



Las Vegas

Agenda Item No.: 6.

AGENDA SUMMARY PAGE
AUDIT OVERSIGHT COMMITTEE MEETING OF: JULY 17, 2008

DEPARTMENT: CITY AUDITOR
DIRECTOR: RADFORD SNELDING

Consent Discussion

SUBJECT: Discussion and possible action on the audit of Metropolitan Police - Funding

Fiscal Impact:
 No Impact Augmentation Required
 Budget Funds Available

Amount:
Funding Source:
Dept./Division:

PURPOSE/BACKGROUND:

To discuss the possibility of performing a joint audit with Clark County on the funding of the Metropolitan Police Department.

RECOMMENDATION:

Continue to pursue an audit.

BACKUP DOCUMENTATION:

None

Motion made by LARRY BROWN to Approve the City Auditor recommendation to suspend the audit of the Metropolitan Police and leave it within the audit plan and look at this again once funds become available

Passed For: 4; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 1
PAUL WORKMAN, STEVE WOLFSON, JOSE TRONCOSO, LARRY BROWN; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-MICHAEL W. KERN)

Minutes:

City Auditor Radford Snelding indicated that Clark County Auditor Jerry Carroll has stated that Clark County does not want to participate in the audit of the Las Vegas Metropolitan Police Department (Metro). Additionally, Karen Keller, Finance Director in the Sheriff's Office, indicated that the Sheriff would not discuss this until he had been contacted by the County Manager and City Manager.

Given the current budget constraints, the cost of an outside audit of the funding formula and the limited payoff potential, City Auditor Snelding recommended discontinuing this project until more discretionary budget is available.

**AUDIT OVERSIGHT COMMITTEE MEETING OF: JULY
17, 2008**

City of Las Vegas

Member Wolfson asked the purpose for the Metro audit. City Auditor Snelding replied that a great deal of the City's budget goes to Metro, and the one area that affects the City and determines what the City pays, is the funding formula. He explained that the funding formula itself is by Statute but is driven by the data Metro collects. The City Auditors Office purpose was to look at that data and see that it was collected in a manner that would give a good result of the ending funding formula.

City Auditor Snelding added that if the City did an audit that substantially changed the mix based on findings from that audit, the City would ask Metro to adjust what had been paid or adjust prospectively how it would be affected by whatever the City found. Metro saw the potential that they would be caught in-between the City demanding that it be done and the County liking the way it is. Metro wanted to do it in-conjunction with the County, which makes sense. At first the County did not want to do it but then decided on doing it.

Member Wolfson verified with City Auditor Snelding that the County pays a greater portion. Mark Vincent, Director of Finance and Business Services, clarified that the County pays 61 percent and the City pays 39 percent. The issue is when a call for service is received it depends in which jurisdiction the crime happened. The purpose of the audit was not to audit the formula itself but audit the statistics that Metro keeps.

City Auditor Snelding was not sure how much such an audit might cost because the next step was to identify the project and then issue a Request for Proposal (RFP). He believes it might be \$50,000 to \$100,000. He clarified for Member Wolfson that the reason they did not want to do it in-house is because of the stigma that the City is trying to manipulate it to the City's advantage. His suggestion would be to pay for the entire audit and include the County. This would address the problem Metro had with one party being involved and another party not being involved.

Member Wolfson asked if it would be an effort at the legislature to adjust those formulas based upon inconsistent information. City Auditor Snelding replied that a review board might be involved in the discussion. In fact, two members of the Council sit on the review board. As far as changing what is in Statute, he is not sure that will help the City. There are issues related to the funding formula; the question is if they are accurate. They have a good system for collecting data, but the City would like to test it.

Vice-Chair Brown stated that few years ago the concern was inconsistencies and that generated the audit. Mr. Vincent added that there was a situation with the animal foundation where Detention and Enforcement discovered that certain animals that were dropped off at the animal shelter located in the City, oftentimes the owners of those animals came from Clark County or

**AUDIT OVERSIGHT COMMITTEE MEETING OF: JULY
17, 2008**

City of Las Vegas

North Las Vegas. There needs to be assurance that the system is working properly.

Member Workman asked if the review committee could do findings at their end without ordering a full audit. City Auditor Snelding replied that the Sheriff has had several outside organizations come in and review, although the specific review has not been directed at the funding formula. He believes the committee could discuss that with them. According to Statute, the auditor for Metro is really the County Auditor and not the City. Those audits could be available to the committee that reviews the funding and the operations.

Assistant City Attorney John Redlein stated that one of the issues is the essential criteria Metro uses for calls for service in the City; if a police officer has to go in the City the City should pay and if the officer goes in the County, the County should pay. There are challenges of analyzing these things. Whether it was broken down on a day, a week or a month and every single call was calculated, there would be a snapshot of whether there is a heavy handed slant towards the calls arriving down at the detention facility, the City jail or City Hall. Every single call may not have to be analyzed to find out the precise correct number. City Auditor Snelding stated that if the scope of what they do is limited, they could get some things done at less cost. They could also focus on the issues more likely to be questioned.

Assistant City Attorney Redlein pointed out that the current audit service is being provided directly by the County where it is to their advantage to pay less and have the City pay more. The Fiscal Affairs Committee, which controls the finances, has two County Commissioners, two City Council members and one outside citizen, and is advised by the District Attorneys Office. Assistant City Attorney Redlein stated he is unfamiliar with the decision that the County was going to provide legal services at all their meetings. If there should ever be a disagreement with Fiscal Affairs, the City needs to be prepared to have someone from the City Attorney's Office present.

Mr. Vincent commented that the County is the fiscal agent for Metro; Metro is a component of the County. Most of Metro's services were budgeted through purchasing and legal services from the County. As the years wore on Metro got larger and started taking on more and more responsibilities themselves. Up until this fiscal year, Metro was still getting purchasing services from the County. Now they have their own purchasing staff.

City Auditor Snelding recommended suspending the audit of the Metropolitan Police, leave it within the audit plan and look at this again once funds become available. Member Workman suggested doing an interim study to see if there are concerns. It should not be an exhaustive audit, just some valuable feedback for the committee, and at the same time, relevant to Metro. He suggested having an UNLV professor take on this project. City Auditor Snelding replied that

City of Las Vegas

Agenda Item No.: **6.**

**AUDIT OVERSIGHT COMMITTEE MEETING OF: JULY
17, 2008**

Agenda Item No.: **6.**

City of Las Vegas

it could be done, but the Sheriff would need to be approached through the Fiscal Affairs Committee. The County Auditor reports through the County Manager, and he would need to be approached by that committee or by some initiative from that committee, which would represent the City and the County. Vice-Chair Brown pointed out he is a member of Fiscal Affairs Committee and he could certainly approach the Sheriff and then get feedback for the Audit Committee.