



*Las Vegas*

**AGENDA SUMMARY PAGE**  
**AUDIT OVERSIGHT COMMITTEE MEETING OF: MAY 22, 2014**

DEPARTMENT: CITY AUDITOR'S OFFICE  
DIRECTOR: RADFORD SNEEDING

Consent  Discussion

**SUBJECT:**  
Discussion for possible action on Audit of Parks, Recreation and Neighborhood Services - Management Controls over Deposits from Drop Safes (1605-1314-08)

**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 – Management Controls over Deposits from Drop Safes (1605-1314-08)

**RECOMMENDATION:**

Accept the report.

**BACKUP DOCUMENTATION:**

1. Audit of Parks, Recreation and Neighborhood Services Management Controls over Deposits from Drop Safes (1605-1314-08)
2. Submitted at Meeting - PowerPoint Presentation Slides 18-25 by Staff

Motion made by BOB COFFIN to Accept the Report

Passed For: 4; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 1  
LOIS TARKANIAN, CRAIG M. ROSEVEAR, BOB COFFIN, GREG HEADLEE; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-BERNETTA STEBRITZ)

**Minutes:**

GARY PHILLIPS, Senior Internal Auditor, presented Slides 18-25 which provided the background and findings of the Audit of the Management Controls over Deposits from Drop Safes in Parks, Recreation and Neighborhood Services.

MEMBER ROSEVEAR asked if there were any short-term resolutions to avoid additional theft, given the estimated timeline for completion of the audit findings was not until December 2014. STEVE HARSIN, Parks, Recreation and Neighborhood Services Director, announced while December 2014 was the target date for completion, Standard Operating Procedures were almost completed and training of staff had already begun. BRIAN KNUDSEN, Parks, Recreation and Neighborhood Services, explained that they are working closely with the Department of

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Information Technologies on developing a comprehensive training program that will include all department employees. They anticipate rolling this out during June, July and August, as it will take three to five months to train several hundred department employees.

MEMBER COFFIN questioned if the department was prepared for the additional cash flow expected with the busy summer months approaching. MR. HARSIN acknowledged staff is trying to get everything completed as quickly as possible so they can be prepared. DEPUTY CITY MANAGER ORLANDO SANCHEZ interjected stating a lot of progress has been made in the cash handling system due to implemented recommendations from past audit findings. The use of cash has been eliminated as much as possible; thereby reducing the City's exposure.

RADFORD K. SNELDING, City Auditor, stated what was most disheartening about the fifth audit finding was that there was a good detective control already in place, but the policy was not being adhered to. It was found that at 14 out of 15 sites, the Daily Cash Balancing Report (DCBR) column on the log was either not being utilized or was actually deleted. CITY MANAGER ELIZABETH FRETWELL expressed mass training is so important because although theft occurred only at the Floyd Lamb site, this appeared to be a systemic problem because 14 sites were noncompliant. She asked if there was a spot check process in place now. LISA MORRIS-HIBBLER, Parks, Recreation, and Neighborhood Services Deputy Director, advised CITY MANAGER FRETWELL that meetings were already taking place with supervisors and coordinators to remind them of what their responsibilities are as well as all staff below them. She explained due to the decline in staff, it was not feasible to have two employees make the drop; however, independent checks and balances between different levels of people are now in place to verify the deposit and recorded amounts. She went on to state great strides have been made in reducing the risk for fraud by removing cash from those 68 sites which generated the most cash such as Safe Key.

CHAIR TARKANIAN expressed the findings reflect the value of these audits. While new procedures were put in place when this was first looked at, follow-up audits identified where problems still existed, affording staff the opportunity to make additional corrections.

MEMBER COFFIN asked if the December 2014 timeline was going to be enough time to complete everything. MS. MORRIS-HIBBLER confirmed although the completion date listed was December, they expected to be done by the end of August.