

CITY AUDITOR'S OFFICE



**ANNUAL AUDIT RECOMMENDATION
FOLLOW-UP AS OF JUNE 30, 2010**

Report No. CAO 2600-1011-01

September 22, 2010

RADFORD K. SNELDING, CPA, CIA, CFE

CITY AUDITOR

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BACKGROUND

The City Auditor's Office has provided 1,201 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, 2010.

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:

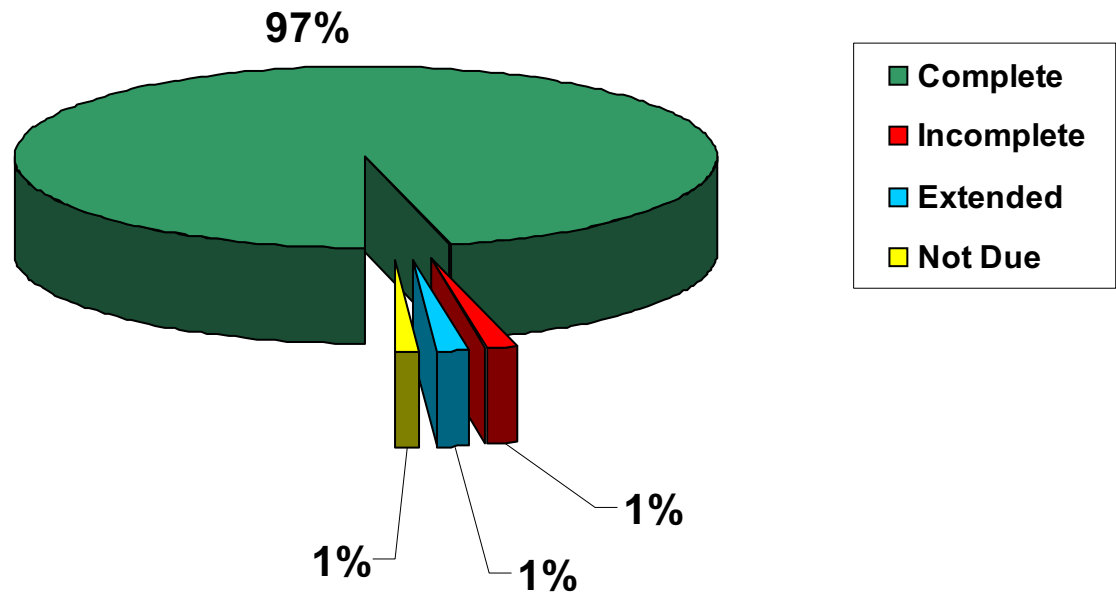
	Complete	The recommendation has been implemented, some other action has been taken to effectively correct the deficiency, or other circumstances warrants a status of completion.
	Incomplete	The recommendation has not been implemented.
	Extended	The recommendation has not been implemented due to circumstances 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.

1,201 Recommendations January 1999 - June 2010



	COMPLETE	INCOMPLETE	EXTENDED	NOT DUE	TOTAL
	1,163	12	11	15	1,201
2009-2010	57	2	2	15	76
2008-2009	66	6	1	0	73
2007-2008	46	0	2	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	156	0	2	0	158
2000-2001	113	0	0	0	113
1999-2000	396	3	0	0	399

12 Incomplete Recommendations Summary

DEPARTMENT	Fiscal Year				TOTAL
	1999 - 2000	2006 - 2007	2008 - 2009	2009 - 2010	
Detention & Enforcement	--	--	1	--	1
Field Operations	--	--	4	--	4
Finance & Business Services	--	1	--	1	2
Fire & Rescue	--	--	1	--	1
Municipal Court	3	--	--	1	4
TOTAL	3	1	6	2	12

1,163 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	2009 2010	TOTAL
AFI	--	--	11	--	--	--	--	--	--	--	--	11
Building and Safety	54	1	--	--	--	--	--	8	6	--	--	69
City Attorney	--	--	--	--	1	--	--	--	--	3	--	4
City Manager	14	8	1	5	6	9	--	--	--	--	--	43
Cultural Affairs	--	--	--	--	--	--	--	--	--	--	2	2
Detention and Enforcement	2	6	6	--	--	--	14	1	1	8	--	38
Field Operations	3	--	22	25	--	23	5	--	5	10	--	93
Finance and Business Services	43	31	44	26	2	6	3	11	4	5	10	185
Fire and Rescue	30	--	--	--	--	--	--	--	7	9	--	46
Human Resources	41	32	--	26	2	2	--	--	6	--	--	109
Information Technologies	83	--	37	--	--	4	--	10	--	--	--	134
Leisure Services	87	2	24	6	--	27	44	13	2	29	23	257
Municipal Court	31	10	--	--	--	--	3	1	--	--	3	48
Neighborhood Services	--	--	--	--	4	--	--	8	--	--	7	19
Office of Administrative Services	--	--	--	--	--	--	--	--	15	2	--	17
Office of Business Development	--	--	--	--	21	--	--	--	--	--	--	21
Office of Communications	--	--	--	--	--	--	--	9	--	--	--	9
Planning and Development	8	--	--	--	3	--	--	--	--	--	7	18
Public Works	--	23	11	--	--	1	--	--	--	--	5	40
TOTAL	396	113	156	88	39	72	69	61	46	66	57	1,163

DEPARTMENTAL AUDIT RECOMMENDATION FOLLOW-UP INDEX

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<i>Building and Safety</i>						
Audit of Building and Safety						
<i>1</i>	0753 0708 01 03.	Hansen Expired Permit Fee Assessment	Extended	9		
<i>2</i>	0753 0708 01 06.	Performance Reports	Extended	9		
<i>City Manager</i>						
Employee/Vendor File Review						
<i>3</i>	2008 0910 12 01. 01.	Adherence to Existing Policy	Not Due	10		
<i>4</i>	2008 0910 12 02. 01.	Conflicts of Interest	Not Due	10		
<i>5</i>	2008 0910 12 02. 02.	Conflicts of Interest	Not Due	11		
<i>6</i>	2008 0910 12 03. 01.	CLV Business Licenses	Not Due	11		
<i>Detention and Enforcement</i>						
Audit of Detention and Enforcement's Inmate Booking and Release Processes						
<i>7</i>	1403 0809 05 02.	Controls over Funds Placed on Account for Inmates	Incomplete	12		
<i>Field Operations</i>						
Audit of Durango Hills Golf Course Management Contract						
<i>8</i>	1701 0405 05 07. 01.	Property Tax	Extended	13		
Audit of City Vehicle Replacement Program						
<i>9</i>	1702 0506 02 02. 01.	Projected Vehicle Useful Lives	Extended	13		
<i>10</i>	1702 0506 02 02. 02.	Projected Vehicle Useful Lives	Extended	14		
Audit of Sanitary Sewer System						
<i>11</i>	1703 0809 01 02.	Spill Reporting Requirements	Incomplete	15		
<i>12</i>	1703 0809 01 03.	Clark County Permits	Incomplete	16		
<i>13</i>	1703 0809 01 08.	Performance Measurements	Incomplete	16		

DEPARTMENTAL AUDIT RECOMMENDATION FOLLOW-UP INDEX

			<i>Status</i>	<i>Page</i>
	<i>Field Operations</i>			
	Audit of Sanitary Sewer System			
<i>14</i>	1703 0809 01 10.	Standard Operating Procedures	Incomplete	17
	<i>Finance and Business Services</i>			
	Audit of Wastewater Pollution Control Facility and Sewer Services			
<i>15</i>	1501 0102 02 B. 04. 01.	Performance Reports	Extended	18
<i>16</i>	1501 0102 02 B. 04. 02.	Performance Reports	Extended	18
	Audit of Financial Services Grant Fiscal Administration			
<i>17</i>	0601 0607 06 01.	Allocation of Indirect Costs for Federal Grants	Incomplete	19
	Audit of Professional Services Contract No. 070122 - Delphi Research of Nevada			
<i>18</i>	3100 0809 07 02.	Contract Monitoring Policy and Procedures	Extended	20
	Audit of Professional Services Contract No. 080146-DC Hill-Clark & Associates			
<i>19</i>	3100 0910 06 03.	Modifications and Change Orders	Incomplete	21
	<i>Fire and Rescue</i>			
	Audit of Fire Prevention Division			
<i>20</i>	1303 0809 06 01.	Quality Control Program	Incomplete	22-23
	<i>Information Technologies</i>			
	Audit of Controls Over City Utility Payments And Costs			
<i>21</i>	2001 0405 03 01. 02.	Utility Usage Monitoring	Extended	24
	<i>Municipal Court</i>			
	Procedures Performed -- Minimum Accounting Standards Checklist For Nevada Courts			
<i>22</i>	1103 0910 09 01. 01.	Areas of Non-Compliance With MAS	Not Due	25
<i>23</i>	1103 0910 09 01. 02.	Areas of Non-Compliance With MAS	Not Due	25
<i>24</i>	1103 0910 09 01. 03.	Areas of Non-Compliance With MAS	Not Due	26
<i>25</i>	1103 0910 09 01. 04.	Areas of Non-Compliance With MAS	Not Due	26

***DEPARTMENTAL AUDIT
RECOMMENDATION FOLLOW-UP INDEX***

RECOMMENDATION FOLLOW-UP INDEX						Status	Page
	Municipal Court						
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26	1103 0910 09 01.	05.	Areas of Non-Compliance With MAS			Not Due	27
27	1103 0910 09 01.	06.	Areas of Non-Compliance With MAS			Not Due	27
28	1103 0910 09 01.	07.	Areas of Non-Compliance With MAS			Not Due	28
29	1103 0910 09 01.	08.	Areas of Non-Compliance With MAS			Not Due	28
30	1103 0910 09 01.	09.	Areas of Non-Compliance With MAS			Not Due	29
31	1103 0910 09 01.	10.	Areas of Non-Compliance With MAS			Not Due	29
32	1103 0910 09 02.		MAS Policy and Procedures			Not Due	30
33	1103 0910 09 03.		Collection of Drop Box Payments			Incomplete	30
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36	1999 07	C. 02. iii.	User Passwords For Court System			Incomplete	32
	Neighborhood Services						
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37	1802 0910 03 06.		Invoices for Services			Extended	33
38	1802 0910 03 07.		Account Receivables			Extended	33

**FOLLOW-UP DETAIL:
AUDIT
RECOMMENDATIONS
BY
DEPARTMENT**

<i>Building and Safety</i>	Due Date :	03/31/2008	Extended
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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

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

City Manager	Due Date :	07/01/2010	Not Due
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3 2008 0910 12 Employee/Vendor File Review

01. 01. Adherence to Existing Policy

Recommendation:

The City Manager's Office should coordinate an improved system of control that identifies and documents situations where employees contract or act as a vendor for the CLV.

Management Action Plan:

The City Manager's Office will coordinate with the Departments of Human Resources and Finance and Business Services the development of a policy that clearly identifies a policy direction consistent with relevant provisions within NRS. The Policy will outline a system of control and implementation procedures for employees and the individuals who will be responsible for reviewing any potential conflicts.

Auditor R. Snelding

City Manager	Due Date :	07/01/2010	Not Due
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4 2008 0910 12 Employee/Vendor File Review

02. 01. Conflicts of Interest

Recommendation:

The City Manager's Office should coordinate the design of a system of control that would identify and document situations where employee's relatives contract or act as a vendor for the CLV.

Management Action Plan:

The City Manager's Office will coordinate with the Departments of Human Resources and Finance and Business Services a system of control, including evaluation criterion and implementation procedures for any potential conflicts that may arise as a result of an employee's relative soliciting work or any type of payment from the City.

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

<i>City Manager</i>	Due Date :	07/01/2010	Not Due
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- 5 2008 0910 12 Employee/Vendor File Review
02. 02. Conflicts of Interest

Recommendation:

The City Manager's Office should coordinate the design of a system of evaluation with supporting documentation regarding the determination of independence or conflicts of interest with employees.

Management Action Plan:

The City Manager's Office will coordinate with the Departments of Human Resources, Finance and Business Services, and the City Attorney's Office a system that will support the implementation of policy changes identified in Action Plans 1.1 and 2.1.

Auditor R. Snelding

<i>City Manager</i>	Due Date :	07/01/2010	Not Due
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- 6 2008 0910 12 Employee/Vendor File Review
03. 01. CLV Business Licenses

Recommendation:

Management should design and document a system of control that would identify those contracting with the CLV for obtaining a City Business License.

Management Action Plan:

The City Manager's Office will coordinate with the Department of Finance and Business Services the development of a system of control.

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

<i>Detention and Enforcement</i>	Due Date :	12/31/2009	Incomplete
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7 **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

<i>Field Operations</i>	Due Date :	06/30/2005	Extended
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8 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 M. Mandolfo

<i>Field Operations</i>	Due Date :	06/01/2006	Extended
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9 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.

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

<i>Field Operations</i>	Due Date :	01/03/2006	Extended
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10 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.

Timetable: January 3, 2006

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

Field Operations	Due Date :	09/15/2008	Incomplete
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11 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 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

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

Field Operations	Due Date :	03/01/2009	Incomplete
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12 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

Field Operations	Due Date :	05/01/2009	Incomplete
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13 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

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

Field Operations	Due Date :	05/01/2009	Incomplete
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14 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

	<i>Finance and Business Services</i>	Due Date :	12/31/2002	Extended
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15 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

	<i>Finance and Business Services</i>	Due Date :	12/31/2002	Extended
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16 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

<i>Finance and Business Services</i>	Due Date :	07/01/2008	Incomplete
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17 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

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

<i>Finance and Business Services</i>	Due Date :	12/31/2009	Extended
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18 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.

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

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

<i>Finance and Business Services</i>	Due Date :	12/31/2009	Incomplete
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19 3100 0910 06 Audit of Professional Services Contract No. 080146-DC Hill-Clark & Associates

03. Modifications and Change Orders

Recommendation:

Purchasing and Contracts should do the following:

A policy should be established that provides guidelines as to which modifications should be submitted to Purchasing and Contracts for review and approval. These modifications should be included in the contract folder maintained by Purchasing and Contracts. This should be included in the Contract Monitoring Policy and Procedure currently being written by Purchasing and Contracts.

Management Action Plan:

Public Works: Purchasing will develop guidelines and will meet with sections and departments for approval of their guidelines.

Purchasing and Contracts: P&C Manager will update the Professional Services Policy FN 609.1 to reflect the requirement for contract modifications to be submitted to P&C for review and approval.

Auditor M. Mandolfo

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

<i>Fire and Rescue</i>	Due Date :	05/01/2010	Incomplete
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20 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 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.

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

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

Information Technologies		Due Date :	10/04/2005	Extended
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21 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

<i>Municipal Court</i>	Due Date :	09/30/2010	Not Due
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22 1103 0910 09 Procedures Performed -- Minimum Accounting Standards Checklist For Nevada Courts

01. 01. Areas of Non-Compliance With MAS

Recommendation:

Court Management should address the identified areas of non-compliance with the MAS Checklist standards.

Written Policy and Procedure Deficiencies (#2j p. 16, #129a, b, and c p. 64)

Management Action Plan:

Our Management Action Plan is to review all policies and procedures as they relate to our new case management system (CMOR) that went live in November. The areas identified as non-compliant by the audit staff will receive additional scrutiny to ensure compliance with the MAS Checklist standards. The Court will also coordinate the applicable policies and procedures with the Detention & Enforcement Department (D&E) ensuring that the procedures used by D&E on behalf of the Court comply with the MAS Checklist standards as well.

Auditor B. Smith

<i>Municipal Court</i>	Due Date :	09/30/2010	Not Due
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23 1103 0910 09 Procedures Performed -- Minimum Accounting Standards Checklist For Nevada Courts

01. 02. Areas of Non-Compliance With MAS

Recommendation:

Court Management should address the identified areas of non-compliance with the MAS Checklist standards.

Documentation on Distribution of Policies and Procedures to Court Employees (#3 p.17, #68 p. 38, #101 p. 54, #130 p. 65)

Management Action Plan:

Our Management Action Plan is to review all policies and procedures as they relate to our new case management system (CMOR) that went live in November. The areas identified as non-compliant by the audit staff will receive additional scrutiny to ensure compliance with the MAS Checklist standards. The Court will also coordinate the applicable policies and procedures with the Detention & Enforcement Department (D&E) ensuring that the procedures used by D&E on behalf of the Court comply with the MAS Checklist standards as well.

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

<i>Municipal Court</i>	Due Date :	09/30/2010	Not Due
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24 1103 0910 09 Procedures Performed -- Minimum Accounting Standards Checklist For Nevada Courts

01. 03. Areas of Non-Compliance With MAS

Recommendation:

Court Management should address the identified areas of non-compliance with the MAS Checklist standards.

Limitations on Amount of Cash in Cash Drawers (#18c, p. 21)

Management Action Plan:

Our Management Action Plan is to review all policies and procedures as they relate to our new case management system (CMOR) that went live in November. The areas identified as non-compliant by the audit staff will receive additional scrutiny to ensure compliance with the MAS Checklist standards. The Court will also coordinate the applicable policies and procedures with the Detention & Enforcement Department (D&E) ensuring that the procedures used by D&E on behalf of the Court comply with the MAS Checklist standards as well.

Auditor B. Smith

<i>Municipal Court</i>	Due Date :	09/30/2010	Not Due
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25 1103 0910 09 Procedures Performed -- Minimum Accounting Standards Checklist For Nevada Courts

01. 04. Areas of Non-Compliance With MAS

Recommendation:

Court Management should address the identified areas of non-compliance with the MAS Checklist standards.

Safe Combination Change Policy (#2i, p. 16)

Management Action Plan:

Our Management Action Plan is to review all policies and procedures as they relate to our new case management system (CMOR) that went live in November. The areas identified as non-compliant by the audit staff will receive additional scrutiny to ensure compliance with the MAS Checklist standards. The Court will also coordinate the applicable policies and procedures with the Detention & Enforcement Department (D&E) ensuring that the procedures used by D&E on behalf of the Court comply with the MAS Checklist standards as well.

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

<i>Municipal Court</i>	Due Date :	09/30/2010	Not Due
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26 1103 0910 09 **Procedures Performed -- Minimum Accounting Standards Checklist For Nevada Courts**

01. 05. **Areas of Non-Compliance With MAS**

Recommendation:

Court Management should address the identified areas of non-compliance with the MAS Checklist standards.

Implementation of Procedures to Comply with IRS Reporting Requirements (#29, p. 23)

Management Action Plan:

Our Management Action Plan is to review all policies and procedures as they relate to our new case management system (CMOR) that went live in November. The areas identified as non-compliant by the audit staff will receive additional scrutiny to ensure compliance with the MAS Checklist standards. The Court will also coordinate the applicable policies and procedures with the Detention & Enforcement Department (D&E) ensuring that the procedures used by D&E on behalf of the Court comply with the MAS Checklist standards as well.

Auditor B. Smith

<i>Municipal Court</i>	Due Date :	09/30/2010	Not Due
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27 1103 0910 09 **Procedures Performed -- Minimum Accounting Standards Checklist For Nevada Courts**

01. 06. **Areas of Non-Compliance With MAS**

Recommendation:

Court Management should address the identified areas of non-compliance with the MAS Checklist standards.

Monitoring of Manual Receipts (#44a, p. 29)

Management Action Plan:

Our Management Action Plan is to review all policies and procedures as they relate to our new case management system (CMOR) that went live in November. The areas identified as non-compliant by the audit staff will receive additional scrutiny to ensure compliance with the MAS Checklist standards. The Court will also coordinate the applicable policies and procedures with the Detention & Enforcement Department (D&E) ensuring that the procedures used by D&E on behalf of the Court comply with the MAS Checklist standards as well.

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

	<i>Municipal Court</i>	Due Date :	09/30/2010	Not Due
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28 1103 0910 09 Procedures Performed -- Minimum Accounting Standards Checklist For Nevada Courts

01. 07. Areas of Non-Compliance With MAS

Recommendation:

Court Management should address the identified areas of non-compliance with the MAS Checklist standards.

Accounts Receivable (#105a p. 56, #106 p. 56, #110 p. 57, #112 p. 57, #120 p. 60)

Management Action Plan:

Our Management Action Plan is to review all policies and procedures as they relate to our new case management system (CMOR) that went live in November. The areas identified as non-compliant by the audit staff will receive additional scrutiny to ensure compliance with the MAS Checklist standards. The Court will also coordinate the applicable policies and procedures with the Detention & Enforcement Department (D&E) ensuring that the procedures used by D&E on behalf of the Court comply with the MAS Checklist standards as well.

Auditor B. Smith

	<i>Municipal Court</i>	Due Date :	09/30/2010	Not Due
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29 1103 0910 09 Procedures Performed -- Minimum Accounting Standards Checklist For Nevada Courts

01. 08. Areas of Non-Compliance With MAS

Recommendation:

Court Management should address the identified areas of non-compliance with the MAS Checklist standards.

Bond Tracking (#127a, p. 63)

Management Action Plan:

Our Management Action Plan is to review all policies and procedures as they relate to our new case management system (CMOR) that went live in November. The areas identified as non-compliant by the audit staff will receive additional scrutiny to ensure compliance with the MAS Checklist standards. The Court will also coordinate the applicable policies and procedures with the Detention & Enforcement Department (D&E) ensuring that the procedures used by D&E on behalf of the Court comply with the MAS Checklist standards as well.

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

<i>Municipal Court</i>	Due Date :	09/30/2010	Not Due
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30 1103 0910 09 Procedures Performed -- Minimum Accounting Standards Checklist For Nevada Courts

01. 09. Areas of Non-Compliance With MAS

Recommendation:

Court Management should address the identified areas of non-compliance with the MAS Checklist standards.

Bail Reconciliation (#134, p. 66)

Management Action Plan:

Our Management Action Plan is to review all policies and procedures as they relate to our new case management system (CMOR) that went live in November. The areas identified as non-compliant by the audit staff will receive additional scrutiny to ensure compliance with the MAS Checklist standards. The Court will also coordinate the applicable policies and procedures with the Detention & Enforcement Department (D&E) ensuring that the procedures used by D&E on behalf of the Court comply with the MAS Checklist standards as well.

Auditor B. Smith

<i>Municipal Court</i>	Due Date :	09/30/2010	Not Due
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31 1103 0910 09 Procedures Performed -- Minimum Accounting Standards Checklist For Nevada Courts

01. 10. Areas of Non-Compliance With MAS

Recommendation:

Court Management should address the identified areas of non-compliance with the MAS Checklist standards.

Legacy System Issue (#49 and #51, p. 30)

Management Action Plan:

Our Management Action Plan is to review all policies and procedures as they relate to our new case management system (CMOR) that went live in November. The areas identified as non-compliant by the audit staff will receive additional scrutiny to ensure compliance with the MAS Checklist standards. The Court will also coordinate the applicable policies and procedures with the Detention & Enforcement Department (D&E) ensuring that the procedures used by D&E on behalf of the Court comply with the MAS Checklist standards as well.

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

<i>Municipal Court</i>			Due Date :	12/01/2010	Not Due
32	1103 0910 09	Procedures Performed -- Minimum Accounting Standards Checklist For Nevada Courts			
	02.	MAS Policy and Procedures			
Recommendation:					
Court Management should review and update the MAS System of Internal Controls document.					
Management Action Plan:					
Our Management Action Plan is to begin a five-stage review of all policies and procedures upon the implementation of the new case management system (CMOR). The initial stage of the review is to identify and correct programming issues that may arise. The second stage of the review is to ensure all reports are created and have been validated for accuracy. The third stage is to develop procedures that are compliant with MAS Checklist standards and City Policy. The fourth stage of the review is to document the policies and procedures and obtain Court approval. The final stage of the review is to issue the policies and procedures to Court personnel.					
Auditor B. Smith					

<i>Municipal Court</i>			Due Date :	01/31/2010	Incomplete
33	1103 0910 09	Procedures Performed -- Minimum Accounting Standards Checklist For Nevada Courts			
	03.	Collection of Drop Box Payments			
Recommendation:					
Court Management should document the procedures being followed by the Justice Court personnel in collecting the Municipal Court's payments from the drop boxes and evaluate the adequacy of these procedures in relation to the Court's internal control standards.					
Management Action Plan:					
We completely agree and our Management Action Plan is to meet with personnel from the Justice Court to discuss the policies and procedures used by the Justice Court regarding the drop box, unopened mail, and returning opened mail to the Municipal Court. The Municipal Court is reviewing the policies and procedures to ensure compliance with the MAS Checklist and City of Las Vegas policy. The Municipal Court will notify the Justice Court regarding any discrepancies and work a resolution.					
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

<i>Municipal Court</i>	Due Date :	06/30/2000	Incomplete
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34 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

<i>Municipal Court</i>	Due Date :	06/30/2000	Incomplete
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35 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

<i>Municipal Court</i>	Due Date :	06/30/2000	Incomplete
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36 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

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

	<i>Neighborhood Services</i>	Due Date :	09/30/2009	Extended
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37 1802 0910 03 Audit of Neighborhood Services Rapid Response Team

06. Invoices for 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.

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.

Auditor N. Beaty

	<i>Neighborhood Services</i>	Due Date :	10/30/2009	Extended
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38 1802 0910 03 Audit of Neighborhood Services Rapid Response Team

07. 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.

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