City of Las Vegas

Agenda Item No.: **5.**

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: MAY 12, 2011

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 and 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.

RECOMMENDATION:
Report only; no action required.

BACKUP DOCUMENTATION:
PowerPoint Slides 1-2

Motion made by PAUL WORKMAN to Accept the Report

Passed For: 5; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0
STEVE WOLFSON, PAUL WORKMAN, MICHAEL W. KERN, LOIS TARKANIAN, ALLEN KAERCHER; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-None)

Minutes:
City Auditor Radford Snelding reported on the current audits and/or projects: a) the Municipal Court Work Program is in the planning stage, b) the Architecture and Engineering Awards is in the reporting stage, c) Traffic Engineering is in the reporting stage, d) the Hansen Contract is in the planning stage, e) the Internal Control Review on the Municipal Sports Unit is in the reporting stage and f) the Surprise Cash Counts is in the field work stage.

Currently, there are three investigations pending and one investigation is in the reporting phase. As a result of the Think Forward initiative, many City of Las Vegas (City) departments have been restructured, with the realignment of many divisions. As a result, this has necessitated the need for re-assessing the City Auditor Department's auditable entities and an update of its annual audit plan. The assessment, along with an audit plan for the Fiscal Year 2011-2012, will be presented at the August 11, 2011 Audit Oversight Committee meeting.

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City Auditor Snelding informed the Committee that staff received a request from the Las Vegas City Employees Association (LVCEA) to conduct an audit of Public Works relative to outsourcing. The LVCEA was advised that staff would bring this request to this Committee's attention. The annual audit plan, along with this request, will be considered at the next aforementioned Audit Oversight Committee meeting.

Regarding the annual audit and the City's restructuring of the departments and reports, Chair Kern questioned the impact, if any, on training and compliance with internal control procedures. City Auditor Snelding responded that the structure is the same; the realignment reflects four super departments and portions within some departments have been relocated to another area to enhance City operations. Staff did not believe that internal control procedures would be impacted by this realignment. Deputy City Manager Orlando Sanchez clarified that the City was realigned by function of area of responsibility, streamlining to make the City more efficient.

Regarding LVCEA'S audit request, Chair Kern asked if deferring the audit would have an impact on outsourcing. City Auditor Snelding answered that there is a procedure within the contract that the City must conform to. The request relates to determining whether or not it was more practical to outsource rather than hiring additional staff. This audit is an agreed upon procedure, and staff will review. City Auditor Snelding clarified for Member Wolfson that the contract exists between the City and the LVCEA and anyone can request such an audit. However, staff would bring the request before this Committee for approval prior to going forward with any audit. Chair Kern inquired if the LVCEA was willing to pay for the audit requested. Don King, President, LVCEA, responded that he would bring the matter before the LVCEA board members for approval. Some Public Works projects are contracted, so the audit was requested as a means to ensure work was being done in the most efficient way possible.

City Auditor Snelding informed Member Wolfson that the number of man hours needed to perform this audit is unknown, but the information will be presented to the Committee at the next meeting in August. Regarding outsourcing Public Works projects, Deputy City Manager Sanchez pointed out that the scope is limited to see if it is in the best interest to outsource Public Works projects versus hiring additional staff to perform the projects. Member Tarkanian supported having the City and the LVCEA share in the cost for the audit, as she believed board members should be informed in order to make effective decisions. Chair Kern inquired if it was feasible to do a pre-audit to determine the savings, and City Auditor Snelding believed it was possible to have some information available at the next meeting.

Member Wolfson suggested Mr. King and City Auditor Snelding meet in an effort to satisfy the LVCEAs request and possibly make a decision prior to the next meeting in August.