



Las Vegas

Agenda Item No.: 5.

AGENDA SUMMARY PAGE
AUDIT OVERSIGHT COMMITTEE MEETING OF: APRIL 22, 2010

DEPARTMENT: CITY AUDITOR'S OFFICE
DIRECTOR: RADFORD SNEEDING

Consent Discussion

SUBJECT: Discussion and possible action on the audit of Purchasing and Contracts Division Central Stores (0608-0910-08)

Fiscal Impact:

No Impact Augmentation Required
 Budget Funds Available

Amount:
Funding Source:
Dept./Division:

PURPOSE/BACKGROUND:

To review the audit report Audit of Purchasing and Contracts Division – Central Stores (0608-0910-08).

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

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

1. Audit of Purchasing and Contracts Division Central Stores (0608-0910-08)
2. Submitted at Meeting PowerPoint Slides 3 through 8 by Staff

Motion made by PAUL WORKMAN to Free Form Accept the report

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

Minutes:

Referring to Slides 3 through 8, Nancy Beaty, Lead Auditor, gave her report on the audit of the Purchasing and Contracts Division for Central Stores.

Member Wolfson asked if recommendations have been made to the Contract Division with regards to the seven findings that were noted as a result of this audit. Auditor Beaty responded that these recommendations were provided to the department and they have ensured her that they have all been completed. Wolfson asked if a follow up will be conducted. Auditor Beaty confirmed that she will be being following up next week.

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Chairman Kern asked if the audit confirmed that missing inventory was being sold to third parties and Auditor Beaty responded that this was not confirmed. She believes that the variance issues are a result of the manner in which Central Stores tracks their inventory. Historical information relating to count tests from the tolerance indicators were being deleted which resulted in an inaccurate inventory.

Chairman Kern asked if outside auditors who review the City's financials rely on our audit findings and if so, are they finding exceptions to the internal controls of the City because of such deletions.

City Manager Fretwell responded that as far as she knows this is not the case. Auditor Snelding added that he believes that an outside audit evaluates these reports for materiality for internal controls. Member Workman stated that it appears from the management plan of action that several of the issues that were identified were remedied at the time that they were presented.

