

CITY OF LAS VEGAS AUDIT OVERSIGHT COMMITTEE
City Hall, 400 Stewart Avenue
Las Vegas, Nevada 89101
City Manager Conference Room, Eighth Floor
City of Las Vegas Internet Address: www.lasvegasnevada.gov

AGENDA

October 15, 2009
10:00 AM

ALL ITEMS ON THIS AGENDA ARE SCHEDULED FOR ACTION UNLESS SPECIFICALLY NOTED OTHERWISE. UNLESS OTHERWISE STATED, ITEMS MAY BE TAKEN OUT OF THE ORDER PRESENTED AT THE DISCRETION OF THE CHAIRPERSON.

DUPLICATE AUDIO CDS MAY BE AVAILABLE AT A COST OF \$5.00 PER CD THROUGH THE CITY CLERK'S OFFICE.

1. CALL TO ORDER
2. ANNOUNCEMENT RE: COMPLIANCE WITH OPEN MEETING LAW
3. Approval of the Final Minutes by reference of the Audit Oversight Committee Meeting of July 16, 2009
4. Discussion and possible action on Scheduled Meeting Dates: Thursday, January 21, 2010; Thursday, April 22, 2010; Thursday, July 15, 2010; and Thursday, October 14, 2010
5. General Report by the City Auditor
6. Discussion and possible action on the FY 2010-2011 City Auditor's Office Budget
7. Discussion and possible action on Audit of the Hansen Contracts
8. Discussion and possible action on Internal Control Review Activity Report June 30, 2009 (2900-0910-01)
9. Discussion and possible action on the Audit of Professional Services Contract No. 080173 - DK Whirlygig, Inc. (3100-0910-02)
10. Discussion and possible action on the Audit of Neighborhood Services Rapid Response Team (1802-0910-03)
11. Discussion and possible action on the Audit of Planning & Development - Case Planning Division (0701-0910-04)
12. Discussion and possible action on the Annual Audit Recommendation Follow-up As Of June 30, 2009 (2600-0910-05)
13. CITIZENS PARTICIPATION: Public comment during this portion of the agenda must be limited to matters within the jurisdiction of the Committee. No subject may be acted upon by the Committee unless that subject is on the agenda and is scheduled for action. If you wish to be heard, come to the podium and give your name for the record. The amount of discussion on any single subject, as well as the amount of time any single speaker is allowed, may be limited
14. ADJOURNMENT

Facilities are provided throughout City Hall for the convenience of disabled persons. Special equipment for the hearing impaired is available for use at meetings. If you need an accommodation to attend and participate in this meeting, please call the City Clerk's office at 229-6311 and advise of your need at least 48 hours in advance of the meeting. The City's TDD number is 386-9108.

THIS MEETING HAS BEEN PROPERLY NOTICED AND POSTED AT THE FOLLOWING LOCATIONS:

City Clerk's Bulletin Board, City Hall Plaza, 2nd Floor Skybridge
Bulletin Board, City Hall Plaza (next door to Metro Records)
Las Vegas Library, 833 Las Vegas Boulevard North
Clark County Government Center, 500 S. Grand Central Parkway
Grant Sawyer Building, 555 E. Washington Avenue

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: OCTOBER 15, 2009

DEPARTMENT: CITY AUDITOR

DIRECTOR: RADFORD SNELDING

SUBJECT:

CALL TO ORDER



AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: OCTOBER 15, 2009

DEPARTMENT: CITY AUDITOR

DIRECTOR: RADFORD SNELDING

SUBJECT:

ANNOUNCEMENT RE: COMPLIANCE WITH OPEN MEETING LAW



AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: OCTOBER 15, 2009

DEPARTMENT: CITY AUDITOR

DIRECTOR: RADFORD SNELDING

SUBJECT:

Approval of the Final Minutes by reference of the Audit Oversight Committee Meeting of July 16, 2009



AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: OCTOBER 15, 2009

DEPARTMENT: CITY AUDITOR'S OFFICE

DIRECTOR: RADFORD SNELDING

☐ Consent ☒ Discussion

SUBJECT:

Discussion and possible action on Scheduled Meeting Dates: Thursday, January 21, 2010;
Thursday, April 22, 2010; Thursday, July 15, 2010; and Thursday, October 14, 2010

Fiscal Impact

☒

No Impact

☐

Augmentation Required

☐

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

The purpose is to establish the quarterly Audit Committee Meetings for calendar year 2010.

This is required to be established during the 4th Quarterly meeting for the next year.

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

Scheduled Meeting Dates – Slides 1 and 2

Audit Committee Scheduled Meeting Dates

- **The purpose is to establish the quarterly Audit Committee Meetings for calendar year 2010.**
- **This is required to be established during the 4th quarterly meeting of the preceding year.**

Audit Committee Scheduled Meeting Dates

- 1. Thursday, January 21, 2010**
- 2. Thursday, April 22, 2010**
- 3. Thursday, July 15, 2010**
- 4. Thursday, October 14, 2010**

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: OCTOBER 15, 2009

DEPARTMENT: CITY AUDITOR'S OFFICE

DIRECTOR: RADFORD SNELDING

☐ Consent ☒ Discussion

SUBJECT:

General Report by the City Auditor

Fiscal Impact

☒

No Impact

☐

Augmentation Required

☐

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

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

Staff Training completed since the last Audit Oversight Committee Meeting.

RECOMMENDATION:

Report only; no action required.

BACKUP DOCUMENTATION:

None

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: OCTOBER 15, 2009

DEPARTMENT: CITY AUDITOR'S OFFICE

DIRECTOR: RADFORD SNELDING

☐ Consent ☒ Discussion

SUBJECT:

Discussion and possible action on the FY 2010-2011 City Auditor's Office Budget

Fiscal Impact

☒

No Impact

☐

Augmentation Required

☐

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

The City Auditor's Office works directly for the Mayor and City Council as opposed to other departments who report to the City Manager. The budget for the City Auditor's Office should be reviewed with the Mayor and Council. This will be accomplished by reviewing the detail budget with the Audit Oversight Committee and the Committee making appropriate recommendations to the Mayor and Council.

RECOMMENDATION:

Consider City Auditor's budget presentation and make appropriate recommendations to the Mayor and Council at the FY 2010-2011 Budget Workshop.

BACKUP DOCUMENTATION:

Submitted after meeting -- PowerPoint presentation by City Auditor

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: OCTOBER 15, 2009

DEPARTMENT: CITY AUDITOR'S OFFICE

DIRECTOR: RADFORD SNELDING

☐ Consent ☒ Discussion

SUBJECT:

Discussion and possible action on Audit of the Hansen Contracts

Fiscal Impact

☒

No Impact

☐

Augmentation Required

☐

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

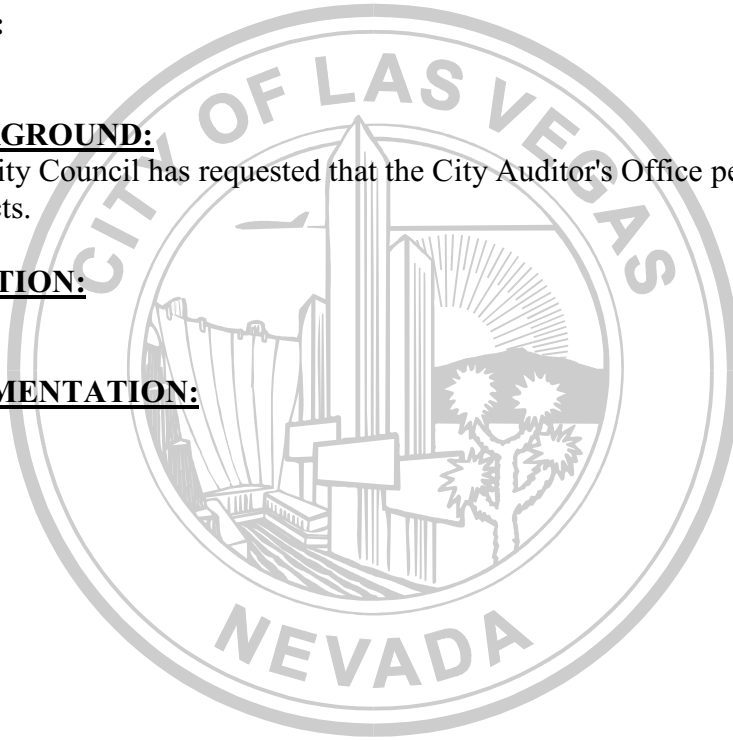
A member of the City Council has requested that the City Auditor's Office perform an audit of the Hansen Contracts.

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

None



AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: OCTOBER 15, 2009

DEPARTMENT: CITY AUDITOR'S OFFICE

DIRECTOR: RADFORD SNELDING

☐ Consent ☒ Discussion

SUBJECT:

Discussion and possible action on Internal Control Review Activity Report June 30, 2009
(2900-0910-01)

Fiscal Impact

☒

No Impact

☐

Augmentation Required

☐

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

To review the Internal Control Review Activity Report June 30, 2009 with the Audit Oversight Committee. The report is a compilation of all Internal Control Reviews performed from January 01, 2009 through June 30, 2009.

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

Internal Control Review Activity Report June 30, 2009 (2900-0910-01)

CITY AUDITOR'S OFFICE



INTERNAL CONTROL REVIEW ACTIVITY REPORT JUNE 30, 2009

Report No. CAO 2900-0910-01

August 21, 2009

RADFORD K. SNELDING, CPA, CIA, CFE

CITY AUDITOR

INTERNAL CONTROL REVIEW ACTIVITY REPORT JUNE 30, 2009

CAO 2900-0910-01

BACKGROUND

The City Auditor's Office has the responsibility to Evaluate, Enhance, Educate, and Enforce internal control issues that come to the Office's attention.

- **Evaluate** - The Office independently and objectively performs Internal Control Reviews to evaluate applicable internal controls through professional expertise and judgment.
- **Enhance** - After evaluation, the Office makes recommendations to enhance the adequacy and effectiveness of existing controls and further recommends additional controls as appropriate.
- **Educate** - Through the Internal Control Review Memorandums to management and the periodic Internal Control Review Activity Reports, the Office educates management and others of appropriate internal controls.
- **Enforce** - Enforcement is limited to supplying data to management to help them enforce the policies and procedures of the City.

The results of the Internal Control Reviews are reported in two steps:

- An Internal Control Review Memorandum is released to the appropriate levels of management and the Mayor and City Council. This Memorandum assists management in the timely correction of control deficiencies.
- Semiannually, a summary report is made of all findings and recommendations from the Internal Control Review Memorandums and released in a *formal Internal Control Review Activity Report*.

This report summarizes the Internal Control Review Memorandums issued since the last Internal Control Review Activity Report (December 31, 2008), including findings, recommendations, and management responses. The recommendations are included in the follow-up system for tracking purposes.

**INTERNAL CONTROL REVIEW
ACTIVITY REPORT
JUNE 30, 2009
CAO 2900-0910-01
August 21, 2009**

OBJECTIVES

Our objectives in completing the *Internal Control Review Activity Report* are to:

- Review all activity for the period noted relative to internal control reviews;
- Document for tracking purposes findings and recommendations noted in Internal Control Review Memorandums; and
- Report to the public the results of activities of the City Auditor's Office.

The objectives of each of the Internal Control Reviews were to:

- Determine the adequacy of existing internal controls;
- Determine the reason(s) for any control failure;
- Recommend corrective action; and
- Report the results of our review.

SCOPE AND METHODOLOGY

The scope of the audit was limited to Internal Control Review Memorandums issued from December 31, 2008 through June 30, 2009.

The scope of our work on internal control was limited to the controls within the context of the objectives and the scope of each Internal Control Review.

Our audit methodology during each of the Internal Control Reviews included:

- Observing operations.
- Interviewing personnel.
- Reviewing records, reports, and other applicable documentation.

We conducted this performance audit in accordance with generally accepted government auditing standards except for the requirement for an external peer review every three years. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

**INTERNAL CONTROL REVIEW
ACTIVITY REPORT
JUNE 30, 2009
CAO 2900-0910-01
August 21, 2009**

INTERNAL CONTROL MEMORANDUMS ISSUED

1. ICR-053 Internal Control Review: Administration of Community Schools

Background: The City's Leisure Services Department works in partnership with nine Community Schools to provide community recreation and education. The Community Schools are non-profit organizations and tax-exempt under the Internal Revenue Code Section 501(c)(3). The Community Schools have boards that act in an advisory capacity and maintain bank accounts for the deposit of funds from fund raising activities. Each Community School site has several Leisure Services staff members that manage the daily operations of the Community School.

Department of Detention and Enforcement was notified of a possible conflict of interest with a Leisure Services employee at one the Community Schools. The following is a summary of this incident:

- A Leisure Services employee at a Community School routinely used his personal funds for supplies for Community School events and was reimbursed by the Community School with checks from the Community School bank account.
- The Leisure Services employee had possession of the Community School account checkbook and a check written to him from this account. The check was signed by a Community School board member.
- The Leisure Service employee had made purchases on behalf of the Community School and inappropriately paid sales tax on these purchases.
- The Leisure Services employee had not requested reimbursement for all of his purchases.

Findings and Conclusions: Upon further review of cash handling practices at Community Schools, we identified the following internal control deficiencies:

- There are no documented procedures on the use of Community School bank accounts by Leisure Services employees. Certain Leisure Services employees are making deposits of Community School funds into Community School accounts without the involvement of a Community School board member. Certain Leisure Services employees have access to the Community School bank account checkbook and receive the bank statements.
- There are no documented policies on how Community School purchases should be handled and whether Leisure Services employees should be making purchases using their own funds and then requesting reimbursement.
- There are no controls in place to ensure that sales tax is not being paid on Community School purchases.
- Purchases made for the Community Schools are tax exempt. However, to maintain this status, the Community Schools must keep their "Domestic Non-Profit Corporation" status current with the Secretary of State of Nevada. A search of the Secretary of State's website for the status of the Community Schools revealed the following:
 - Molasky Community School status: "Permanently Revoked on May 1, 2007."

**INTERNAL CONTROL REVIEW
ACTIVITY REPORT
JUNE 30, 2009
CAO 2900-0910-01
August 21, 2009**

- Brinley Community School status: “Default on June 1, 2008”
- Clark Community School status: “Revoked on October 1, 2004”
- Gibson Community School status: “Revoked on November 1, 2006”
- Remaining Community Schools: “Active”

Several Leisure Services managers with a long history with the Community Schools recently retired resulting in a loss of institutional knowledge

Recommendations:

1. We recommended that Leisure Services Management should document policies and procedures on the handling of Community School funds including how Community School purchases should be made and the requirement not to pay sales tax.
2. We recommended that Leisure Services Management should implement monitoring procedures to ensure that Leisure Service employees adhere to the documented Community Schools policies and procedures.
3. We recommended that Leisure Services Management should establish procedures for monitoring the compliance of the Community School boards with the provisions of their contracts with the City. These monitoring procedures should include monitoring the “Domestic Non-Profit Corporation” status of the Community Schools with the State of Nevada.

2. ICR-054 Internal Control Review: Muni Sports Office - Missing Deposit

Background: On February 2, 2009, a Muni Sports Office employee notified Detention and Enforcement that a deposit bag was missing. A Recreation Leader had opened the safe and taken out a deposit bag containing three checks totaling \$12,715 and left it on his desk on his way to a meeting. After returning from the meeting a few hours later, the deposit bag was gone and a search was made to locate the missing deposit bag. When it was evident that the deposit bag was missing, the employee called the makers of the checks and requested that they place “stop payments” on the checks immediately. None of the checks had been cashed and the makers provided replacement checks to the City.

While investigating another deposit made by the same employee, mathematical errors were found on the deposit slip and the employee had forged the initials of his supervisor on the deposit slip. Leisure Services’ policy states that a second employee should initial the deposit slip to verify accuracy and prevent errors.

In conjunction with our review of this incident, we were made aware of the following inconsistencies in how deposits are being completed at other Leisure Services locations:

- The section on deposit slips where checks are to be individually listed are sometimes annotated with “See Tape” when there is sufficient room to list all of the checks. The “See Tape” annotation is only to be used when the number of checks exceeds the number that can be recorded on the deposit slip.

**INTERNAL CONTROL REVIEW
ACTIVITY REPORT
JUNE 30, 2009
CAO 2900-0910-01
August 21, 2009**

- The restrictive endorsement stamp is not always placed on the back of checks as required by policy.
- Checks do not always have the driver's license number or other I.D. numbers written on the face of the check as required by policy.

Findings and Conclusions: Certain Leisure Services employees need to be more diligent in following Leisure Services' established cash handling policies and procedures in the following areas:

- Safeguarding deposits
- Completing deposit slips
- Obtaining second verifications on accuracy of deposits
- Placing restrictive endorsements on all checks received
- Writing driver license numbers or other I.D. numbers on checks

Recommendations:

1. Each Leisure Service Employee should attend a Mandatory 1 hour Cash Handling Procedures training after any violation of the policy.
2. Leisure Services should consider any "Cash Handling Violation" to be action that should be addressed within the city's Positive Progressive Discipline System, and follow all contractual rights offered them by the Collective Bargaining Unit.
3. Leisure Services should consider mandatory Cash Handling Procedures Training every six months to all Executive, Appointive, Classified, Seasonal and Hourly Employees. As specified by the Department Director.
- 4: Leisure Services should explore the possibility of creating a "time log" of the approximate time the bag will actually be deposited at the bank.

**MANAGEMENT RESPONSES
TO
INTERNAL CONTROL REVIEW ACTIVITY REPORT**

1. ICR-053 Internal Control Review: Administration of Community Schools

Recommendation 1: We recommended that Leisure Services Management should document policies and procedures on the handling of Community School funds including how Community School purchases should be made and the requirement not to pay sales tax.

Management Response:

- City employees and hourly employees will no longer have access to Community School Boards bank accounts.
- Board checks, checkbooks, deposit slips and withdrawal slips will be kept in the hands of the Board President or Treasurer. They are not to be in city facilities or accessible to city and hourly employees.
- City employees and hourly employees will not make deposits on behalf of the board into the board accounts.
- All bank statements will go in care of the board president or treasurer to their home address. The Community School address will not appear on the bank statements.

Estimated Date of Competition: Completed: 1 April 2009

Recommendation 2: We recommended that Leisure Services Management should implement monitoring procedures to ensure that Leisure Service employees adhere to the documented Community Schools policies and procedures.

Management Response:

- City and hourly employees may not use board checks or cash to purchase services and supplies for their facility.
- Board members can make purchases that are on the board spending plan and give the purchases to the Community Schools
- Board members will need to use the Tax Exempt letter when making such purchases.
- Boards may donate to the Community Schools services or supplies that are not on the spending plan. However, city employees will be responsible for completing the City policy on accepting donations.
- City and hourly employees will not be personally reimbursed by any Community School.
- City and hourly employees may not use board checks or cash to make purchases for the facility.

Estimated Date of Competition: Completed: 1 April 2009

**INTERNAL CONTROL REVIEW
ACTIVITY REPORT
JUNE 30, 2009
CAO 2900-0910-01
August 21, 2009**

Recommendation 3: We recommended that Leisure Services Management should establish procedures for monitoring the compliance of the Community School boards with the provisions of their contracts with the City. These monitoring procedures should include monitoring the "Domestic Non-Profit Corporation" status of the Community Schools with the State of Nevada.

Management Response: We have drafted the attached LS policy/procedure to comply with this recommendation.

Estimated Date of Competition: Completed: 1 April 2009

2. ICR-054 Internal Control Review: Muni Sports Office - Missing Deposit

Recommendation 1: Each Leisure Service Employee should attend a Mandatory 1 hour Cash Handling Procedures training after any violation of the policy.

Management Response: Management agrees with this recommendation.

Estimated Date of Competition: Completed: 1 April 2009

Recommendation 2: Leisure Services should consider any "Cash Handling Violation" to be action that should be addressed within the city's Positive Progressive Discipline System, and follow all contractual rights offered them by the Collective Bargaining Unit.

Management Response: Management agrees with this recommendation. The department staff will be responsible to report all infractions of the "Cash Handling Procedure" to the Director of Leisure Services. The Director will be responsible to support equal and equitable discipline for violations of the "Cash Handling Procedures".

Estimated Date of Competition: Completed: 1 May 2009

Recommendation 3: Leisure Services should consider mandatory Cash Handling Procedures Training every six months to all Executive, Appointive, Classified, Seasonal and Hourly Employees. As specified by the Department Director.

Management Response: Management agrees with this recommendation. Leisure Services Director will advise management team to implement and track this recommendation.

Estimated Date of Competition: Completed: 1 June 2009

Recommendation 4: Leisure Services should explore the possibility of creating a "time log" of the approximate time the bag will actually be deposited at the bank.

Management Response: Management agrees with this recommendation. The Administration Division of Leisure Services with research a process, creates a document, and implement.

Estimated Date of Competition: Completed: 1 May 2009

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: OCTOBER 15, 2009

DEPARTMENT: CITY AUDITOR'S OFFICE

DIRECTOR: RADFORD SNELDING

☐ Consent ☒ Discussion

SUBJECT:

Discussion and possible action on the Audit of Professional Services Contract No. 080173 - DK Whirlygig, Inc. (3100-0910-02)

Fiscal Impact

☒

No Impact

☐

Augmentation Required

☐

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

To review the audit report Audit of Professional Services Contract No. 080173 - DK Whirlygig, Inc. (3100-0910-02).

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

Audit of Professional Services Contract No. 080173 - DK Whirlygig, Inc. (3100-0910-02)



CITY AUDITOR'S OFFICE



Audit of Professional Services Contract No. 080173-DK Whirlygig, Inc.

Report No. CAO 3100-0910-02

August 21, 2009

**RADFORD K. SNELDING, CPA, CIA, CFE
CITY AUDITOR**

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Audit of Professional Services Contract No. 080173-DK Whirlygig, Inc. CAO 3100-0910-02

BACKGROUND

The City Auditor's Office has completed an audit of the Professional Services Contract No. 080173-DK (Contract) with Whirlygig, Inc. (Contractor). This contract was approved on the Consent Agenda at the May 7, 2008 meeting of the City Council. This review was conducted at the conclusion of the contract term.

Whirlygig, a not-for-profit organization, produces First Friday, an ongoing arts, entertainment, and social event held the first Friday of each month in the Las Vegas Arts District. This contract provides for the payment of certain services necessary for the production of the event (e.g. security, fencing, traffic control) by the City of Las Vegas (City) in return for Whirlygig's continued management of First Friday. The contract was administered by the Office of Cultural Affairs.

OBJECTIVES

The objectives of our review were to:

- Determine the Basis of Contract Award
- Review the Contract Preparation
- Review Contract Compliance
- Review Payments to Contractor
- Review Modifications and Change Orders
- Identify controls utilized in administration of this contract,
- Review adequacy and effectiveness of Contract Administration Controls,

SCOPE AND METHODOLOGY

The scope of the audit was limited to the Professional Services Contract No. 080173-DK with Whirlygig, Inc.

The scope of our work on internal control was limited to the controls within the context of the audit objectives and the scope of the audit. Our last fieldwork date was June 10, 2009.

Our audit methodology included:

- Review of applicable policies and procedures,
- Examination of selected records,
- Review of selected transactions, and
- Interviews with selected employees.

We conducted this performance audit in accordance with generally accepted government auditing standards except for the requirement for an external peer review every three years. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The exception to full compliance is because the City Auditor's Office has not yet undergone an external peer review. However, this exception has no affect on the audit or the assurances provided.

CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The following conclusions were noted:

- ***Basis of Award*** – NRS 332.115 allows an exemption from the competitive bidding requirement for Personal Services Contracts. This contract was not competitively bid. Requirements of Professional Services Policy FN609.1 were appropriately followed.
- ***Contract Preparation*** – The contract was prepared in compliance with Professional Services Policy FN609.1 and R-48-2006.
- ***Contract Compliance (Finding 1)*** – The following non-compliance was noted:
 - The contractor did not have proper City business licensing.
 - Deliverables are not prepared in the format prescribed by the contract.
 - No written operational plan addressing the *Report for the City of Las Vegas to Evaluate the Success of First Friday with Recommendations for its Growth* was received by the City.
 - No list of sponsors is delivered to the City prior each First Friday event.
 - Financial records are not prepared or maintained for the First Friday event.
- ***Payments to Contractor*** – Payments were properly administered.
- ***Modifications and Change Orders*** – No modifications or change orders were observed.
- ***Adequacy and Effectiveness of Contract Administration Control*** – The following was noted.
 - A comprehensive, written Contract Monitoring Policy and Procedure did not exist. **(Finding 2)**

- Management control exceptions were noted in the following areas
(Finding 3):
 - No documented analyses of the Contractor's performance were prepared.
 - A checklist was not utilized in the project management file.

Further information is contained in the following sections.

1. Contract Compliance

Criteria

The Contract should be performed in compliance with the specified terms and conditions to give assurance that the authorized performance is completed so as to give the City value for performance.

Condition

The following instances were noted as exceptions to compliance with the terms and conditions of the contract.

- **The contractor did not have proper City business licensing.** Section D-4 of the Contract states "the Company shall maintain all federal, state, and local licenses and registrations applicable to the work performed under this Contract." Whirlygig, Inc. does not possess a City of Las Vegas business license which breaches City Municipal Code 6.02.060 which states, "It is unlawful for any person to: (1) commence, institute, advertise, aid, carry on, engage in or continue in the City any business without a valid unexpired license issued pursuant to this Code."
- **Deliverables are not prepared in the format prescribed by the contract.** Attachment 1, Section (e) requires the Contractor to "provide a monthly report consistent with Exhibit B *Whirlygig Monthly Report of First Friday*." The reports received by management did not include material information, such as expenditures and total profit/loss for the event, required by "Exhibit B" of the Contract.
- **No written operational plan addressing the *Report for the City of Las Vegas to Evaluate the Success of First Friday with Recommendations for its Growth* was received by the City.** Management did not receive a written report as required by Attachment 1, Section (f) of the Contract which requires a written operational plan to address the above mentioned report on or before September 30, 2008.
- **No list of sponsors is delivered to the City prior each First Friday event.** Attachment 1, Section (h) requires the contractor to "provide to the City a list of

- all sponsors seven (7) days in advance of each event.” Management did not receive any list of sponsors from the Contractor.
- **Financial records are not prepared or maintained for the First Friday event.** Attachment 1, Section (d) requires the Contractor to “prepare and maintain detailed records of the financial income and expenses related to each Event according to generally accepted accounting procedures.” Management indicated that the Contractor does not keep separate and distinct financial records for First Friday.

Cause

Some specific terms of the Contract were not enforced by the Project Manager or Purchasing and Contracts.

Effect

Relative assurance did not exist that the Contract was performed in compliance with all terms.

Recommendation

In the future, the Office of Cultural Affairs management should do the following:

- Verify in all future contracts that contractors are properly licensed pursuant to City Municipal Code 6.02.060.
- Require all deliverables be properly formatted and contain requested data.
- Enforce all terms of the Contract.

2. Contract Monitoring Policy and Procedures

Criteria

Management controls over Professional Services activities should be communicated to all employees performing functions related to the acquisition and performance of the Professional Services contract. The policy and procedures should be written to give relative assurance to management that if the policy and procedure are followed; performance of the contract will meet the objectives and authorizations of management.

Condition

A comprehensive, written Contract Monitoring Policy and Procedure did not exist.

Cause

A contract monitoring policy or procedure had not been written.

Effect

Without a comprehensive, written policy and procedures:

- Specific responsibilities of employees may not be known.
- Standards of performance by the contractor may not be followed.

Recommendation

The City Manager should establish a comprehensive Contract Monitoring Policy and Procedure for the administration of personal services contracts to apply to all departments utilizing these contracts. The policies, procedures, and responsibilities should address at a minimum the following:

1. **Segregation of Duties or Incompatible Functions** – Duties related to the administration of the contract should be appropriately segregated.
2. **Qualified, Trained Personnel** – Personnel should be qualified and adequately trained to monitor the contract.
3. **Authorization** – All transactions are approved by an appropriate member of management.
4. **Records** – Records regarding the administration of this contract should be required and documented. These records should be sufficient, competent, relevant, and timely.
5. **Reporting** – Reports should be prepared on an appropriate basis so as to document the performance of the contract. There should be statement of opinion if the vendor is performing as originally intended.
6. **Control over Assets and Records** – Specific responsibilities and procedures regarding custody of assets (information) and records should be enumerated and followed.
7. **Independent Review** – Provision for a periodically independent review of performance of the contract and monitoring of the administration of the contract should be performed by an independent individual or group.
8. **Limited Access** – Access to information and records should be maintained and monitored.

AUDITOR'S NOTE: (This is the same recommendation previously made to the City Managers Office. The Purchasing and Contracts staff is currently working on this Procedure. Estimated Date of Completion is December 31, 2009.)

3. Management Control Exceptions

Criteria

Management controls over the administration of the contract should address all phases of procurement and administration over Professional Services contracts. Controls should be complete enough to give relative assurance that management's responsibilities to effectively administer the contract are being met.

Condition

We noted the following internal 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 Project File to document, in a summary fashion, the contents of the file.

Cause

Internal controls did not exist to address these deficiencies.

Effect

Controls may not be adequate to protect the city.

Recommendation

For future contracts, Cultural Affairs management should correct the following control exceptions:

- Prepare reports on an appropriate basis so as to document the Contractor's performance. Key accountability reports should inform management of any deficiencies so as to allow timely correction.
- Include a checklist within the Project File to document, in a summary fashion, the contents of the file.

Management Response

1. Contract Compliance

Recommendation:

In the future, Cultural Affairs management should do the following:

- Verify in all future contracts that contractors are properly licensed pursuant to City Municipal Code 6.02.060.
- Require all deliverables be properly formatted and contain requested data.
- Enforce all terms of the Contract.

Management Action Plan:

Project Manager will verify all proper licensing before contract goes forward. Copies of all deliverables will be kept in the contract file and will not be accepted unless in correct format.

Estimated Date of Completion

Immediately July 17, 2009.

2. Contract Monitoring Policy and Procedures

Recommendation:

The City Manager should establish a comprehensive Contract Monitoring Policy and Procedure for the administration of personal services contracts to apply to all departments utilizing these contracts. The policies, procedures, and responsibilities should address at a minimum the following:

1. **Segregation of Duties or Incompatible Functions** – Duties related to the administration of the contract should be appropriately segregated.
2. **Qualified, Trained Personnel** – Personnel should be qualified and adequately trained to monitor the contract.
3. **Authorization** – All transactions are approved by an appropriate member of management.
4. **Records** – Records regarding the administration of this contract should be required and documented. These records should be sufficient, competent, relevant, and timely.

5. **Reporting** – Reports should be prepared on an appropriate basis so as to document the performance of the contract. There should be statement of opinion if the vendor is performing as originally intended.
6. **Control over Assets and Records** – Specific responsibilities and procedures regarding custody of assets (information) and records should be enumerated and followed.
7. **Independent Review** – Provision for a periodically independent review of performance of the contract and monitoring of the administration of the contract should be performed by an independent individual or group.
8. **Limited Access** – Access to information and records should be maintained and monitored.

AUDITOR'S NOTE: (This is the same recommendation previously made to the City Managers Office. The Purchasing and Contracts staff is currently working on this Procedure. Estimated Date of Completion is December 31, 2009.)

Management Action Plan:

In response to your November 24, 2008, review of "Draft ICR 042, ICR 048 and QRA 3100-001 -- Delphi Research" recommendation number 3 to establish a comprehensive Contract Monitoring Policy and Procedures for administration of personal services contracts to apply to all departments utilizing these contracts. Staff has been assigned to draft policies and procedures that will include, but not be limited to cover, the eight areas outlined in your recommendations. The draft will be forwarded to you for your review and comment prior to forwarding to all Department Directors for feedback and implementation. The development of compensative policy and procedures guidelines requires many steps for proper development. Therefore the City Manager Office has set a target date of December 31, 2009 for development and implementation. There will also be a developed and piloted contract administration class and trained Purchasing & Contracts staff on aspects of the policy that will change purchasing processes and procedures.

Estimated Date of Completion: December 31st, 2009

3. Internal Control Exceptions

Recommendation:

Cultural Affairs management should correct the following control exceptions:

- Prepare reports on an appropriate basis so as to document the Contractor's performance. Key accountability reports should inform management of any deficiencies so as to allow timely correction.

Audit of Professional Services Contract No. 080173-DK
Whirlygig, Inc.
CAO 3100-0910-02
August 21, 2009

- Include a checklist within the Project File to document in a summary fashion the contents of the file.

Management Action Plan:

Pursuant to Recommendation 3, reports will be submitted on a basis reflective of the timelines in each contract. First Friday contracts will require a monthly report as information is submitted for each event. A template will be created for a check list on each contract for the Office of Cultural Affairs which will also include verification of any required business licenses.

Estimated Date of Completion

August 30, 2009.

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: OCTOBER 15, 2009

DEPARTMENT: CITY AUDITOR'S OFFICE

DIRECTOR: RADFORD SNELDING

☐ Consent ☒ Discussion

SUBJECT:

Discussion and possible action on the Audit of Neighborhood Services Rapid Response Team (1802-0910-03)

Fiscal Impact

☒

No Impact

☐

Augmentation Required

☐

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

To review the audit report Audit of Neighborhood Services Rapid Response Team (1802-0910-03).

This audit was part of the authorized Audit Plan FY 2009 - 2010.

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

Audit of Neighborhood Services Rapid Response Team (1802-0910-03)

CITY AUDITOR'S OFFICE



AUDIT OF NEIGHBORHOOD SERVICES RAPID RESPONSE TEAM

Report No. CAO 1802-0910-03

September 04, 2009

RADFORD K. SNELDING, CPA, CIA, CFE

CITY AUDITOR

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**AUDIT OF NEIGHBORHOOD SERVICES
RAPID RESPONSE TEAM
CAO 1802-0910-03**

BACKGROUND

The Neighborhood Services Rapid Response Team (RRT) was created in February 1996 to address citizen complaints relating to immediate life safety issues. Over the years, their responsibilities have been expanded and the team is now responsible for:

- Right-of-way obstruction removals (shopping carts, basketball stands/hoops on public sidewalks, appliances, news racks, trash and debris)
- Graffiti abatement
- Illegal sign removals
- Draining stagnant swimming pools
- Human waste and odor removal
- Nuisance and hazard complaint response
- Mitigating immediate hazards related to vacant lots

Various methods are used to schedule and document work performed by RRT. Work is entered into the customer service request application within the Hansen computer system (Hansen) and assigned unique customer service request (service request) numbers. Service requests are initiated by the following methods:

- Web based citizen inquiries that are automatically assigned a Hansen service request number,
- Telephone based citizen inquiries for which office staff members create new service requests,
- City employee requests initiated by e-mail,
- In-house directed work, and
- RRT staff member self directed work documented on daily work logs.

RRT includes a supervisor, crew leader, six painters and nine maintenance workers. Service requests are assigned to team members based upon geographical areas or staff availability.

OBJECTIVE

The audit objectives were to ensure that:

- The service request process is consistent, timely, and provides for accurate information.
- Management controls over invoicing are adequate.
- Management controls over safeguarding assets are adequate.
- Neighborhood Services Hansen Access Groups with the ability to change data include only current City employees and the permission rights for inquiry-only access groups are appropriate.

SCOPE AND METHODOLOGY

The scope of the audit was limited to the period of July 2008 through January 2009.

The scope of our work on internal control was limited to the controls within the context of the audit objectives and the scope of the audit.

Our audit methodology included:

- Research of applicable guidelines,
- Interviews of City personnel,
- Observations of work processes, and
- Analysis and detail testing of available data.

We conducted this performance audit in accordance with generally accepted government auditing standards except for the requirement for an external peer review every three years. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The exception to full compliance is because the City Auditor's Office has not yet undergone an external peer review. However, this exception has no affect on the audit or the assurances provided.

CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

We identified the following issues during the completion of the Audit of Neighborhood Services Rapid Response Team, as follows:

- The service request process is not consistent, and timely, and does not provides accurate information:
 - ***Service request data entry process (Finding #1):*** Inconsistent methods are used to enter service request data into Hansen.
 - ***Hansen system resolution codes (Finding #2):*** Correct Hansen resolution codes are not always used.
 - ***Unresolved service requests (Finding #3):*** Procedures are not in place to timely follow-up on open service requests.
 - ***Service request completion dates (Finding #4):*** Procedures are not in place to ensure correct completion dates are entered into Hansen.
 - ***Effectiveness of the service request process (Finding #5):*** The current service request data input process is very time consuming.
- Management controls over the invoicing process are inadequate:

- ***Invoices for services (Finding #6):*** Procedures are not in place to ensure all services are invoiced.
- ***Account receivables (Finding #7):*** A high percentage of invoices remain outstanding over 60 days.
- ***Fixed assets (Finding #8):*** A trailer mounted boom purchased in May 2008 was never capitalized, issued a City property tag, or included in the fiscal year 2010 property inventory.
- ***Hansen inquiry only access groups (Finding #9):*** Hansen inquiry-only access groups have permission rights that allow users to change data.

Further information is contained in the sections below.

1. Service Request Data Entry Process

Criteria

Procedures by which data is entered into Hansen must be consistent to ensure that data accurately reflects the work performed by team members.

Condition

As noted above in the Background section, various methods are used to schedule and document work performed by RRT. Once work has been completed, RRT staff members indicate on paper documentation the date and amount of work completed. The results noted are then entered into Hansen by office staff. Each individual work item is entered as a service request to be included in overall statistics. For example, if RRT staff members indicate on their paperwork that five graffiti tags were painted; a total of five service requests are entered into Hansen.

Paper documentation is destroyed once the results are entered into Hansen. Audit requested that the paper documentation be maintained to complete detail testing procedures. A random sample of the available types of documentation for the period of July 2008 through January 2009 were reviewed and compared to Hansen. This analysis showed that inconsistencies resulted from differences in how data is entered into Hansen, as follows:

- When replicating service requests in Hansen, office staff are inconsistent in which date they use (initial request date versus completion date) for recording the initial call date.
- When work is completed as the result of e-mail requests, office staff is inconsistent in which date they use (e-mail date versus work completion date) for recording the initial call date.
- Service requests often relate to multiple graffiti tags, vagrant camps, signs or shopping carts. Office staff is inconsistent in how they identify these service requests in Hansen (one service request versus multiple services requests).

Additional analysis was completed relating to specific service requests for vagrant camps, signs, and shopping carts to ascertain how the different methods used to enter data into Hansen impacted the overall statistics. Department generated monthly statistical information was reviewed and compared to Hansen. The results of this analysis are as follows:

- ***Vagrant camps:*** Monthly statistics for the period of July 2008 through January 2009 showed 316 vagrant camps were cleaned. Hansen data queries identified 23 service requests that indicated in the comment field that 1,035 vagrant camps were cleaned.

- **Signs:** Monthly statistics for July and December 2008 showed 409 signs were removed. Hansen data queries and review of Hansen data screens indicated 564 signs were removed during these two months.
- **Shopping Carts:** Monthly statistics for the period of July 2008 through January 2009 showed 245 shopping carts were removed. Hansen queries and a review of Hansen data screens indicated 471 shopping carts were removed.

Cause

- A formal written desk procedures manual describing data entry protocol has not been established.
- When replicating service requests, it is easy to be side tracked and forget what was already entered in Hansen.

Effect

Inconsistencies in how service requests are entered into Hansen results in inaccuracies in reported statistics relating to the total number of completed work items.

Recommendation

Neighborhood Services management should create, document, and implement a formal standard protocol for entering service requests into Hansen to ensure consistency and uniformity in data entry. Staff should be provided instruction on the implemented policies and procedures as well as a copy of the protocol.

2. Hansen Resolution Codes

Criteria

Procedures by which data is entered into Hansen must be consistent to ensure the accuracy of the status of the work performed by team members.

Condition

The Hansen service request function includes a field called RESCODE that allows users to document how service requests have been resolved. The codes available for use are as follows:

<u>Code</u>	<u>Description</u>
CNDP	Could not duplicate problem
COMP	Complete
NPF	No problem found
REFER	Referred
UTP	Unable to process
WORKS	Working at this time

Hansen queries for the period of July 2008 through January 2009 were completed and analyzed to ascertain whether the resolution codes were used correctly. The analysis showed the following issues with the use of these codes:

- At times, the CNDP code was used. An office staff member indicated that this is not a valid code for RRT use.
- The NPF code was incorrectly used when the comment field indicated the work had been completed or referred to Code Enforcement. An office staff member indicated that referrals to Code Enforcement should use the REFER code.
- The REFER code was incorrectly used when work was referred to other jurisdictions. An office staff member indicated that the UTP is the correct code to use when referrals are made to other jurisdictions.
- The UTP code was incorrectly used instead of COMP when the comment field indicated that a shopping cart or graffiti was removed.
- The COMP code was incorrectly used when the comment field indicated:
 - nothing was found,
 - the work had previously been completed,
 - the work was referred to Code Enforcement, and
 - the work was referred to another jurisdiction.

Cause

Formal written desk procedures describing data entry protocol have not been established.

Effect

Incorrect RESCODE codes impact:

- the identification of follow-up procedures that need to be completed.
- statistical calculations used for performance measurements.

Recommendation

Neighborhood Services management should create, document, and implement a formal standard protocol for entering service requests into Hansen to ensure consistency and

uniformity in data entry. Staff should be provided instruction of the implemented policies and procedures as well as a copy of the protocol.

3. Unresolved Service Requests

Criteria

Computer system data entry procedures must be consistent to ensure that data entered into Hansen accurately reflects the status of the work performed by team members. Timely follow-up should be completed when service requests remain open over specified periods of time.

Condition

On February 20, 2009, we performed a query of Hansen data and identified 417 service requests for the period of July 2008 through January 2009 that did not have a resolution code or a completion date.

We subsequently completed additional analysis and found that for 414 of these service requests, the status had changed to COMP on either February 20 or February 23, 2009. The completion date used was the same date entered as the initial service request date.

Since the current practice is to destroy paper documentation once work is entered into Hansen, it would not have been feasible for the office staff members to ascertain if and when the work requested had been completed or the actual completion date.

Cause

Procedures are not in place to timely follow-up on open service requests.

Effect

- Work may have been overlooked and not completed.
- Redundant time may be required when RRT staff members follow-up on open service requests that have not been timely closed in Hansen.
- Monthly statistical reports would not include service requests that are not closed in Hansen.
- Owners of record may not be invoiced for work completed such as draining swimming pools.

Recommendation

Neighborhood Services management should develop and implement procedures to periodically run Hansen queries to identify open service requests, have staff perform timely follow-up, and once it is determined that the work has been completed, close the service requests.

4. Service Request Completion Dates

Criteria

Dates used to represent when work was completed should be correctly entered into Hansen.

Condition

Hansen data queries for the period of July 2008 through January 2009 showed that at times incorrect dates were entered into Hansen as the service request completion date. For example, some of the incorrect dates entered into Hansen were July 1980 instead of July 2008 and December 2009 instead of December 2008.

Cause

Hansen does not have system edits that would prevent users from entering incorrect dates.

Effect

Neighborhood Services Strategic Business Plan includes key results relating to resolving nuisance and graffiti complaints within three business days of receiving the complaint. Incorrectly entered completion dates would cause inaccuracies in the calculation used to determine response times.

Recommendation

Neighborhood Services management should develop and implement procedures to determine whether unreasonable dates were entered into Hansen, research dates that appear to be unreasonable, and correct the dates in Hansen before calculating key statistical results relating to resolving nuisance and graffiti complaints within three business day of receiving the complaint.

5. Effectiveness of the Service Request Process

Criteria

Computer system data entry should provide an effective method to consistently, accurately, and timely enter data using limited employee time.

Condition

Five office staff members were responsible for entering service request information into Hansen. On an annual basis, approximately 2,460 of 9,360 or 26 percent of their available hours were devoted to Hansen service request data entry. This equates to an annual cost of approximately \$83,500 for the salary, benefits, and longevity for these staff members.

An office staff member representation and a review of Hansen data showed that it takes approximately one and one half months from the completion date of the service request before data is entered into Hansen. Since there is a delay between when work is completed and when the results are entered into Hansen, office staff members manually count service request information and add it to queried results to obtain statistical information.

The amount of office staff time dedicated to entering service request information into Hansen is due to the following factors:

- As noted above in finding number one, each individual work item must be entered as a service request in Hansen to be included in overall statistics.
- Data is entered in five different Hansen screens to document the various elements of a service request.
- The original service request can be replicated to document multiple work items. This reduces but does not eliminate the number of Hansen screens required to be updated for each replicated service request.
- For sign removals, the advertiser's name and telephone number are entered into the service request. This information is not currently being used by Neighborhood Services.
- Frequently the comment field is used to provide redundant information such as a listing of the carts that were removed. Staff members also enter this information in another field.
- During calendar year 2008, department calculated statistics showed that 81,416 of the 86,699 (94 percent) service requests completed by the RRT were for graffiti removal. Staff members unnecessarily enter the phrase "graffiti removed" in the comment field.

Cause

- The current structure of Hansen limits the ability to track work completed without generating multiple service requests.
- An evaluation of how data is entered into Hansen has not been completed to determine whether the process can be more efficient.

Effect

The need to create a separate service request for each work item increases the amount of time staff members devote to data entry and reduces available time for other job functions.

Recommendation

Neighborhood Services management should address the inefficiency identified with the data entry process.

6. Invoices for Services

Criteria

Procedures should be in place to ensure that owners are billed for services rendered.

Condition

The owner of record is invoiced for certain services provided by RRT. Audit procedures for the period of July 2008 through January 2009 determined that at times the owner was not billed for these services, as follows:

- RRT drains swimming pools that pose a safety hazard and the registered owner is billed \$350 for the service. Hansen queries identified 100 service requests for draining swimming pools. Procedures were completed to determine whether the owner was billed for these services by verifying that charges were posted in Oracle (the City's financial reporting system). Audit procedures ascertained that the owner of record was not billed for 6 of 100 or 6 percent of the services.
- RRT picks up shopping carts that have been abandoned. The owner is billed either \$4.31 or \$8.63 for each shopping cart removed. The results of Hansen

queries found that the number of shopping carts collected per the service requests was greater than the amounts billed.

Cause

Service requests are not always forwarded to the business specialist for invoicing.

Effect

Owners are not always billed for completed services.

Recommendation

Neighborhood Services management should develop procedures to ensure that all service requests are forwarded to the business specialist and all services are appropriately billed.

7. Account Receivables

Criteria

Procedures should be in place to ensure timely payment of amounts invoiced.

Condition

Owners are billed for certain work performed by RRT. A review of a February 6, 2009 Invoice Summary showed outstanding invoices for work performed, as follows:

- ***Swimming pool draining:*** During the period of July 2008 and January 2009, invoices were processed for 94 swimming pools for a total of \$32,900. \$21,940 or 67% of this amount has been outstanding for more than 60 days.
- ***Abatements performed by RRT:*** During the period of October 22, 2008 and January 7 2009, \$4,930 was billed for abatement services provided by RRT. \$1,360 or 28% of this amount has been outstanding for more than 60 days.

Invoices that remain outstanding for greater than 120 days are turned over to a collection service. The collection service retains a portion of all amounts collected for their services.

Cause

With the current economic conditions, many homes have been abandoned by the resident or foreclosed on by their financial institutions.

Effect

The City is not receiving timely payment for services performed.

Recommendation

Neighborhood Services management should determine whether it would be cost effective to place liens on properties for services performed by the Rapid Response Team.

8. Fixed Assets

Criteria

Fixed Asset Procedure

Procedure

Department/Division Representative

1. *When preparing a Purchase Requisition, code machinery/equipment purchases for capitalized assets to Account Number 810800. Capitalized assets have a value of \$5,000 or more.*

Fixed Asset Analyst in the Accounting Operations Division

1. *After the item has been received and payment issued by the Accounts Payable Section, issue a property identification number tag. Send the property tag and a copy of the invoice identifying the fixed asset to the Department/Division Representative.*

Department/Division Representative

1. *Affix the tag to the machinery/equipment in a visible location for inventory and auditing purposes. Since tags placed behind or under an item usually are not visible or easily accessible, most tags are placed on the side of the items.*

2. *Complete the Fixed Asset Property form and return the form to the Fixed Asset Analyst within 10 calendar days of receipt of the tag.*

Condition

RRT purchased a trailer mounted boom in May 2008 for approximately \$24,000. This equipment was never capitalized, issued a City property tag, or included in the fiscal year 2010 property inventory.

Cause

The invoice for the trailer mounted boom was incorrectly coded to account number 630300 *Paint Supplies* and not to account number 810800 *Machinery and Equipment*.

Effect

When equipment purchases are not capitalized, appropriate inventory monitoring controls are not implemented and fixed assets are understated.

Recommendation

Neighborhood Services management should coordinate with the Fixed Asset Analyst in the Accounting Operations Division to capitalize the trailer mounted boom and obtain a City property tag. In addition, procedures should be developed to ensure that future capitalized equipment purchases are correctly coded, issued City property tags, and included in annual inventory monitoring procedures.

9. Hansen Inquiry-Only Access Groups

Criteria

Information Security Procedure IT134a.1

Responsibility and Authority

The Data Owner is responsible for:

Ensuring that only those individuals who have an operational need can access data. Each data owner must work closely with IT to manage systems and applications. The data owner will be responsible for the following:

- c) Working with IT staff to ensure appropriate access roles and responsibilities are developed prior to the implementation of any application containing their data;*

Hansen gives data owners the ability to custom design user access groups to control user access permissions to ensure that only those individuals who have an operational need can access or change data.

Condition

Neighborhood Services established Hansen user access groups that enable certain individuals to view data without being able to make changes, as represented by the following user access group descriptions:

N-NS INQ ONLY: “*Neighborhood Services inquiry only access for other NS department staff.*”

N-NS INQ 2: “*Neighborhood Services Response inquiry only access for requesters outside of Department of NS.*”

A review of Hansen access rights showed that individuals assigned these user access groups can add and update service requests and service request history logs.

Cause

Lack of proper oversight of computer system access permission rights.

Effect

Hansen access is granted based upon the needs of the users. When access group descriptions do not agree with the access permission rights granted, incorrect user access is granted.

Recommendation

Neighborhood Services management should coordinate with Information Technology to modify the access permission rights for Hansen inquiry-only access groups to ensure that users do not have the ability to change data.

MANAGEMENT RESPONSE

1. Service Request Data Entry Process

Recommendation

Neighborhood Services management should create, document, and implement a formal standard protocol for entering service requests into Hansen to ensure consistency and uniformity in data entry. Staff should be provided instruction on the implemented policies and procedures as well as a copy of the protocol.

Management Action Plan

Service Request/Desk Procedures were created by the IT/CMO Program Office in December 2008. Training on the correct steps to create and update service requests was provided to all clerical staff in December 2008. Neighborhood Services has contacted the IT/CMO Program office and requested a complete comprehensive re-training for all clerical staff in areas of data entry procedures, coding and service request resolution. Training is anticipated to begin in mid-July 2009. In addition, management will be trained in order to conduct internal quality control reviews and ensure accuracy and consistency in data entry.

It is anticipated that the Department of Information Technologies (IT) will launch testing for the Rapid Response Team's mobile solution program application in mid to late July 2009 and go live in mid to late August 2009. According to IT, the Rapid Response Team's mobile solution program, Geo Mobile Results, will eliminate most if not all manually entered graffiti related service requests, therefore reducing data entry work load and ongoing inconsistencies in data entry. In the interim, the following measures will be implemented in order to streamline and correct data entry inefficiencies and inconsistencies.

Management Training – September 2009

Management will receive training from the Department of Information Technologies regarding the data entry process and internal/quality control reviews of work being performed.

Clerical Staff Re-Training – September 2009

Clerical staff will receive re-training from the Department of Information Technologies regarding desk procedures in order to ensure consistency in data entry.

Estimated Date of Completion

Management Training – September 2009
Clerical Re-Training – September 2009

2. Hansen Resolution Codes

Recommendation

Neighborhood Services management should create, document, and implement a formal standard protocol for entering service requests into Hansen to ensure consistency and uniformity in data entry. Staff should be provided instruction of the implemented policies and procedures as well as a copy of the protocol.

Management Action Plan

Service Request/Desk Procedures were created by the IT/CMO Program Office in December 2008 which included resolution codes. Resolution Codes are used by the Enterprise and are not specific to solely Neighborhood Services. The Desk Procedures created for Neighborhood Services indicates service requests should be updated upon completion with the following codes only. Management and staff will be trained and re-trained in this area to ensure consistency in coding. During this time, IT will also be exploring eliminating staff access to resolution codes not specific to Neighborhood Services in order to reduce coding errors.

Resolution Codes for Rapid Response:

Resolution Code	Description
COMP	Use when the work is completed
NPF	Use when RRT went out to do the work and no problem was found
REFER	Use for NSRR C.A.R.S. so that Council can review the work that is done.
UTP	Use when unable to process because it is out of NSRR jurisdiction (County, NDOT, NLV, etc).

Estimated Date of Completion

Management and Clerical Training and Retraining- September 2009

3. Unresolved Service Requests

Recommendation

Neighborhood Services management should develop and implement procedures to periodically run Hansen queries to identify open service requests, have staff perform timely follow-up, and once it is determined that the work has been completed, close the service requests.

Management Action Plan

Clerical staff will be re-trained in mid July 2009 in order to improve consistency in data entry procedures. In early July 2009, IT began training management to utilize the CLV Hansen Lookup web based application in order to conduct daily reviews and queries. This application will assist management by:

- identifying, addressing and resolving data entry concerns from the onset; and
- facilitating quality control standards for clerical staff; and
- determining if items are being resolved correctly and timely.

Estimated Date of Completion

Management Training – September 2009
Clerical Re-Training –September 2009

4. Service Request Completion Dates

Recommendation

Neighborhood Services management should develop and implement procedures to determine whether unreasonable dates were entered into Hansen, research dates that appear to be unreasonable, and correct the dates in Hansen before calculating key statistical results relating to resolving nuisance and graffiti complaints within three business day of receiving the complaint.

Management Action Plan

Clerical staff will be re-trained in mid July 2009 in order to improve consistency in data entry procedures. In early July 2009, IT began training management to utilize the CLV Hansen Lookup web based application. This quality control tool will be used to manage and eliminate service request completion date notation problems. In addition, since October 2008, management has utilized an internal review crystal report query to conduct

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Rapid Response Team
CAO 1802-0910-003
September 04, 2009

desk reviews of service requests entered with incorrect completion dates. This report is run on a daily basis and errors are corrected within 24 hours of error discovery.

Estimated Date of Completion

Clerical and Management Training and Re-Training –September 2009

5. Effectiveness of the Service Request Process

Recommendation

Neighborhood Services management should address the inefficiency identified with the data entry process.

Management Action Plan

Many of the data entry inconsistencies and delay in entering data will be greatly reduced when GEO Results Mobile is implemented in Rapid Response within the next two months. Once implemented, IT has projected that there will be an 80 percent reduction in data entry. The software is currently being tested, although full implementation is contingent upon the vendor resolving software glitches. Rapid Response team members will be able to automatically receive service requests on their mobile devices and create and update service requests in the field.

The software has edit controls that prevent incorrect dates from being entered. The software also has the ability to create multiple service requests in a bulk fashion much quicker than the process in Hansen. The software can also be used by internal staff to create service requests in a more efficient automated fashion. Neighborhood Services will review the existing desk procedures; update them to incorporate the audit findings and schedule staff retraining to reduce these inconsistencies. Neighborhood Services has been meeting with IT/CMO Project staff to determine if other efficiencies can be incorporated into the service request process.

Estimated Date of Completion

September 2009

6. Invoices for Service

Recommendation

Neighborhood Services management should develop procedures to ensure that all service requests are forwarded to the business specialist and all services are appropriately billed.

Management Action Plan

Currently billable services provided by RRT are manually entered. We are working with IT/CMO project staff to automate this function.

Effective July 2009, Neighborhood Services has developed the following procedures to ensure services such as shopping carts, pool pumping and abatements are billed in a timely manner. The Rapid Response supervisor will be responsible for collected all billable service requests. These services requests will be handled by one clerical staff with another clerical staff person serving as a back up. The office staff will work with the business specialist to ensure all services are appropriately billed.

Estimated Date of Completion

September 2009

7. Account Receivables

Recommendation

Neighborhood Services management should determine whether it would be cost effective to place liens on properties for services performed by the Rapid Response Team.

Management Action Plan

Abatement costs are currently manually added on a case when work is performed by RRT. We are working with IT/CMO Project Staff to automate our systems to generate a fee and a bill. We are currently in the test phase and should have this complete shortly. This will ensure that all charges for services are billed. Charges that are billed, for RRT services such as pool pumping are typically billed to the property owner and if not paid are sent to collections. We are investigating the possibility of placing liens on properties that have not paid their bills in 90 days.

Audit Neighborhood Services
Rapid Response Team
CAO 1802-0910-003
September 04, 2009

Estimated Date of Completion

October 2009

8. Fixed Assets

Recommendation

Neighborhood Services management should coordinate with the Fixed Asset Analyst in the Accounting Operations Division to capitalize the trailer mounted boom and obtain a City property tag. In addition, procedures should be developed to ensure that future capitalized equipment purchases are correctly coded, issued City property tags, and included in annual inventory monitoring procedures.

Management Action Plan

Neighborhood Response contacted Fleet and Transportation Services obtained the fixed asset tag. The Business Specialist will also be re-trained on purchasing and fixed asset procedures.

Estimated Date of Completion

Fixed Asset Tag- Completed
Retraining- September 2009

9. Hansen Inquiry-only Access Groups

Recommendation

Neighborhood Services management should coordinate with Information Technology to modify the access permission rights for Hansen inquiry-only access groups to ensure that users do not have the ability to change data.

Management Action Plan

Staff is working with Joe Santilli to modify the access permission rights for Hansen. Staff is currently reviewing the access group lists to determine the appropriate access levels for employees within NSD and in other departments. Once a final determination has been made, staff will work with Joe Santilli to ensure the permissions are modified accordingly.

Audit Neighborhood Services
Rapid Response Team
CAO 1802-0910-003
September 04, 2009

Estimated Date of Completion

August 2009

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: OCTOBER 15, 2009

DEPARTMENT: CITY AUDITOR'S OFFICE

DIRECTOR: RADFORD SNELDING

☐ Consent ☒ Discussion

SUBJECT:

Discussion and possible action on the Audit of Planning & Development - Case Planning Division (0701-0910-04)

Fiscal Impact

☒

No Impact

☐

Augmentation Required

☐

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

To review the audit report Audit of Planning & Development - Case Planning Division (0701-0910-04).

This audit was part of the authorized Audit Plan FY 2009 - 2010.

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

Audit of Planning & Development - Case Planning Division (0701-0910-04)

CITY AUDITOR'S OFFICE



AUDIT OF PLANNING & DEVELOPMENT – CASE PLANNING DIVISION

Report No. CAO 0701-0910-04

September 24, 2009

RADFORD K. SNELDING, CPA, CIA, CFE

CITY AUDITOR

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AUDIT OF PLANNING & DEVELOPMENT – CASE PLANNING DIVISION CAO 0701-0910-04

BACKGROUND

Case Planning is a division within the City's Planning and Development Department. According to the Department's Strategic Business Plan, "the purpose of the Case Planning Line of Business is to provide planning analysis, reports, and recommendation services to decision makers so they can make informed decisions for the public."

Case Planning is directed by the Planning Manager who oversees the Case Planning Supervisor, five Planners, a Planning Technician, two Agenda Technicians, an Office Specialist, and three part-time employees. Some of the primary functions of Case Planning include:

- Processing land use applications.
- Assisting the public through the land use application process.
- Researching and compiling supporting documentation on subject properties.
- Analyzing land use applications against the City's established planning standards and regulations and creating documented staff reports.
- Routing supporting documentation for land use applications to city departments and other governmental agencies for comments.
- Coordinating public hearing notifications (i.e., postcards for Planning Commission and neighborhood meetings, newspaper postings, sign postings on subject properties).
- Preparing the Planning Commission agenda along with supporting documentation.
- Providing supporting documentation for agenda items to the Planning Commissioners and City Council members.

OBJECTIVES

The audit objectives were to:

- Evaluate the adequacy of documented internal policies and procedures.
- Evaluate the adequacy of the documentation, documentation files, and system data.
- Evaluate the adequacy of controls surrounding public notification procedures.
- Review the accuracy and appropriateness of the Division's key performance measurements.
- Evaluate whether Case Planning is effectively supporting other city departments, other government agencies, the Planning Commission, and the public (as identified in feedback received in the Department annual survey).

SCOPE AND METHODOLOGY

The scope of this audit was limited to the operations of the Case Planning Division. Detailed testing of records was primarily limited to transactions during fiscal year 2009. The last fieldwork date of this audit was June 26, 2009. The scope of our work on internal control was limited to the controls within the context of the audit objectives and the scope of the audit.

Our audit methodology included:

- Research of applicable guidelines,
- Interviews of City personnel,
- Obtaining input from Planning Commissioners,
- Discussions with select outside governmental agency representatives,
- Observations of work processes, and
- Analysis and detail testing of available data.

We conducted this performance audit in accordance with generally accepted government auditing standards except for the requirement for an external peer review every three years. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The exception to full compliance is because the City Auditor's Office has not yet undergone an external peer review. However, this exception has no affect on the audit or the assurances provided.

CONCLUSIONS, FINDINGS, AND RECOMMENDATIONS

The following conclusions were noted:

Adequacy of documented internal policies and procedures

- We identified the need for improved standard operating procedures. (Finding 1)

Adequacy of documentation, documentation files, and system data

- We identified the need for less redundancy in staff reports and less duplication of supporting documentation. (Finding 2)
- We identified the need for increased distribution of documentation electronically. (Finding 3)
- We identified the need for the creation and implementation of formalized procedures for reviewing compliance of the paper documentation files with the document retention policy once final action has been taken on a land use application. (Finding 4)

Adequacy of controls surrounding public notification procedures.

- We identified that certain system data fields are being used incorrectly and the need for management reports for monitoring compliance with the public notification procedures. (Finding 5)

Accuracy and appropriateness of the Division's key performance measurements.

- We identified the need for improved key performance measurements that more appropriately reflect the achievements of Case Planning. (Finding 6)

Adequacy of support of other city departments, other government agencies, the Planning Commission, and the public (as identified in feedback received in the Department annual survey).

- Based on input received, we found that Case Planning is effectively supporting other city departments, other government agencies, the Planning Commission, and the public. However, enhancements are needed in how feedback is obtained and evaluated from these groups. (Finding 7)

Further information is contained in the sections below. While other issues were identified and discussed with management, they were deemed less significant for reporting purposes.

1. STANDARD OPERATING PROCEDURES

Criteria

Standard operating procedures (also known as desk procedures) address the key activities and processes of an organization, how they are performed, and by whom. They assist employees and management in performing the daily functions of an organization. These procedures formally establish employee accountability, provide orientation and reference material for employees, and document the institutional knowledge of existing staff in case of employee turnover or extended absences.

Condition

Case Planning has documented regulations and standards that govern their operations (e.g., Nevada Revised Statutes, Municipal Code, Development Standards). In addition, Case Planning has various documents that are beneficial to staff in understanding and carrying out their responsibilities (i.e., informational documents for the public, checklists, e-mails from management). However, Case Planning Management has not documented formalized standard operating procedures specific to the functions of the Case Planning employees (Office Specialist, Agenda Techs, Planners, and Supervisors). Certain staff members have created their own reference documentation to compensate for the lack of formalized procedures.

The Planning Department routinely rotates its staff members into other divisions within the Department to expand their skills and knowledge base. With this practice, there is the need for well developed and current desk procedures for reference by new staff members.

Cause

- Lack of formalized desk procedures specific to Case Planning's operations.

Effect

- Potential for inconsistencies in practices among staff members.
- Potential for use of outdated reference materials.
- Potential for loss of knowledge base with employee rotations and/or turnover.

Recommendation

Case Planning management should:

- Create formalized desk procedures for their employees (Office Specialist, Agenda Techs, Planners, and Supervisors). Management should begin by evaluating the validity of reference documentation currently available or being used by staff members and where possible incorporate this documentation into approved desk procedures.
- Maintain the desk procedures electronically in an organized manner.
- Identify the date of the most recent changes to the procedures.
- Implement procedures to notify staff members when desk procedures change.

2. DOCUMENTATION REDUNDANCY

Criteria

The creation and distribution of redundant documentation creates inefficiencies for both those involved with creating the documents and those using the documents.

Condition

Development projects on a single property often require multiple land use applications. For example, a single project may require a general plan amendment application, a rezoning application, a site development review application, and a special use permit application. The multiple applications are typically reviewed together when considered at the Planning Commission and City Council meetings.

When there are multiple applications for a single project, a staff report is created for each application. Considering each staff report is addressing the same project, the staff reports

include a significant amount of redundant information. This redundant information creates inefficiencies for those staff members involved in the creation and review of the reports.

In addition to the redundancy in the staff reports, supporting documentation for the project (e.g., maps, site plans, photos, required letters from applicant, protest/support postcards) is duplicated for each application. Redundant supporting documentation is routed to city departments and outside agencies with each application for their review. In addition, redundant supporting documentation is posted on the City's electronic agendas.

Cause

- Current documentation practices were implemented in conjunction with the development of the application processing system.

Effect

- Inefficient use of staff resources in the preparation and review of staff reports and supporting documentation.
- When hard copies of application packages are created, unnecessary paper is used.

Recommendation

Case Planning management should:

- Re-evaluate the current format of its staff reports.
- Consider alternatives for reducing the redundancy in those reports for projects with multiple applications. Consideration should be given to having one staff report per project that includes analysis and findings for all related land use applications.
- Evaluate options for reducing the amount of duplication of supporting documentation.

3. DISTRIBUTION OF CASE DOCUMENTATION

Criteria

Increased use and acceptance of electronic documents by users has created opportunities for reducing the amount of paper documents required in an operation.

Condition

Case Planning continues to pursue opportunities to reduce the use of paper in its operations. Electronic copies of application documentation (e.g., staff reports, maps,

photos, correspondence, protest/support postcards) are now being made available to the Planning Commissioners on CD's and being posted on the City's internet site once meeting agendas are finalized for reference by the public, the Planning Commissioners, and the City Council. Planning will soon begin the implementation of an electronic plan review system which will further reduce the amount of paper used in its operations.

While Case Planning has taken significant steps to reduce the amount of paper used in its operations, staff members continue to photocopy many paper documents on land use applications for distribution to other city departments and other governmental agencies for their review and comment that could otherwise be distributed electronically.

Cause

- Current practice requires that paper copies of documents be distributed to departments and agencies.
- Certain users have a preference or need for paper copies of documents.

Effect

- Copies of paper documentation on land use applications continue to be routed to city departments and outside agencies.

Recommendation

Case Planning management should implement an electronic method for delivery of the land use application documentation to city departments and outside agencies where feasible.

4. PAPER DOCUMENTATION FILES

Criteria

A review of paper documentation files for compliance with an established document retention policy provides assurance that all required documents have been retained and unnecessary documents are removed.

Condition

While Planning has an approved document retention policy, there are no documented procedures for reviewing compliance of the paper documentation files with the policy once final action has been taken on a land use application.

Cause

- Lack of documented procedures.

Effect

- Lack of assurance that documentation files comply with the document retention policy once final action has been taken on a land use application.
- Potential for retention of unnecessary paper documents.

Recommendation

Case Planning management should create and implement formalized procedures for reviewing compliance of the paper documentation files with the document retention policy once final action has been taken on a land use application.

5. USE OF SYSTEM DATA FIELDS

Criteria

Data input into a system should provide useful and consistent information for users and coincide with the data field titles. Data fields should be clearly defined to ensure consistent use of the fields between users.

Condition

Case Planning operations are driven by established deadlines in order to meet public notification requirements and Planning Commission and City Council hearing dates. Case Planning staff members record various dates into the Hansen system. The following data fields exist for documenting the date of certain events prior to and following Planning Commission meetings:

- Development Review Team (DRT) Process Complete*
- Plans Routed for Review*
- Sent to Review Journal
- Public Hearing Notice Sent*
- Memo Sent to Post*
- Sign Posted*
- Memo Sent for Removal
- Action Letter Completed
- Notice of Final Action Form Completed

Based on our review of the current use of these Hansen data fields, we identified that some of the dates being input into the Hansen system are dates when specific actions are *supposed* to take place (i.e., internal deadlines) rather than actual dates of when an action occurred. The data fields being used this way are asterisked above. Based on discussions with management and a review of the data field definitions, this was not the intended use of these data fields.

As a result of the current use of these data fields:

- The postmark date of the public hearing notifications is not being captured in the Hansen system.
- The posting date of the notification signs (or the date of the sign posting affidavit from the outside contractor) is not being captured within the Hansen system.
- The date the public hearing notification is run in the newspaper is not being captured in the Hansen system, only the date that the request is made to the newspaper.

We also found that when an application item is abeyed at the Planning Commission, the “Action Letter Completed” date is not typically being updated with the actual date the final action letter is issued.

While Case Planning staff members are diligent in meeting the public hearing notification deadlines, under current data entry practices Planning management cannot use the Hansen system data to monitor the Division’s compliance and timeliness in meeting public notification requirements as outlined in the municipal code.

Cause

- Lack of clear guidance to staff members on how the data fields are to be used.

Effect

- Hansen users may inappropriately assume the dates within the system are the actual dates of an event.
- Lack of useful data for monitoring compliance with public notification requirements.

Recommendation

Case Planning management should:

- Document which dates should be used by staff members in using the Hansen data fields. Consideration should be given to using the actual public notification postmark date, the date the notification signs are posted or the date of the sign posting affidavit, and the date the public notification is run in the newspaper. Use

of these dates will allow for monitoring compliance with the public notification requirements.

- Require that the date of the final action letter always be updated to reflect the date the final action letter is issued.
- Work with Planning's Systems Analyst in creating a management report for monitoring compliance with the public notification requirements using the data fields within Hansen.
- Evaluate what other management reports may be valuable in monitoring Case Planning's operations. Additional reports could include reports that identify the timeliness of application routings, final action letters, and requests for sign postings.

6. PERFORMANCE MEASUREMENTS

Criteria

Proper performance measurements reflect the direct efforts of an organization in meeting its defined objectives.

Condition

Case Planning has the following three "key measures" against which they are evaluated by City management:

1. Percentage of staff recommendations made to elected and appointed representatives that are upheld.
2. Percentage of abeyances due to staff analysis or notification error.
3. Percentage of ward breakdown reports provided to the City Council within 21 calendar days prior to the Planning Commission meeting.

Key Measure #1 – While this measurement is a valuable measurement, it is not a reflection of the performance of Case Planning but rather the actions of the Planning Commission and the City Council. Case Planning analyzes land use applications and provides recommendations based on the established development code and standards. The appointed and elected officials who refer to Case Planning's recommendations are able to use their discretion in determining whether to approve or deny an application and their decisions are not necessarily a reflection of Case Planning's performance. No direct action by Case Planning can influence this performance measurement.

Key Measure #2 – This performance measurement is appropriate as this is a direct reflection of Case Planning's operations.

Key Measure #3 – While the timely creation and distribution of the ward breakdown reports is an important function of Case Planning, it is more a reflection of the timely actions of one individual than that of the Division.

Cause

- Key measures are being used that do not adequately reflect the performance of Case Planning.

Effect

- The achievements of Case Planning's operations are not being adequately reflected in their current key measures.

Recommendation

Planning & Development management should re-evaluate the key measures being used for Case Planning and identify performance measurements over which they have direct control and that more appropriately measure the Division's achievements.

7. PERFORMANCE FEEDBACK

Criteria

Feedback from customers and organizations served can provide valuable insight into opportunities for operational improvements.

Condition

A component of Planning's annual performance measurements is conducting an annual survey of its customers. The survey is overseen by the Long Range Planning Division. The following questions were included in the 2008 survey:

1. *What section(s) within the Planning Department did you deal with?*
2. *What was your status with the application (Applicant, Representative, Owner)*
3. *Who assisted you?*
4. *Were you satisfied with the access to planning information you received?*
5. *Were you satisfied with the clarity of the planning information that you received?*
6. *Was the planning related information you received relevant to your situation?*
7. *After your experience, do you have a better understanding of the development process and issues?*
8. *What could we have done better to assist you?*

While documented customer feedback was received in response to the annual survey, Case Planning management did not have the opportunity to evaluate the feedback in relation to its operations as there is no formal process in place for completing such an evaluation.

In addition to serving the public, Case Planning also serves other city departments (e.g., Building & Safety, Public Works, City Clerk's Office, City Attorney's Office) and various outside agencies (e.g., Clark County, Clark County School District, METRO) by providing them with information and documentation on submitted land use applications. There is currently no formal program for obtaining feedback from other departments and outside agencies.

Cause

- Lack of a formal process for evaluating the customer feedback from the annual survey.
- Lack of a formal program for obtaining feedback from other departments and outside agencies.

Effect

- Customer feedback from the annual survey may not be adequately evaluated.
- Lack of formal opportunity for other city departments and outside agencies to provide feedback on Case Planning's services.

Recommendation

Case Planning management should:

- Obtain and evaluate the customer feedback received in each annual survey.
- Determine whether changes in its operations are warranted to address the feedback received.
- Evaluate whether the annual survey is adequate for their needs. Consideration should be given to sending out more timely surveys to customers, perhaps following final actions by the Planning Commission and City Council.
- Conduct at a minimum annual meetings with representatives of other city departments and the outside agencies receiving land use application documentation to obtain feedback on whether Case Planning is meeting their needs.

MANAGEMENT RESPONSE

1. STANDARD OPERATING PROCEDURES

Recommendation:

Case Planning management should:

- Create formalized desk procedures for their employees (Office Specialist, Agenda Techs, Planners, and Supervisors). Management should begin by evaluating the validity of reference documentation currently available or being used by staff members and where possible incorporate this documentation into approved desk procedures.
- Maintain the desk procedures electronically in an organized manner.
- Identify the date of the most recent changes to the procedures.
- Implement procedures to notify staff members when desk procedures change.

Management Action Plan:

Management Action Plan

Case Planning will create formalized desk procedures for primary Case Planning tasks as follows:

Agenda Tech Tasks

Office Specialist II Tasks

Planning Techs Tasks

Case Planners Tasks

Case Planning Supervisor Tasks

Desk procedures will be maintained electronically in the Case Planning folder of the P&D drive. Desk procedures will be dated and identified by revision numbers when subsequent changes are made. The P&D Director, P&D Deputy Director, and Case and Planning Manager have the sole authority to review and approve desk procedure revisions.

A procedure will be established to control notification and distribution of revised desk procedures. Prior revisions will be archived.

Estimated Date of Completion:

October 31, 2009 for clerical positions.
February 15, 2010 for planner positions.

2. DOCUMENTATION REDUNDANCY

Recommendation:

Case Planning management should:

- Re-evaluate the current format of its staff reports.
- Consider alternatives for reducing the redundancy in those reports for projects with multiple applications. Consideration should be given to having one staff report per project that includes analysis and findings for all related land use applications.
- Evaluate options for reducing the amount of duplication of supporting documentation.

Management Action Plan:

P&D staff has been attempting to implement this change for some time. P&D staff completely agrees that a single staff report per project including all analysis and findings is appropriate and we can begin immediately.

There is no legal reason preventing this change. No Hansen change is necessary as case numbers will be retained. Only P&D staff is involved in writing the staff reports for PC and those changes can occur promptly.

This will eliminate duplication of vicinity maps, aerial maps, SOFI's, plans, photographs and other repetitive documents.

Estimated Date of Completion:

P&D staff has discussed these matters with the PC members at their PC workshop on July 30th. The PC concurred with the elimination of redundant documents. P&D staff believes full implementation can be accomplished by Jan 30, 2010, barring roadblocks elsewhere in the city.

3. DISTRIBUTION OF CASE DOCUMENTATION

Recommendation:

Case Planning management should implement an electronic method for delivery of the land use application documentation to city departments and outside agencies where feasible.

Management Action Plan:

Currently, the City of Las Vegas is in the process of purchasing software to receive and review plans. Part of the request will be to accept and process land use entitlements elements electronically and then route them to city departments and outside agencies electronically.

In the event the software is not purchased or is not able to route electronically, management will be developing a process of scanning applications and plans. This procedure will create a one point electronic file for city departments to review plans and an email attachment will be sent to outside agencies.

Estimated Date of Completion:

The contract for purchase of software did not make the August agendas. September is anticipated. It will be another 6 to 8 months to implement the new software.

4. PAPER DOCUMENTATION FILES

Recommendation:

Case Planning management should create and implement formalized procedures for reviewing compliance of the paper documentation files with the document retention policy once final action has been taken on a land use application.

Management Action Plan:

The above procedure shall be written and adopted as discussed and addressed herein.

Estimated Date of Completion:

January 30, 2010

5. USE OF SYSTEM DATA FIELDS

Recommendation:

Case Planning management should:

- Document which dates should be used by staff members in using the Hansen data fields. Consideration should be given to using the actual public notification postmark date, the date the notification signs are posted or the date of the sign posting affidavit, and the date the public notification is run in the newspaper. Use of these dates will allow for monitoring compliance with the public notification requirements.
- Require that the date of the final action letter always be updated to reflect the date the final action letter is issued.
- Work with Planning's Systems Analyst in creating a management report for monitoring compliance with the public notification requirements using the data fields within Hansen.
- Evaluate what other management reports may be valuable in monitoring Case Planning's operations. Additional reports could include reports that identify the timeliness of application routings, final action letters, and requests for sign postings.

Management Action Plan:

The agenda technicians are primarily responsible for Hansen data input. As part of the desk procedures, there will be instructions that actual public notification dates will be input versus internal deadline dates. The staff will input actual dates from the following parties:

- i. Postcard mailings dates for public hearing notification obtained from the CLV graphics division;
- ii. Notification sign posting dates obtained by affidavit from the CLV sign vendor;
- iii. Published date of public hearing notification obtained by affidavit from the community newspaper.

In addition, the agenda technician assigned to city council meetings will be responsible for updating the Final Action Letter Completed date subsequent to action taken at the city council meetings.

A management exception report has been created for monitoring compliance with the public notification requirements. This report will be run monthly and reviewed for compliance.

Estimated Date of Completion:

September 30, 2009

6. PERFORMANCE MEASUREMENTS

Recommendation:

Planning & Development management should re-evaluate the key measures being used for Case Planning and identify performance measurements over which they have direct control and that more appropriately measure the Division's achievements.

Management Action Plan:

The P&D Strategic Business Plan has been reviewed with the auditor's recommendation in mind, and it's been determined that one key measure (% of staff recommendations made to elected and appointed representatives are upheld) is considered an important measure but will no longer be a key measure. Instead, a new key measure will be added that reflects planner workload (% cases per planner).

Estimated Date of Completion:

Completed

7. PERFORMANCE FEEDBACK

Recommendation: Case Planning management should:

- Obtain and evaluate the customer feedback received in each annual survey.
- Determine whether changes in its operations are warranted to address the feedback received.
- Evaluate whether the annual survey is adequate for their needs. Consideration should be given to sending out more timely surveys to customers, perhaps following final actions by the Planning Commission and City Council.
- Conduct at a minimum annual meetings with representatives of other city departments and the outside agencies receiving land use application documentation to obtain feedback on whether Case Planning is meeting their needs.

Management Action Plan:

Preparation of the annual survey included all senior staff members and this process will remain in place. The preparation of survey questions will be handled separately from

routine Performance Plus review sessions, however, to ensure more specific attention is paid to the endeavor.

The results of the surveys were included in the P&D Annual Report published July 2009. The comments from all surveys are being compiled for distribution to all managers to prepare a response plan.

After PPET approval of the P&D 2009-10 Strategic Plan, staff will meet to create the surveys for 2010 both content and procedure.

In addition to Homeowner's Nights and Code Training nights, a new annual meeting with outside agencies will be added to our department calendar.

Estimated Date of Completion:

- New surveys and procedures were discussed in a meeting for this purpose on July 10, 2009. A new Outside Agency meeting has been devised and a list of attendees determined on July 16, 2009. A schedule is being prepared.
- A new Planning Supervisor has been designated as survey coordinator. A new survey and procedure will be designed by January 31, 2010.
- Follow up to all submitted comments from the 2009 surveys was distributed to management staff by July 31, 2009.
- First of the annual meetings with outside agencies will occur by November 6, 2009.

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: OCTOBER 15, 2009

DEPARTMENT: CITY AUDITOR'S OFFICE

DIRECTOR: RADFORD SNELDING

☐ Consent ☒ Discussion

SUBJECT:

Discussion and possible action on the Annual Audit Recommendation Follow-up As Of June 30, 2009 (2600-0910-05)

Fiscal Impact

☒

No Impact

☐

Augmentation Required

☐

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

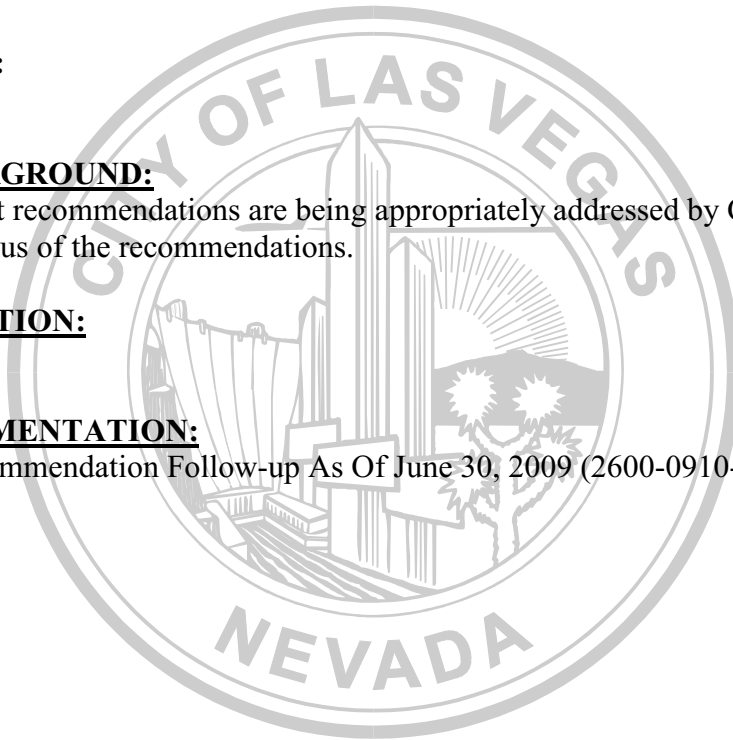
To ensure that audit recommendations are being appropriately addressed by City management and to track the status of the recommendations.

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

Annual Audit Recommendation Follow-up As Of June 30, 2009 (2600-0910-05)



CITY AUDITOR'S OFFICE



Annual Audit Recommendation Follow-Up As Of June 30, 2009

Report No. CAO 2600-0910-05

September 25, 2009

**RADFORD K. SNELDING, CPA, CIA, CFE
CITY AUDITOR**

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BACKGROUND

The City Auditor's Office has provided 1,125 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, 2009.

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:

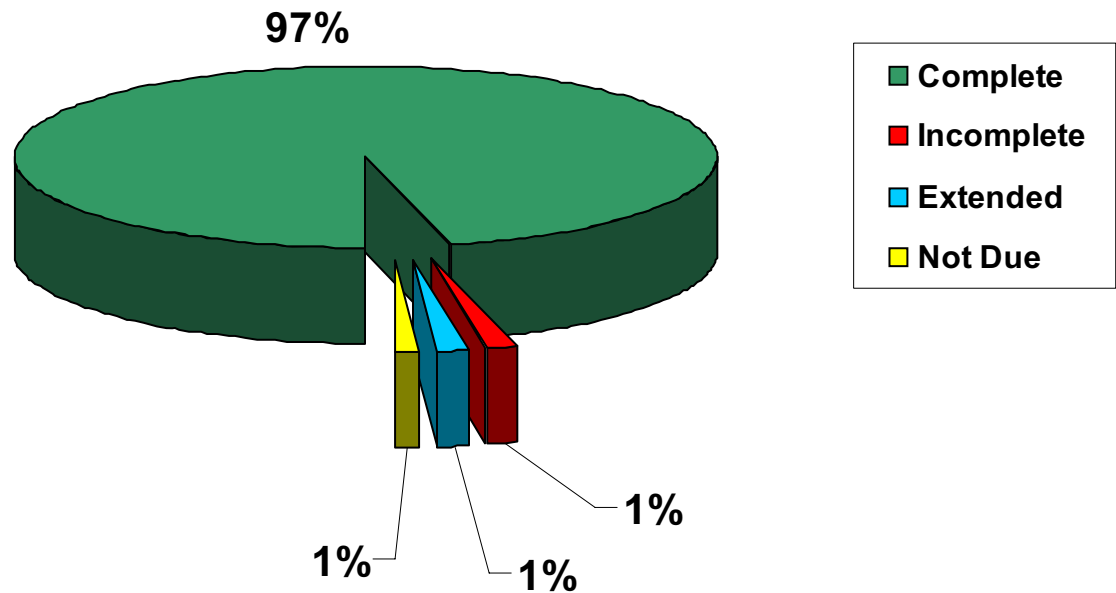
	Complete	The recommendation has been implemented or some other action has been taken to effectively correct the deficiency.
	Incomplete	The recommendation has not been implemented.
	Extended	The recommendation has not been implemented due to circumstances beyond the department's control.
	Not Due	Due date identified by management has not passed.

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 chart and tables (pages 2 to 4) summarize the status of the audit recommendations in total and by department. Following the chart, 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.

1,125 Recommendations January 1999 - June 2009



	COMPLETE	INCOMPLETE	EXTENDED	NOT DUE	TOTAL
	1,081	15	15	14	1,125
2008-2009	45	14	0	14	73
2007-2008	45	0	3	0	48
2006-2007	61	1	0	0	62
2005-2006	69	0	2	0	71
2004-2005	72	0	2	0	74
2003-2004	39	0	0	0	39
2002-2003	88	0	0	0	88
2001-2002	155	0	3	0	158
2000-2001	113	0	0	0	113
1999-2000	394	0	5	0	399

15 Incomplete Recommendations Summary

DEPARTMENT	Fiscal Year		TOTAL
	2006- 2007	2008- 2009	
Field Operations	--	10	10
Finance and Business Services	1	--	1
Fire & Rescue	--	4	4
TOTAL	1	14	15

1,081 Complete Recommendations Summary Fiscal Year

DEPARTMENT	1999- 2000	2000- 2001	2001- 2002	2002- 2003	2003- 2004	2004- 2005	2005- 2006	2006- 2007	2007- 2008	2008- 2009	TOTAL
AFI	--	--	11	--	--	--	--	--	--	--	11
Building & Safety	54	1	--	--	--	--	--	8	6	--	69
City Attorney	--	--	--	--	1	--	--	--	--	3	4
City Manager	14	8	1	5	6	9	--	--	--	--	43
Detention & Enf.	2	6	6	--	--	--	14	1	1	--	30
Field Operations	3	--	22	25	--	23	5	--	5	4	87
Finance & Business Services	43	31	43	26	2	6	3	11	4	4	173
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Information Technologies	83	--	37	--	--	4	--	10	--	--	134
Leisure Services	87	2	24	6	--	27	44	13	2	29	234
Municipal Court	29	10	--	--	--	--	3	1	--	--	43
Neighborhood Services	--	--	--	--	4	--	--	8	--	--	12
Office of Administrative Services	--	--	--	--	--	--	--	--	14	1	15
Office of Business Development	--	--	--	--	21	--	--	--	--	--	21
Office of Communications	--	--	--	--	--	--	--	9	--	--	9
Planning & Development	8	--	--	--	3	--	--	--	--	--	11
Public Works	--	23	11	--	--	1	--	--	--	--	35
TOTAL	394	113	155	88	39	72	69	61	45	45	1,081

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Detention and Enforcement

Audit of Detention and Enforcement's Inmate Booking and Release Processes

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<i>4</i>	1403 0809 05	02.	Controls over Funds Placed on Account for Inmates	Not Due	14
<i>5</i>	1403 0809 05	03.	Business Office Inmate Fund Deposit Process	Not Due	15
<i>6</i>	1403 0809 05	04.	Return of Inmate Funds upon Release	Not Due	16
<i>7</i>	1403 0809 05	05.	Safeguarding Checks Used for Federal Inmates	Not Due	17
<i>8</i>	1403 0809 05	06.	Voiding Bail Transactions and the Audit of Bail Deposits	Not Due	18
<i>9</i>	1403 0809 05	07.	Inmate Sentence Calculation	Not Due	19
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<i>Field Operations</i>						
Audit of Durango Hills Golf Course Management Contract						
<i>12</i>	1701 0405 05	07.	01. Property Tax		Extended	21
Audit of City Vehicle Replacement Program						
<i>13</i>	1702 0506 02	02.	01. Projected Vehicle Useful Lives		Extended	22
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Audit of Sanitary Sewer System						
<i>15</i>	1703 0809 01	01.	Activity Records		Incomplete	23-24
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	Audit of Wastewater Pollution Control Facility and Sewer Services						
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26	1501 0102 02	B. 04.	01.	Performance Reports		Extended	32
27	1501 0102 02	B. 04.	02.	Performance Reports		Extended	32
	Audit of Financial Services Grant Fiscal Administration						
28	0601 0607 06	01.	Allocation of Indirect Costs for Federal Grants			Incomplete	33
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Las Vegas Municipal Court						
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39	1999 07	B. 03.	ii.	Correspondence With Defendants	Extended	43
40	1999 07	C. 02.	iii.	User Passwords For Court System	Extended	44
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Las Vegas Municipal Court

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Durango Hills Community Center Contract Compliance Audit

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Audit of Professional Services Contract No. 060266 - Ostrovsky & Associates

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DEPARTMENTAL
AUDIT
RECOMMENDATION
FOLLOW-UP
DETAIL

<u>Building and Safety</u>	<u>Due Date: 03/31/2008</u>	<u>Extended</u>
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- 1** **0753 0708 01 Audit of Building and Safety**
03. Hansen Expired Permit Fee Assessment

Recommendation:

Building and Safety management should resolve the expired permit fee function deficiencies. Once the issues are resolved, the process should be documented and staff instructed of established procedures.

Management Action Plan:

- Problems with incorrect expiration of permits: This trigger has been disabled and is currently being re-designed by the Hansen Project Team.
- As an interim solution, a new policy has been put in place that all permit renewals must go through a Supervisor for approval and pricing.

Auditor: N. Beaty

<u>Building and Safety</u>	<u>Due Date: *06/30/2008-R.</u>	<u>Extended</u>
	<u>12/31/2007-O.</u>	

- 2** **0753 0708 01 Audit of Building and Safety**
06. Performance Reports

Recommendation:

Building and Safety management should develop and document more accurate methods for calculating monthly performance reports.

Management Action Plan:

- Data entry error and variance in reporting still to be resolved.
- Valuation report has some data entry problems which can be addressed once we are fully on Hansen by producing an automated report. A new valuation report will be available by the end of October '07.
- A new cashiering system will be in place with Hansen by the end of November '07.

A new revenue report will be generated from Hansen in December '07 with a few additions from Legacy/Mainframe such as Sign permits, Express Inspections & Refees on existing Legacy permits. The new report will be cross-checked for accuracy against the existing Oracle reports in September and October.

Auditor: N. Beaty

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

<u>Detention and Enforcement</u>	<u>Due Date: 12/31/09</u>	<u>Not Due</u>
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3 1403 0809 05 Audit of Detention and Enforcement's Inmate Booking and Release Processes

01. Controls over Inmate Cash Receipted During the Booking Process

Recommendation:

Detention and Enforcement management should implement the following management controls:

- Establish a single system to track cash receipted when inmates are booked into the detention center.
- Ensure that the system includes:
 - dual verification by Detention and Enforcement staff of the inmates' initial cash amounts,
 - a consistent method to document amounts receipted,
 - the ability to reconcile receipted cash to amounts returned or deposited for inmates, and
 - follow-up procedures when the dollar amount of receipted cash differs from the amount deposited.
- Establish physical controls over the keys to the dual lockbox and file cabinet for inmate funds stored in the Law Enforcement Support Unit. The physical controls should require employees from different lines of authority be present to open the dual lockbox and file cabinet.

Detention and Enforcement management is considering outsourcing the function of receipting cash received from inmates during the booking process. If outsourced, Detention and Enforcement management should ensure that:

- the contract includes a right-to-audit clause,
- the entity is bonded,
- the computer system is adequately secured and appropriate backup procedures are in place, and
- they have established periodic monitoring procedures and reporting requirements.

Management Action Plan:

- The recommendation to establish a single system to track cash receipted when inmates are booked into the detention center is not feasible using existing software as it is now configured. The explanation is that we receipt money when inmates get booked into the facility, but do not place the money on the commissary account until they are sentenced because we do not know the length of time they are going to be in custody, to include if they decide to bail out. D&E and IT are investigating the possibility of modifying the Keefe Commissary software to allow it to track not only money in the commissary accounts, but also the money being held for non-sentenced inmates.

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

- D&E will establish a system and ensure that the system includes:
 - Dual verification by Detention and Enforcement staff of the inmates' initial cash amounts will be completed when exceeding the amount of \$250.
 - A consistent method to document amounts receipted by implementing a pre-list. The prelist would be generated by the staff receipting the money and would follow to the business office when the money is transferred over. We have two options to consider generating a pre-list. One is through Offendertrak and the other is through Keefe.
 - The ability to reconcile receipted cash to amounts returned or deposited for inmates by utilizing the pre-list. A copy of this list will follow with the money to the Business Office and a second copy of the list will go to the Business Office Supervisor to reconcile information.
 - Follow-up procedures when the dollar amount of receipted cash differs from the amount deposited will be completed by someone in the business Office that was not involved with the deposit.
- Physical controls over the keys to the money drop box (dual lockbox) and FireKing Safe (file cabinet) for inmate funds stored in the Law Enforcement Support Unit will be established as follows. The physical controls will require employees from different lines of authority be present to open the money drop box (dual lockbox) and FireKing Safe (file cabinet). The money will be dropped in the money drop box (lockbox). Presently, all Law Enforcement Support Technician (LEST) staff has access to the money drop box (lockbox). There are two keys to enter the money drop box (lockbox), but one LEST is capable of obtaining both keys. One set of keys will remain on the LEST key ring and the other set of keys will be added to the LEST Supervisors key ring. Additionally, the LEST keys will be moved from the LEST Unit and placed into the Key Watcher System located outside of the LEST Unit. This system guarantees accountability and ensures specific authorization of keys. The same procedure will be implemented for the FireKing Safe.

Detention and Enforcement management is considering outsourcing the function of receipting cash received from inmates during the booking process. Vendors that can provide automated cash/coin collection machines are being sought, however, to date none have been identified that have a proven money collection system tested in a jail environment. If outsourced, Detention and Enforcement management will ensure that:

- the contract includes a right-to-audit clause,
- the entity is bonded,
- the computer system is adequately secured and appropriate backup procedures are in place, and
- there will be established periodic monitoring procedures and reporting requirements.

Estimated Date of Completion: December 31, 2009

Auditor: N. Beaty

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

<u>Detention and Enforcement</u>	<u>Due Date: 12/31/09</u>	<u>Not Due</u>
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4 1403 0809 05 Audit of Detention and Enforcement's Inmate Booking and Release Processes

02. Controls over Funds Placed on Account for Inmates

Recommendation:

Detention and Enforcement management should implement the following management controls:

- The initial opening of inmate funds received should be completed by two individuals and recorded on a pre-list. A copy of the pre-list should be forwarded to an employee independent of the deposit process.
- The inmate funds and a copy of the pre-list should be forwarded to the Business Office to be used for the deposit and posting to the commissary system.
- Once the deposit is complete, the deposit documentation and a summary from the commissary system should be forwarded to the same third party noted above. This individual should complete a review of the documentation to ensure all funds collected have been deposited and posted to the correct inmate account in the commissary system.

Detention and Enforcement management in coordination with Finance and Business services is researching the feasibility of outsourcing receipting inmate funds submitted through the mail and the drop box. If outsourced, Detention and Enforcement management should ensure that:

- the contract includes a right-to-audit clause,
- the entity is bonded,
- the computer system is adequately secured and appropriate backup procedures are in place, and
- they have established periodic monitoring procedures and reporting requirements.

Management Action Plan:

- The initial opening of inmate funds received will be completed by two officers and recorded on a pre-list. A copy of the pre-list will be forwarded to the Business Office Supervisor who is an employee independent of the deposit process. We are exploring the options on how to automatically generate the pre-list to reduce the human error factor. Offendertrak and Keefe are included in these options.
- Once the deposit is complete, the deposit documentation will be forwarded to the Business Office Supervisor. The Business Office Supervisor will reconcile the pre-list with the summary from the commissary system to ensure all funds collected have been deposited and posted to the correct inmate account in the commissary system.
- If for some reason the sealed money bag becomes unsealed at any point of the safekeeping, the money must be verified again by two people, resealed, and documented on the pre-list.

Auditor: N. Beaty

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

<u>Detention and Enforcement</u>	<u>Due Date: 12/31/09</u>	<u>Not Due</u>
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5 1403 0809 05 Audit of Detention and Enforcement's Inmate Booking and Release Processes

03. Business Office Inmate Fund Deposit Process

Recommendation:

Detention and Enforcement management should implement controls to ensure that:

- Any funds forwarded to the Business Office for deposit include a listing by inmate and dollar amount of the funds that were transferred. This listing should also be forwarded to an individual independent of the deposit process.
- A copy of the deposit documentation and summary of the documentation posted to the commissary system is forwarded to the same independent individual. This individual should complete a review of the documentation to ensure all funds collected have been deposited and posted to the correct inmate account in the commissary system.
- An individual independent of the deposit process should complete follow-up on inmate inquiries.

Detention and Enforcement management is considering outsourcing the function of receipting funds receipted for inmates. Any funds placed on account would be deposited by this entity. If outsourced, Detention and Enforcement management should ensure that:

- the contract includes a right-to-audit clause,
- the entity is bonded,
- the computer system is adequately secured and appropriate backup procedures are in place, and
- they have established periodic monitoring procedures and reporting requirements.

Management Action Plan:

- All funds forwarded to the Business Office for deposit will include a listing by inmate and dollar amount of the funds that were transferred on the pre-list. This pre-list will also be forwarded to the Business Office Supervisor, who is independent of the deposit process.
- Once the deposit is complete, the deposit documentation will be forwarded to the Business Office Supervisor. The Business Office Supervisor will reconcile the pre-list with the summary from the commissary system to ensure all funds collected have been deposited and posted to the correct inmate account in the commissary system.
- A Business Office Employee who was not part of the deposit process will complete follow-up on inmate inquiries.
- Once the outsourcing is completed and implemented, the only means for the public to deposit money will be through the kiosk, website or toll free call center. Upon implementation of these services, no money will be accepted through the mail. Notification to inmates and on the website will inform senders and recipients.

Auditor: N. Beaty

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

Detention and Enforcement

Due Date: 12/31/09

Not Due

6 1403 0809 05 Audit of Detention and Enforcement's Inmate Booking and Release Processes

04. Return of Inmate Funds upon Release

Recommendation:

Detention and Enforcement management should:

- Evaluate the available options for returning inmate funds.
- Limit processing inmate fund returns to once each day.

Detention and Enforcement management is considering outsourcing the function of returning funds to inmates. If outsourced, Detention and Enforcement management should ensure that:

- the contract includes a right-to-audit clause,
- the entity is bonded,
- the computer system is adequately secured and appropriate backup procedures are in place, and
- they have established periodic monitoring procedures and reporting requirements.

Management Action Plan:

Detention and Enforcement management has:

- We started evaluating the available options for returning inmate funds. We have researched the process to have the Keefe System print money orders. This system is new and there is not enough information on the reliability of this process. The best option at this time appears to be using pay cards. We have been researching this option and have identified two vendors that can provide this service. We are having discussions with finance to select the vendor most suitable for us.
- We have limited processing inmate fund returns to once each day. This is effective as of Monday, March 02, 2009.

Estimated Date of Completion: December 31, 2009

Completed on Monday, March 02, 2009

Auditor: N. Beaty

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

Detention and Enforcement

Due Date: 12/31/09

Not Due

7 1403 0809 05 Audit of Detention and Enforcement's Inmate Booking and Release Processes

05. Safeguarding Checks Used for Federal Inmates

Recommendation:

Detention and Enforcement management should establish physical controls over the file cabinet and desk drawer keys to access the blank checks and endorsement stamp to ensure that employees from different lines of authority are required to be present to obtain them.

Management Action Plan:

D&E Management will establish physical controls over the file cabinet and desk drawer to access the blank checks and endorsement stamp to ensure the employees from different lines of authority are required to be present to obtain them by:

- Utilizing the Key Watcher System to store the two separate sets of keys needed to get in the FireKing Safe (file cabinet). The desk drawer will no longer be used to store the endorsement stamp.
- The blank checks will remain in the FireKing Safe. In order to get into this safe, a LEST Supervisor or LEST Acting Supervisor and a LEST will need to be present, as they each have a separate key needed to get in.
- The endorsement stamp will be secured in the lockbox that requires the Employee Access Badge to open it. The only staff authorized and having access to this lockbox will be the LEST Supervisors and LEST Acting Supervisors.

Auditor: N. Beaty

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

<u>Detention and Enforcement</u>	<u>Due Date: 12 /31/09</u>	<u>Not Due</u>
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8 1403 0809 05 Audit of Detention and Enforcement's Inmate Booking and Release Processes

06. Voiding Bail Transactions and the Audit of Bail Deposits

Recommendation:

The Municipal Court is in the process of migrating to a new Court Management System. Bail transactions will be processed through this system. Detention and Enforcement management should ensure adequate management controls are in place to include:

- Segregation of duties for the employees that accept funds for bail transactions and employees that void or delete processed bail transactions.
- Documented audit procedures to include a review of voided or deleted transactions and follow-up procedures for unusual circumstances.

Management Action Plan:

D&E Management will ensure that adequate management controls are in place, to include:

- The LEST's access rights no longer will include "void functions." The LEST Supervisor's and LEST Acting Supervisor's will be the only staff authorized to have access rights at the level which voids can be executed. We will train additional staff as Acting LEST Supervisor's to ensure there is always a LEST Supervisor or a LEST Acting Supervisor on duty.
- The documented audit procedures, including a review of voided or deleted transactions and follow-up procedures for unusual circumstances will be as follows:
 - When a transaction receipt (TR) is missing, a memorandum with a detailed explanation shall be written in the place of the missing transaction receipt. This process will ensure there is accountability for all transaction receipts. All unusual circumstances will be looked into by the person conducting the bail audit (a business office employee) and the LEST Supervisor with follow-up documentation on the findings.

Auditor: N. Beaty

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

<u>Detention and Enforcement</u>	<u>Due Date: 03/01/10</u>	<u>Not Due</u>
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9 1403 0809 05 Audit of Detention and Enforcement's Inmate Booking and Release Processes

07. Inmate Sentence Calculation

Recommendation:

Detention and Enforcement management should re-evaluate the calculation of inmate good and work time off, determine if changes should be made to the calculations, and modify the programming in Offendertrak accordingly.

Management Action Plan:

D&E has already begun the recommended evaluation process. We have received an expert opinion from the City Attorney's office. We are continuing to evaluate the calculation process and plan to reevaluate Offendertrak. The evaluation process includes:

- The interpretation of NRS from City Attorney which would significantly change the formula used for calculations.
- Testing the cases that the auditor provided. A total of eleven (11) cases were reviewed by the auditor and were determined to need further evaluation from D&E for clarification on sentence calculation. All cases computed correctly, with the exception of three (3). The next step is to further test the three (3) cases by re-entering the cases into Offendertrak training site and re-calculating the cases. Random testing will also be conducted to further determine if the Offendertrak system is calculating good time, work time and release dates accurately and in accordance with NRS.
- Hand calculations are being compared to Offendertrak calculations to determine consistency and accuracy.
- Follow up with the three (3) local agencies will be done and responses compared accordingly.
- If changes need to be made with the calculations and formula, Motorola will need to conduct additional testing, look at discrepancies and make modifications to the program. If modifications are needed, it will not be under contract and is estimated to be a fiscal impact. The other possibility is that the formula in place has a potential "glitch." If this is the case, D&E will need to demonstrate that it was a program error and we would not have discovered this during the testing phases prior to signing off. If that is the case, it may or may not incur a fiscal impact.

Auditor: N. Beaty

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

<u>Detention and Enforcement</u>	<u>Due Date: 12/31/09</u>	<u>Not Due</u>
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10 1403 0809 05 Audit of Detention and Enforcement's Inmate Booking and Release Processes

08. Offendertrak Computer System Access

Recommendation:

Detention and Enforcement management should:

- Remove active Offendertrak computer system access for the individuals indicated above.
- Develop, document, and implement procedures to ensure that Offendertrak computer system access is removed when:
 - employees leave employment with the City,
 - employees assume City positions that no longer require access to Offendertrak, and
 - users who are not City employees no longer require access to Offendertrak.
- Implement a periodic review of the computer system access rights to verify that all changes have been made.

Management Action Plan:

- The active Offendertrak computer system access for the individuals listed above has been removed.
- D&E has a "Detention and Enforcement Employee Separation Checklist. A checkbox has been added to the checklist for "Remove from Offendertrak Database."
- Periodic review of the computer system access rights to verify all changes have been will be implemented on a quarterly basis.

Auditor: N. Beaty

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

<u>Detention and Enforcement</u>	<u>Due Date: 12/31/09</u>	<u>Not Due</u>
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11 1403 0809 05 Audit of Detention and Enforcement's Inmate Booking and Release Processes

09. Municipal Court Mainframe Computer System Access

Recommendation:

Detention and Enforcement management should implement procedures to notify the Municipal Court personnel of employment status changes that would affect access rights to the Municipal Court Mainframe system.

The Municipal Court is in the process of migrating to a new Court Management System. The implemented procedures should apply to this system as well.

Management Action Plan:

Detention and Enforcement management has implemented procedures to notify the Municipal Court personnel of employment status changes that would affect access rights to the Municipal Court Mainframe system. This will be executed by sending an e-mail. D&E has a "Detention and Enforcement Employee Separation Checklist. A checkbox has been added to the checklist for "E-mail municipal court requesting removal from Court Management System."

Auditor: N. Beaty

<u>Field Operations</u>	<u>Due Date: 06/30/2005</u>	<u>Extended</u>
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12 1701 0405 05 Audit of Durango Hills Golf Course Management Contract
07. 01. 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:

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

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

<u>Field Operations</u>	<u>Due Date: 06/01/2006</u>	<u>Extended</u>
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- 13** **1702 0506 02 Audit of City Vehicle Replacement Program**
02. 01. 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:

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.

As we discussed, the use of a fleet specific Fleet Management software program, as opposed to the City's current Hansen Program, would make this an easier task to accomplish. Indeed, the consultant that was hired by the Auditing department was surprised that we use the Hansen program and advocated a canned fleet management program to replace it. Estimated cost of this type of program is \$100,000. There are sufficient reserves in the Divisional operating budget to cover this expense. In the absence of this type of program, an internal review of vehicles and equipment's useful lives, though cumbersome under Hansen, would be utilized.

Timetable: Full implementation by June 1, 2006 if a new Fleet Management Program is approved. If not approved, use of the Hansen program by November 1, 2005.

Auditor: B. Smith

<u>Field Operations</u>	<u>Due Date: 01/03/2006</u>	<u>Extended</u>
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- 14** **1702 0506 02 Audit of City Vehicle Replacement Program**
02. 02. 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:

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 identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

Field Operations

Due Date: 01/15/2009

Incomplete

15 1703 0809 01 Audit of Sanitary Sewer System

01. Activity Records

Recommendation:

Sewer Maintenance management should evaluate the recordkeeping deficiencies identified within this audit finding and make necessary changes to improve the correlation, reliability, and usefulness of its internal records. Sewer Maintenance management should document guidelines to be followed in completing the key documents and spreadsheets used in its operations. The following ideas should be considered:

- Work activity categories could be created that align with management reporting requirements and performance measurements for use on the Daily Sheets. These work activity categories could be documented on the Daily Sheets for reference by the work crews.
- A work activity summarization box could be added to the Daily Sheets where work crews could summarize their daily activities by the established work activity categories. The information from this box could be accumulated on a spreadsheet.
- When a crew responds to a service request from Hansen, the corresponding service request number could be documented on the Daily Sheet.
- A monthly report could be generated from Hansen and reviewed to ensure that all required SSO reports have been completed.
- The All SAN Calls Spreadsheet could be expanded to document more information on the nature of each call and whether the event is reportable.

Management Action Plan:

- The format of the Daily Sheet will be reviewed and modified to provide for more efficient collection of data.
- A graphical map component will be added to allow for quicker and verifiable determination of activity dates for a specific location (e.g., response to subpoena request).
- Productivity as measured by hourly cleaning rates will be collected and compared to ensure all crews are performing within an acceptable statistical deviation from average productivity.
- The form will be constructed to allow for comparison with the @Road GPS stop log results, and random audits will be instituted to ensure appropriate and consistent levels of crew productivity.
- Tabular formatted activity sheets will be utilized for daily events other than cleaning activities, and to document responses to external concerns (e.g., Hansen) and identify field noted issues (e.g., partial blockages). The All SAN Calls Spreadsheet will be modified and/or replaced by this collection of data.
- Cost summary sheets, similar to those currently used for lateral repairs, will be implemented for non-routine activities, (e.g., lateral repairs, manhole repairs, support for other divisions), in order to identify the value of expenditures on activities other than routine maintenance.
- The Hansen data entry will be reviewed to ensure false reports of sanitary sewer overflows e.g., leaking water meters, “bubble-up” storm drain manholes) are correctly identified as such.

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

- A quarterly review of the data collection results, individually and collectively among staff, will be established.

Estimated Date of Completion:

- The new data collection sheets will be implemented by October 1, 2008.
- The GPS random audits will be implemented by November 1, 2008.
- The quarterly review meetings will be implemented by January 15, 2009.

Auditor: B. Smith

<u>Field Operations</u>	<u>Due Date: 09/15/2008</u>	<u>Incomplete</u>
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16 1703 0809 01 Audit of Sanitary Sewer System
02. Spill Reporting Requirements

Recommendation:

Sewer Maintenance management working with the City's Public Works Environmental Division should seek clarification from NDEP on whether sewer stoppages without an overflow need to be included in the Quarterly SSO Report. If not needed, Sewer maintenance should discontinue use of the SSO Report for documenting stoppages without an overflow and create an alternative means for documenting and monitoring these stoppages.

Sewer Maintenance management should create documented policies and procedures giving direction to their employees on how to comply with the Spill Reporting Policy. These policies and procedures should include guidance on the following areas:

- staff member responsibilities
- proper completion of data fields on SSO Reports
- when to complete a 24-hour report and the required distribution of the report
- supporting documentation requirements

Management Action Plan:

- In accordance with the definition of an SSO in the original reporting policy developed in conjunction with staff from the Nevada Department of Environmental Protection, which states that "SSO means any diversion, bypass, spill, overflow or discharge of untreated or partially treated wastewater from wastewater treatment, collection, or conveyance facilities under control of the permittee, other than through points of discharge identified in a discharge permit", staff will no longer report stoppages without overflows as an SSO. Instead full and partial stoppages will be tracked internally only, via the activity sheets described in Item 1, and a TBD graphical format (e.g., a map with color coded incidents, GIS layer input added in conjunction with PW staff).
- A SSO procedure will be compiled and all staff trained on response and documentation requirements and activities.
- The procedure will include 24-hour and 5-day report requirements, but primary responsibility

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

for those activities will remain with the Division Manager, as these incidences will by nature have property damage and/or regulatory citation liabilities.

- Compilation of mitigation costs will be added to the SSO tracking.

Estimated Date of Completion:

- Identification of stoppages without overflows, in the SSO reporting submitted to NDEP, will be eliminated on July 1, 2008.
- Training and implementation of internal SSO response and documentation procedure will be implemented by September 15, 2008.

Auditor: B. Smith

<u>Field Operations</u>	<u>Due Date: 03/01/2009</u>	<u>Incomplete</u>
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17 1703 0809 01 Audit of Sanitary Sewer System
03. Clark County Permits

Recommendation:

Sewer Maintenance management working with the City Attorney's Office and Public Works should enter into discussions with Clark County representatives to create an intergovernmental agreement giving them access to the city sewer lines running through Clark County land without the need for individual permits.

Management Action Plan:

- Previous S&S requests to have this issue addressed in associated agreements have been rejected by PW and CAO, so this will need to be a stand-alone agreement. The City will have little leverage with the County in any negotiations, and the County would likely prefer to treat the City similar to other utility providers (e.g., Nevada Power, Southwest Gas). Unless the City is willing to take a firm stance on this issue (e.g., no further connections until an agreement is executed), we may find the County uncooperative and/or unrealistic. Nonetheless S&S staff will work with County maintenance staff to draft an agreement for review by the respective Public Works and Attorney staffs.

Estimated Date of Completion:

- The draft will be forwarded for PW and CAO review and action by March 1, 2009.

Auditor: B. Smith

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

Field Operations

Due Date: 07/01/2008

Incomplete

18 1703 0809 01 Audit of Sanitary Sewer System
04. Video Inspection Program

Recommendation:

Sewer Maintenance management should pursue transferring the responsibility and costs for the video inspections to contractors and developers. Sewer Maintenance management should document the details of the new program including:

- Procedures to be followed by staff members
- Requirements of contractors and developers including forms to be completed and documents to be submitted
- Timelines to be followed by staff members
- Deadlines for contractors and developers

If the new program is not implemented, Sewer Maintenance management should:

- Revise the verbiage relating to charging contractors and developers for standby/re-test time or implement a method by which fees could be assessed.
- Improve monitoring of the performance of the video inspection program by documenting and tracking at a minimum the video inspection request date, acceptance date, rejection date, and reason for the rejection.
- Create a formal letter of rejection template with reference to applicable sewer design and construction standards for distribution to contractors and developers on rejection of a sewer line.
- Reconcile the video inspection contractor invoices to the detail video inspection reports.

Sewer Maintenance should determine what performance measurements relating to the video inspection program should be tracked and ensure the measurement titles properly reflect what is being reported.

Management Action Plan:

- Review history of expenditures and results for this program to confirm and demonstrate that it has not historically been a cost effective use of resources.
- Review activities and incoming project listings of the last few months to demonstrate the program need has been drastically reduced due to the slow down in residential and commercial construction.
- Draft modification for standard Off-Site Improvement Agreement template to define requirements for Developer provision of video inspections, and address requirements for open agreements.
- Submit proposal to FO Director, select PW staff, select Finance staff, HR management and CAO for program elimination, Off-Site Improvement Agreement modification, and elimination/reallocation of assigned resources.

Auditor: B. Smith

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

<u>Field Operations</u>	<u>Due Date: 05/01/2009</u>	<u>Incomplete</u>
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- 19 1703 0809 01 **Audit of Sanitary Sewer System**
 05. **Call Before You Dig Program Compliance**

Recommendation:

Sewer Maintenance management working with Public Works (Traffic Engineering and Engineering Planning Divisions) should further evaluate the adequacy of their compliance with NRS 455 and what additional measures should be taken to ensure compliance. Sewer Maintenance management should document its methodology, policies, and procedures for complying with NRS 455.

Management Action Plan:

- This issue has been reviewed among the aforementioned Divisions and the consensus agreement is that visual identification through the installation of surface components (i.e., manhole lids), can be construed to provide compliance with the requirements of NRS 455, as it relates to sanitary sewer installations. Furthermore, given the infrequency of incidences and minimal costs the City has incurred with respect to this issue, it would not seem to be cost effective to implement a more stringent identification program.
- Sewer maintenance management staff will work with PW staff to see if additional improvements to the current system are appropriate.

Auditor: B. Smith

<u>Field Operations</u>	<u>Due Date: 01/30/2009</u>	<u>Incomplete</u>
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- 20 1703 0809 01 **Audit of Sanitary Sewer System**
 06. **Equipment and Supplies**

Recommendation:

Sewer Maintenance management should document and implement a formal equipment and supplies inventory control program. Periodic inventories of equipment and supplies should be conducted. Changes in supply levels should be evaluated for reasonableness based on activity. Sewer Maintenance management should consider requiring employees to document supplies being taken from the storage building.

Management Action Plan:

- A listing of equipment will be generated, with photographs of each, and compiled in a binder for documentation purposes. A quarterly inventory will be taken to ensure all equipment is accounted for.
- Supplies are generally procured on an as-needed basis, and fall into 2 categories, equipment replacement parts (e.g., hoses) and consumables (e.g., deodorant materials). The supplies will be included in the quarterly inventory review, and applicable procurements for the period in question reviewed to ensure consistent levels of use.

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

Estimated Date of Completion:

- The inventory and supply listing will be completed by August 15, 2008, and quarterly inventory reviews will start in January, 2009.

Auditor: B. Smith

Field Operations

Due Date: 11/30/2008

Incomplete

**21 1703 0809 01 Audit of Sanitary Sewer System
07. Training Tracking and Monitoring**

Recommendation:

The Field Operations Safety and Health Officer should regularly summarize the training status of Sewer Maintenance employees in relation to OSHA and City safety requirements. This summarization should be made available to Sewer Maintenance management. The Field Operations Safety and Health Officer should also work with Sewer Maintenance management in updating their *New Employee Orientation Checklist*.

Management Action Plan:

- Training class sign-in sheets are now being given to the City's HR Department for recording into the Oracle system for tracking and summarization purposes. A report showing the training status of Sewer Maintenance employees has been developed and will be given to management quarterly for their review. The first status report will be given to Sewer Maintenance management at the November 2008 Supervisory Meeting with a summary of the period from 7/1/08 to 9/30/08.
- Input will be given to Sewer Maintenance management on changes needed to the New Employee Orientation Checklist so it reflects current training requirements.

Estimated Date of Completion:

- First training status report will be created by November 2008.
- New Employee Orientation Checklist will be updated by August 1, 2008.

Auditor: B. Smith

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

<u>Field Operations</u>	<u>Due Date: 05/01/2009</u>	<u>Incomplete</u>
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22 1703 0809 01 Audit of Sanitary Sewer System
08. Performance Measurements

Recommendation:

Sewer Maintenance management should:

- Evaluate the appropriateness and value of the current performance measurements being tracked.
- Evaluate whether additional performance measurements should be tracked.
- Document the definition and derivation of each performance measurement used.
- Ensure the performance measurement titles properly reflect the data being reported.

Management Action Plan:

- Identification of improved performance measurements will be considered during development of policies and procedures, with emphasis placed on quantitative cost-benefit analysis, productivity, and resource “leakage” due to external causes (e.g., support for other City Divisions, mandatory training).

Auditor: B. Smith

<u>Field Operations</u>	<u>Due Date: 04/01/2009</u>	<u>Incomplete</u>
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23 1703 0809 01 Audit of Sanitary Sewer System
09. Public Reporting Using City Website

Recommendation:

Sewer Maintenance management should work with the City’s Information Technologies Department to address the noted deficiencies in the website menu screens being used by the public to report sewer problems. In addition, Sewer Maintenance management should request that a sewer overflow category be added in Hansen to allow for differentiation between sewer stoppages and overflows.

Management Action Plan:

- Sewer problems are usually reported via phone call, as the system is generally an all or nothing application (i.e., either the sewage is flowing downhill or it is not) and citizens consider a non-functioning sewer system to be an immediate concern for which they make direct contact.
- Direct contact is preferable in the event of a sewer overflow so that response time is minimized. Staff will request IT provide a phone number for direct contact for notification of perceived sewer overflows.

Auditor: B. Smith

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

<u>Field Operations</u>	<u>Due Date: 05/01/2009</u>	<u>Incomplete</u>
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24 1703 0809 01 Audit of Sanitary Sewer System
10. Standard Operating Procedures

Recommendation:

Sewer Maintenance management should create documented standard operating procedures for its three primary functions to enhance management oversight, 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, documented standard operating procedures should be created for the following areas:

Sanitary sewer conveyance component maintenance and repairs (cleaning of main lines, line repairs, video inspections, manhole repairs, diversion operations)

- Daily responsibilities of work crews including documentation requirements (see Finding #1)
- Use of Hansen customer complaint/service system
- Monthly activity summarization and reporting
- Video inspection program (see Finding #4)
- Equipment and supplies inventory control program (see Finding #6)
- Overtime and after-hours call-out rotation
- Performance measurement summarization (see Finding #8)
- Document retention compliance guidelines

Sanitary sewer private collection component responses (identification of lateral issues and provision of customer service assistance)

- Lateral line customer assistance program

Sanitary sewer overflow (“SSO”) responses (removal of obstructions and restoration of flow, mitigation of contamination, and regulatory compliance reporting)

- NDEP Spill Reporting Policy compliance (see Finding #2)
- Call Before You Dig program compliance (see Finding #5)

Management Action Plan:

- Applicable operating procedures will be developed and implemented.

Auditor: B. Smith

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

<u>Finance and Business Services</u>	<u>Due Date: 10/01/2001</u>	<u>Extended</u>
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25 1501 0102 02 Audit of Wastewater Pollution Control Facility and Sewer Services
B. 02. 01. 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:

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.

Regarding the incorporation of sewer fees into annual property taxes, we do not believe it is economically or operationally feasible at this time. We estimate that our cost to perform the billing function (including treasury, technology, sewer billing, and mail room support) does not exceed \$250,000 annually. Obviously, this cost is passed on to the property owners in the form of sewer rates. The Nevada Revised Statutes (NRS) would need significant revision to allow the County to include routine City sewer bills with the property tax. Such a change would also require a change in the City billing cycle which is currently based on the start of service, not on the fiscal tax year. Since the NRS currently provides for a 4 percent surcharge by the County Treasurer for the delinquent sewer service charges it collects on the annual property tax roll, it is difficult to imagine they would be willing to handle all sewer billings for less than that statutory rate. Note that this 4 percent fee is passed on to the property owner. If all charges were billed through the County Treasurer, their estimated fees would approach \$1.5 million, far exceeding what the property owners currently pay for City billing service. The City would still be responsible for inspections and customer service inquiries, functions that the County will not be able to execute. Consequently, the Business Services Division does not see an advantage for the rate-payer in using the County Treasurer for all billings at this time.

Auditor: B. Smith

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

<u>Finance and Business Services</u>	<u>Due Date: 12/31/2002</u>	<u>Extended</u>
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- 26 1501 0102 02 **Audit of Wastewater Pollution Control Facility and Sewer Services**
 B. 04. 01. **Performance Reports**

Recommendation:

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

Management Action Plan:

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

<u>Finance and Business Services</u>	<u>Due Date: 12/31/2002</u>	<u>Extended</u>
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- 27 1501 0102 02 **Audit of Wastewater Pollution Control Facility and Sewer Services**
 B. 04. 02. **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:

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 identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

<u>Finance and Business Services</u>	<u>Due Date: 07/01/2008</u>	<u>Incomplete</u>
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- 28 **0601 0607 06 Audit of Financial Services Grant Fiscal Administration**
01. 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:

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

<u>Finance and Business Services</u>	<u>Due Date: 12/31/2009</u>	<u>Not Due</u>
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- 29 **3100 0809 07 Audit of Professional Services Contract No. 070122 - Delphi Research of Nevada**
02. Contract Monitoring Policy and Procedures

Recommendation:

The City Manager should establish a comprehensive Contract Monitoring Policy and Procedure for the administration of personal services contracts to apply to all departments utilizing these contracts. The policies, procedures, and responsibilities should address at a minimum the following:

1. Segregation of Duties or Incompatible Functions – Duties related to the administration of the contract should be appropriately segregated.
2. Qualified, Trained Personnel – Personnel should be qualified and adequately trained to monitor the contract.
3. Authorization – All transactions are approved by an appropriate member of management.
4. Records – Records regarding the administration of this contract should be required and documented. These records should be sufficient, competent, relevant, and timely.
5. Reporting – Reports should be prepared on an appropriate basis so as to document the performance of the contract. There should be statement of opinion if the vendor is performing as originally intended.
6. Control over Assets and Records – Specific responsibilities and procedures regarding custody of assets (information) and records should be enumerated and followed.
7. Independent Review – Provision for a periodically independent review of performance of the contract and monitoring of the administration of the contract should be performed by an independent individual or group.
8. Limited Access – Access to information and records should be maintained and monitored.

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

Management Action Plan:

In response to your November 24, 2008, review of "Draft ICR 042, ICR 048 and QRA 3100-001 -- Delphi Research" recommendation number 3 to establish a comprehensive Contract Monitoring Policy and Procedures for administration of personal services contracts to apply to all departments utilizing these contracts. Staff has been assigned to draft policies and procedures that will include, but not be limited to cover, the eight areas outlined in your recommendations. The draft will be forwarded to you for your review and comment prior to forwarding to all Department Directors for feedback and implementation. The development of compensative policy and procedures guidelines requires many steps for proper development. Therefore the City Manager Office has set a target date of December 31, 2009 for development and implementation. There will also be a developed and piloted contract administration class and trained Purchasing & Contracts staff on aspects of the policy that will change purchasing processes and procedures.

Auditor: P. Marmurowski

<u>Finance and Business Services</u>	<u>Due Date: 12/31/09</u>	<u>Not Due</u>
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30 3100 0809 08 Audit of Professional Services Contract No. 060266 - Ostrovsky & Associates

02. Contract Monitoring Policy and Procedures

Recommendation:

The City Manager should establish a comprehensive contract monitoring policy and procedure for the administration of professional services contracts to apply to all departments utilizing these contracts. The policies, procedures, and responsibilities should address at a minimum the following:

1. Segregation of Duties or Incompatible Functions – Duties related to the administration of the contract should be appropriately segregated.
2. Qualified, Trained Personnel – Personnel should be qualified and adequately trained to monitor the contract.
3. Authorization – All transactions are approved by an appropriate member of management.
4. Records – Records regarding the administration of this contract should be required and documented. These records should be sufficient, competent, relevant, and timely.
5. Reporting – Reports should be prepared on an appropriate basis so as to document the performance of the contract. There should be statement of opinion if the vendor is performing as originally intended.
6. Control over Assets and Records – Specific responsibilities and procedures regarding custody of assets (information) and records should be enumerated and followed.
7. Independent Review – Provision for a periodically independent review of performance of the contract and monitoring of the administration of the contract should be performed by an independent individual or group.
8. Limited Access – Access to information and records should be maintained and monitored.

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

AUDITOR'S NOTE:

(This is the same recommendation previously made to the City Managers Office. The Purchasing and Contracts staff is currently working on this procedure. The estimated date of completion is December 31, 2009.)

Management Action Plan:

In response to your November 24, 2008, review of "Draft ICR 042, ICR 048 and QRA 3100-001 -- Delphi Research" recommendation number 3 to establish a comprehensive Contract Monitoring Policy and Procedures for administration of personal services contracts to apply to all departments utilizing these contracts. Staff has been assigned to draft policies and procedures that will include, but not be limited to cover, the eight areas outlined in your recommendations. The draft will be forwarded to you for your review and comment prior to forwarding to all Department Directors for feedback and implementation. The development of compensative policy and procedures guidelines requires many steps for proper development. Therefore the City Manager Office has set a target date of December 31, 2009 for development and implementation. There will also be a developed and piloted contract administration class and trained Purchasing & Contracts staff on aspects of the policy that will change purchasing processes and procedures.

Auditor: R. Snelding

<u>Fire and Rescue</u>	<u>Due Date: 05/01/10</u>	<u>Not Due</u>
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31 1303 0809 06 Audit of Fire Prevention Division
01. Quality Control Program

Recommendation:

Fire Prevention management should create, document, and implement a formal quality control program to provide assurance that standards are being applied consistently and uniformly by its staff members in conducting plan reviews and inspections. This program should include at a minimum:

- Formal and systematic procedures for monitoring the quality of the work being performed by staff members in completing their inspections and plan reviews.
- Formal and systematic procedures for reviewing the adequacy of the paperwork being completed and submitted for scanning and the data being input into Hansen.

Management Action Plan:

Evaluation of field activities by Fire Prevention Inspection Supervisors and Deputy Fire Marshals will be more formalized through the following:

- Develop a standard by which all Fire Prevention Inspectors will be evaluated on.
- Develop a process that can objectively document the inspection process that is transparent to the Inspectors so there is no ambiguity in the standard being applied to them.
- Staff evaluation by a process of shadowing and field follow-up by having supervisors validate code violations identified by field staff.
- Document and publish a common practices (or lessons learned) manual for inspection staff to

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

- follow to increase consistency during the field inspection process.
- Reduce inconsistency of fire code enforcement through training and regular staff contact by field supervisors.
- Formal and systematic procedures for reviewing the adequacy of the paperwork being completed and submitted for scanning and the data being imputed into Hansen.

Fire Prevention will develop formal procedure for scanning of documents to:

- Eliminate inconsistencies on how documents are indexed in the records management system (eB).
- To insure that documents are properly indexed to the proper address by the Scan Center.
- To give guidance on what needs to be scanned and discarded in accordance with the records retention schedule.

Fire Prevention Inspection Supervisors will review Hansen input for accuracy and completeness by the following:

- Running reports on daily and weekly basis of Inspector activity to ensure the accuracy of data. This will also ensure that proper coding is used, violations are being correctly entered, and that inspection times are documented.
- Inspection staff will be corrected on an individual basis as needed, and staff directives will be written if group wide issues are identified.

Estimated Date of Completion:

The development of a Quality Control Program will take some time to develop and implement. The overall structure of the program will be outline by May 1, 2009, but the implementation and overall success may take up to 1 year. This program goes beyond just telling staff what is to be done or expected and the acceptance of oversight and monitoring will be needed to prevent motivational and performance issues.

Auditor: B. Smith

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

<u>Fire and Rescue</u>	<u>Due Date: 05/01/09</u>	<u>Incomplete</u>
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32 1303 0809 06 Audit of Fire Prevention Division
03. Hazardous Materials Program

Recommendation:

Fire Prevention management should:

- Evaluate how the hazardous materials program can be most effectively administered considering the limited staffing resources and the varied skills of the inspectors. Consideration should be given to assignments or rotations of inspectors to help with processing the hazardous materials documentation.
- Document policies and procedures to be followed in administering the hazardous materials program.
- Create standard reports that can regularly be reviewed to monitor the status of processing of hazardous materials documentation and completion of hazardous materials inspections.
- Implement and document procedures for regularly reviewing these reports.
- Evaluate what additional and reoccurring training may be needed for the hazardous materials program to operate effectively.

Management Action Plan:

A standard operating procedure will be written on the collection and dissemination of hazardous materials documentation submitted to Fire Prevention. Fire Prevention will be determining the need for a specialize unit dealing with the data collection and inspection of facilities within the City of Las Vegas that store, handle, or use hazardous materials.

The Fire Prevention Division will create a Special Hazards Unit (SHU) to conduct compliance inspections of high-risk and hazardous materials occupancies to utilize their knowledge and abilities.

- The SHU will identify, inspect issue and modify existing use permits of occupancies storing and utilizing hazardous materials. Within this task the SHU will verify specific processes for code compliance associated to the operation.
- The SHU will utilize the database permitting system now in place to verify the existing hazardous materials inventory statements and plans, which are submitted to the fire department, with what is actually stored on-site.
- The SHU is to verify locations that have high-piled commodity storage configurations with the existing fire sprinklers design density to ensure adequate coverage of fire protection in the event of a fire.
- The SHU will assist area fire inspectors in assessing existing hazards with their expertise and identify potential deficiencies in fire protection systems installed in these high-risk occupancies.

The SHU will be supervised by a Grade 79 level person, either a Fire Prevention Inspection Supervisor, or Assistant Fire Protection Engineer. This will allow the person to give direction to Fire Prevention Inspectors on Inspections required and procedures to be followed for inspections

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

of identified facilities that hazardous materials associated with them. The SHU Supervisor can, as needed, assist inspectors within their respective inspection areas with large scale inspections and activities requiring multiple inspectors to accomplish. (Example: High-rise system code compliance testing). They may also attend construction meeting on major projects to assist the area inspector.

The hazardous materials compliance program will benefit by having the SHU by verifying the revenue recovered through permitting is accurately assessed and all sources are identified. The hazardous materials compliance program currently generates approximately \$400,000 in cost recovery fees for inspections conducted. A dedicated person to the SHU will lead to increase oversight of the program with the chance of increased cost recovery.

Estimated Date of Completion:

Benchmarks to be met:

Documentation review and revision by May 1, 2009.

Additional Position to be added - March 1, 2010?

Auditor: B. Smith

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

<u>Fire and Rescue</u>	<u>Due Date: 08/01/09</u>	<u>Not Due</u>
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33 **1303 0809 06 Audit of Fire Prevention Division**
05. Interaction With Fire Suppression Personnel

Recommendation:

Fire Prevention management working with Fire Suppression management should provide documented directives to their personnel regarding their expectations for interaction between the Fire Suppression personnel and inspectors at the fire stations. Input on this directive should be sought from both Fire Suppression and Fire Prevention personnel. The following elements should be addressed in the directives:

- A declaration of support of the program from the Fire Chief and management from both Fire Suppression and Fire Prevention.
- Management's expectations for interaction between the personnel (i.e., meetings to attend, site visits to attend, etc.).
- Identification of useful information/documents to be shared between the personnel and how the information will be shared.
- Office area protocol (i.e., answering phones, use of fire station amenities, etc.).

Management Action Plan:

A policy will be drafted for the Fire Chiefs approval to outline the following items for fire department staff to follow when there is interaction between Fire Prevention personnel and those in other divisions:

Expectations for Fire Prevention Personnel assigned to Fire Stations and their interaction with fire station personnel.

Expectations for Fire Prevention personnel while at a scene of an ongoing emergency and their interaction with the incident commander.

Fire Preventions support for other Divisions within the fire department such as Training and Public Education.

Auditor: B. Smith

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

Fire and Rescue

Due Date: 04/01/09

Incomplete

**34 1303 0809 06 Audit of Fire Prevention Division
06. Post-Fire Evaluations**

Recommendation:

Following commercial fires, Fire Prevention should evaluate the adequacy of their procedures and the fire code and regulations by participating in the post-incident analysis with Fire Suppression personnel and reviewing reports compiled by fire investigators.

Management Action Plan:

Considering the current state of the economy and our reduced workforce, it is only realistic to predict that we won't be able to perform this task within the next couple of years. At that time, we need to develop the exact procedures, levels and the scope of involvement. Evaluations of the second and third alarm commercial fires, and also residential fires that involve activation of the residential fire sprinkler systems might be a starting point.

Educational and training measures must be taken to prepare me and my staff in being able to perform those functions in future. Those include attending the Arson Investigation classes at the National Fire Academy (NFA) and obtaining the necessary certifications.

Systematic interaction with our Fire Investigators would also be quite valuable to provide us not only with the hands on training, but also the necessary professional cooperative relationship.

Arrange for a monthly informative coordination meeting between the Deputy Chief/Fire Marshal and the Fire Investigation/Bomb Squad Supervisor.

Establish formal process for the Deputy Chief/Fire Marshal to receive and review the fire investigation report as soon as they are prepared and officially filed.

Estimated Date of Completion:

Establishing the review mechanism for the fire investigation report and arrange the monthly coordination meeting could be accomplished by April 1, 2009.

Training and certification of the Fire Protection Engineering staff could be accomplished by the end of 2010.

Actual participation of the Fire Protection Engineering staff in the Post Fire Evaluations could be initiated by the middle of 2011.

Auditor: B. Smith

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

<u>Fire and Rescue</u>	<u>Due Date: 04/03/09</u>	<u>Incomplete</u>
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35 1303 0809 06 Audit of Fire Prevention Division
07. Conflict of Interest Monitoring

Recommendation:

Fire Prevention management should implement procedures for evaluating potential conflicts of interest by their inspectors and engineers. The following elements should be included:

- Copies of all outside employment forms submitted to Human Resources by Fire Prevention personnel should be obtained and retained by Fire Prevention management.
- A summary of the information from these forms should be created for review by Fire Prevention management in monitoring inspection and plan review assignments.
- All inspectors and engineers should be required to keep Fire Prevention management aware of any changes to the status of their outside employment.
- Fire Prevention management should evaluate having all of its employees annually attest on a form as to whether or not they have outside employment or interests that could potentially be conflicts of interest with their assignments.

Management Action Plan:

Outside employment and declaration is already addressed by Human Resources. The expectation is that Fire Inspection staff will not place themselves in a position of conflict or that would discredit the fire department. An annual request for declaration of outside employment will be requested and reviewed by the Fire Marshal before being forwarded to the Fire Chief. Additional oversight by fire prevention management would not have any added value to the process. All outside employment is required to be approved by the fire chief.

Auditor: B. Smith

<u>Fire and Rescue</u>	<u>Due Date: 04/01/09</u>	<u>Incomplete</u>
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36 1303 0809 06 Audit of Fire Prevention Division
09. Management Reports

Recommendation:

Fire Prevention management should create and document desk procedures outlining the following:

- Listing of standardized management reports.
- Position(s) responsible for creating the reports.
- Objective of reports and what should be reviewed.
- Identification of how often the reports are to be run and reviewed.
- Identification of how the results of these reports should be summarized.
- Report distribution listing.

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

Management Action Plan:

Fire Prevention Management staff has already standardized its reports for Performance Plus and those needed for monitoring inspection activity. These reports are categorized by the frequency on the time to be run. For example, reports are currently run on a daily, weekly, quarterly, and annually basis based on the need for information and level of monitoring. A separate distribution policy will be written to identify these reports and the frequency established for their need.

Estimated Date of Completion:

A majority of the reports are already written with the expectation that changes will be needed as new policies or performance measures are implemented. The policy for identifying these reports and timelines will be established by April 1, 2009.

Auditor: B. Smith

<u>Information Technologies</u>	<u>Due Date: 10/04/2005</u>	<u>Extended</u>
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- 37 2001 0405 03 **Audit of Controls Over City Utility Payments And Costs**
 01. 02. **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:

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

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

<u>Municipal Court</u>	<u>Due Date: 06/30/2000</u>	<u>Extended</u>
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- 38 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:

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

<u>Municipal Court</u>	<u>Due Date: 06/30/2000</u>	<u>Extended</u>
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- 39 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:

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 identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

<u>Municipal Court</u>	<u>Due Date: 06/30/2000</u>	<u>Extended</u>
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- 40 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:

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

Auditor: B. Smith

<u>Municipal Court</u>	<u>Due Date: 06/30/2000</u>	<u>Extended</u>
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- 41 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:

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 identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

<u>Municipal Court</u>	<u>Due Date: 06/30/2000</u>	<u>Extended</u>
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42 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:

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

<u>Office of Administrative Services</u>	<u>Due Date: 03/31/2008</u>	<u>Extended</u>
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43 1602 0708 06 Durango Hills Community Center Contract Compliance Audit
 12. Other Governmental Permits

Recommendation:

The Project Manager should:

- Request that the YMCA obtain and provide copies of current pool health and boiler permits in the name of the appropriate organization.
- Implement procedures to ensure that all operating permits remain current.
- Request that the YMCA forward copies of correspondence, permits, and reports from all governmental agencies relating to the operations of the Center.
- Review correspondence and reports from regulatory agencies to determine the impact on the operations of the Center and compliance with Agreement provisions.

Management Action Plan:

- A letter will be sent to the YMCA requesting that all appropriate health and boiler permits be transferred into the City's name. Field Operations staff and the City's Safety/Loss Prevention Officer will ensure the timely renewal of such permits.
 - A meeting with representatives from the YMCA, City, and applicable regulatory agencies may be set up in order to determine how the permits should read.
- The status of the permits will be checked on or before June 30 of each year.
- A letter will be sent to the YMCA requesting that all correspondence, permits, and reports from all governmental agencies relating to the operations of the Center be forwarded to the Program Manager.
- All reports from regulatory agencies will be reviewed by the appropriate staff as determined by the Program Manger.

Auditor: N. Beaty

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

<u>Office of Administrative Services</u>	<u>Due Date: 07/01/09</u>	<u>Not Due</u>
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44 3100 0809 08 Audit of Professional Services Contract No. 060266 - Ostrovsky & Associates

01. Contract Compliance

Recommendation:

Administrative Services should:

1. Require expenses billed under the "Other Expenses" category include sufficient supporting documentation for verification that the expenditures are not "routine meals" and are "for the benefit of the City". This supporting documentation should identify the participants and more fully explain the nature of the meeting.
2. Require invoices be sent and payment be requested after service is performed.
3. Require a status report be submitted with the monthly bill recapping the Contractor's activities related to the Contract. The status report should be detailed enough to allow the Project Manager to determine the relative value of the Contractor performance.
4. Require noted insurance be in force at all times during the contract and a copy of the Certificate(s) of Insurance be provided to the City.

Management Action Plan:

1. Prior to payment, all "other or miscellaneous expenses" will be reviewed by the contract manager to ensure that sufficient supporting documentation has been submitted. No payment for these expenses will be authorized without the appropriate documentation.
2. All invoices will be paid after services are rendered.
3. The contractor will be required to provide, with the invoice for payment, a report that contains a list of meetings with: state legislators, state/local agencies, businesses, lobbyists, and others that the contractor worked with on behalf of the CLV including correspondence/meetings with CLV management and personnel.
4. The contract manager will work with the Purchasing and Contracts Division to ensure that all required insurance is received prior to extending or renegotiating the contract.
5. The contract manager will include language in the contract that requires "Any expense other than travel that is expected to exceed \$500 in a reporting period must be requested in writing to the project manager. The invoice for the expense must be accompanied by the written or emailed approval from the project manager in order for reimbursement."

Auditor: R. Snelding

Incomplete: Not implemented.

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

Not Due: Due date identified by management has not passed.

Due Date: *R.=Revised / O.=Original

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

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: OCTOBER 15, 2009

DEPARTMENT: CITY AUDITOR

DIRECTOR: RADFORD SNELDING

SUBJECT:

CITIZENS PARTICIPATION: Public comment during this portion of the agenda must be limited to matters within the jurisdiction of the Committee. No subject may be acted upon by the Committee unless that subject is on the agenda and is scheduled for action. If you wish to be heard, come to the podium and give your name for the record. The amount of discussion on any single subject, as well as the amount of time any single speaker is allowed, may be limited



AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: OCTOBER 15, 2009

DEPARTMENT: CITY AUDITOR

DIRECTOR: RADFORD SNELTING

☐ Consent ☒ Discussion

SUBJECT:

ADJOURNMENT

