



Las Vegas

Agenda Item No.: 7.

**AGENDA SUMMARY PAGE**  
**AUDIT OVERSIGHT COMMITTEE MEETING OF: MAY 12, 2011**

DEPARTMENT: CITY AUDITOR'S OFFICE  
DIRECTOR: RADFORD SNELDING

Consent  Discussion

**SUBJECT:**  
Discussion and possible action of Audit of the Metropolitan Medical Response System Grant Program (2010-1011-06)

**Fiscal Impact:**

No Impact  Augmentation Required  
 Budget Funds Available

Amount:  
Funding Source:  
Dept./Division:

**PURPOSE/BACKGROUND:**

City Auditor's Office staff will review the Audit of The Metropolitan Medical Response System Grant Program (2010-1011-06)

**RECOMMENDATION:**

Approval

**BACKUP DOCUMENTATION:**

1. Audit of The Metropolitan Medical Response System Grant Program (2010-1011-06)
2. PowerPoint Slides 7-15

Motion made by PAUL WORKMAN to Approve

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:**

Nancy Beaty, Senior Internal Auditor, reviewed PowerPoint Slides 7-15 that were submitted for the record and thanked staff for their assistance with the audit.

Chair Kern questioned the possibility of losing federal grants relative to non-compliance. Auditor Beaty explained it is possible; however, most of the findings are not of high concern. Member Tarkanian agreed with Assistant City Attorney Bryan Scott, who pointed out the City's due diligence in being proactive with the audit and taking measures to ensure compliance. Member Wolfson recalled an incident dealing with a firefighter who was prosecuted for theft, and Auditor Beaty confirmed that the firefighter was a County employee. Member Wolfson was also pleased with staff's efforts to address this issue.

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Member Wolfson referred to Page 11, No. 2, Audit Findings, of the PowerPoint and Chris Sproule, Department of Fire and Rescue, explained he believed the finding pertained to the inventory of prescription drugs. Upon Chair Kerns query, Auditor Beaty explained that the City paid for a shipment twice but only received one shipment; however, the City was reimbursed twice through the grant. Assistant City Attorney Scott questioned if the pharmaceutical company reimbursed the City for the shipment not received, as Chair Kern noticed the information was not included in the audit report. Staff could not confirm.

Chair Kern asked if the appropriate federal agency is notified of such deficiencies. Mr. Sproule was not aware of any requirement to do so, but Deputy City Manager Orlando Sanchez added that if the discrepancy is found by the City, it is not reported to the agency. The audit is part of a checks and balance system to avoid the potential loss of future grants.

Chair Kern appreciated staffs due diligence, and inquired about Mr. Sproules training. Mr. Sproule responded that he had no previous training prior to becoming the coordinator. However, he has since had adequate training to manage the program. He anticipates recommending that grant writing and grant management courses be taken prior to managing this type of program. Given that staff had to obtain some of the reports to retrieve information, Chair Kern asked if a checklist that entailed procedures was in place? Auditor Beaty explained that one was not in place. Three individuals were responsible for managing this grant, and documents were kept with each individual. This was part of the problem, so staff has since recommended that the documentation remain in a centralized location for better tracking and coordination in ensuring accurate invoicing. In addition, it will provide for efficient quarterly reports that are forwarded to the State. Chair Kern believed that a checklist was appropriate, as it is very important to the City to maintain these grants. He wondered if an opportunity existed for recovery of costs for time spent on maintaining these grants. Assistant City Attorney Scott was unsure, given the fact that the grants are seven years old. Auditor Beaty added that the coordinators salary has been reimbursed through the grant. The U.S. Department of Homeland Security Departments guide indicates one way to consider costs as direct costs is to include them in the application, which is generic and does not address this specific issue. One of the recommendations is to include costs for preparing proposals as part of the coordinators job responsibilities. This will increase the understanding that these costs, normally considered indirect costs, are performed by the coordinator within his/her normal responsibilities.

Chair Kern read from Page 11 of the Audit report included as backup documentation and asked if the City is absorbing the costs for preparing proposals for potential grants. Mr. Sproule responded that time, more so than an actual dollar amount, was associated with his work in writing the proposal. Auditor Beaty confirmed that the City did not absorb those costs. Although there has been a lack of understanding concerning federal requirements, Chair Kern believed many positives stem from this audit. He was not surprised to hear that copies of reports were not kept, as it happens in other venues.

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Member Workman confirmed with Auditor Beaty that having three individuals involved previously could be part of the reason why copies of reports were not kept. In addition, there were no solid records of reconciling inventory, which created difficulty in tracking the inventory. Auditor Beaty noted that copies of financial reports are kept in the City's Finance and Business Services Division.

Chair Kern questioned if the January 1, 2012 deadline was a realistic one for procedures to be in place. Mr. Sproule responded that a lot has been accomplished, however, he was concerned as to how to implement the policies. The Chairman believed the responsibility should be on the Department of Fire and Rescue and not this Committee. Thomas Milomontes, Acting Chief, Department of Fire and Rescue, expressed the department's support of the audit and changes will be made to implement the procedures.

