meets the user needs at the least cost to the City.

This study will determine where expenses could be cut without loss of productivity associated with cell phones. This could also address the issue of users going over their month allocation of minutes.

Management Action Plan (April 11, 2007):

The current process requires department approval before a cell phone is issued. IT along with Finance and Business Services will monitor the distribution of phones in the pooled plans for cost effectiveness.

Auditor: P. Marmurowski

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Information Technologies

Due Date : 10/5/2007

Not Due

- 32 2005 0607 10 Audit of City Cell Phone Charges
4. 2. Cell Phone Usage

Recommendation:

Management must begin to gain control over the increasing cost of cell phone. This process can be started by:

There should be questionnaire sent to all current cell users to determine if the cell phone plan they have meets their needs. The completed questionnaire would form the basis to begin to control the increasing costs, since cell phone plans could be better matched with actual cell phones usage.

This study will determine where expenses could be cut without loss of productivity associated with cell phones. This could also address the issue of users going over their month allocation of minutes.

Management Action Plan (April 11, 2007):

A departmental list of cellular devices will be produced from the Phone System and distributed to each department for their review and validation of use, assignment and need. The information gathered from this review will be used to identify the correct disposition of each device.

Auditor: P. Marmurowski

Information Technologies

Due Date : 7/2/2007

Not Due

- 33 2006 0607 11 Audit of Citywide Long Distance Telephone Calls
1. Accountability

Recommendation:

Management should establish a more active and ongoing monitoring program over long distance call usage.

Management Action Plan (April 11, 2007):

IT will provide monthly departmental reports of users that exceed established usage thresholds to ensure minimal misuse of long distance. However, based the recommendation in the Cell Phone Audit to encourage use of desk phones for long distance calls, the use and cost of long distance call services may increase.

Auditor: P. Marmurowski

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Leisure Services

Due Date : 9/30/2006

Incomplete

- 34 2200 0607 04 Safekey Cash Counts
1. Cash Handling Practices

Recommendation:

Safekey management should address the cash handling deficiencies noted during the Safekey site visits as follows:

- Recreation Leaders should enforce adherence to the following policies:
 - Driver's license numbers or identification numbers should be written on the front of checks received.
 - Checks should be immediately stamped with the City's restrictive endorsement.
 - Change should not be given to customers.
- Manual receipt books should be assigned to each individual authorized to receive payments.
- Safekey management should develop a policy prohibiting the retention of non-city funds by Safekey staff.

Management Action Plan (September 8, 2006):

A policy/guideline will be added to our Standard Operations Procedure manual, handbooks, staff manual, cash handling policies, lead instructors manual and at 3 annual in services that staff will not solicit or handle money that is non-city funds. All FTE and P/T staff will begin to sign acknowledgement that all policies and procedures are understood and will be followed or corrective action will be taken respectively.

Estimated Date of Completion:
Sept. 30, 2006

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Leisure Services

Due Date : 11/30/2006

Incomplete

- 35 2200 0607 04 Safekey Cash Counts
2. Safekey Signage

Recommendation:

Safekey management should develop policies on approved signage that should be displayed at each Safekey site and provide uniform signage for all sites.

Management Action Plan (September 8, 2006):

Requesting quotes for purchase of A-frames for permanent signage. These will be placed at all 67 sites with appropriate descriptive communications.

Estimated Date of Completion:

Nov. 30, 2006

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Leisure Services

Due Date : 9/30/2006

Incomplete

- 36 1601 0607 05 Audit of Safekey Payment Collection Controls
1. Program Fee Policies

Recommendation:

Safekey Management should evaluate and clarify its fee policies. The following areas should be addressed:

- Pre-payment requirements.
- Weekly rate eligibility.
- Fees to be charged at 6:30 a.m. sites.
- Clarification on when a payment is considered late.
- Clarification on when late fees should be assessed, the amounts to be charged, and for how long.
- Collection efforts required of staff.

Safekey documentation (i.e., Parent and Staff Handbooks, Participant Information Forms, Program Fee Schedules, Cash Handling Procedures, official signage) should be updated where necessary to reflect policies. Considering the unique nature of Safekey (i.e., continual daily program throughout the school year), Leisure Services should consider creating Parent and Staff handbooks that exclusively address the policies of the Safekey program.

Management Action Plan (September 8, 2006):

Agreed. Recommendations have already been addressed and corrected in new SK manuals. Handbooks created strictly for the SK program are complete and ready for print. Copies of manuals will be provided to Auditor's after September 6, 2006. Late payment charge has been corrected to \$5.00 per day as written in the parent handbook. Staff manual will be corrected for next printing by September 30, 2006.

Estimated Date of Completion:
Sept. 06

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Leisure Services

Due Date : 10/31/2006

Incomplete

- 37 1601 0607 05 Audit of Safekey Payment Collection Controls
2. Payment Collection Oversight

Recommendation:

Safekey management should implement the following procedures to improve the oversight of Safekey operations and reduce the risk of skimming:

- Develop documented procedures for completing reconciliations of Safekey participants to payments for both manual and computer site locations.
- Require recreation leaders (or others) to perform regular unannounced reconciliations of children in attendance to payments to identify unpaid amounts, unrecorded payments, and inappropriate payment collection practices. Unpaid amounts should be followed-up on to ensure payment is either made or recorded on the Late Payment Log.
- Implement measures to increase monitoring of the morning Safekey operations.
- Develop, document, and implement formal procedures for reviewing payment cancellations and registration withdrawals.
- Require recreation leaders to identify undistributed customer receipts at Safekey sites and take appropriate measures to get receipts distributed.

Management Action Plan (September 8, 2006):

Agree with recommendations. Management will develop documented procedures for completing reconciliations of Safekey participants to payments for both manual and computer site locations.

- Starting this school season management will require recreation leaders (or others) to perform regular unannounced reconciliations of children in attendance to payments to identify unpaid amounts, unrecorded payments, and inappropriate payment collection practices. Unpaid amounts will be followed-up on to ensure payment is either made or recorded on the Late Payment Log.
- Starting this school season management will implement measures to increase monitoring of the morning Safekey operations.
- Starting this school season management will develop, document, and implement formal procedures for reviewing payment cancellations and registration withdrawals.
- Starting this school season management will require recreation leaders to identify undistributed customer receipts at Safekey sites and take appropriate measures to get receipts distributed.

Estimated Date of Completion:
October 2006

Auditor: B. Smith

Incomplete: Not implemented.
Extended: Not implemented due to circumstances beyond the department's control.
Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Leisure Services

Due Date : 9/30/2006

Incomplete

- 38 1601 0607 05 Audit of Safekey Payment Collection Controls
3. Sign-In Procedures

Recommendation:

Safekey management should take measures to enforce the requirement that parents sign-in their children each morning into the Safekey program. By doing so, site leaders will be in a better position to enforce the pre-payment of services. Clear guidelines should be established for Safekey staff to follow to enforce the policy.

Addressing this issue and changing the habits of parents may require a Safekey staff to periodically stand near the parking lot to discourage parents from dropping off their children without signing in their children.

The Parent Handbook and Staff Manual should be adjusted to reflect Safekey's disallowance of waivers.

Management Action Plan (September 8, 2006):

Agree with recommendations. New Manuals already reflecting recommended changes. Waiting or print. New staff to be hired or TILO/OT budget to be increased to enforce sign-in sign-out policy. Leisure will have a zero tolerance for parents not signing in and out their children.

Estimated Date of Completion: Printed material to be completed by Sept. 06. Approval is required and a time frame for hiring additional staff will need to be established.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Leisure Services

Due Date : 10/31/2006

Incomplete

- 39 1601 0607 05 Audit of Safekey Payment Collection Controls
4. Unpaid Balance Collections

Recommendation:

Safekey management should document Safekey's unpaid balance collection program including the following areas:

- Roles and responsibilities of site leaders in this program.
- Roles and responsibilities of recreation leaders in this program.
- Collection procedures to be followed for both manual and computer sites.
- Forms/reports to be used.
- Timetable for submittal of information to recreation leaders, Safekey management, and Finance.

Management Action Plan (September 8, 2006):

Manuals and Cash handling policies corrected, waiting to be printed. SK Rec. Ldr. Manual to be developed.

Estimated Date of Completion:

Draft for Rec. manual to be completed by Oct. 06.

Auditor: B. Smith

Leisure Services

Due Date : 10/31/2006

Incomplete

- 40 1601 0607 05 Audit of Safekey Payment Collection Controls
5. Safekey Records

Recommendation:

Safekey Management should evaluate the noted deficiencies in the Weekly Attendance Report and Sign-In/Out Sheets and determine how these deficiencies can be most effectively addressed. The current forms/reports could be revised or new forms/reports created. Direction on the use of these documents should be documented and clearly communicated to staff.

Management Action Plan (September 8, 2006):

Set meeting with Auditors to revise forms/reports for better audit trail.

Estimated Date of Completion:

Meet with Auditors by October 30, 2006.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Leisure Services

Due Date : 12/31/2006

Incomplete

- 41 1601 0607 05 Audit of Safekey Payment Collection Controls
6. Payment Processing Using Computers

Recommendation:

Leisure Services management should evaluate the identified Safekey system payment processing issues and determine what system enhancements or manual procedures could be implemented to address these issues. Policies and procedures on the use of the computer at Safekey sites should be created, documented, and shared with Safekey staff.

Management Action Plan (September 8, 2006):

LS will evaluate the system payment processing issues and determine what system enhancements or manual procedures could be implemented to address these issues. Laptop policies and operating procedures have been developed (with additional information to be added) and given to Safekey staff. Additionally, the following procedures have been put in place:

- a. All children must have a participation form filled out before attending the program.
- b. If a child shows up at a Safekey site and there is no participation form the child is returned to the school office.
- c. Payments are due on Friday for the next week. If payment is not made, late fees are assessed at \$5/day until payment is made and participant must pay the daily rate for the week. Payment may be made for the whole week or paid daily.
- d. If participant goes a second week without payment, they are removed from the program.
- e. Sign in/out sheets are checked against the payment log to make sure that those attending have paid for the program.
- f. Rates for the program have been narrowed down to a daily rate or a weekly rate.
- g. At present 30 of the 67 sites have computers with the goal that all sites will be on the CLASS system by fall 2008. This will make it much easier to check on registrations and payments made as they will be administered by the CLASS system. The only problem that some sites may have is the availability of wireless internet access. IT is assisting in this problem.

Estimated Date of Completion:

Evaluate all payment processing issues by December 2006.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Municipal Court

Due Date : 6/30/2000

Extended

42 1999 07 Las Vegas Municipal Court

B. 03. i. Correspondence With Defendants

Recommendation:

In order to increase the effectiveness of the postcard mailings and avoid future waste in postage costs, management of the Court should work with the Information Technologies Department in making the required programming changes to ensure that the addresses being used for mailing are the most current in the System.

Management Action Plan (September 20, 1999):

Management of the Court will work with IT in making these programming changes. We estimate that the required programming changes will be made in June 2001.

Auditor: B. Smith

Municipal Court

Due Date : 6/30/2000

Extended

43 1999 07 Las Vegas Municipal Court

B. 03. ii. Correspondence With Defendants

Recommendation:

Management of the Court should work with the Information Technologies Department in developing the capability within the Court System for recording the history of all correspondence with defendants. The history of all correspondence should be retained and accessible for review on a consolidated basis via a screen or report. Changes to the correspondence history should be restricted. Implementation of this capability within the Court System will improve the efficiency of court personnel working on individual cases and customer service.

Management Action Plan (September 20, 1999):

Most, if not all, of the above recommendations will be implemented in the new computer system(s) in working towards a Court-wide paperless environment.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Municipal Court

Due Date : 6/30/2000

Extended

- 44 1999 07 Las Vegas Municipal Court
C. 02. iii. User Passwords For Court System

Recommendation:

System access logs should be created and reviewed periodically by management for unusual access attempts.

Management Action Plan (September 20, 1999):

In designing the new Court system, system access logs will be requested and procedures implemented for their review.

Auditor: B. Smith

Municipal Court

Due Date : 6/30/2000

Extended

- 45 1999 07 Las Vegas Municipal Court
C. 04. ii. Limits On Cash In Drawers

Recommendation:

The Court System should be improved to allow clerks to determine how much cash they have collected.

Management Action Plan (September 20, 1999):

Management will look into the possibility of the legacy computer system keeping track of and indicating the amount of cash in each drawer.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Municipal Court

Due Date : 6/30/2000

Extended

46 1999 07 Las Vegas Municipal Court
D. 02. Bail Register Report Errors

Recommendation:

Court management should further investigate the errors within the Bail Register and procedures should be implemented to identify and monitor these errors in a more timely manner until the programming errors can be corrected. Court management should work with IT in addressing these issues.

Management Action Plan (September 20, 1999):

The Court has looked into these differences and has pinpointed the problems. The problems must be corrected through computer programming. We will continue to work with IT to correct them and in the meantime continue to manually research and correct the errors.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Office of Communications

Due Date : 9/30/2007

Not Due

47 201 0607 12 Audit of Video Services

1. Compliance with Outside Programming Requirements

Recommendation:

To ensure compliance with all outside programming requirements and restrictions, Video Services should:

- Address the identified areas of non-compliance and monitoring deficiencies related to outside programming.
- Create a file/binder for retaining documentation relating to all outside programming (e.g., on-line request forms, agreements, contracts, pertinent information from websites, correspondence).
- Summarize all outside program broadcasting requirements and restrictions for reference by staff.
- Create documented procedures outlining how outside programming requirements and restrictions will be tracked and how compliance will be monitored.

Management Action Plan (June 21, 2007):

The two television programs in question, like virtually all KCLV outside programming, are free and involve no payment for the right to air the shows. They are provided at no cost by separate organizations to channels across the country for the public good. Terms to air one of the shows are vague in places and left to interpretation. However in an abundance of caution, KCLV has dropped that half-hour show to avoid any perceived issue.

The other show in question is to air in no less than one-hour blocks. KCLV carries the program in full segments but sometimes also airs it as filler, receiving positive responses from the public. As a result, KCLV staff has received written approval from the parent organization to air the program as we currently are, meaning it can be used also as filler in segments that are less than an hour.

Overall, staff at KCLV does an excellent job monitoring programming and making timely changes. However, to refine the process even more, KCLV staff will create a file/binder and summarize the outside program broadcasting requirements and restrictions. The estimated date of completion for these items will be September 30, 2007.

The creation of documented procedures outlining outside programming will be done as part of an overall operations manual with the date of estimated completion being May 31, 2008.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Office of Communications

Due Date : 1/31/2008

Not Due

48 201 0607 12 Audit of Video Services
2. Programming Retention

Recommendation:

Video Services should:

- Update the programming retention policy to more fully reflect its programming retention standards. The policy should address both tape and digital programming retention standards.
- Complete periodic reviews of the tape library and system servers to ensure compliance with the programming retention policy.
- Provide the UNLV tapes to the City Clerk's office for review and retention or disposal.

Management Action Plan (June 21, 2007):

Currently, space is not an issue in the storage of programming, either on tape or in digital format. However, to prevent space from becoming an issue in the future, KCLV staff will further refine the retention policy, understanding that some programming has historical value. This includes video of City Council meetings on three-quarter inch tape. Staff will work with the City Clerk, the UNLV Library, or an area museum to find a potential home for the old City Council videos. These efforts will take place by January 31, 2008.

The work to refine the video retention policy will be part of an overall operations manual with the date of estimated completion being May 31, 2008.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Office of Communications

Due Date : 5/31/2008

Not Due

49 201 0607 12 Audit of Video Services
3. Operational Measurements

Recommendation:

In order to improve the consistency, accuracy, and usefulness of the operational measurements, Video Services should:

- Re-evaluate the appropriateness and value of the current Video Services operational measurements.
- Seek updated input from the Communications Director and the City Manager's Office on what measurements are most useful to them.
- Define and document each operational measurement used and how the information should be derived.
- Identify appropriate backup documentation to support each month's measurements and retain this documentation for reference.
- Document the operational measurement gathering and reporting process.

Management Action Plan (June 21, 2007):

The operational measures for KCLV are related to our broadcast efforts, and are consistently in front of the public. In many cases, inaccuracies would be apparent to any observer. However, to better refine the operational measurement process, KCLV and the rest of the Office of Communications will participate in the Weidner Performance Plus Program. All city departments are going (or will go) through this strategic planning effort, which takes a critical look at performance measurements and the reasons for them. A significant aspect of the program is to evaluate the key functions of a workgroup, determine what is most important, and objectively measure results.

The process to refine the KCLV measurements will have an estimated date of completion of May 31, 2008.

These measurements will also be incorporated into an overall operations manual with the date of estimated completion being the same—May 31, 2008.

Auditor: B. Smith

Incomplete: Not implemented.
Extended: Not implemented due to circumstances beyond the department's control.
Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Office of Communications

Due Date : 8/31/2007

Not Due

50 201 0607 12 Audit of Video Services
4. Equipment Tracking

Recommendation:

In order to improve oversight of its equipment, Video Services should:

- Create and maintain a master equipment listing (using a dollar threshold deemed appropriate by management) with the location of the equipment.
- Conduct at least an annual formal inventory of its equipment using the master equipment listing.
- Reconcile those pieces of equipment with a cost greater than \$5,000 to Finance's fixed assets listing and IT purchased equipment to IT records at least annually.
- Consult with the Fixed Assets Unit of Finance on alternative equipment tags that could be used on certain equipment.
- Document procedures to be followed by Video Services staff in maintaining the master equipment listing and conducting the inventory of equipment.

Management Action Plan (June 21, 2007):

KCLV is a small operation with a relatively small number of individual pieces of equipment in a secured building. As the audit points out, none of the equipment was found to be missing. Should a piece of equipment turn up missing, in most every case it would be apparent to the entire staff immediately. The most expensive equipment is in the studios, the control room, the playback room, and the edit bays. These are areas used by all the staff and observed by all staff. However, since the equipment used is critical to the operation, KCLV staff will work with the Fixed Assets Unit to refine the process of assigning equipment tags, conducting an annual inventory, and determining dollar thresholds for the tracking of equipment. This initial work will be done with an estimated completion date of August 31, 2007.

The equipment tracking and inventory process will be part of an overall operations manual to be completed by May 31, 2008.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Office of Communications

Due Date : 12/31/2007

Not Due

51 201 0607 12 Audit of Video Services
5. Surplus Equipment

Recommendation:

In order to ensure timely identification and removal of surplus equipment, Video Services should:

- Request Central Stores to pick up their current surplus equipment.
- Identify and document all surplus equipment (both on-site and off-site) in conjunction with at least an annual equipment inventory and contact Central Stores to remove the surplus equipment.
- Document procedures to be followed by Video Services staff in identifying and requesting removal of surplus equipment.

Management Action Plan (June 21, 2007):

Space is not an issue as it relates to KCLV's surplus equipment. The operation simply does not have much in the way of surplus gear. However, to keep surplus equipment from becoming an issue in the future, staff will work with Central Stores to have the surplus equipment removed in a timely manner. The plan is to have the surplus equipment removed and the process refined with an estimated completion date of December 31, 2007.

The procedures concerning surplus equipment at KCLV will be part of an overall operators manual to be completed by May 31, 2008.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Office of Communications

Due Date : 8/31/2007

Not Due

52 201 0607 12 Audit of Video Services
6. System Backup

Recommendation:

Video Services should:

- Evaluate the feasibility of additional on-site storage measures for system backup tapes.
- Implement an off-site storage program for system backup tapes.
- Establish a formal system backup testing program in which backups are periodically tested to ensure that files can be restored if necessary.
- Document procedures outlining the system backup program.

Management Action Plan (June 21, 2007):

System backup is done on a consistent basis. KCLV staff will implement an off-site storage program and establish a testing procedure. This work will be done with an estimated completion date of August 31, 2007.

Procedures to document this effort for future reference will be part of an overall operations manual to be completed by May 31, 2008.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Office of Communications

Due Date : 5/31/2008

Not Due

53 201 0607 12 Audit of Video Services
7. Technical Support Contingency Plan

Recommendation:

Video Services should:

- Prepare a contingency plan for the loss or extended absence of the Video Production Specialist.
- Request the Video Production Specialist to organize key broadcast engineering documentation and schematic drawings for easy access and reference by another broadcasting engineer in case of his separation from employment or extended absence.
- Request the Video Production Specialist to prepare or assemble documentation for key processes where documentation does not already exist.

Management Action Plan (June 21, 2007):

KCLV retains the services of an outside engineer to support the operation when the video production specialist is out of the office. This same engineer was part of the team that integrated the studio and control room facilities when the building was brand new. He is very familiar with the operation. In fact, this individual was called upon to repair the switcher in the past when the video production specialist was in Europe. Our staff is simply not large enough to justify hiring a fulltime individual to back up the engineering functions of the video production specialist. However, to make this overall process seamless, staff will assemble a guide that will direct the outside engineer to necessary equipment documentation and schematic drawings—or their locations. It will also contain important contact information for technical support.

This documentation will be part of an overall operations manual to be completed by May 31, 2008.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Office of Communications

Due Date : 10/31/2007

Not Due

54 201 0607 12 Audit of Video Services
8. Web Surveys

Recommendation:

Video Services should:

- Consult with IT on options to increase utilization of the KCLV web survey form by the public.
- Request IT to address the web survey spamming problem.
- Regularly summarize the information obtained from the web survey forms in a management report.

Management Action Plan (June 21, 2007):

KCLV staff will refine the Web survey process with an estimated completion date of October 31, 2007.

Auditor: B. Smith

Office of Communications

Due Date : 5/31/2008

Not Due

55 201 0607 12 Audit of Video Services
9. Standard Operating Procedures

Recommendation:

Video Services should create a comprehensive standard operating procedures manual to enhance the management of the television station, improve staff accountability, provide orientation and reference material for staff, and document the institutional knowledge of existing staff in case of employee turnover or extended absences. For purposes of this audit, management should at a minimum create standard operating procedures for the following areas:

Project Scheduling

- Project scheduling process and guidelines
- Project time tracking process and reporting requirements

Programming

- Internal approval process and requirements for internally produced programs
- Program scheduling procedures and guidelines
- Outside programming requirements and restrictions (see Finding #1)
- Complete programming retention policy and procedures (see Finding #2)
- Tape library organization, access, and use

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.

Operational Measurements

- Operational measurement definitions and derivations, required backup documentation, and reporting process (see Finding #3)

Equipment

- Equipment security policy and procedures
- Equipment tracking and inventory procedures (see Finding #4)
- Surplus equipment identification and disposal (see Finding #5)
- Video Services vehicle use procedures

Systems

- System backup procedures (see Finding #6)
- Technical support contingency plan (see Finding #7)

Emergency Plan

- Emergency plan specific to the staff and operations of KCLV

Management Action Plan (June 21, 2007):

KCLV staff operates with an organized set of policies, procedures, and guidelines. To bring them into a comprehensive set, staff will create an operations manual incorporating scheduling, programming, operational measurements, equipment, systems, and emergency planning in a single document.

The overall operations manual is to be completed by May 31, 2008.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date is after June 30, 2007.

Management Action Plan response was obtained from the original audit report.