



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 Employee Overtime (1604-1314-09)

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 Employee Overtime (1604-1314-09)

RECOMMENDATION:

Accept the report.

BACKUP DOCUMENTATION:

1. Audit of Parks, Recreation, and Neighborhood Services Management Controls over Employee Overtime (1604-1314-09)
2. Submitted at Meeting - PowerPoint Presentation Slides 26-55 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:

BRYAN SMITH, Senior Internal Auditor, presented Slides 2655 which provided the background, objective, findings and recommendations of the Audit of the Management Controls over Employee Overtime of Parks, Recreation, and Neighborhood Services.

MEMBER COFFIN thanked Finance for discovering this issue and Audit for working with them to correct it. He questioned how the overtime report came about. CITY MANAGER ELIZABETH FRETWELL stated management will periodically ask for an overtime report or sometimes the media will request such a report which prompts additional responses. The management responses to the audit recommendations created new reporting, which VENETTA APPELYARD, Finance Director, is already implementing. The City Managers Office is also

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working on a standard reporting mechanism for managers to receive these on a quarterly basis going forward. She pointed out the Public Employees Retirement System (PERS) has a unique criteria for callback, and their reporting rules for compensable salaries and retirement earnings supersede the collective bargaining agreement so we need to pay a great deal of attention to that. She believes staff has already put in place systems that will better address these situations.

MEMBER COFFIN thanked RADFORD SNELDING, City Auditor, for previously briefing him. He asked if it was unusual for audit results to appear in the newspaper prior to the Audit Committee seeing them. MR. SMITH explained that it depends largely on which reporter is assigned to cover City Hall, as this is a public report and accessible on the City's website.

CHAIR TARKANIAN stated the City has many moving parts and while it cannot always prevent issues like this from occurring, when departments work together, these problems can be identified and changes made to correct them.

MEMBER COFFIN stated the City did a good job after the fact by reacting to the audit findings, but it is still the City's responsibility to make sure controls are in place as preventative measures. He expressed his dislike for the employee claiming PERS overtime which he believed could create morale problems. CITY MANAGER FRETWELL indicated that the outcome of this audit would have many personal impacts; however, the confidentiality of any personnel actions would be maintained, and it would be inappropriate to discuss such actions in a public forum such as this meeting. She did reassure the Committee that the City has a good relationship with Nevada PERs, and as such, would pursue every avenue needed to address the audit findings.

MEMBER HEADLEE asked the auditors if they went back further than two years once the problem was identified. MR. SMITH referenced the graph in the presentation which clearly identified the event in question occurring in March 2011 when this particular employee took over control of the lights. MR. SNELDING stated staff did their due diligence by not only looking at this particular instance, but by specifically reviewing the circumstances surrounding the highest overtime workers in the entire department. MR. SMITH further explained callbacks, as described in the labor contract, should be very rare in a department such as this. There are justifications certainly, but a callback should constitute an emergency situation and be few and far in between.

MEMBER HEADLEE understood an emergency situation would exist if the lights were not on at an event or remained on after an event. MR. SMITH explained the City system is automated plus the timing could be adjusted remotely. CITY MANAGER FRETWELL commented this department had been through a tremendous amount of change in the last five years, with over a 50 percent staff reduction as a direct result of the recession, a merger with another department, and a series of audits that had massive impacts on their operations. As a result, she believed it would be beneficial to the new Committee members to be briefed on all of the past audits this department has gone through. CHAIR TARKANIAN and MEMBERS HEADLEE and COFFIN agreed.

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CHAIR TARKANIAN praised everyone involved with the audit from the initial discovery to those involved with evaluating and addressing the problem. MS. APPELYARD also thanked Accounting Manager Mary McQuoid who was instrumental in working with the Audit team.