City of Las Vegas

Agenda Item No.: **7.**

AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: OCTOBER 24, 2018

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

SUBJECT:
Report by staff on current audits

Fiscal Impact

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

Amount:
Funding Source:
Dept./Division:

PURPOSE/BACKGROUND:
To give a status report on the audits in progress. The City Auditor's Office has audits, projects as assigned. At each of the Audit Oversight Committee Meetings the City Auditor Office reports on the status of work currently open.

RECOMMENDATION:
Report only; no action required.

BACKUP DOCUMENTATION:
1. Current Audits
2. Submitted at Meeting Slides 18-19

Minutes:
BRYAN SMITH, Internal Audit Section Manager, referenced Slide 19 and provided a report as to the current audits being performed; a copy of the slide presentation was submitted for the record and is attached as backup. The Current Audits included Community Services - RDA Set Aside Funds, Parks and Recreation - Darling Tennis Center, City-wide - Petty Cash and Change Funds, and Public Safety - City Marshals. In addition to working on these projects, the Auditor's Office also worked on closing out the previously issued audit recommendations. He noted that currently 59 audit recommendations are either incomplete or not due.

In regard to the Public Safety Audit of the City Marshals, COUNCILMAN ANTHONY understood that the International City/County Management Association (ICMA) study had also been conducted. He wondered if these two assessments would be done consecutively or if they were the same audit, as well as to whom they would be reported. CHIEF PUBLIC SAFETY SERVICES OFFICER TIM HACKER noted that he could only speak on the ICMA review that was underway when he took his position on August 1, 2018. Since then, this report has been completed, and staff has had an opportunity to review and included the Auditor's Office on the findings and recommendations.

MR. HACKER stated that the ICMA team had questions as to the accuracy. At COUNCILMAN ANTHONY'S request, he explained what the ICMA report is about. He said that the ICMA is considered to be the top regarding best practices for organization and management of communities, counties, and cities. ICMA was asked to perform a review of operations and make recommendations on the findings, which is also completed on a periodic basis. A lot of this review has to do with how departments have evolved when their mission has changed, as well as standard control. MR. HACKER went on to say that the City's situation is more difficult in that this is not a police department. In the Public Safety Department, there is a corrections element with controlled obligations and authorities within city properties and right-of-ways. These components make it challenging for ICMA, as there are not many situations they can use to create a comparison. At this point, the final report has been received and staff will be briefing CITY MANAGER SCOTT ADAMS and his team next week. From that point forward, it will be a matter of briefing the City Council.

MR. ADAMS explained that these studies were being done at his request, noting that one was also being conducted at the Fire and Rescue Department. He recalled that at the City Council Retreat, the Council members requested that the Public Safety function be the preeminent one in the United States. He reiterated that these are best practices and management audits that address efficiencies and services as it relates to standards around the United States, as opposed to the City Auditor's Office, which reviews policies and procedures and those kinds of things. He stated that after staff had briefed the City Council, they would welcome briefing the Audit Oversight Committee on the findings of both studies.

COUNCILMAN ANTHONY wanted to ensure people were working together on these reports since ICMA's report is provided from the City Manager's Office to the City Council, and the Audit team provides the Audit of Public Safety to the Audit Oversight Committee. Therefore, he felt management should be working with the Auditors to ensure the same things are being reported and recommended to the Audit Oversight Committee and the City Council.

CHAIR HEADLEE understood that the ICMA review was more of a value type service, whereas an audit is looking at the City's compliance with its policies and procedures. If appropriate and after this has been presented to the City Council, he felt that it would be good to add the findings as a future agenda item for the Audit Oversight Committee because this additional information would bring value as to how these reports relate.

CITY AUDITOR RADFORD SNELDING explained that their office was tasked by the City Council to conduct a typical Performance Audit on the Department of Public Safety, specifically the Marshals unit. He stated that they are looking at the information that was mentioned, such as policy and procedure; however, they will also be looking at performance. He noted that when they learned ICMA had been called in to do the study, the Auditor's Office suspended their work until they could learn ICMA's findings. The Auditor's Office felt that if there was something that the City decided to take a closer look at, based on ICMA's information, then this could be accomplished. Mainly, he wanted to ensure that the City's resources were used as judiciously as possible, as the Auditors and ICMA's reviews should go hand-in-hand. In moving forward, their office will review the ICMA report and decide if there is any additional information that should be included for consideration. MR. ADAMS recognized that there was a bit of overlap, and was appreciative that the Auditor's Office was addressing this.

MR. SMITH added that when ICMA first started this consulting project, the Auditors had the opportunity to meet with them. At that meeting, their office had already done some initial planning for a Performance Audit, as there had been some issues identified. As a result, they were able to share this information and provide input with the consultants, as well as offer suggestions. Since then, their office has had the opportunity to review a draft report, as well as sit in on a meeting with management where they provided input. He ensured that they are working together and in the process of waiting to see what the final report will look like, review the recommendations and see if any internal weaknesses have been identified.

Once the City Council has been briefed, and the final report has been completed, COUNCILMAN ANTHONY thought it was important for the members of this Committee to receive the report, as this will allow the Committee an opportunity to review information from the Audit Committee standpoint.

MR. ADAMS disclosed that one of the things staff missed in the initial scope of the Fire and Rescue Department was a review of the management structure; therefore, they have asked the same team to go back and take another look at the management structure for efficiencies, as this is something MR. ADAMS is very concerned about since the City is facing a potential structural deficit next year. He stated that they want to run the city as effectively, but efficiently, as possible. He noted that these results have not yet been received; however, staff would have the rest of the report.