

City Auditor's Office Strategic Business Plan

Vision

A vibrant, affordable, diverse, unique and world-class city of opportunity in which all citizens enjoy their neighborhoods, feel safe, and know they will be heard.

CITY MISSION

To provide residents, visitors, and the business community with the highest quality municipal services in an efficient, courteous manner and to enhance the quality of life through planning and visionary leadership.

DEPARTMENT MISSION

The mission of the Las Vegas City Auditor's Office is to provide independent and objective appraisal services of city operations to the Mayor and City Council so they can make informed decisions and assure the citizens that city government is accountable and cost effective.

ISSUE STATEMENTS

1. **Audit Cycle.**

The current audit cycle of approximately 11 years compared to the five year industry practice, if not addressed, will:

- Limit the effectiveness and productivity of the City Auditor's Office in addressing Council's needs; and
- Increase the City's risk of monetary loss via fraud, waste, and abuse, and resulting in loss of public confidence.

2. **City Auditor's Office Focus.** Costs continue to rise and revenues continue to fall, creating budget constraints, widening revenue shortfalls, and decreased City services, which, if not addressed, will result in an increased focus on cost savings and revenue enhancement audits, thereby reducing the focus on performance audits.

3. **Internal Controls.** With increasing demands on management and increasing turnover, accelerated by retirements, there is less emphasis on internal controls, which, if not addressed, will increase the risk of :
 - Loss of management control;
 - Increased fraud;
 - Management giving tacit permission to circumvent controls;
 - Reduced employee accountability ;
 - Loss of City resources;
 - Diminished organizational knowledge; and
 - Loss of public confidence.
4. **Emerging Technologies.** The implementation of increasingly intricate technologies without adequate internal controls, oversight, and training of management and staff creates a more complex auditing and operating environment, which, if not addressed, will:
 - Expose the City to larger fraud potential;
 - Expose the City to increased security risks;
 - Lead to inefficient use of City resources; and
 - Increase audit time.
5. **Contract Oversight and Accountability.** The continued absence of adequate contract oversight and accountability, combined with increased outsourcing efforts, construction projects and professional service contracts, will, if not addressed, result in increased costs due to City staff time to fix problems, legal expenses, changes and overruns, substandard materials and services, and erroneous labor charges.

STRATEGIC RESULTS

1. **Audit Cycle.** By FY 2011-2012, The City of Las Vegas will experience a more effective and productive City Auditor's Office staff, as evidenced by a 10 % reduction in the audit cycle (i.e. from 11 years to 10 years).
2. **Audits Completed.** By FY 2011-2012, The City of Las Vegas will experience more audit scrutiny, as evidenced by a 20% increase in the number of audits performed by the City Auditor's Office. (from 12 to 15 audits)
3. **Completed Recommendations.** By FY 2011-2012, The City of Las Vegas will experience greater implementation of audit recommendations, as evidenced by a decrease in INCOMPLETE recommendations to less than 1.5% of total recommendations since 1999. (approximately 1300 total recommendations less than 20 INCOMPLETE)

DEPARTMENT ORGANIZATION

1. Administrative Line of Business
 - 1.1. Management & Planning Administration Program
 - 1.2. Personnel Resources Program
 - 1.3. Financial Management Program

2. Performance Audit Line of Business
 - 2.1. Operational Audit Program 2A
 - 2.2. Information Technologies Audit Program 2B
 - 2.3. Internal Control Failure/Fraud Review Program 2C
 - 2.4. Audit Follow-Up Program 2D

LINES OF BUSINESS

Administrative Line of Business

Purpose Statement The mission of the Las Vegas City Auditor's Office is to provide independent and objective appraisal services of city operations to the Mayor and City Council so they can make informed decisions and assure the citizens city government is accountable and cost effective.

Key Results

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Line of Business Two

Purpose Statement The purpose of the Performance Audit Line of Business is to provide independent and objective operational, information technology, fraud, and follow-up services to the Mayor and City Council so they can assure citizens of efficient and effective City operations through oversight, accountability and fraud prevention.

Key Results

- % reduction in audit cycle
- % increase in audits completed
- % of audit recommendations in completed status

PROGRAMS

Administrative Line of Business

Purpose Statement The mission of Administrative Line of Business is to provide fiscal, consultation and personnel services to city staff, so they can effectively manage human and material resources.

Program 1.1 Management & Planning Administration Program

Program Purpose Statement The purpose of the Management and Planning Administration Program is to provide strategic business planning, budget preparation, policy/procedure support and interagency collaboration services to city staff and external entities, so they can ensure department strategic results are achieved.

Program Services	<ul style="list-style-type: none"> • Executive Reports (Ad Hoc Reports, Special Project Reports, and Performance Reports) Ordinances, and Resolutions) • Performance Measures • Special Projects • Plans (Department Emergency Management, Strategic Business, Budget, and Continuity of Operations) 	<ul style="list-style-type: none"> • Policies & Procedures • Presentations • Agenda Items / Packets • Analysis Reports • Audit Responses • Audit Committee Meetings • Audit Committee Meeting Agendas • Audit Committee Meeting Scripts • Annual Audit Plan
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Family of Measures **Results**
 1. % key result measures achieving targets for the reporting period (# key result measures achieving target for the reporting period divided by # total key result measures)

Outputs
 1. # key result measures achieving targets for the reporting period

Demands
 1. # key result measures for the reporting period

Efficiencies
 1. \$ Management & Planning Administration Program expenditure per key result measure achieving targets for the reporting period

Program Manager(s) City Auditor

Program Budget \$179,652.77

Administrative Line of Business

Purpose Statement The mission of Administrative Line of Business is to provide fiscal, consultation and personnel services to city staff, so they can effectively manage human and material resources.

Program 1.2 Personnel Resources Program

Program Purpose Statement The purpose of the Personnel Resources Program is to provide salary, training and management services to city employees, so they can hire and retain a quality workforce.

- Program Services**
- Recruitments & Selections
 - Department Personnel Records
 - Employee Training Sessions
 - Employee Performance Evaluations
 - Employee Development Consultations/Sessions
 - Discipline & Grievance Hearings
 - Time Cards
 - Staffing Classifications

- Family of Measures**
- Results
1. # department sick leave hours used
 2. # department employee performance evaluations completed within 30 days of due date
 3. # hours department employees attended work-related training

- Outputs
1. # department sick leave hours used
 2. # department employee performance evaluations completed within 30 days of due date
 3. # hours department employees attended work related training

- Demands
1. # hours anticipated for department employees to attend work-related training

- Efficiencies
1. \$ Personnel Resources Program expenditure per department employee

Program Manager(s) • City Auditor

Program Budget \$88,768.11

Administrative Line of Business

Purpose Statement The mission of Administrative Line of Business is to provide fiscal, consultation and personnel services to city staff, so they can effectively manage human and material resources.

Program 1.3 Financial Management Program

Program Purpose Statement The purpose of the Financial Management Program is to provide administrative support services to city management and staff, so they can receive financial tools needed to meet department program measures.

- Program Services**
- Financial Reports
 - Financial Projections Authorizations
 - Purchasing Requests
 - Petty Cash
 - Purchasing Card
 - Purchase Orders
 - Grant Application Submissions
 - Grant Status Reports
 - Project & Financial Impact Analyses
 - Travel Arrangements
 - Travel Authorizations
 - Fixed Asset Inventories

Family of Measures

Results

1. % actual to budgeted operating expenditures (\$ actual operating expenditures divided by \$ budgeted operating expenditures)

Outputs

1. \$ actual operating expenditures (in thousands of dollars)

Demands

1. \$ operating expenditures budgeted

Efficiencies

1. \$ Financial Management Program expenditure per total department operating expenditures

Program Manager(s)

- **City Auditor**

Program Budget \$78,341.30

Performance Audit Line of Business

Purpose Statement The purpose of the Performance Audit Line of Business is to provide independent and objective operational, information technology, fraud and follow-up services to the Mayor and City Council so they can assure citizens of efficient and effective City operations through oversight, accountability and fraud prevention.

Program 2A Operational Audit Program

Program Purpose Statement The purpose of the Operational Audit Program is to provide independent and objective evaluation services to the Mayor and City Council so they can provide citizens City operations with a strong internal accountability control environment, increased contract oversight, cost containment, enhanced revenues, and an improved audit cycle.

Program Services

- Performance Audits/Reports
- Cost Containment and Revenue Enhancement Audits/Memorandums
- Joint Agency Audits/Reports
- Unannounced Cash Count Audit/Reports
- Outside Contractor Audits/Reports
- Auditor Alert Memorandums
- Contract Compliance Audits/Reports
- Mayor Briefings
- City Council Briefings
- Audit Committee Briefings
- City Manager Briefings
- Department Briefings
- Department Consultations
- Data Analysis Reports

Family of Measures

Results

Outputs

1. # of performance audits completed (all types of audits)
2. # of performance audit recommendations issued (all types of audits)
3. # of memorandums issued (all types)

Demand

1. # of performance audits scheduled to be completed (from the Audit Plan)

Efficiency

1. \$ Operational Audit Program expenditures per performance audit completed

Program Manager(s) • **City Auditor**

Program Budget \$322,377.41

Performance Audit Line of Business

Purpose Statement The purpose of the Performance Audit Line of Business is to provide independent and objective operational, information technology, fraud and follow-up services to the Mayor and City Council so they can assure citizens of efficient and effective City operations through oversight, accountability and fraud prevention.

Program 2B Information Technologies Audit Program

Program Purpose Statement The purpose of the Information Technologies Audit Program is to provide independent and objective systems evaluation services to:

- The Mayor and City Council so they can assure citizens of a strong systems control and technology structure.
- The Information Technologies Department so they can strengthen systems controls and minimize systems control and technology failures.

Program Services

<ul style="list-style-type: none"> • General Control Reviews/Reports • Application Reviews/Reports • Unauthorized Software Audits/Reports • Security Audits/Reports • Continuous Audits/Reports • Computer Forensics Audits/Reports 	<ul style="list-style-type: none"> • Mayor Briefings • City Council Briefings • Audit Committee Briefings • City Manager Briefings • Department Briefings • Department Consultations • Data Analysis Reports
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Family of Measures

Results

Outputs

1. # of systems control and technology reports issued (all types of reports)
2. # of systems control and technology recommendations issued

Demand

1. # of systems control and technology reviews scheduled to be completed (from the Audit Plan)

Efficiency

1. \$ Information Technologies Audit Program expenditures per systems control and technology review completed

Program Manager(s) • **City Auditor**

Program Budget \$126,106.52

Performance Audit Line of Business

Purpose Statement The purpose of the Performance Audit Line of Business is to provide independent and objective operational, Information Technology, fraud and follow-up services to the Mayor and City Council so they can assure citizens of efficient and effective City operations through oversight, accountability and fraud prevention.

Program 2C Internal Control Failure & Fraud Review Program

Program Purpose Statement The purpose of the Internal Control Failure and Fraud Review Program is to provide internal control review and fraud investigation assistance services to the Mayor, City Council and the Detention and Enforcement Department so they can prevent or minimize fraud losses and achieve convictions and/or employee discipline, as appropriate.

- Program Services**
- Internal Control Reviews/Memorandums
 - Semi-Annual Internal Control Activity Reports
 - Fraud Investigation Technical Assistance (recaps, summaries, profiles...)
 - Fraud Committee Issue Responses
 - Fraud Training Sessions
 - Mayor Briefings
 - City Council Briefings
 - Audit Committee Briefings
 - City Manager Briefings
 - Department Briefings
 - Department Consultations
 - Data Analysis Reports

Family of Measures

Results

1. \$ of identified fraud
2. % of fraud investigations involving City Auditor's Office assistance resulting in conviction or employee discipline

Outputs

1. # of internal control reviews completed
2. # of internal control review recommendations issued

Demands

1. # of completed internal control reviews anticipated
2. # of requests for Detention & Enforcement Department assistance anticipated

Efficiency

1. \$ Internal Control Failure and Fraud Review Program expenditures per internal control review completed

Program Manager(s)

- **City Auditor**

Program Budget \$133,279.59

Performance Audit Line of Business

Purpose Statement The purpose of the Performance Audit Line of Business is to provide independent and objective operational, information technology, fraud and follow-up services to the Mayor and City Council so they can assure citizens of efficient and effective City operations through oversight, accountability and fraud prevention.

Program 2D Audit Follow-up Program

Program Purpose Statement The purpose of the Audit Follow-up Program is to provide status update and completed recommendation verification services to the Mayor and City Council so they can facilitate implementation of audit recommendations.

- Program Services**
- Audit Recommendation Closure Verifications
 - Audit Recommendation Follow-up Status Memorandums
 - Annual Follow-up Status Report
 - Mayor Briefings
 - City Council Briefings
 - Audit Committee Briefings
 - City Manager Briefings
 - Department Briefings
 - Department Consultations

Family of Measures

Result
1. % of audit recommendations in incomplete status [# of audit incomplete recommendations divided by # of total recommendations since 1999]

Output
1. # of audit recommendations verified and closed

Demand
1. # of audit recommendations estimated to be verified and closed

Efficiency
1. \$ Audit Follow-Up Program expenditures per audit recommendation verified and closed

Program Manager(s) • City Auditor

Program Budget \$60,799.30