

**Audit of Professional Services
Contract No. 060266 –
Ostrovsky & Associates
CAO 3100-0809-08**

Background

Ostrovsky & Associates provides the City of Las Vegas with technical assistance and legislative advocacy for State legislative matters.

Total cost of the contract \$469,500

- Contract term is July 1, 2006 to December 31, 2009.**
- Director of Administrative Services administers this contract.**

OBJECTIVES

Determine the Basis of Contract Award

- **Review the Contract Preparation**
- **Review Contract Compliance**
- **Review Payments to Contractor**
- **Review Modifications and Change Orders**
- **Review adequacy and effectiveness of Contract Administration Controls**

Findings

We noted the following exceptions related to Contract Compliance:

- Not all invoices included sufficient supporting documentation for “Other Expenses”.**
- Invoices were sent and payment was requested for services not yet performed.**
- Status Reports were not provided by the Contractor.**
 - Required insurance could not be verified.**

Findings (continued)

We noted the following exception related to a comprehensive Contract Policy and Procedure:

- A comprehensive, written contract monitoring policy and procedure does not exist.**

Findings (continued)

We noted the following Management Control exceptions that in our opinion would or could limit management's ability to effectively administer this contract:

- No documented analyses of the Contractor's performance were prepared.**
- A checklist was not included within the Contract File to document in a summary fashion the contents of the file.**

Findings (continued)

- **Because of limited personnel involved in the oversight of the Contract, concerns exist with the adequacy of segregation of duties and incompatible functions.**
- **No status reports were provided by the Contractor or requested by the Project Manager.**
- **Contract performance and contract monitoring activities were not periodically and independently reviewed.**

Questions?

Auditors: Radford K. Snelding

Bruce Wagner

Michael Mandolofo

Ted Olivas, Director of Administrative Services

CITY OF LAS VEGAS

AUDIT OVERSIGHT COMMITTEE MEETING

THURSDAY, JULY 16, 2009