CITY OF LAS VEGAS AUDIT OVERSIGHT COMMITTEE
CITY HALL, 495 S. Main Street
Las Vegas, Nevada 89101
CITY CLERK'S 2ND FLOOR CONFERENCE ROOM
City of Las Vegas Internet Address: www.lasvegasnevada.gov

AGENDA

August 23, 2012
10:00 AM

ITEMS MAY BE TAKEN OUT OF THE ORDER PRESENTED AT THE DISCRETION OF THE CHAIRPERSON. TWO OR MORE AGENDA ITEMS FOR CONSIDERATION MAY BE COMBINED; AND ANY ITEM ON THE AGENDA MAY BE REMOVED OR RELATED DISCUSSION MAY BE DELAYED AT ANY TIME.

DUPLICATE AUDIO CDS MAY BE AVAILABLE AT A COST OF $5.00 PER CD THROUGH THE CITY CLERK'S OFFICE.

1. CALL TO ORDER

2. ANNOUNCEMENT RE: COMPLIANCE WITH OPEN MEETING LAW

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

4. For Possible Action - Approval of the Final Minutes by reference of the Audit Oversight Committee Meeting of May 24, 2012

5. Discussion for possible action on the appointment of a new Chairperson and Vice Chairperson for the remainder of calendar year 2012

6. General Report by the City Auditor

7. Discussion for possible action on the FY 2012-2013 Annual Audit Plan

8. Report for possible action regarding an update of the Audit of Leisure Services - Sport Fields Administration (1603-1011-03)

9. Discussion for possible action on Petty Cash Count - City Clerk's Office (2202-1112-06)

10. Discussion for possible action on Audit of Parks, Recreation and Neighborhood Services: Outside Employment & Cell Phone Issues (2903-1112-07)

11. Discussion for possible action on Audit of Building & Safety - Code Enforcement Property Nuisance Abatement Program (0754-1213-01)

12. 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, as well as the amount of time any single speaker is allowed, may be limited

13. ADJOURNMENT

Facilities are provided throughout City Hall for the convenience of disabled persons. If you need an accommodation to attend and participate in this meeting, please call the City Clerk's office at 229-6311 and advise of your need at least 48 hours in advance of the meeting. The City's TDD number is 386-9108.

THIS MEETING HAS BEEN PROPERLY NOTICED AND POSTED AT THE FOLLOWING LOCATIONS:

City Hall, 495 South Main Street, 1st Floor
Clark County Government Center, 500 South Grand Central Parkway
Grant Sawyer Building, 555 East Washington Avenue
City of Las Vegas Development Services Center, 333 North Rancho Drive

City of Las Vegas

Agenda Item No.: **1.**

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: AUGUST 23, 2012

DEPARTMENT: CITY AUDITOR
DIRECTOR: RADFORD SNELDING

SUBJECT:
CALL TO ORDER

City of Las Vegas

Agenda Item No.: **2.**

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: AUGUST 23, 2012

DEPARTMENT: CITY AUDITOR
DIRECTOR: RADFORD SNELDING

SUBJECT:
ANNOUNCEMENT RE: COMPLIANCE WITH OPEN MEETING LAW

City of Las Vegas

Agenda Item No.: **3.**

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: AUGUST 23, 2012

SUBJECT:

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

City of Las Vegas

Agenda Item No.: **4.**

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: AUGUST 23, 2012

DEPARTMENT: CITY AUDITOR
DIRECTOR: RADFORD SNELDING

SUBJECT:

For Possible Action - Approval of the Final Minutes by reference of the Audit Oversight Committee Meeting of May 24, 2012

City of Las Vegas

Agenda Item No.: **5.**

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: AUGUST 23, 2012

DEPARTMENT: CITY AUDITOR'S OFFICE
DIRECTOR: RADFORD SNELDING

☐ **Consent** ☒ **Discussion**

SUBJECT:
Discussion for possible action on the appointment of a new Chairperson and Vice Chairperson for the remainder of calendar year 2012

Fiscal Impact

☒ **No Impact** ☐ **Augmentation Required**

☐ **Budget Funds Available**

Amount:
Funding Source:
Dept./Division:

PURPOSE/BACKGROUND:
The By Laws require the appointment of the Chairperson and Vice Chairperson for the calendar year 2012.

RECOMMENDATION:
Appoint a Chairperson and Vice Chairperson for calendar year 2012.

BACKUP DOCUMENTATION:
None

City of Las Vegas

Agenda Item No.: **6.**

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: AUGUST 23, 2012

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:
None

City of Las Vegas

Agenda Item No.: **7.**

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: AUGUST 23, 2012

DEPARTMENT: CITY AUDITOR'S OFFICE
DIRECTOR: RADFORD SNELDING

☐ **Consent** ☒ **Discussion**

SUBJECT:
Discussion for possible action on the FY 2012-2013 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 identifies performance audits selected for the fiscal year. We audit on a cyclical 5 year audit plan. The City of Las Vegas has 12 Departments and 5 Offices. We plan to audit each of the Departments 4 times during the audit cycle and each of the Offices 2 times. We plan to complete 10 Department and 2 Office audits during FY 2012-2013 (the current fiscal year). By way of background we will determine the objectives and scope of the audit by identifying the performance measures of the entity and selecting areas that present the greatest risk exposure. 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, 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 2012-2013

CITY OF LAS VEGAS
AUDIT PLAN
FISCAL YEAR 2012-2013

Department / Office

- **CITY ATTORNEY**
- **INFORMATION TECHNOLOGIES**
- **BUILDING AND SAFETY**
- **ECONOMIC AND URBAN DEVELOPMENT**
- **PLANNING**
- **OPERATIONS AND MAINTENANCE**
- **FIRE AND RESCUE**
- **PARKS, RECREATION AND NEIGHBORHOOD SERVICES**
- **HUMAN RESOURCES**
- **DETENTION AND ENFORCEMENT**
- **FINANCE**
- **COMMUNTICATIONS**

City of Las Vegas   Agenda Item No.: **8.**

AGENDA SUMMARY PAGE
AUDIT OVERSIGHT COMMITTEE MEETING OF: AUGUST 23, 2012

DEPARTMENT: CITY AUDITOR'S OFFICE
DIRECTOR: RADFORD SNELDING ☐ **Consent** ☒ **Discussion**

SUBJECT:
Report for possible action regarding an update of the 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:
None

City of Las Vegas   Agenda Item No.: 9.

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: AUGUST 23, 2012

DEPARTMENT: CITY AUDITOR'S OFFICE
DIRECTOR: RADFORD SNELDING

☐ **Consent** ☒ **Discussion**

SUBJECT:
Discussion for possible action on Petty Cash Count - City Clerk's Office (2202-1112-06)

Fiscal Impact

☒ **No Impact** ☐ **Augmentation Required**
☐ **Budget Funds Available**

Amount:
Funding Source:
Dept./Division:

PURPOSE/BACKGROUND:
City Auditor's Office staff will review the Petty Cash Count -- City Clerk's Office (2202-1112-06)

RECOMMENDATION:
Approval

BACKUP DOCUMENTATION:
Petty Cash Count – City Clerk's Office (2202-1112-06)

CITY AUDITOR'S OFFICE

Petty Cash Count – City Clerk's Office

Report No. CAO 2202-1112-06

May 24, 2012

RADFORD K. SNELDING, CPA, CIA, CFE

CITY AUDITOR

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Petty Cash Count – City Clerk's Office

CAO 2202-1112-06

BACKGROUND

Selected city departments have varying amounts of petty cash funds totaling $17,265. Petty Cash Funds are defined as funds established for the purpose of making immediate and/or emergency cash payments and for making payments that are too small to be made by check. Petty cash payments should not exceeding $100 per occurrence. These funds are replenished as needed by the departments through the City Treasurer's Office. The City Treasurer's Office oversees the administration of the petty cash system including the authorization, issuance, replenishment, and tracking of petty cash funds.

OBJECTIVES

The objectives of our audit were to:

- Determine if management controls are adequate to ensure that expenditures are properly authorized and reported.
- Determine if applicable policies and procedures are appropriately followed.
- Review overall operations to determine if objectives and benefits are accomplished.

SCOPE AND METHODOLOGY

The scope of this audit was limited to a review of petty cash funds and transactions for FY 2010-2011 and the current year as of January 12th, 2012. The scope of our work on internal control was limited to the controls within the context of the audit objectives and the scope of the audit.

Our audit methodology included:

- Review of applicable guidelines, policies, and procedures,
- Interviews with City personnel,
- Petty cash count and reconciliation,
- Analysis and detail testing of selected data, and
- Review of previous audit recommendations.

We conducted this performance audit in accordance with generally accepted government auditing standards except for the requirement for an external peer review every three years. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The exception to full compliance is because the City Auditor's Office has not yet undergone an external peer review. However, this exception has no affect on the audit or the assurances provided.

CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

- Determine if management controls are adequate to ensure that expenditures are properly authorized and reported.
- Determine if applicable policies and procedures are appropriately followed.
- Review overall operations to determine if objectives and benefits are accomplished.

The following conclusions were noted:

Determine if management controls are adequate to ensure that expenditures are properly authorized and reported.

- Petty Cash is reimbursed at least monthly or when the funds falls below 50% of its set balance, whichever occurs first.

Determine if applicable policies and procedures are appropriately followed.

- A memo needs to be prepared and submitted during the months where there were no disbursements.

Review overall operations to determine if objectives and benefits are accomplished.

- Reconciliation of the petty cash fund annually needs to be accomplished.

Further information is contained in the following sections.

1. Petty Cash Fund Verification

The Department Director or designee is responsible for ensuring that all petty cash and change funds in their departments are authorized and operated in accordance with the Petty Cash/Change Funds Procedure.

Criteria
An independent person periodically verifies the totals and balances on Petty Cash Log as outlined in the Petty Cash/Change Funds Policy and Procedure.

Condition

- There was no independent verification of the totals and balances on Petty Cash Log as outlined in the Petty Cash/Change Funds Policy and Procedure.

Cause
The Petty Cash/Change Funds Policy and Procedure was not followed.

Effect
Maintaining the current balances of the Petty Cash Fund helps ensure that the Petty Cash Fund has oversight above and beyond of the custodian for the funds.

Recommendation
1.1 The Petty Cash Funds custodian needs to maintain a Petty Cash Log and the Department Director or designee needs to ensure that an independent person periodically verifies the totals and balances on Petty Cash Log as outlined in the Petty Cash/Change Funds Policy and Procedure.

2. Petty Cash Fund Reimbursement

Criteria
Reimbursements should be done at least monthly or if fund falls below 50%.

Condition

- The Petty Cash Funds were not reimbursed at least monthly.

Cause
The Petty Cash Fund custodian was not aware of the frequency to have the Petty Cash Fund Reimbursed.

Effect

- City expenditures are not accounted for in a timely manner.

Recommendation
2.1 Ensure Petty Cash is reimbursed at least monthly or when the funds falls below 50% of its set balance, whichever occurs first.

Criteria
To reimburse a petty cash fund, the Petty Cash Fund Custodian totals and balances the Petty Cash Log.

Condition

- A Petty Cash Log was not maintained.

Cause
The Petty Cash Fund Custodian was unaware of this log.

Effect
Cash not properly tracked and accounted for can be lost or stolen easily.

Recommendation
2.2 Department director needs to ensure the Petty Cash Log is initiated and maintained as outlined in the Petty Cash Fund Procedure.

Criteria
A Non-Treasury supervisor independent of the cash function should verify the money balance in the petty cash box as outlined in the Petty Cash Fund Procedure.

Condition

- There is no evidence to support that a Non-Treasury supervisor independent of the cash function has not verified the money balance in the petty cash box.

Cause
The Department Director or designee was unaware of this requirement.

Effect
Providing credible checks and balances over cash operations reduces the possibility of theft or fraud.

Recommendation
2.3 The Department Director or designee needs to ensure that a Non-Treasury supervisor independent of the cash function has not verified the money balance in the petty cash box.

Criteria
A Non-Treasury supervisor independent of the cash function needs to sign the Petty Cash Log signifying that a review and verification were completed.

Condition
- The Petty Cash Fund custodian is not using the Petty Cash Log, so a Non-Treasury supervisor independent of the cash function did not sign the Petty Cash Log signifying that the review and verification were complete.

Cause
The Department Director or designee was unaware of the requirements to maintain a Petty Cash Log as well as verifying and signing off the review.

Effect
Providing credible checks and balances over cash operations reduces the possibility of theft or fraud.

Recommendation
2.4 The Department Director or designee needs to ensure the Petty Cash Fund Custodian follows the procedures in the Petty Cash/Change Funds Procedure.

3. Memos Required

The Petty Cash Fund Custodian forwards the signed *Petty Cash Log*, the *Petty Cash Reconciliation & Reimbursement* form, all original receipts and all paid voided petty cash vouchers to the Treasury Division.

Criteria
If no disbursements were made during the month, the Petty Cash Fund Custodian's supervisor verifies and signs a memo to that effect and submits the signed memo instead of the reimbursement.

Condition
- During the months where no disbursements were made there were no memos indicating this.

Cause
The custodian was not using the petty cash log.

Effect
Failing to follow established procedures could weaken the safeguards and enable funds to go missing.

Recommendation
3.1 The Department Director or designee needs to ensure that the custodian is following the procedures as outlined in the Petty Cash/Change Funds Policy and Procedure.

4. Petty Cash Fund Reconciliation

Reconciliations help ensure that the Petty Cash Fund is in balance and provide the avenue to report overages or shortages and those disbursements were made correctly. Reconciliations also ensure that the petty cash vouchers and the currency and coin stated on the form reconcile to the actual vouchers and actual cash and coin on hand.

Criteria
On a periodic basis (at a minimum, annually),

- A supervisor independent of the cash function will perform an unannounced reconciliation of all Petty Cash Funds within their department
- Department of Finance personnel will perform an unannounced reconciliation of each/all Petty Cash Funds within the City

Condition
- There was no evidence that the minimum reconciliations were performed.

Cause
The custodian was not using the petty cash log.

Effect
The possibility of loss of funds or fraud could go undetected without periodic reconciliations.

Recommendation
4.1 The Department Director or designee needs to ensure that the custodian is following the procedures as outlined in the Petty Cash/Change Funds Policy and Procedure.

Criteria
Independent Petty Cash Fund Reconciliations are to be completed on a periodic basis at least annually.

Condition
- There was no documented evidence that the City Clerk's Office performed a periodic reconciliation (at least annually) on the Petty Cash Fund.

Cause
The Petty Cash Fund custodian was unaware of this requirement.

Effect
Petty Cash is susceptible to fraud and theft, therefore conducting periodic reconciliations help deter theft and fraud.

Recommendation
4.2 The Department Director or designee needs to ensure that the custodian is following the procedures as outlined in the Petty Cash/Change Funds Policy and Procedure.

Criteria
A Petty Cash Fund Reconciliation & Reimbursement form and a Petty Cash Reconciliation Check List should be completed and copies forwarded to the Treasurer whenever reconciliation is performed.

Condition
- There were no Petty Cash Fund Reconciliation & Reimbursement forms or a Petty Cash Reconciliation Check List completed, nor copies forwarded to the Treasurer.

Cause
The Petty Cash Fund custodian was unaware of this requirement.

Effect
Finance and Business Services needs Petty Cash Fund holders to ensure they are performing the required reconciliations of the funds entrusted to them.

Recommendation
4.3 The Department Director or designee needs to ensure that the Petty Cash Fund Reconciliation & Reimbursement forms and a Petty Cash Reconciliation Check List and completed copies forwarded to the Treasurer as outlined in the Petty Cash/Change Funds Procedure.

Management Response

1.1 Petty Cash Fund Verification

Recommendation
1.1 The Petty Cash Funds custodian needs to maintain a Petty Cash Log and the Department Director or designee needs to ensure that an independent person periodically verifies the totals and balances on Petty Cash Log as outlined in the Petty Cash/Change Funds Policy and Procedure.

Management Plan of Action – After careful consideration the Department Director has decided to dissolve the City Clerk Petty Cash Fund. The fund is simply not utilized enough to justify time spent on compliance regulations.

Estimated Date of Completion – March 26, 2012

2.1 Petty Cash Fund Reimbursement

Recommendation
2.1 Ensure Petty Cash is reimbursed at least monthly or when the funds falls below 50% of its set balance, whichever occurs first.

Management Plan of Action – After careful consideration the Department Director has decided to dissolve the City Clerk Petty Cash Fund. The fund is simply not utilized enough to justify time spent on compliance regulations.

Estimated Date of Completion – March 26, 2012

Recommendation
2.2 Department director needs to ensure the Petty Cash Log is initiated and maintained as outlined in the Petty Cash Fund Procedure.

Management Plan of Action – After careful consideration the Department Director has decided to dissolve the City Clerk Petty Cash Fund. The fund is simply not utilized enough to justify time spent on compliance regulations.

Estimated Date of Completion – March 26, 2012

Recommendation
2.3 The Department Director or designee needs to ensure that a Non-Treasury supervisor independent of the cash function has not verified the money balance in the petty cash box.

Management Plan of Action – After careful consideration the Department Director has decided to dissolve the City Clerk Petty Cash Fund. The fund is simply not utilized enough to justify time spent on compliance regulations.

Estimated Date of Completion – March 26, 2012

Recommendation
2.4 The Department Director or designee needs to ensure the Petty Cash Fund Custodian follows the procedures in the Petty Cash/Change Funds Procedure.

Management Plan of Action – After careful consideration the Department Director has decided to dissolve the City Clerk Petty Cash Fund. The fund is simply not utilized enough to justify time spent on compliance regulations.

Estimated Date of Completion – March 26, 2012

3.1 Memos Required

Recommendation
3.1 The Department Director or designee needs to ensure that the custodian is following the procedures as outlined in the Petty Cash/Change Funds Policy and Procedure.

Management Plan of Action – When Fund Custodian contacted Finance to acquire the appropriate forms to use, she was told that there are no "new forms" in place. Auditor's direction was to go ahead and use the forms that Finance directs staff to use.

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Estimated Date of Completion – Could not comply with this recommendation as the correct forms have not yet been made available to staff for usage.

4.1 Petty Cash Fund Reconciliation

Recommendation
4.1 The Department Director or designee needs to ensure that the custodian is following the procedures as outlined in the Petty Cash/Change Funds Policy and Procedure.

Management Plan of Action - After careful consideration the Department Director has decided to dissolve t03he City Clerk Petty Cash Fund. The fund is simply not utilized enough to justify time spent on compliance regulations.

Estimated Date of Completion - March 26, 2012

Recommendation
4.2 The Department Director or designee needs to ensure that the custodian is following the procedures as outlined in the Petty Cash/Change Funds Policy and Procedure.

Management Plan of Action - After careful consideration the Department Director has decided to dissolve the City Clerk Petty Cash Fund. The fund is simply not utilized enough to justify time spent on compliance regulations.

Estimated Date of Completion – March 26, 2012

Recommendation
4.3 The Department Director or designee needs to ensure that the Petty Cash Fund Reconciliation & Reimbursement forms and a Petty Cash Reconciliation Check List and completed copies forwarded to the Treasurer as outlined in the Petty Cash/Change Funds Procedure.

Management Plan of Action - After careful consideration the Department Director has decided to dissolve the City Clerk Petty Cash Fund. The fund is simply not utilized enough to justify time spent on compliance regulations.

Estimated Date of Completion – March 26, 2012

City of Las Vegas

Agenda Item No.: **10.**

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: AUGUST 23, 2012

DEPARTMENT: CITY AUDITOR'S OFFICE
DIRECTOR: RADFORD SNELDING

☐ **Consent** ☒ **Discussion**

SUBJECT:
Discussion for possible action on Audit of Parks, Recreation and Neighborhood Services: Outside Employment & Cell Phone Issues (2903-1112-07)

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 Parks, Recreation and Neighborhood Services: Outside Employment & Cell Phone Issues (2903-1112-07)

RECOMMENDATION:
Approval

BACKUP DOCUMENTATION:
Audit of Parks, Recreation and Neighborhood Services: Outside Employment & Cell Phone Issues (2903-1112-07)

CITY AUDITOR'S OFFICE

Audit of Parks, Recreation and Neighborhood Services: Outside Employment & Cell Phone Issues

Report No. CAO 2903-1112-07

May 24, 2012

RADFORD K. SNELDING, CPA, CIA, CFE

CITY AUDITOR

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Audit of Parks, Recreation and Neighborhood Services:
Cell Phone & Outside Employment Issues
CAO 2903-1112-07

BACKGROUND

The City Auditor's Office was provided information concerning a city employee with a potential conflict of interest involving the employee's outside employment. Upon review of this information, our office conducted an audit to determine:

- whether the employee's outside employment created a conflict of interest and
- whether personal calls were made on his city cell phone and if so,
- whether the calls were properly reimbursed.

OBJECTIVES

The audit objective was to evaluate the adequacy and effectiveness of management controls over the use of City issued cell phones and the use of Outside Employment policies and procedures in the Department of Parks, Recreation and Neighborhood Services.

SCOPE AND METHODOLOGY

The scope of this audit was limited to and the review of cell phone usage from September 30, 2007 to January 28, 2011 and the outside employment of this employee. The scope of our work on internal control was limited to the controls within the context of the audit objectives and the scope of the audit.

Our audit methodology included:

- Research of policy and procedures and applicable guidelines,
- Interviews of City personnel,
- Observations of work processes, and
- Analysis and detail testing of available data.

We conducted this audit in accordance with generally accepted government auditing standards except for the requirement for an external peer review every three years. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The exception to full compliance is because the City Auditor's Office has not yet undergone an external peer review. However, this exception has no affect on the audit or the assurances provided.

CONCLUSIONS, FINDINGS, AND RECOMMENDATIONS

The following conclusions were noted:

- Finding 1 - There are no checks and balances to determine if City employees have valid business licenses or have approved Outside Employment forms in their personnel files.

- Finding 2 - Cell phone usage was not monitored by management.

Further information is contained in the sections below. While other issues were identified and discussed with management, they were deemed less significant for reporting purposes.

1. Control over Outside Employment

Criteria

The City's Policy (Outside Employment Policy HR3.12.01) and Procedure (Outside Employment Procedure HR10.01) documents that the Outside Employment Request Forms must be submitted by the employee to the Department Director, or designee, for approval and then to the Department of Human Resources for review and final approval.

Condition

- The employee owns several businesses.
- One of the businesses provided services to the City and was paid approximately $5,000 for these services.
- The employee did not submit an Outside Employment form for this business.
- The employees' outside employment was a conflict of interest in his capacity as a City employee.

Cause

- The employee failed to follow City policy.

Effect

- Violation of City Policy.
- A conflict of interest existed in the employee's business transactions with the City.

Recommendations

1.1 Parks, Recreation and Neighborhood Services Management should routinely remind all employees that outside employment forms must be approved by the department and Human Resources.

1.2 Parks, Recreation and Neighborhood Services Management should update the Work Rules and Regulations Manual to include the Employee-Vendor Relationship Policy.

2. Control over City issued cell phones

Criteria

The City's Policy (Communication Equipment Policy IT121.3) and Procedure (Communication Equipment Procedure IT 121a.3) documents that personal and/or non-City business charges are reviewed and reimbursed by the individual employee. Also, the designated staff should also generate and print monthly reports for the managers/supervisors for monitoring monthly phone usage and compliance with City Policies and Procedures.

Condition

- During the time period of 9/30/2007 to 1/28/2011, the employee made 5,904 calls were made totaling 15,976 minutes.
- The employee did not reimburse the City for any of these calls, therefore all of these calls are identified as business related.
- Parks, Recreation and Neighborhood Services Management was not routinely monitoring of City issued cell phone billing statements of this employee
- Due to the nature of the job responsibilities of this employee we could not determine whether any of these calls were personal.

Cause

- Parks, Recreation and Neighborhood Services management failed in their responsibility to comply with the City policy and procedure requiring them to generate and print monthly reports for the managers/supervisors for monitoring monthly cell phone usage.

Effect

- The employee may have made personal calls on the City cell phone without detection.
- The City may not have received reimbursement for personal calls.

Recommendations

2.1 Parks, Recreation and Neighborhood Services management needs to follow the City's policy requiring review of cell phone records.

2.2 Parks, Recreation and Neighborhood Services management should remind their employees that all personal calls made on their City cell phone needs to be reimbursed to the City.

MANAGEMENT RESPONSE

1. Control over Outside Employment

Recommendation 1.1:

Parks, Recreation and Neighborhood Services Management should routinely remind all employees that outside employment forms must be approved by the department and Human Resources.

Management Response: The Parks, Recreation and Neighborhood Services Department (formerly Neighborhood Services Department) consistently followed the established Outside Employment policy and made employees aware of the policy through the Department work rules and new employee orientation conducted by HR. The incident referenced in the audit, dates back to 2007 wherein an employee was approved for Outside Employment at the behest of Human Resources (HR) and the Las Vegas City Employees Association, despite the fact that the employee's outside business created a perceived and/or actual conflict of interest. Furthermore, HR does not require employees to have a valid business license in order for an outside employment request to be approved. The PRNS department initiated the process to revoke the employee's outside employment approval, based on the recent audit and HUD monitoring recommendations, however, the employee resigned in lieu of termination on April 24, 2012.

The PRNS department continues to notify employees (Full-time, part-time and hourly's) about the outside employment policy and procedures through the Director's weekly e-newsletter, Steve's Soundbytes (see attached) and as part of the internal new employee orientation. New employees are also provided the form and respective policy during the new employee orientation conducted by the Human Resources Department.

Human Resources (contact person is Christina Rost) is in the process of updating the Outside Employment Policy and we will inform staff of any future changes.

Estimated Date of Completion: Completed and Ongoing

Recommendation 1.2:

Parks, Recreation and Neighborhood Services Management should update the Work Rules and Regulations Manual to include the Employee-Vendor Relationship Policy.

Management Response: In October 2010, the City formally adopted an Employee-Vendor Relationship Policy. The incident referenced in the audit, dates back to 2007 wherein an employee was approved for Outside Employment at the behest of the Human Resources and Las Vegas City Employees Association, despite the fact that the employee's outside business created a perceived and/or actual conflict of interest. In 2007, concerned that the employee's outside employment closely resembled the employee's full-time job, The Parks, Recreation and Neighborhood Services Department (formerly Neighborhood Services Department) created stipulations that prohibited the employee from doing business with the City or other related service providers as a safeguard. The Department used reasonable measures to monitor and prevent an employee-vendor relationship conflict.

Since 2011, the department routinely notifies employees (Full-time, part-time and hourly's) about the outside employment policy and procedures through the Director's weekly e-communication (employee news and updates), Steve's Soundbytes (see attached) and as part of the internal new employee orientation. The newly revised department work rules will also address Policy CM 403- Employee- Vendor Relationship Policy.

Estimated Date of Completion: September 30, 2012

2. Control over City issued cell phones

Recommendation 2.1:
Parks, Recreation and Neighborhood Services management needs to follow the City's policy requiring review of cell phone records.

Management Response: Prior to 2011 city cell phone bill reports were not readily accessible for review by management. Subsequently, employees were responsible for reviewing and verifying that the calls made were business related. Additionally, employees were required to reimburse the city for non-business related calls. The employee referenced in this audit verified that the calls were business related.

Since June 2011, the department receives quarterly phone bill reports from the Information Technologies Department for cell phone and long distance usage. This information is provided to the management team for review and verification. The PRNS department also generates a routine delinquency report that lists employees who fail to review their phone bills in a timely manner. This information is also provided to the management team for review and verification. Lastly, employees are still responsible for reviewing and verifying phone usage is for city related business.

Estimated Date of Completion: Completed and Ongoing

Recommendation 2.2:
Parks, Recreation and Neighborhood Services management should remind their employees that all personal calls made on their City cell phone needs to be reimbursed to the City.

Management Response: Since 2011, the department routinely notifies (Full-time, part-time and hourly's) about the outside employment policy and procedures through the Director's weekly e-communication (employee news and updates), Steve's Soundbytes (see attached) and as part of the internal new employee orientation. The newly revised department work rules will also address employee responsibilities related to personal calls on city-issued cell phones and long distance calls.

Estimated Date of Completion: Completed and Ongoing

City of Las Vegas

Agenda Item No.: **11.**

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: AUGUST 23, 2012

DEPARTMENT: CITY AUDITOR'S OFFICE
DIRECTOR: RADFORD SNELDING

☐ **Consent** ☒ **Discussion**

SUBJECT:
Discussion for possible action on Audit of Building & Safety - Code Enforcement Property Nuisance Abatement Program (0754-1213-01)

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 Building & Safety – Code Enforcement Property Nuisance Abatement Program (0754-1213-01)

RECOMMENDATION:
Approval

BACKUP DOCUMENTATION:
Audit of Building & Safety – Code Enforcement Property Nuisance Abatement Program (0754-1213-01)

CITY AUDITOR'S OFFICE

AUDIT OF BUILDING & SAFETY – CODE ENFORCEMENT PROPERTY NUISANCE ABATEMENT PROGRAM

Report No. CAO 0754-1213-01

August 2, 2012

RADFORD K. SNELDING, CPA, CIA, CFE

CITY AUDITOR

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AUDIT OF BUILDING & SAFETY – CODE ENFORCEMENT
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BACKGROUND

Code Enforcement is a division within the Department of Building and Safety. Code Enforcement enforces nuisance, zoning, building, and housing code violations on private property in accordance with the municipal code. Examples of these violations include waste, litter, polluted pools, high vegetation, inoperable and junk vehicles, and vacant or dangerous buildings. Code Enforcement officers respond to complaints received from citizens and where appropriate issue violation correction notices. Subsequent re-inspections are completed and additional violation correction notices are issued as necessary. Various fees and penalties are recorded until the violation is corrected. Code Enforcement officers document their activities in the Hansen database (Hansen).

If a violation has not been corrected by the second re-inspection, a *Notice and Order* is typically issued and the nuisance abatement process begins. Code Enforcement requests bids from a list of contractors to complete the nuisance abatement and then awards the project to the lowest bidder. Following the abatement, the case is presented in a public hearing to the City Council for consideration of the expenses (i.e., fees, penalties, abatement costs). If the expenses are confirmed and accepted by the City Council, they can declare the charges to be a personal obligation of the property owner or may order the charges be assessed against the property by means of a lien. The City Council typically utilizes property liens to recover abatement costs incurred by the city. Code Enforcement records the liens at the Clark County Recorder's Office.

During 2011, Code Enforcement closed approximately 11,800 municipal code violation cases. Through Code Enforcement's work, most violations are corrected by the property owners. A small percentage of these inspections lead to Code Enforcement having to proceed with property nuisance abatements. Code Enforcement oversaw 64 property nuisance abatements in 2011.

OBJECTIVES

The audit objectives were to:

Recording of Fees, Penalties, and Costs

- Evaluate whether the fees, penalties, and costs in conjunction with property nuisance abatements are being appropriately calculated and recorded in accordance with the municipal code.

Bid and Award Process

- Evaluate whether the contractor bid process for property nuisance abatements complies with city policies.

- Evaluate whether proper internal controls exist to ensure contractors are eligible to perform nuisance abatements.
- Evaluate the adequacy of the documents being used with contractors.

Document Recording

- Evaluate whether property nuisance abatement documents (i.e., *Notice and Orders*, liens, lien releases) are being properly recorded with the Clark County Recorder's Office.

Property Owner Notifications

- Evaluate whether property owners are being properly notified of Code Enforcement actions.

Document Retention

- Evaluate whether Code Enforcement has controls in place to help ensure compliance with document retention standards.

SCOPE AND METHODOLOGY

The scope of this audit was limited to Code Enforcement's property nuisance abatement process. Testing included a review of a sample of Code Enforcement cases in which a nuisance abatement was completed in 2011. The scope of our work on internal control was limited to the controls within the context of the audit objectives and the scope of the audit. The last fieldwork date of this audit was April 26, 2012.

Our audit methodology included:

- Research of applicable city and state regulations,
- Research of applicable policies and procedures,
- Interviews of city personnel,
- Observations of work processes, and
- Analysis of available data.

We conducted this performance audit in accordance with generally accepted government auditing standards except for the requirement for an external peer review every three years. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The exception to full compliance is because the City Auditor's Office has not yet undergone an external peer review. However, this exception has no affect on the audit or the assurances provided.

CONCLUSIONS, FINDINGS, AND RECOMMENDATIONS

The following conclusions were noted:

Recording of Fees, Penalties, and Costs

- Inconsistencies were identified in the methodology being followed for the calculation of daily civil penalties. (Finding #1)
- Inconsistencies were identified in the abatement completion dates reported in key abatement documents. (Finding #2)

Bid and Award Process

- Deficiencies were identified in the maintenance of the approved contractor listing used to solicit bids on property nuisance abatement projects. (Finding #3)
- Code Enforcement has not adequately documented the process to be followed by staff members in reviewing submitted bid packages and completing revised bid requests. (Finding #4)
- Deficiencies were identified in the bid documents sent to contractors. (Finding #5)
- Code Enforcement is not adequately monitoring the status of the city and state licenses required of contractors performing property nuisance abatement work. (Finding #6)
- Code Enforcement is not adequately monitoring the adequacy of the insurance coverage and certificates of insurance of contractors performing property nuisance abatement work. (Finding #7)

Document Recording

- Opportunities were identified for improving the efficiencies of the document recording process being followed by Code Enforcement and reducing the risk of loss created by the use of cash for payment to the Clark County Recorder's Office. (Finding #8)

Property Owner Notifications

- No findings were identified related to the notification of property owners of Code Enforcement actions.

Document Retention

- Code Enforcement lacks documentation providing easily accessible guidance to staff members on which specific documents should be retained in hard copy and electronic copy form. (Finding #9)

Further information on these issues is contained in the sections below. While other issues were identified and discussed with management, they were deemed less significant for reporting purposes.

1. Daily Civil Penalties Methodology and Calculation Inconsistencies

Criteria

The methodology for calculating fees, fines, and penalties should be clearly documented in an organization's policies to provide a reference for employees and to help ensure uniformity in how they are being calculated and recorded. Information within documents used by the organization and system calculations should coincide with applicable regulations and the organization's methodology.

Municipal Code Title 9.04.040(A) - Liability
Pursuant to NRS 268.019, the City may proceed to impose civil liability, instead of a criminal sanction, against a person for causing or maintaining a public nuisance. The amount of liability that may be imposed may not exceed five hundred dollars, or one thousand dollars [recently changed to $750 as a result of a change in the Nevada Revised Statutes] in the case of liability imposed against an owner of commercial property. Each day that a violation continues constitutes a separate violation for purposes of imposing civil liability.

Municipal Code Title 9.04.050(A) – Notice of Violation
If it is determined by an authorized official that a public nuisance exists on property within the City, the official may cause a notice of violation to be issued to the owner or responsible party to abate the nuisance. Such notice shall:
(4) Require abatement to be performed within a specific time period, not less than ten days, unless the public health or safety requires a shorter period.

Condition

City Policy #CM402 states the following:

Assessing fees is a cost recovery measure for the time, resources, and expenses the City expended in order to work with the property owner to resolve code violations. The code enforcement process involves assessing fees and/or fines that accrue over a period of time and can be an effective tool to encourage the property owner to resolve outstanding issues in a timely manner. The penalties serve as a deterrent for property owners who are not responsive and continue to neglect their properties and create blighted conditions to the immediate neighborhood and surrounding community.

Property owners with code violations are subject to *failed inspection civil penalties* of $150 and $300 on the second and third failed re-inspections respectively followed by $500 for each failed re-inspection thereafter. In addition, residential property owners are subject to *daily civil penalties* of $500 ($750 for commercial properties) ten days subsequent to the mailing of a *Notice and Order*. While Code Enforcement calculates daily civil penalties, they can only be assessed against a property owner by the City Council in a public hearing. The following issues were identified related to civil penalties:

- Code Enforcement has not clearly documented its methodology for calculating daily civil penalties (i.e., lack of identification of the specific days the penalties begin and end and when to add failed inspection civil penalties to calculate total daily civil penalties).
- The *Notice and Order* used by Code Enforcement states the following: *"You are hereby ordered to correct the nuisance by the eleventh day after the day of mailing, servicing, or posting of the Notice and Order by hand. If you do not correct the violation within that time, the City may issue a misdemeanor citation for violation for each and every day the violation exists with a penalty of up to $500...for each violation."* The *Spreadsheet of Charges Accrued* states the following: *"Daily Civil Penalties are triggered 10 days after the Notice & Order was issued. The calculations begin on the 11th day and continue until the abatement is completed."* The verbiage in these documents is confusing and subject to different interpretations on whether daily civil penalties begin on the 10th or 11th day after the issuance of the *Notice and Order*.
- The end date used in the calculation of daily civil penalties varied between cases reviewed. Examples included the use of the abatement date, the pre-abatement video date, and the post-abatement video date. Management acknowledged changes in methodology during the year on when to end the calculation of daily civil penalties. This methodology is not formally documented.
- Inconsistencies were identified in how total daily civil penalties were calculated on the *Report of Expenses Memorandum*. Abatement cases were identified where failed inspection civil penalties were included in the calculation and other cases where they were excluded. In addition, examples were found where the verbiage discussing the calculation did not agree with how the calculation was done (e.g., verbiage stated "including civil penalty fees already assessed" when the fees had not been included).
- Code Enforcement has not formally documented which costs, fees, and penalties must be paid by a property owner to settle a property nuisance abatement case prior to the case going before the City Council.

Cause

- Incomplete documentation on the methodology for the calculation of daily civil penalties.
- Changes in methodologies accompanying changes in management.

Effect

- Inconsistencies in the calculation of daily civil penalties between cases.

Recommendations

1.1 Code Enforcement management should formally document their methodology for calculating and recording daily civil penalties. This documentation should clearly identify when the daily civil penalties begin and end and when to add failed inspection civil penalties.

1.2 Code Enforcement management should evaluate the verbiage within its standard documents (including the *Notice and Order*, the *Spreadsheet of Charges Accrued*, and the *Report of Expenses Memorandum*) and make changes as necessary to ensure they reflect the methodology for calculating and recording daily civil penalties.

1.3 Code Enforcement management should evaluate how their staff members are using the daily civil penalty start and end date fields within Hansen and ensure it coincides with documented policy.

1.4 Code Enforcement management should formally document which costs, fees, and penalties must be paid by a property owner to settle a property nuisance abatement case prior to the case going before the City Council.

1.5 Code Enforcement management should implement procedures to verify that daily civil penalties are being calculated and recorded in accordance with policy.

2. Abatement Completion Date Inconsistencies

Criteria

Information contained within an organization's documents should be accurately presented.

Condition

The property nuisance abatement completion date is disclosed in the following Code Enforcement documents:

- The *Council Agenda Memo* states, "[contractor] completed work on [abatement date] at a cost of [$]."
- The *Report of Expenses Memorandum* states, "The abatement was completed by [contractor] on [abatement date] at a cost of [$]."
- The *Report of Expenses Letter* states, "On [abatement date] the City of Las Vegas caused the above referenced property to be corrected…"
- The *Council Meeting Summary* states, "The abatement was completed on [abatement date]."
- The *Spreadsheet of Charges Accrued* discloses the abatement date next to the contractor's name.
- The *Notice and Claim of Lien of Assessment* states, "On [abatement date] as provided in the Title 9, Chapter 4, the City of Las Vegas caused the abatement of nuisance condition on the following property after due and proper notification."

In our testing of a sample of nuisance abatement cases, the abatement dates included on these documents did not always agree with the abatement completion date recorded by the contractor on the *Affidavit of Completion* and/or the work completion date on the contractor's invoice.

Cause

- Challenges by Code Enforcement staff members in determining actual date of abatement, especially prior to requiring the *Affidavit of Completion* from contractors.
- Use of end date of daily civil penalties for abatement completion date in documents.

Effect

- Inaccurate representations within Code Enforcement documents on the actual property nuisance abatement dates.

Recommendations

2.1 Code Enforcement management should evaluate and document in policy the date that will be used to report the abatement completion within the property nuisance abatement documents.

2.2 Code Enforcement management should evaluate the report templates and Hansen data fields being used for creation of the identified documents and make necessary changes to ensure these documents accurately report the abatement completion date.

3. Approved Contractor Listing Deficiencies

Criteria

A clearly defined and documented methodology for soliciting work from contractors and evaluating their performance helps ensure uniform practices by an organization and equitable treatment of contractors.

Condition

Code Enforcement maintains a list of contractors who are invited to bid on property nuisance abatement projects. Code Enforcement has not documented the process by which contractors are added to or removed from this listing. In addition, Code Enforcement has not implemented a formal solicitation process for periodically adding interested contractors to this listing.

Code Enforcement sends requests for quotes to all of the contractors on its listing for each property nuisance abatement project. The contractor with the lowest bid is awarded the project. The most recent contractor listing reviewed included 13 contractors. Despite sending out request for quotes to all of the contractors on the listing, during 2011 approximately 91% of the property nuisance abatements were performed by only four contractors.

Code Enforcement has not implemented a formal process for evaluating and documenting the performance of its contractors to determine the "responsibility" of its bidders and whether a contractor should remain on the approved contractor listing. As noted in *Attachment A Special Provisions*, Code Enforcement may consider "the financial responsibility, experience, adequacy of the equipment, past performance, performance or delivery date and ability of the bidder to perform the contract."

Cause

- Lack of formalized methodology for maintenance of the approved contractor listing and review of contractor performance.

Effect

- Potential for ineligible contractors to be awarded projects.
- Opportunity for expansion of authorized contractor listing and work opportunities for additional contractors.
- Increased competition for property nuisance abatement projects among contractors and potentially reduced abatement costs.

Recommendations

3.1 Code Enforcement management working with the Purchasing and Contracts Division should evaluate, document, and implement a contractor solicitation process. This process should include all requirements that must be met prior to a contractor being added to the approved contractor listing (e.g., sufficient insurance, required city and state licenses).

3.2 Code Enforcement management should evaluate, document, and implement a process by which the performance of contractors is formally evaluated. The measurements used in this evaluation (e.g., timeliness of completion of project, adequacy of work performed) should be identified and documented.

4. Bid Review Procedure Deficiencies

Criteria

Standard operating procedures address the key activities and processes of an organization, how they are performed, and by whom. They assist employees and management in performing the daily functions of an organization. These procedures formally establish employee accountability, provide orientation and reference material for employees, and document the institutional knowledge of existing staff in case of employee turnover or extended absences.

Condition

Code Enforcement has not adequately documented the process that should be followed by Code Enforcement staff to appropriately review and process a contractor's submitted bid package. The need for these procedures is evidenced by the following:

- In a review of a sample of abatement cases, the bid receipt date input into Hansen was not always reflective of the actual date each bid was received as evidenced by the fax time/date stamp on the submitted bid documentation.
- Deficiencies were identified in the licensing status and insurance coverage of contractors bidding on nuisance abatement projects. See further information in audit findings #6 and #7.

In addition, Code Enforcement has not documented its methodology and procedures for completing revised bid requests when there is a change in the scope of work subsequent to the awarding of a contract.

Cause

- Lack of formalized procedures for employees to follow in reviewing and processing submitted bids.
- Lack of documented procedures for completing revised bid requests.

Effect

- Lack of assurance that bid packages are being adequately reviewed and scrutinized prior to awarding of contract.
- Increased risk of awarding a contract to a contractor ineligible to perform the work.
- Potential for inconsistencies in the completion of revised bid requests.

Recommendations

4.1 Code Enforcement management should evaluate, document, and implement the procedures that should be completed by staff members in reviewing and processing submitted bid packages.

4.2 Code Enforcement management should require that the date of receipt of bids input into Hansen reflect the actual date of receipt regardless of whether the date is prior to or after the due date.

4.3 Code Enforcement management should evaluate, document, and implement procedures to be performed by supervisors to ensure bid packages are being appropriately reviewed and processed by staff members.

4.4 Code Enforcement management should evaluate, document, and implement the procedures that should be followed by staff members when there is a change in scope of work subsequent to the awarding of an abatement contract.

5. Bid Documentation Deficiencies

Criteria

Documentation used by an organization should reflect current policy and practices.

Condition

The bid documents sent to contractors include the *Request for Quote (RFQ)*, *Attachment A Special Provisions (Attachment A)*, and the *General Conditions of Abatement*. The following deficiencies were noted in a review of these documents:

- *Attachment A* states that *"any bid arriving after the scheduled opening date and time will be returned to the bidder."* This is not the practice of Code Enforcement. In the case where there is only one bidder, late bids may be awarded the contract. Where there are multiple bidders, the bid is documented as being late but is retained.
- *Attachment A* states that "*after the bid opening, the Purchasing and Contracts Division shall evaluate all of the Bids and formulate a recommendation as to the award of the Contract. The Purchasing and Contracts Manager shall make the award. After the award, Neighborhood Response shall issue the Notice of Award.*" The Purchasing and Contracts Division is not involved in evaluating the property nuisance abatement bids or making the award.
- The *General Conditions of Abatement* outlines the technical requirements for contractors to follow in the performance of a property nuisance abatement. The licensing and insurance requirements contained therein are already addressed in *Attachment A* and would be more appropriately removed from the *General Conditions of Abatement*.
- The *RFQ* used by Code Enforcement includes a section for information purposes requesting information on Minority, Women, or Disabled Veteran Business Enterprises. This information is not currently tracked by Code Enforcement or provided to any other department.
- While an *Affidavit of Completion* is required from contractors, this requirement is not included in any of the bid documents.
- The bid documents do not adequately address city and state licensing requirements and insurance requirements. See audit findings #6 and #7.

Cause

- Verbiage in standard bid documents has not been recently evaluated against current practices.

Effect

- Sections within the bid documentation provided to contractors are incomplete and/or not reflective of Code Enforcement's policies and practices.

Recommendation

5.1 Code Enforcement management in consultation with Purchasing and Contracts should evaluate and address the identified deficiencies contained within the bid documents (including the *Request for Quote, General Conditions of Abatement,* and *Attachment A Special Provisions*). Management should ensure the verbiage within these documents aligns with current policy and operational practices.

6. Contractor Licensing Monitoring Deficiencies

Criteria

Code Enforcement's *General Conditions of Abatement* states the following:

Contractor will be responsible for the following on a project-by-project basis:

- *Being licensed for this particular work by Nevada State Contractor's Board prior to bid.*

Code Enforcement's *Attachment A Special Provisions* states the following:

If required by the nature of the Work, each Bidder must be qualified and possess the appropriate Nevada State Contractor's License at the time of Bid Opening. Failure to comply with this requirement shall result in the rejection of the Bid Proposal submitted by the Bidder. Bidders must be properly licensed to supply the goods and/or services required under this Invitation to Bid. An apparent Successful Bidder who does not have a required City of Las Vegas Business License prior to award will be deemed non-responsible and ineligible for award.

NRS 338.13895 states the following: *A local government awarding a contract for a public work shall not award the contract to a person who, at the time of the bid, is not properly licensed under the provisions of chapter 624 of NRS or if the contract would exceed the limit of the person's license.*

Condition

Code Enforcement does not have a formalized process to ensure contractors on its approved contractor listing to whom bid invitations are sent have the appropriate city and state licenses to perform nuisance abatement work. In addition, Code Enforcement does not have a process in place to evaluate whether a contractor continues to have the appropriate licensing prior to being awarded a contract. Different types of city and state licenses are required of these contractors depending on the nature of the nuisance abatement work (e.g., property clean-up, demolition, asbestos survey, asbestos removal).

The bid documents sent to contractors do not identify the specific type of state and city licenses required for the specific abatement.

The Hansen database includes data fields for input of city and state license information. These data fields are not currently being used by Code Enforcement staff members.

In reviewing Code Enforcement's approved contractor listing against the city's Business Licensing website, the following information was gathered:

- Two of the thirteen abatement contractors on the listing were identified as being out of business. Neither of these contractors was used during 2011.
- One of the thirteen abatement contractors had a status of *In Collections*. This contractor's city business license expired on 10/15/11. Subsequent to this expiration, this contractor had completed eight abatements (as of 4/16/12). Four of these abatements were awarded subsequent to the date of expiration of the business license.

In reviewing Code Enforcement's approved contractor listing against the Nevada State Contractors Board website, the following information was gathered:

- Two of the thirteen abatement contractors on the contractor listing could not be found on the website. Both of these contractors were used for property nuisance abatement work during 2011. Two of the three asbestos survey contractors on the contractor listing could not be found on the website. One of these contractors completed work for the city in 2011. We did not evaluate whether a state license was required for the specific work performed by these contractors.
- One of the thirteen abatement contractors on the contractor listing had a revoked contractor license and another had a suspended contractor license. Neither of these contractors was used during 2011.

Cause

- Misperception by Code Enforcement that Purchasing and Contracts Division personnel are monitoring the licensing of contractors.

Effect

- Increased risk exposure to the city.
- Non-compliance by contractors with city licensing requirements.

Recommendations

6.1 Code Enforcement management should evaluate, document, and implement procedures for reviewing the status of the city and state licenses of contractors with an interest in performing nuisance abatement work prior to being added to the approved contractor listing.

6.2 Code Enforcement management should evaluate, document, and implement procedures for regularly reviewing the status of the city and state licensing of contractors on the approved contractor listing and prior to the awarding of a contract. These procedures should include a requirement to notify a contractor of a licensing deficiency and obtain evidence of current licenses.

6.3 Code Enforcement management should document the different types of city and state licenses required by contractors for the various types of property nuisance abatement projects.

6.4 Code Enforcement management should identify on the bid documents the specific type of city and state license(s) required for the abatement.

6.5 Code Enforcement management should evaluate and document how contractor licenses should be recorded on the approved contractor listing and how the licensing data input fields within Hansen will be used if at all.

7. Contractor Insurance Coverage Monitoring Deficiencies

Criteria

An organization should ensure the contractors it hires are properly insured to minimize its risk exposure.

Code Enforcement's *Attachment A Special Provisions* requires contractors used by the city to *"carry and maintain sufficient Commercial General Liability, Auto Liability and Workman's Compensation Insurance in sufficient amounts as to hold City harmless while they are under contract for all work encompassed in this Contract."*

Condition

Contractors bidding on property nuisance abatement projects are required to submit a certificate of insurance with their bids. In reviewing a sample of bid package documents and certificates of insurance submitted by contractors, the following issues were identified:

- Code Enforcement has not formally documented what is considered "sufficient" insurance coverage amounts for its contractors involved in completing property nuisance abatement work.
- *Attachment A Special Provisions* does not adequately address what is considered "sufficient" insurance coverage.
- Code Enforcement has not implemented procedures for reviewing whether contractors have "sufficient" insurance coverage prior to completing property nuisance abatement work. Such an evaluation would need to take into consideration the nature of the work being performed (e.g., property clean-up, demolition, asbestos survey, asbestos removal).
- Code Enforcement has not implemented a process for reviewing the completeness of the submitted certificates of insurance.
- Differences in coverage types and amounts were noted between the certificates of insurance reviewed. The insurance coverage identified on certain certificates of insurance appeared to be deficient in relation to the city's standard insurance requirement specifications.

- In order to have protection under an insurance policy, the city must be named as an additional insured and the policy must be properly endorsed. The city was not named as a certificate holder or as an additional insured on several of the certificates reviewed. In addition, endorsement pages are not being requested from contractors by Code Enforcement as evidence of additional insured status.

Cause

- Lack of formalized policy on insurance coverage requirements for property nuisance abatement contractors.
- Lack of documented procedures established to review the adequacy of the insurance coverage of contractors and the completeness of submitted certificates of insurance.

Effect

- Increased risk exposure to the city.

Recommendations

7.1 Code Enforcement management working with the city's Risk Management division should document the insurance coverage requirements for the various type of property nuisance abatement projects (e.g., property clean-up, securing structures, demolition, asbestos surveys, asbestos removal).

7.2 Code Enforcement management should document the insurance coverage requirements in documentation distributed to contractors.

7.3 Code Enforcement management should evaluate, document, and implement procedures for reviewing the adequacy of a contractor's insurance coverage and supporting documentation (e.g., certificate of insurance, endorsement page) prior to being placed on the approved contractor listing. In addition, the adequacy of the insurance coverage of the winning bidder should be reviewed prior to the awarding of a contract.

7.4 Code Enforcement management should evaluate and document how the status of insurance coverage should be noted on the approved contractor listing and what information on insurance coverage if any will be input into Hansen.

7.5 The city's Purchasing and Contracts Division uses an outside service provider to monitor and verify contractor insurance coverage. Working with the Purchasing and Contracts Division, Code Enforcement management should evaluate the feasibility of using this service provider for monitoring insurance coverage compliance of its contractors.

8. Document Recording Process Inefficiencies

Criteria

Periodic review of current operational practices can lead to improved operational efficiencies. Payment for services with cash creates increased risk of loss to an organization and risk to an employee transporting cash.

Condition

During 2011, Code Enforcement recorded approximately 678 documents with the Clark County Recorder's Office. These documents included *Notice and Orders*, liens, and lien releases.

Approximately twice a month, a Code Enforcement staff member assembles documents to be recorded, travels from the Development Services Center to City Hall, obtains cash from the City Treasurer's Office (on average approximately $470 per trip), travels to the Clark County Recorder's Office, makes payment for the document recordings, and then waits for them to be accepted and recorded.

The use of cash for payments of document recordings in this process poses risks of loss to both the city employee transporting the cash and the city. In addition, having an employee wait for documents to be recorded is not the most efficient use of an employee's time.

The city's Sewer Billing Unit makes payment for recording documents using checks cut in conjunction with the city's accounts payable check run. Sewer Billing drops off documents to be recorded at the Clark County Recorder's Office and receives the recorded documents back through interoffice mail picked up by city mail staff.

Cause

- Alternative procedures not evaluated.

Effect

- Increased risk of loss to the city.
- Inefficient use of staff time.

Recommendations

8.1 Code Enforcement management in consultation with the city's Finance Department and the Clark County Recorder's Office should begin making payments for document recordings using checks or another non-cash alternative. Code Enforcement should evaluate the feasibility of establishing a pre-funded payment account with the Clark County Recorder's Office.

8.2 Code Enforcement management in consultation with the Clark County Recorder's Office should evaluate whether additional efficiencies can be achieved by leaving documents to be recorded with the Clark County Recorder's Office for processing in lieu of having a staff member wait for the documents to be recorded.

8.3 Code Enforcement management should document the procedures to be followed by staff members to record documents with the Clark County Recorder's Office.

9. Document Retention Program Deficiencies

Criteria

Document retention standards (including both hard copy and electronic copy retention requirements) that are easily accessed and understood by employees responsible for preparing hard copy and electronic documentation files can help ensure compliance with documentation retention requirements and uniformity in document retention.

Condition

Code Enforcement is to follow the document retention standards outlined in the city authorized Department of Building & Safety document retention schedule which aligns with the requirements in the Nevada Revised Statutes. While this schedule is available for reference by Code Enforcement personnel, additional documented guidance on which specific Code Enforcement documents should be retained in hard copy and electronic form would further help ensure compliance with the city's document retention standards and uniformity in how these standards are followed.

An *Abatement Process Checklist* is currently included in every hard copy document case file. While this checklist identifies certain documents and key steps in the property nuisance abatement process, it is not consistently being completed by staff members and there is no final supervisory review of the checklist to ensure it is completed. In addition, the checklist does not identify all hard copy and electronic documents that must be retained.

Cause

- Lack of documentation clearly outlining which specific Code Enforcement documents are to be retained in the hard copy case files and electronic document files.

Effect

- Lack of assurance that all required hard copy and electronic copy documents are appropriately being retained in compliance with city document retention standards.

Recommendations

9.1 Code Enforcement management should create a document and/or checklist that clearly outlines which specific documents should be retained in hard copy form in the case files and in electronic form.

9.2 Code Enforcement management should re-evaluate the validity of the *Abatement Process Checklist* against current policies and procedures and determine whether it should continue to be used and if so, what changes are required to the checklist.

9.3 Code Enforcement management should evaluate, document, and implement supervisory review procedures to ensure staff members are complying with document retention standards.

MANAGEMENT RESPONSES

1. Daily Civil Penalties Methodology and Calculation Inconsistencies

1.1 Code Enforcement management should formally document their methodology for calculating and recording daily civil penalties. This documentation should clearly identify when the daily civil penalties begin and end and when to add failed inspection civil penalties.

Management Action Plan:

(1) Develop and implement a policy and procedures for calculating and recording daily civil penalties that includes when daily civil penalties and failed inspection civil penalties begin and end;
(2) Conduct training on the new policy;
(3) Implement the new policy.

Estimated Date of Completion: November 22, 2012

1.2 Code Enforcement management should evaluate the verbiage within its standard documents (including the *Notice and Order*, the *Spreadsheet of Charges Accrued*, and the *Report of Expenses Memorandum*) and make changes as necessary to ensure they reflect the methodology for calculating and recording daily civil penalties.

Management Action Plan:

(1) Review verbiage in the listed documents to ensure they reflect language in the new policy developed pursuant to Item 1.1;
(2) Determine modifications required in Hansen to update documents as appropriate;
(3) Complete the Hansen modifications;
(4) Implement the revised documents.

Estimated Date of Completion: November 22, 2012

1.3 Code Enforcement management should evaluate how their staff members are using the daily civil penalty start and end date fields within Hansen and ensure it coincides with documented policy.

Management Action Plan:

(1) Conduct an audit of inputs to document current practices regarding the use of daily civil penalties start and end date fields within Hansen;
(2) Identify corrective action to achieve consistency with the new policy in 1.1 above;

(3) Implement identified corrective action.

Estimated Date of Completion: November 22, 2012

1.4 Code Enforcement management should formally document which costs, fees, and penalties must be paid by a property owner to settle a property nuisance abatement case prior to the case going before the City Council.

Management Action Plan:

(1) In conjunction with 1.1, develop and implement a policy and procedures for formally documenting the costs, fees and penalties that must be paid by a property owner to settle a case prior to the case going before the City Council;
(2) Conduct training on the new policy and procedures;
(3) Implement the new policy and procedures.

Estimated Date of Completion: November 22, 2012

1.5 Code Enforcement management should implement procedures to verify that daily civil penalties are being calculated and recorded in accordance with policy.

Management Action Plan:

(1) In conjunction with 1.1 through 1.3, develop and implement audit procedures to verify compliance with applicable policy and procedures;
(2) Conduct training on the new audit procedures;
(3) Implement the new audit procedures.

Estimated Date of Completion: November 22, 2012

2. Abatement Completion Date Inconsistencies

2.1 Code Enforcement management should evaluate and document in policy the date that will be used to report the abatement completion within the property nuisance abatement documents.

Management Action Plan:

(1) Develop and implement a policy and procedures that specify how the abatement completion date used in nuisance abatement documents will be determined;
(2) Conduct training on the new policy and procedures;
(3) Implement the new policy and procedures.

Estimated Date of Completion: November 22, 2012

2.2 Code Enforcement management should evaluate the report templates and Hansen data fields being used for creation of the identified documents and make necessary changes to ensure these documents accurately report the abatement completion date.

Management Action Plan:

(1) Conduct an audit of current inputs into report templates and Hansen for the abatement completion date;
(2) Determine what Hansen data fields, if any, require modification to reflect the policy developed in 2.1;
(3) Coordinate modification of any Hansen data fields identified in (2) above;
(4) Conduct training on the new policy and procedures and appropriate Hansen inputs;
(5) Implement the new policy and procedures.

Estimated Date of Completion: November 22, 2012

3. Approved Contractor Listing Deficiencies

3.1 Code Enforcement management, working with the Purchasing and Contracts Division, should evaluate, document, and implement a contractor solicitation process. This process should include all requirements that must be met prior to a contractor being added to the approved contractor listing (e.g., sufficient insurance, required city and state licenses).

Management Action Plan:

(1) In collaboration with the Purchasing and Contracts Division, develop and implement a new policy and procedures regarding the contractor selection process that includes all the requirements that must be met prior to the contractor being added to the approved contractors listing;
(2) Conduct training on the new policy and procedures;
(3) Implement the new policy and procedures.

Estimated Date of Completion: May 16, 2013

3.2 Code Enforcement management should evaluate, document, and implement a process by which the performance of contractors is formally evaluated. The measurements used in this evaluation (e.g., timeliness of completion of project, adequacy of work performed) should be identified and documented.

Management Action Plan:

(1) In collaboration with the Purchasing and Contracts Division, develop and implement a new policy and

procedures regarding the evaluation of contractor performance;
(2) Conduct training on the new policy and procedures;
(3) Implement the new policy and procedures.

Estimated Date of Completion: May 16, 2013

4. Bid Review Procedure Deficiencies

4.1 Code Enforcement management should evaluate, document, and implement the procedures that should be completed by staff members in reviewing and processing submitted bid packages.

Management Action Plan:

(1) In collaboration with the Purchasing and Contracts Division, develop and implement a new policy and procedures regarding reviewing and processing submitted bid packages;
(2) Conduct training on the new policy and procedures;
(3) Implement the new policy and procedures.

Estimated Date of Completion: May 16, 2013

4.2 Code Enforcement management should require that the date of receipt of bids input into Hansen reflect the actual date of receipt regardless of whether the date is prior to or after the due date.

Management Action Plan:

(1) In conjunction with 4.1 and in collaboration with the Purchasing and Contracts Division, develop and implement a policy and procedures regarding the input into Hansen of the date of receipt of bids;
(2) Determine the Hansen data fields that require modification;
(3) Coordinate modification of any Hansen data fields;
(4) Conduct training on the new policy and procedures;
(5) Implement the new policy and procedures.

Estimated Date of Completion: May 16, 2013

4.3 Code Enforcement management should evaluate, document, and implement procedures to be performed by supervisors to ensure bid packages are being appropriately reviewed and processed by staff members.

Management Action Plan:
(1) In conjunction with 4.1 and in collaboration with the Purchasing and Contracts Division, develop and implement a new policy and procedures regarding responsibilities of supervisors to ensure bid packages are being properly reviewed and processed by staff members;
(2) Conduct training on the new policy and procedures;
(3) Implement the new policy and procedures.

Estimated Date of Completion: May 16, 2013

4.4 Code Enforcement management should evaluate, document, and implement the procedures that should be followed by staff members when there is a change in scope of work subsequent to the awarding of an abatement contract.

Management Action Plan:
(1) In conjunction with 4.1 and 4.3 and in collaboration with the Purchasing and Contracts Division, develop and implement a policy and procedures to be followed by staff members when there is a change in scope of work subsequent to the awarding of abatement contracts;
(2) Conduct training on the new policy and procedures;
(3) Implement the new policy and procedures.

Estimated Date of Completion: May 16, 2013

5. Bid Documentation Deficiencies

5.1 Code Enforcement management in consultation with Purchasing and Contracts should evaluate and address the identified deficiencies contained within the bid documents (including the Request for Quote, General Conditions of Abatement, and Attachment A Special Provisions). Management should ensure the verbiage within these documents aligns with current policy and operational practices.

Management Action Plan:
(1) In conjunction with 4.1 and in collaboration with the Purchasing and Contracts Division, identify and address deficiencies contained in the bid documents;

(2) In collaboration with the Purchasing and Contracts Division, conduct review of bid documents to ensure language in those documents align with policies and procedures developed in 4.1;
(3) Conduct training on revised documents;
(4) Implement the revised documents.

Estimated Date of Completion: May 16, 2013

6. Contractor Licensing Monitoring Deficiencies

6.1 Code Enforcement management should evaluate, document, and implement procedures for reviewing the status of the city and state licenses of contractors with an interest in performing nuisance abatement work prior to being added to the approved contractor listing.

Management Action Plan:

(1) Develop and implement a policy for reviewing the status of city and state licenses of contractors with an interest in performing nuisance abatement work prior to being added to the approved contractors listing;
(2) Conduct training on the new policy and procedures;
(3) Implement the new policy and procedures.

Estimated Date of Completion: August 8, 2012

6.2 Code Enforcement management should evaluate, document, and implement procedures for regularly reviewing the status of the city and state licensing of contractors on the approved contractor listing and prior to the awarding of a contract. These procedures should include a requirement to notify a contractor of a licensing deficiency and obtain evidence of current licenses.

Management Action Plan:

(1) Develop and implement a policy for regularly reviewing the status of city and state licensing of contractors on the approved contractors listing prior to the awarding of a contract;
(2) Conduct training on the new policy and procedures;
(3) Implement the new policy and procedures.

Estimated Date of Completion: August 8, 2012

6.3 Code Enforcement management should document the different types of city and state licenses required by contractors for the various types of property nuisance abatement projects.

Management Action Plan: (1) In conjunction with 5.1 and in collaboration with the Purchasing and Contracts Divisions, document the different types of city and state licensed required by contractors for the various types of property nuisance abatement projects.

Management Action Plan: May 16, 2013

6.4 Code Enforcement management should identify on the bid documents the specific type of city and state license(s) required for the abatement.

Management Action Plan:

(1) In conjunction with 5.1 and 6.3 and in collaboration with the Purchasing and Contracts Division, in the new policy and procedures specify that the bid documents state the specific type of city and state licenses required for the abatement;
(2) Identify any modifications required in Hansen to accommodate the new policy and procedures;
(3) Implement any required modifications in Hansen;
(4) Conduct training on the new policy and procedures;
(5) Implement the new policy and procedures.

Estimated Date of Completion: May 16, 2013

6.5 Code Enforcement management should evaluate and document how contractor licenses should be recorded on the approved contractor listing and how the licensing data input fields within Hansen will be used if at all.

Management Action Plan: (1) In conjunction with 6.1 through 6.3 and in collaboration with the Purchasing and Contracts Division, evaluate and document how the contractor licenses should be record on the approved contractor listing and how the licensing data input fields within Hansen will be used, if at all.

Estimated Date of Completion: May 16, 2013

7. Contractor Insurance Coverage Monitoring Deficiencies

7.1 Code Enforcement management working with the city's Risk Management division should document the insurance coverage requirements for the various type of property nuisance abatement projects (e.g., property clean-up, securing structures, demolition, asbestos surveys, asbestos removal).

Management Action Plan:

(1) In collaboration with Purchasing and Contracts and Risk Management, document the insurance requirements for the various types of property abatement projects;

Estimated Date of Completion: May 16, 2013

7.2 Code Enforcement management should document the insurance coverage requirements in documentation distributed to contractors.

Management Action Plan:

(1) In conjunction with 5.1 and in collaboration with the Purchasing and Contracts Division and Risk Management, in the new policy and procedures, document the insurance requirements for the various types of property abatement projects;
(2) Conduct training on the new policy and procedures;
(3) Implement the new policy and procedures.

Estimated Date of Completion: May 16, 2013

7.3 Code Enforcement management should evaluate, document, and implement procedures for reviewing the adequacy of a contractor's insurance coverage and supporting documentation (e.g., certificate of insurance, endorsement page) prior to being placed on the approved contractor listing. In addition, the adequacy of the insurance coverage of the winning bidder should be reviewed prior to the awarding of a contract.

Management Action Plan:

(1) In conjunction with 5.1, 6.1 and 7.2 and in collaboration with the Purchasing and Contracts Division and Risk Management, in the new policy and procedures, specify the mechanism for reviewing the adequacy of a contractor's insurance coverage and supporting documentation prior to being placed on the approved contractor listing and specify how the adequacy of the insurance coverage of the winning bid is to be reviewed prior to the award of a contract;
(2) Conduct training on the new policy and procedures;

(3) Implement the new policy and procedures.

Estimated Date of Completion: May 16, 2013

7.4 Code Enforcement management should evaluate and document how the status of insurance coverage should be noted on the approved contractor listing and what information on insurance coverage if any will be input into Hansen.

Management Action Plan:

(1) In conjunction with 7.1 through 7.3 and in collaboration with the Purchasing and Contracts Division and Risk Management, develop and implement a new policy and procedures regarding how the status of insurance coverage will be noted on the approved contractor listing and what information on insurance coverage if any will be input into Hansen;
(2) Identify any modification required to be made in Hansen to implement the new policy;
(3) Coordinate the completion of any Hansen modifications;
(4) Conduct training on the new policy and procedures;
(5) Implement the new policy and procedures.

Estimated Date of Completion: May 16, 2013

7.5 The city's Purchasing and Contracts Division uses an outside service provider to monitor and verify contractor insurance coverage. Working with the Purchasing and Contracts Division, Code Enforcement management should evaluate the feasibility of using this service provider for monitoring insurance coverage compliance of its contractors.

Management Action Plan:

(1) In conjunction 7.1 through 7.4 and in collaboration with the Purchasing and Contracts Division, evaluate the feasibility of using that Division's outside service provider to monitor and verify insurance coverage.
(2) Document evaluation findings;
(3) Incorporate the evaluation findings into a new policy and procedures as applicable;
(4) Conduct training on the new policy and procedures;
(5) Implement the new policies and procedures.

Estimated Date of Completion: May 16, 2013

8. Document Recording Process Inefficiencies

8.1 Code Enforcement management in consultation with the city's Finance Department and the Clark County Recorder's Office should begin making payments for document recordings using checks or another non-cash alternative. Code Enforcement should evaluate the feasibility of establishing a pre-funded payment account with the Clark County Recorder's Office.

Management Action Plan:

(1) In consultation with the city's Finance Department and the Clark County Recorder's Officer, identify options for making non-cash payments for document recordings;
(2) Identify the appropriate option in (1) to implement;
(3) Identify and make changes in policies, procedures and practices to implement the selected option;
(4) Conduct training on the selected option;
(5) Implement the selected option.

Estimated Date of Completion: March 14, 2013

8.2 Code Enforcement management in consultation with the Clark County Recorder's Office should evaluate whether additional efficiencies can be achieved by leaving documents to be recorded with the Clark County Recorder's Office for processing in lieu of having a staff member wait for the documents to be recorded.

Management Action Plan:

(1) In conjunction with 8.1 and in collaboration with the Clark County's Recorder's Office, evaluate options for delivering documents for recordation to the Recorder's Office and retrieving those documents;
(2) Identify the appropriate option in (1) to implement;
(3) Identify and make changes in policies, procedures and practices to implement the selected option;
(5) Conduct training on the selected option;
(6) Implement the selected option.

Estimated Date of Completion: March 14, 2013

8.3 Code Enforcement management should document the procedures to be followed by staff members to record documents with the Clark County Recorder's Office.

Management Action Plan:

(1) In conjunction with 8.1 and 8.2 and in collaboration with the Clark County's Recorder's Office, develop

policies and procedures to be followed by staff members to record documents with the Clark County Recorder's Office;
(2) Conduct training on the new policy and procedures;
(3) Implement the new policy and procedures.

Estimated Date of Completion: March 14, 2013

9. Document Retention Program Deficiencies

9.1 Code Enforcement management should create a document and/or checklist that clearly outlines which specific documents should be retained in hard copy form in the case files and in electronic form.

Management Action Plan:
(1) In conjunction with the department's records retention schedule, create a checklist that specifies the documents required to be retained in hard copy form in the case files and the documents required to be retained in electronic form in the case files;
(2) Conduct training on the checklist;
(3) Implement the checklist.

Estimated Date of Completion: May 16, 2013

9.2 Code Enforcement management should re-evaluate the validity of the Abatement Process Checklist against current policies and procedures and determine whether it should continue to be used and if so, what changes are required to the checklist.

Management Action Plan:
(1) Conduct re-evaluation of the validity of the Abatement Process Checklist against current policies and procedures and new policies and procedures required by this audit to determine whether it should continue to be used and if so, what charges are required to the checklist.
(2) Modify the checklist to reflect the changes identified in (1) if applicable;
(3) Conduct training on the modified checklist;
(4) Implement the modified checklist.

Estimated Date of Completion: May 16, 2013

9.3 Code Enforcement management should evaluate, document, and implement supervisory review procedures to ensure staff members are complying with document retention standards.

Management Action Plan:

(1) Develop and implement a policy and procedures that specify the review procedures to be used by supervisors to ensure staff members are complying with the department document retention standards;
(2) Conduct training on the new policy and procedures;
(3) Implement the new policy and procedures.

Estimated Date of Completion: May 16, 2013

City of Las Vegas

Agenda Item No.: **12.**

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: AUGUST 23, 2012

DEPARTMENT: CITY AUDITOR
DIRECTOR: RADFORD SNELDING

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, as well as the amount of time any single speaker is allowed, may be limited

City of Las Vegas

Agenda Item No.: **13.**

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: AUGUST 23, 2012

DEPARTMENT: CITY AUDITOR
DIRECTOR: RADFORD SNELDING ☐ **Consent** ☒ **Discussion**

SUBJECT:
ADJOURNMENT