



Las Vegas

Agenda Item No.: 6.

AGENDA SUMMARY PAGE
AUDIT OVERSIGHT COMMITTEE MEETING OF: JANUARY 21, 2010

DEPARTMENT: CITY AUDITOR'S OFFICE
DIRECTOR: RADFORD SNELDING

Consent Discussion

SUBJECT:
Discussion and possible action of Audit of Professional Services Contract No. 080146 - DC Hill-Clark & Associates (3100-0910-06)

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. 080146 -- DC Hill-Clark & Associates (3100-0910-06)

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

1. Audit of Professional Services Contract No. 080146 - DC Hill-Clark & Associates (3100-0910-06)
2. Submitted at Meeting - PowerPoint Slides 3 through 10 by Staff

Motion made by PAUL WORKMAN to Accept the report

Passed For: 3; Against: 0; Abstain: 0; Did Not Vote: 1; Excused: 1
STEVE WOLFSON, PAUL WORKMAN, MICHAEL W. KERN; (Against-None); (Abstain-None); (Did Not Vote-LOIS TARKANIAN); (Excused-JOSE TRONCOSO)

Minutes:

Michael Mandolfo, Audit Intern, reviewed PowerPoint Slides 3-10, to give his report on the audit of the Professional Services Contract with DC Hill-Clark & Associates. Management is supportive of the recommendations and has provided an action plan to remedy the exceptions. A comprehensive Policy and Procedures is in process and was due to be completed by December 31, 2009.

Member Workman asked if the audit clause not being included in the contract was an oversight. Mr. Mandolfo responded that during the audit it was discovered that the contract was created utilizing an outdated template. Management has addressed this issue and included it as part of their Action Plan to ensure that all templates are updated.

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There was discussion as to whether or not this contract would be modified to include the audit clause. City Auditor Snelding responded that he believes that the contractor would be cooperative in allowing the audit of those records.

Regarding Slide 9, Member Workman questioned the normal time frame for completing a performance analyses. Mr. Mandolfo responded that Public Works has more of a verbal than written system of internal control. Therefore Audit could not observe any documented analyses. There is a report card completed at the end of the project. For this particular project that would have taken place two years after the contract was signed. This issue will be addressed in the revised Policy and Procedures. There was further discussion regarding employee changes causing a loss of continuity.

Member Wolfson thanked Mr. Mandolfo for his contribution to the City and confirmed the problems associated with this contract have been fixed and will not reoccur with future projects. Member Wolfson also asked about the City's liability issues. City Auditor Snelding responded that the steps taken will lessen the City's liability risks.

Additionally, Member Wolfson asked for any reason to believe that this project will not be completed or if they foresee any financial problems associated with this contractor. Mr. Mandolfo and City Auditor Snelding both agreed that there was absolutely no indication that this will be an issue.

Cheri Edelman, Public Works Engineer, commented that this particular contract is solely for design of the project and she does not foresee any issue with the project being fully completed.

Chairman Kern commented that he believes that the concerns of the members have been addressed in this report and thanked Mr. Mandolfo for his assistance with the audit of this contract.