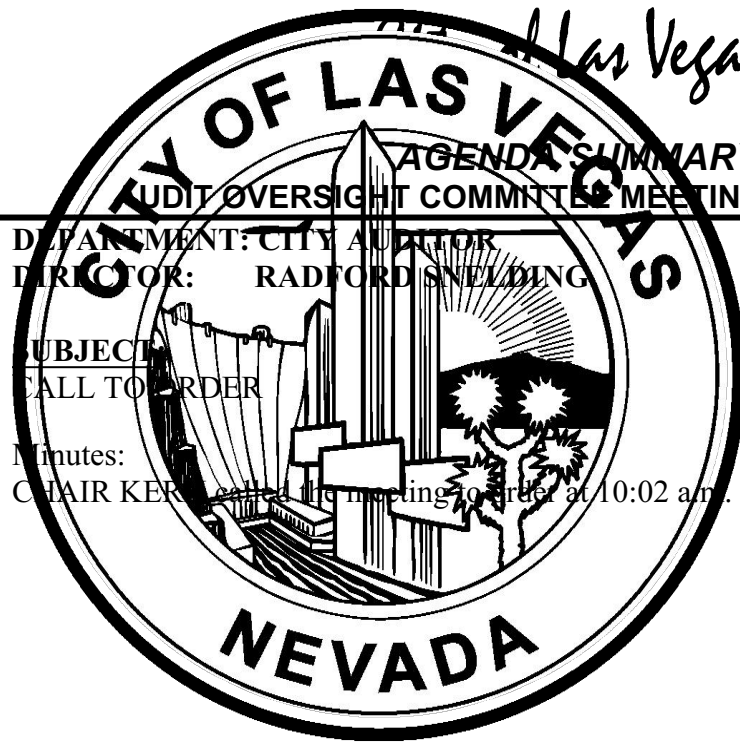




Agenda Item No.: 1.

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: NOVEMBER 10, 2011

DEPARTMENT: CITY AUDITOR
DIRECTOR: RADFORD SNELTING

SUBJECT:
CALL TO ORDER

Minutes:

CHAIR KER called the meeting to order at 10:02 a.m.



AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: NOVEMBER 10, 2011

DEPARTMENT: CITY AUDITOR
DIRECTOR: RADFORD SNEEDING

SUBJECT:
ANNOUNCEMENT RE: COMPLIANCE WITH OPEN MEETING LAW

Minutes:

ANNOUNCEMENT MADE: This meeting has been properly noticed and posted at the following locations: City Hall Plaza, 400 Stewart Avenue, Vending Area; City Clerk's Bulletin Board, 400 Stewart Avenue, 2nd Floor Skybridge; Las Vegas Library, 833 Las Vegas Boulevard North, Clark County Government Center, 500 South Grand Central Parkway; Grant Sawyer Building, 555 East Washington Avenue.



Las Vegas

Agenda Item No.: **3.**

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: NOVEMBER 10, 2011

SUBJECT:

PUBLIC COMMENT DURING THIS PORTION OF THE AGENDA MUST BE LIMITED TO MATTERS ON THE AGENDA FOR DISCUSSION. IF YOU WISH TO BE HEARD, COME FORWARD AND GIVE YOUR REASONS FOR THE RECORD. THE AMOUNT OF DISCUSSION, AS WELL AS THE AMOUNT OF TIME ANY SINGLE SPEAKER IS ALLOWED, MAY BE LIMITED.

Minutes:

None



AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: NOVEMBER 10, 2011

DEPARTMENT: CITY AUDITOR
DIRECTOR: RADFORD SNELTING

SUBJECT:
For Possible Action - Approval of the minutes by reference of the Audit Oversight Committee Meeting of May 12, 2011

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)



Las Vegas

Agenda Item No.: 5.

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: NOVEMBER 10, 2011

DEPARTMENT: CITY AUDITOR'S OFFICE

DIRECTOR: RADFORD SNELTING

☐ Consent ☒ Discussion

SUBJECT:

Discussion for possible action on schedule meeting Dates: Thursday, March 15, 2012; Thursday, May 24, 2012; Thursday, August 23, 2012; and Thursday, November 29, 2012

Fiscal Impact:

☐

No Impact

☐

Augmentation Required

☐

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

The purpose is to establish the quarterly Audit Committee Meetings for calendar year 2012.

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

Submitted at Meeting – PowerPoint Presentation – Slides 1 and 2

Motion made by LOIS TARKANIAN 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:

CITY AUDITOR RADFORD K. SNELTING provided a new meeting schedule for 2012.



Las Vegas

Agenda Item No.: 6.

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: NOVEMBER 10, 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:

Submitted at Meeting PowerPoint Presentation Slide 3

Motion made by PAUL WORKMAN to Approve 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:

Through a PowerPoint presentation, CITY AUDITOR RADFORD K. SNELDING provided a general report on audits in both the reporting and planning phases.



Las Vegas

Agenda Item No.: 7.

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: NOVEMBER 10, 2011

DEPARTMENT: CITY AUDITOR'S OFFICE

DIRECTOR: RADFORD SNELDING

☐ Consent ☒ Discussion

SUBJECT:

Discussion for possible action on the 2012 Annual Audit Plan

Fiscal Impact:

☐

No Impact

☒ Augmentation Required

☐

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

The City Auditor's Office audits from an annual audit plan. The plan identified performance audits selected for the fiscal year. All entities within the organization will be audited on the basis of: 1) risk exposure based on risk analysis; and 2) a five year audit cycle. High risk entities are audited three times during the audit cycle, medium risk twice, and low risk once. This plan allows for substitutions based on Mayor and Council or Audit Committee requests. The audit plan allows for computer assistance on audits, follow-ups, investigations, cash counts, and other miscellaneous activities. By approving this plan, the City Auditor's Office can initiate these audits without having to return to the Audit Committee to obtain authorization.

RECOMMENDATION:

The Committee should approve the proposed Audit Plan.

BACKUP DOCUMENTATION:

Audit Plan FY 2011-2012 Slide 4

Motion made by LOIS TARKANIAN 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:

CITY AUDITOR RADFORD K. SNELDING reviewed a PowerPoint presentation of Slide 4 and updated the Committee on the annual audit plan. He confirmed for MEMBER WOLFSON that priority rankings are as follows: 1 = highest priority, 2 = medium priority and 3 = lowest priority.



Agenda Item No.: 8.

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: NOVEMBER 10, 2011

DEPARTMENT: CITY AUDITOR'S OFFICE

DIRECTOR: RADFORD SNEEDING

☐ Consent ☒ Discussion

SUBJECT:

Report for possible action on update of Audit of Leisure Services - Sport Fields Administration (1603-1011-03)

Fiscal Impact:

☐ No Impact ☐ Augmentation Required
☐ Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

The Committee asked the City Auditor to report on the status of the recommendations related to the Audit of Leisure Services -- Sport Fields Administration (1603-1011-03)

RECOMMENDATION:

Accept the report.

BACKUP DOCUMENTATION:

1. Audit of Leisure Services Sport Fields Administration (1603-1011-03)
2. Submitted at Meeting PowerPoint Presentation Slides 5-8 and Parks, Recreation and Neighborhood Services Municipal Sports Unit Audit Action Plan by Lonny Zimmerman

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 for the City of Las Vegas, reviewed a report on the audit of Leisure Services -Sport Fields Administration. In response to MEMBER WORKMAN, she responded that there are numerous internal control issues and that she has not looked at direct concerns.

MEMBER WOLFSON requested information on the organization of focus groups, specifically how and when they are assembled in addition to who participates. LONNY ZIMMERMAN, Deputy Director, Parks, Recreation and Neighborhood Services Department, explained that they are trying to hold five focus groups with one being an open invitation. The first one was held last month with the major sports user groups, the next one will be the smaller user groups, and

AUDIT OVERSIGHT COMMITTEE MEETING OF: NOVEMBER 10, 2011

they will continue working backward until they have an open invitation. The groups are being asked very specific questions and are being encouraged to provide feedback and suggestions. Their goal is to have all the meetings finished by December in order to provide City Council with a draft recommendation. MEMBER WOLFSON received confirmation from MR. ZIMMERMAN that he is comfortable with the idea that they did everything possible to notify as many people as possible. He further clarified their outreach method was to email user groups about the meetings. He agreed that additional outreach is needed and suggested reaching out to each of the Councilmembers. DAVID RIGGLEMAN, Communications Director, confirmed that something could be done on the KCLV channel 2. MEMBER WOLFSON sees this as an opportunity to revise and make the plan better and wants as much input as possible.

MR. ZIMMERMAN clarified for MEMBER WOLFSON the plan is to provide the Council with the new rollout in early February 2012 so the plan can be implemented in October 2012. This will just be about the allocation period and all pricing fees will be established down the road with at least six months notice.

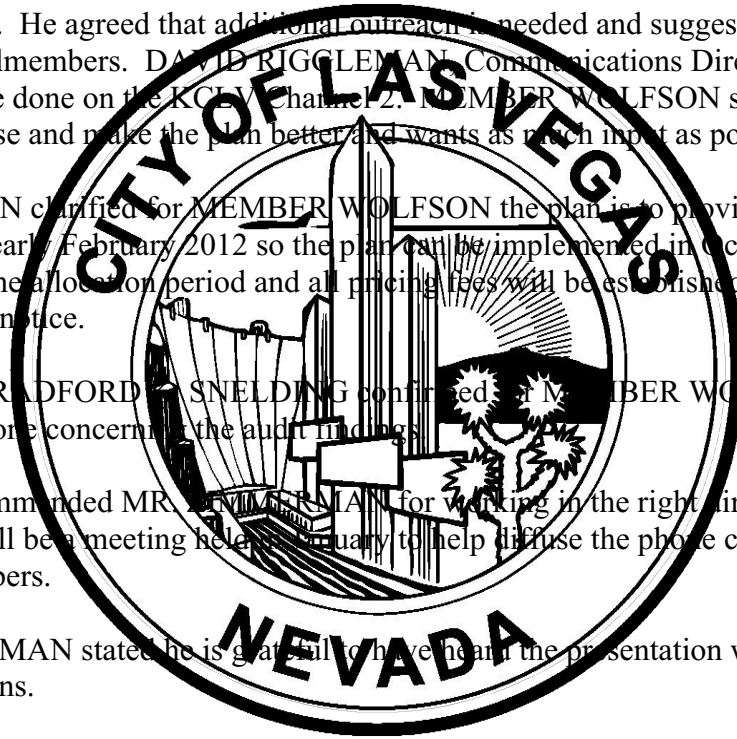
CITY AUDITOR RADFORD SNELDING confirmed for MEMBER WOLFSON there is a lot of work to be done concerning the audit findings.

CHAIR KERN commended MR. ZIMMERMAN for working in the right direction. He confirmed there will be a meeting held in January to help diffuse the phone calls received by City Council members.

MEMBER WORKMAN stated he is grateful to have heard the presentation which addressed so many of his concerns.

MEMBER TARKANIAN stated there are still many concerns to address and hopes the process of communicating information is improved.

CITY AUDITOR SNELDING stated this is an issue that has been looked at for a while, but until there is some history to review processes there is nothing to report on. Based on the report by MS. BEATY there are some allocations that can be looked at.





Las Vegas

Agenda Item No.: 9.

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: NOVEMBER 10, 2011

DEPARTMENT: CITY AUDITOR'S OFFICE

DIRECTOR: RADFORD SNEELING

☐ Consent ☒ Discussion

SUBJECT:

Discussion for possible action on Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting (1503-1011-07)

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 Public Works – Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting (1503-1011-07)

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

1. Audit of Public Works Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting (1503-1011-07)
2. Submitted at Meeting PowerPoint Presentation Slides 9-20

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:

BRIAN SMITH, Senior Internal Auditor, reviewed a PowerPoint presentation of the audit report for Traffic Engineering Field Operations (TEFO), a section of Public Works. He stated that JORGE CERVANTES, Director of Public Works, O.C, White, City Traffic Engineer, and other management was very helpful with the audit, were supportive of recommendations and have already moved forward with the implementation of some of his recommendations.

CHAIR KERN made the observation that inventory control issues are a recurring theme and they should be identified well before an audit occurs. More responsibility should be placed on the directors to improve deficiencies. Loss of inventory is a serious expense that needs to be addressed.

AUDIT OVERSIGHT COMMITTEE MEETING OF: NOVEMBER 10, 2011

MEMBER TARKANIAN stated that the quality and reputation of the department leads her to believe they will quickly address all issues.





Agenda Item No.: 10.

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: NOVEMBER 10, 2011

DEPARTMENT: CITY AUDITOR'S OFFICE

DIRECTOR: RADFORD SNELDING

☐ Consent ☒ Discussion

SUBJECT:

Discussion for possible action on Audit of Public Works - Consultant Selection Committee (1502-1112-01)

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 Public Works - Consultant Selection Committee (1502-1112-01)

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

1. Audit of Public Works - Consultant Selection Committee (1502-1112-01)
2. Submitted at Meeting PowerPoint Presentation Slides 21-34

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:

CITY AUDITOR RADFORD K. SNELDING recognized JORGE CERVANTES, Director of Public Works, DAVID BOWERS, City Engineer, and CITY MANAGER ELIZABETH FRETWELL for their quick attention. He also thanked MICHAEL MANDOLFO, Ombudsman, for his contributions. CITY AUDITOR SNELDING then reviewed a report on the audit of Public Works Consultant Selection Committee, and outlined the competitive bidding and selection processes. He provided an overview of his findings and the recommendations of a prior audit. Management has been very receptive to his recommendations and has identified their action plan, including a timeline, for addressing the recommendations.

MEMBER KAERCHER asked for clarification on the competitive bidding process, and whether items are just placed on the consent agenda if there is no competitive bidding. He asked for a

AUDIT OVERSIGHT COMMITTEE MEETING OF: NOVEMBER 10, 2011

percentage on how many items are awarded to local businesses and how many are awarded to out of state businesses in order to identify trends. He also asked breaking down larger bids into smaller projects could help local businesses. MR. CERVANTES explained that standard awards are put on the consent agenda, but that Councilmembers can pull those items for discussion. He also explained that businesses have to have a local office to participate in the bidding process, but reminded the Committee that many large and international corporations have local offices. MEMBER KAERCHER stated that many of the complaints he has received is that once jobs are done, some businesses are packing up and leaving Nevada. MR. CERVANTES stated that part of the ranking process includes local representation and that blanket agreements will be limited to \$500,000 maximums.

MEMBER WORKMAN received clarification from MR. CERVANTES that the new committee membership has just been established and that the minutes are being put together.

CITY AUDITOR SNELDING stated that the previous audit was for personal services which do not require competitive bidding. The preceding report included a flagship process for how they believe it should be done and the committee restructuring addresses the issues from the previous audit. Based on the recommendations that have been made and already implemented, the process is much stronger.

MEMBER KAERCHER received confirmation from MR. CERVANTES that the City Council is given information about the applicant, including whether or not they are a local business. MEMBER TARKANIAN confirmed that many times a councilmember will specifically ask if businesses are local.

MEMBER KERN asked if blanket agreements create conflict with primary contractors and whether or not they create inefficiencies realized to the City if they begin to dilute the blanket agreements in order to spread them around. CITY AUDITOR SNELDING did not see anything that would indicate that, but the primary reason for doing that is to test or try out other contractors that may not otherwise get an opportunity to work with the City. He clarified for MEMBER KERN that the expansion of the Committee and the recommendation of report cards would better reflect inefficiencies and give access to all the information available.



Agenda Item No.: **11.**

AGENDA SUMMARY PAGE

DEPARTMENT: CITY AUDITOR'S OFFICE
DIRECTOR: RADFORD SNELDING

SUBJECT

Fiscal Impact

Amount:

Dept./Division:

PURPOSE/BACKGROUND:

RECOMMENDATION:

BACKUP DOCUMENTATION:

Motion made by PAUL WORKMAN to Approve

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

Minutes:

MEMBER KERN received clarification from MR. SMITH on the cash handling procedures of the Municipal Court and stated issues are on the verge of being closed out. PAM JEFFERSON,

AUDIT OVERSIGHT COMMITTEE MEETING OF: NOVEMBER 10, 2011

Administrative Services Manager with the City of Las Vegas Municipal Court, stated there was a pattern and that IT will be running another query. She confirmed for MEMBER KERN there is a reconciliation but the journal entry needs to be finalized.





AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: NOVEMBER 10, 2011

DEPARTMENT: CITY AUDITOR
DIRECTOR: RADFORD SNEEDING

SUBJECT:
CITIZENS PARTICIPATION: Public comment during this portion of the agenda must be limited to matters within the jurisdiction of the Committee. No subject may be acted upon by the Committee unless that subject is on the agenda and is scheduled for action. If you wish to be heard, come to the podium and give your name for the record. The amount of discussion on any single subject, at any time, the amount of time any single speaker is allowed, may be limited.

Minutes:
None heard.



Las Vegas

Agenda Item No.: 13.

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: NOVEMBER 10, 2011

DEPARTMENT: CITY AUDITOR
DIRECTOR: RADFORD SNEEDING

☐ Consent ☒ Discussion

SUBJECT:
ADJOURNMENT

Minutes:
Meeting adjourned at 10 am

Respectfully submitted

Angela Crolli, Deputy City Clerk

Beverly K. Bridges, MMC, City Clerk