



## Audit Oversight Committee Agenda

1. **Call to Order and Roll Call**
2. **Announcement Regarding: Compliance with Open Meeting Law**
3. **Public Comment:** 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 to approve the Final Minutes by reference of the Regular Meeting of January 10, 2022
5. Discussion for possible action regarding Audit of Office of Strategic Services – Customer Care Center – Financial Operations (SS001-2122-02)
6. Discussion for possible action regarding Audit of Las Vegas Municipal Court – Gift Card Controls and Policy Compliance (MC006-2122-03)
7. Report by staff and discussion for possible action regarding an update on the Audit Recommendations with a Status of Incomplete
8. Report by staff regarding current audits
9. **Discussion regarding topics for future agenda items.** Comments made during this portion of the agenda by individual members shall refer solely to proposals for future agenda items and any discussion shall be limited to whether or not such proposed items are within the purview of the Committee and/or whether such proposed items shall be placed on a future agenda. No discussion regarding the substance of any such proposed topic shall occur and no action shall be taken.
10. **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 forward 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.
11. **Adjournment**

Facilities are provided throughout City Hall for the convenience of persons with disabilities. Reasonable efforts will be made to assist and accommodate persons with disabilities or impairments. If you need an accommodation to attend and participate in this meeting, please call the City Clerk's office at 702-229-6311 and advise of your need at least 48 hours in advance of the meeting. Dial 7-1-1 for Relay Nevada.

THIS MEETING HAS BEEN PROPERLY NOTICED AND POSTED AT THE FOLLOWING LOCATIONS  
IN ACCORDANCE WITH THE NOTICING STANDARDS AS OUTLINED IN NRS 241.020:

The City of Las Vegas website – [www.lasvegasnevada.gov](http://www.lasvegasnevada.gov)  
The Nevada Public Notice website – [notice.nv.gov](http://notice.nv.gov)  
City Hall, 495 South Main Street, 1st Floor



## **Background**

- **Opened in March 2020**
- **Initial point of contact for citizen calls**
- **Accepts citizen payments for various fees and fines using 7 systems**
- **Staffed by 11 employees**
  - **1 Administrative Officer**
  - **3 Senior Call Center Specialists**
  - **7 Call Center Specialists**



## Objectives

- Customer Care Center is complying with the city's cash handling policies and procedures.
- Payments are being accurately processed, balanced, and recorded to the respective systems.
- Deposits are being properly prepared, remitted to the armored car service, reconciled to the bank records, and posted to the general ledger.
- Cash box keys being used are properly secured during business hours and after hours.
- Combinations to the safes are provided only to appropriate personnel and the combinations are being changed in accordance with city policy.
- Access to the doors of the non-public areas are appropriately restricted.
- System access permissions assigned to the personnel are appropriate for their job responsibilities.



## Objectives Satisfied without Exception

- ✓ Payments are being accurately processed, balanced, and recorded to the respective systems.
- ✓ Deposits are being properly prepared, remitted to the armored car service, reconciled to the bank records, and posted to the general ledger.



# Finding #1

## Cash Handling Policies Compliance

- Non-compliance with city policy requiring that “all cash collections, regardless of amount, shall be deposited intact within 24 hours.”
- A cashier was found to not always be locking their cash drawer when it was unattended.
- Management is not maintaining a record of all staff with access to the safes and the dates of safe combination changes. In addition, safe combination change documentation from the city locksmith is not being retained as required by policy.



## Finding #1

### Cash Handling Policies Compliance (continued)

- Office procedures do not address the check acceptance requirements found within the city's Personal Check Acceptance Policy and Procedure (FN304) and the staff are not fully complying with these requirements.
- Strategic Services management is not conducting periodic cash handling audits of the Customer Care Center as required by policy.



## Finding #1 Recommendations

- 1.1 Consult with Finance on how the Customer Care Center can comply with the city's requirement that all cash collections be deposited within 24 hours.
- 1.2 Require Customer Care Center staff to lock their cash drawers when unattended and document and implement procedures to periodically verify this is being done.
- 1.3 Maintain records of all staff with access to the Customer Care Center safes and the dates of safe combination changes along with supporting documentation from the city locksmith. Management should also document and implement procedures to have the combinations to the safes changed in accordance with city policy.



## Finding #1 Recommendations (continued)

- 1.4 Implement the city's personal check acceptance procedures. Management should incorporate these procedures into the office's documented procedures.
  
- 1.5 Develop, document, and implement the completion of periodic cash handling audits of the Customer Care Center in accordance with city policy. Management should also provide periodic training to the Customer Care Center staff on cash handling policies and procedures.



## **Finding #2**

### **Customer Care Center Office Access**

- The number of badges with access to the Customer Care Center appears excessive.
- The city's janitorial service contractor utilizes badges not assigned to any specific individual.



## Finding #2 Recommendations

- 2.1 Implement Procedures to periodically obtain and review electronic badge access reports from the Department of Public Safety.
  
- 2.2 Evaluate with city management the appropriateness of access badges not assigned to a specific individual.



## Finding #3

### System Access Permissions

- The Customer Care Center cashiers were found to have different access permissions for certain systems despite having the same roles and responsibilities.
- The access permissions of certain employees who transferred into the Customer Care Center from other city departments were not changed before starting their new jobs.
- The access permissions of certain employees are not compatible with their current job responsibilities.



## **Finding #3 Recommendations**

- 3.1 Review appropriateness of current system access permissions.
- 3.2 Document and implement system access change and review procedures.
- 3.3 Establish and document compensating monitoring controls for systems as needed.



# Questions and Discussion

**CITY AUDITOR'S OFFICE**



**AUDIT OF OFFICE OF STRATEGIC SERVICES**

**CUSTOMER CARE CENTER  
FINANCIAL OPERATIONS**

**Report SS001-2122-02**

**March 23, 2022**

**RADFORD K. SNELDING, CPA, CIA, CFE**

**CITY AUDITOR**

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**AUDIT OF OFFICE OF STRATEGIC SERVICES  
CUSTOMER CARE CENTER  
FINANCIAL OPERATIONS  
Report SS001-2122-02**

**BACKGROUND**

The Office of Strategic Services (Strategic Services) oversees the operation of the city’s Customer Care Center. The Customer Care Center is a centralized operation where citizen calls are initially directed and where citizens can make various types of payments (e.g. sewer bills, parking citations, pet license fees, code enforcement fines, business licensing fees, building and permit fees).

The Customer Care Center was opened in March 2020. The Customer Care Center is managed by the Strategic Initiatives Manager and Administrative Officer. There are three Senior Call Center Specialists and seven Call Center Specialists within the Customer Care Center. In addition to other responsibilities, four of the Call Center Specialists are cashiers and they process payments from customers using seven different systems.

**OBJECTIVES**

Our audit objectives were to review the financial operations of the Customer Care Center and determine whether:

- Customer Care Center is complying with the city’s cash handling policies and procedures.
- Payments made at the Customer Care Center are being accurately processed, balanced, and recorded to the respective systems.
- Customer Care Center deposits are being properly prepared, remitted to the armored car service, reconciled to the bank records, and posted to the general ledger.
- Cash box keys being used by the Customer Care Center are properly secured during business hours and after hours.
- Combinations to the safes being used by the Customer Care Center are provided only to appropriate personnel and the combinations are being changed in accordance with city policy.
- Access to the doors of the non-public areas of the Customer Care Center are appropriately restricted.
- System access permissions assigned to the Customer Care Center personnel are appropriate for their job responsibilities.

**SCOPE AND METHODOLOGY**

The scope of our work was limited to the management controls within the context of the audit objectives and scope of the audit. The last date of fieldwork was February 3, 2022.

Our audit methodology included:

- Observations of the Customer Care Center financial operations.
- Interviews with Customer Care Center management and staff.

- Review of a sample of payment transaction documentation.
- Review of card key access reports.
- Review of system access permissions.

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 reasonable basis for our findings and conclusions based on our audit objectives.

## **FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS**

The following findings and conclusions to our audit objectives were noted:

***Objective 1:*** *Determine whether the Customer Care Center is complying with the city's cash handling policies and procedures.*

Our audit identified areas of non-compliance with the city's cash handling policies and procedures. See Finding #1.

***Objective 2:*** *Determine whether payments made at the Customer Care Center are being accurately processed, balanced, and recorded to the respective systems.*

Our audit included testing a sample of payments made at the Customer Care Center during fiscal year 2021. We found that payments are being accurately processed, balanced, and recorded to the respective systems.

***Objective 3:*** *Determine whether Customer Care Center deposits are being properly prepared, remitted to the armored car service, reconciled to the bank records, and posted to the general ledger.*

Our audit included testing a sample of deposits prepared by the Customer Care Center during fiscal year 2021. We found that deposits are being properly prepared, remitted to the armored car service, reconciled to the bank records, and posted to the general ledger.

***Objective 4:*** *Determine whether cash box keys being used by the Customer Care Center are properly secured during business hours and after hours.*

Our audit found that a cashier was not always locking their cash drawer when it was unattended. See Finding #1.

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Customer Care Center  
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**Objective 5:** *Determine whether combinations to the safes being used by the Customer Care Center are provided only to appropriate personnel and the combinations are being changed in accordance with city policy.*

Our audit found that management is not maintaining a record of all staff with access to the safes and the dates of safe combination changes. In addition, the safe combination change records from the city locksmith are not being retained. See Finding #1.

**Objective 6:** *Determine whether access to the doors of the non-public areas of the Customer Care Center are appropriately restricted.*

Our audit found that the number of badges with access to the Customer Care Center office along with the hours of access may be excessive. In addition, there are generic badges (i.e., not assigned to a specific individual) with access to the office that increase the risk of unauthorized access without accountability. See Finding #2.

**Objective 7:** *Determine whether system access permissions assigned to the Customer Care Center personnel are appropriate for their job responsibilities.*

Our audit found:

- The Customer Care Center cashiers were found to have different access permissions for certain systems despite having the same roles and responsibilities.
- The access permissions of certain employees who transferred into the Customer Care Center from other city departments were not changed before starting their new jobs.
- The access permissions of certain employees are not compatible with their current job responsibilities. See Finding #3.

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

**Contributors to this report included:**

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## 1. CASH HANDLING POLICIES COMPLIANCE

### Criteria

The city's Cash Handling Policy/Procedure (FN302) states the following:

- *A Department Director whose department receives cash shall:*
  - *Ensure that the department has written cash handling procedures that are consistent with the city's cash handling policy/procedure. (1a)*
  - *Ensure that cash handling procedures are followed (1d)*
- *All cash collections, regardless of amount, shall be deposited intact within 24 hours. (3g)*
- *Money stored in drawers, desks, and filing cabinets must be locked when left unattended. (4b)*
- *Combinations for department safes shall be changed annually or when an employee with safe access separates from employment.*
  - i. The combination shall be restricted to the department director, or designee.*
  - ii. A log shall be kept of all people with access to the safe and when the safe combination was last changed.*
  - iii. The invoice from the locksmith shall be kept as backup. (4e)*
- *Department procedures must provide for periodic audits of all cash handling locations and field collections. The results of these audits must be reported to the Finance Department, Accounting Operations Manager. Major exceptions must be reported to the Director of Finance and City Auditor. (4f)*

The city's Personal Check Acceptance Policy/Procedure (FN304) states the following:

- *The department, division, or office cashier is responsible for ensuring compliance with the city's check acceptance policy and procedure.*
- *The city requires presentation of a driver's license when accepting payments by personal check. If a driver's license is not available, two forms of identification are required, at least one with a picture ID.*
- *For in-person payments, ask for photo identification and write the ID number on the check.*
- *Preventive measures to fight check fraud include, but are not limited to displaying signs at all payment receipting areas showing the city's joint effort with the Clark County District Attorney's Office to minimize the number of bad checks.*

The city's Petty Cash and Change Funds Policy/Procedure (FN305) states the following:

- *Restricted access to the drawer or location must be maintained, and should be limited to the fund custodians and the Department Director, or designee. (B3)*

## **Condition**

During our audit of the Customer Care Center we identified the following areas of non-compliance with city cash handling policies and procedures:

- Each day's deposits are picked up the following business day by an armored car carrier service. Friday's deposits are held in a safe until Monday or the next business day in the case of a holiday. Therefore, the Customer Care Center is not in compliance with city policy requiring that "all cash collections, regardless of amount, shall be deposited intact within 24 hours."
- A cashier was found to not always be locking their cash drawer when it was unattended.
- Customer Care Center management is not maintaining a record of all staff with access to the Customer Care Center safes and the dates of safe combination changes. In addition, safe combination change documentation from the city locksmith is not being retained as required by policy.
- The Customer Care Center's office procedures do not address the check acceptance requirements found within the city's Personal Check Acceptance Policy and Procedure (FN304) and the staff are not fully complying with these requirements. For example, cashiers are not verifying and documenting the identification of customers paying with personal checks and checks are not being endorsed. In addition, the required fraud prevention signage is not displayed.
- Strategic Services management is not conducting periodic cash handling audits of the Customer Care Center as required by policy.

## **Cause**

- Lack of awareness of all city cash handling policies and procedures by management and staff.
- Documented office procedures do not address all applicable city cash handling policies and procedures.

## **Effect**

- Non-compliance with city cash handling policies and procedures.
- Increased risk of loss.

## **Recommendations**

- 1.1 Strategic Services management should consult with Finance on how the Customer Care Center can comply with the city's requirement that all cash collections be deposited within 24 hours.

- 1.2 Strategic Services management should require Customer Care Center staff to lock their cash drawers when unattended and document and implement procedures to periodically verify this is being done.
- 1.3 Strategic Services management should maintain records of all staff with access to the Customer Care Center safes and the dates of safe combination changes along with supporting documentation from the city locksmith. Management should also document and implement procedures to have the combinations to the safes changed in accordance with city policy.
- 1.4 Strategic Services management should have Customer Care Center staff fully implement the city's personal check acceptance procedures. Management should incorporate these procedures into the office's documented procedures.
- 1.5 Strategic Services management should develop, document, and implement the completion of periodic cash handling audits of the Customer Care Center in accordance with city policy. Management should also provide periodic training to the Customer Care Center staff on cash handling policies and procedures.

## 2. CUSTOMER CARE CENTER OFFICE ACCESS

### Criteria

The city's Cash Handling Policy/Procedure (FN302) states the following:

- *Cash handling areas must have restricted access. (4a)*

### Condition

Entry into the Customer Care Center office space is controlled by three electronic badge access restricted doors. We reviewed a report listing individuals with access to these doors as of July 12, 2021 and access activity reports during the period from March 1, 2021 through August 31, 2021 and noted the following:

- There are 293 badges with access to the Customer Care Center office. All of these badges except three have 24-hour access to the Customer Care Center office. The Operations and Maintenance and Information Technologies departments have 66 and 32 employees, respectively, with badge access to the Customer Care Center. The number of badges with access to the Customer Care Center office, as well as the 24-hour access may be excessive.
- The city's janitorial service contractor has 40 generic access badges (i.e., not assigned to a specific individual) to the Customer Care Center office. These generic badges increase the risk of unauthorized access without accountability.

### **Cause**

- Strategic Services management is not periodically obtaining and reviewing badge access and access activity reports for inappropriate or unusual access to the Customer Care Center office area.

### **Effect**

- Risk of access to the Customer Care Center office area by unauthorized individuals.

### **Recommendations**

- 2.1 Strategic Services management should document and implement procedures to periodically obtain and review electronic badge access reports from the Department of Public Safety and evaluate the appropriateness of those with access to the Customer Care Center office and their hours of access.
- 2.2 Strategic Services management working with city management should evaluate whether the generic badges with access to the Customer Care Center office could be assigned to individuals or controls could be implemented surrounding these badges to allow for improved accountability.

## **3. SYSTEM ACCESS PERMISSIONS**

### **Criteria**

The city's Information Security Roles & Responsibilities Policy (IT 134b) states the following:

*Department Managers and Supervisors will:*

- *Ensure that all staff under their guidance is aware of the need to properly protect our information and resources.*
- *Determine the sensitivity and criticality of the customer information and records for which they are responsible.*
- *Determine who will be permitted to access their information, and the uses to which this information will be put. Any sharing of non-public information with external entities must be carefully scrutinized and documented.*
- *Approve end-user access to their data and performing periodic reviews of access rights.*

Governmental standards for internal controls state the following:

*Management designs control activities to limit user access to information technology through authorization control activities such as providing a unique user identification or token to*

*authorized users. These control activities may restrict authorized users to the applications or functions commensurate with their assigned responsibilities, supporting an appropriate segregation of duties. Management designs other control activities to promptly update access rights when employees change job functions or leave the entity. Management also designs control activities for access rights when different information technology elements are connected to each other.*

### **Condition**

The Customer Care Center cashiers use seven different systems to process customer payments for other departments. We obtained and reviewed the system access permissions of the Customer Care Center staff within these systems and discussed these permissions with the respective system administrators. We noted the following:

- The Customer Care Center cashiers were found to have different access permissions for certain systems despite having the same roles and responsibilities.
- The access permissions of certain employees who transferred into the Customer Care Center from other city departments were not changed before starting their new jobs.
- The access permissions of certain employees are not compatible with their current job responsibilities.

### **Cause**

- Strategic Services management relied on the respective system administrators to provide their staff with the appropriate system access permissions with the opening of the Customer Care Center.
- Strategic Services management is not performing periodic reviews of their employees' access rights as required by policy.

### **Effect**

- Potential for processing of unauthorized transactions without detection.

### **Recommendations**

- 3.1 Strategic Services management working with system administrators, department management, and Information Technologies should review the appropriateness of the current system access permissions of the Customer Care Center employees and make changes as needed.
- 3.2 Strategic Services management should document and implement procedures to:
  - Alert system administrators when an employee's job responsibilities change and evaluate whether changes are needed to their system access permissions.

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- Periodically review the system access permissions of the Customer Care Center employees to ensure they are compatible with their current job responsibilities.
- 3.3 Strategic Services management should establish and document compensating monitoring controls for systems whose access permissions cannot be adequately restricted to prevent cashiers from performing unauthorized transactions.

## MANAGEMENT RESPONSE

### 1. Cash Handling Policies Compliance

- 1.1 Strategic Services management should consult with Finance on how the Customer Care Center can comply with the city's requirement that all cash collections be deposited within 24 hours.

**Management Action Plan:** Strategic Services will consult with Finance to review the cash handling policy in regards to the daily deposit requirement. The revised policy will factor in the operations needs of the Customer Care work unit.

**Estimated Date of Completion:** 10/01/2022

- 1.2 Strategic Services management should require Customer Care Center staff to lock their cash drawers when unattended and document and implement procedures to periodically verify this is being done.

**Management Action Plan:** The Customer Care Center will implement desktop procedures to outline proper cash handling procedures. Periodic audits will be conducted to ensure policies are being adhered to.

**Estimated Date of Completion:** 7/1/2022

- 1.3 Strategic Services management should maintain records of all staff with access to the Customer Care Center safes and the dates of safe combination changes along with supporting documentation from the city locksmith. Management should also document and implement procedures to have the combinations to the safes changed in accordance with city policy.

**Management Action Plan:** Strategic Services will implement desktop procedures to require a safe log is documented with a list of employees with access is maintained. The requirement stipulates at a minimum the combination is changed annually or when there is a change in staff within the work unit.

**Estimated Date of Completion:** 7/1/2022

- 1.4 Strategic Services management should have Customer Care Center staff fully implement the city's personal check acceptance procedures. Management should incorporate these procedures into the office's documented procedures.

**Management Action Plan:** Strategic Services will consult with Finance to review the Cash Handling Policy in regards to personal check acceptance. The current requirements in the policy are antiquated and will be modified to reflect industry standards.

**Estimated Date of Completion:** 10/1/2022

- 1.5 Strategic Services management should develop, document, and implement the completion of periodic cash handling audits of the Customer Care Center in accordance with city policy. Management should also provide periodic training to the Customer Care Center staff on cash handling policies and procedures.

**Management Action Plan:** Strategic Services will implement a periodic cash handling audit process to ensure compliance with the desktop procedures and the Finance cash handling policy.

**Estimated Date of Completion:** 10/1/2022

## **2. Customer Care Center Office Access**

- 2.1 Strategic Services management should document and implement procedures to periodically obtain and review electronic badge access reports from the Department of Public Safety and evaluate the appropriateness of those with access to the Customer Care Center office and their hours of access.

**Management Action Plan:** Strategic Services has obtained a listing of all individuals with badge access to the Customer Care Center. Access has been reviewed and individuals have been deactivated that no longer need access. Reviewing access will be documented in the desktop procedures.

**Estimated Date of Completion:** 7/1/2022

- 2.2 Strategic Services management working with city management should evaluate whether the generic badges with access to the Customer Care Center office could be assigned to individuals or controls could be implemented surrounding these badges to allow for improved accountability.

**Management Action Plan:** Strategic Services has obtained a list of badge holders who have access to the Customer Care office. Badge holders who are non-essential have been removed.

**Estimated Date of Completion:** Complete

## **3. System Access Permissions**

- 3.1 Strategic Services management working with system administrators, department management, and Information Technologies should review the appropriateness of the current system access permissions of the Customer Care Center employees and make changes as needed.

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**Management Action Plan:** Strategic Services will consult with Finance and Information Technologies to develop a process to conduct periodic access reviews of all customer care staff for all applications. Information Technologies is in the process of reviewing all policies and procedures which deal with provisioning/deprovisioning, access reviews across the organization.

**Estimated Date of Completion:** 10/1/2022

3.2 Strategic Services management should document and implement procedures to:

- Alert system administrators when an employee's job responsibilities change and evaluate whether changes are needed to their system access permissions.
- Periodically review the system access permissions of the Customer Care Center employees to ensure they are compatible with their current job responsibilities.

**Management Action Plan:** Strategic Services will develop desktop procedures to encompass the on-boarding process of establishing the appropriate permission levels.

**Estimated Date of Completion:** 7/1/2022

3.3 Strategic Services management should establish and document compensating monitoring controls for systems whose access permissions cannot be adequately restricted to prevent cashiers from performing unauthorized transactions.

**Management Action Plan:** Strategic Services will consult with Finance and Information Technologies to establish controls to verify unauthorized transactions are not being performed.

**Estimated Date of Completion:** 10/1/2022



## Background

- The Las Vegas Municipal Court provides seven specialty courts that offer qualified offenders with rehabilitation programs.
- Each specialty court uses gift cards to provide participants with incentives and rewards for program accomplishments and are also provided to help with necessities such as food, clothing, and transportation.
- Departments purchasing gift cards must follow the city's Gift Card Policy/Procedure (FN212).
- Departments are to use:
  - Purchase Request Form for approvals
  - Gift Card Inventory & Disbursement Log



## Objectives

Our audit objectives were as follows:

- Verify compliance with the city's gift card policies and procedures.
- Determine whether internal controls are adequately designed and operating effectively to sufficiently mitigate the risk of gift card fraud and waste.



## **Finding #1**

# **Need for Additional Training on Gift Card Policy**



## **Finding #1 Recommendation**

- 1.1 Municipal Court management should provide additional training to gift card custodians on how to appropriately comply with the city's gift card policy and procedures.



## **Finding #2**

### **Inadequate Gift Card Security**



## Finding #2 Recommendation

- 2.1 Municipal Court management should instruct gift card custodians to secure gift cards under lock and key until issued and ensure key access is restricted. Management should periodically verify that custodians are properly securing their gift cards.



## **Finding #3**

### **Incomplete Gift Card Logs**



## Finding #3 Recommendations

- 3.1 Municipal Court management should provide additional training to gift card custodians on the proper way to complete the gift card logs when distributing gift cards.
- 3.2 Municipal Court management should verify compliance with the gift card policy/procedure by periodically reviewing the completed gift card logs.



## **Finding #4**

### **Inadequate Management Review of Gift Card Inventory**



## Finding #4 Recommendation

- 4.1 Municipal Court management should implement procedures requiring the director and/or division managers to periodically perform independent inspections and audits of the unissued gift cards and logs in accordance with policy.



## **Finding #5**

### **Missing Gift Cards**



## Finding #5 Recommendation

- 5.1 Municipal Court management should locate the missing gift cards or report them missing to the Finance Department.



# Questions and Discussion

# **CITY AUDITOR'S OFFICE**



## **AUDIT OF LAS VEGAS MUNICIPAL COURT**

### **GIFT CARD CONTROLS AND POLICY COMPLIANCE**

**Report MC006-2122-03**

**March 23, 2022**

**RADFORD K. SNELDING, CPA, CIA, CFE**

**CITY AUDITOR**

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**AUDIT OF LAS VEGAS MUNICIPAL COURT  
GIFT CARD CONTROLS AND POLICY COMPLIANCE  
Report MC006-2122-03**

**BACKGROUND**

The Las Vegas Municipal Court (Municipal Court) has jurisdiction over traffic violations, criminal misdemeanor offenses, municipal code ordinance infractions and civil ordinance actions that occur within city limits. The Municipal Court provides the following seven specialty courts which offer qualified offenders with rehabilitation programs:

- Women In Need of Change (WIN) Court
- DUI Court
- Veterans Court
- Habitual Offender Prevention & Education (HOPE) Court
- Young Offenders (YO) Court
- Mental Health Court
- Fresh Start Homeless Court

Each specialty court utilizes gift cards to provide participants with incentives and rewards for program accomplishments. Gift cards are also provided to help participants with necessities such as food, clothing, and transportation.

Departments purchasing gift cards must follow the city's Gift Card Policy/Procedure (FN212). Gift cards are considered cash equivalents and as such, each department purchasing gift cards is responsible for obtaining appropriate approvals from a department director or manager and from a Finance Department manager using the Gift Card Purchase Request Form (see Exhibit A), maintaining a Gift Card Inventory & Disbursement Log (see Exhibit B), and ensuring physical security of all purchased gift cards.

**OBJECTIVES**

Our objectives in completing this audit were as follows:

1. Verify compliance with the city's gift card policies and procedures.
2. Determine whether internal controls are adequately designed and operating effectively to sufficiently mitigate the risk of gift card fraud and waste.

**SCOPE AND METHODOLOGY**

The scope of the audit was limited to gift card purchase transactions during the period from July 1, 2019 through June 30, 2021. A total of 32 transactions were made during this period including the purchase of 400 gift cards totaling \$7,806.

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 audit methodology included:

- Conducting interviews with Municipal Court management and staff
- Reviewing relevant regulations, standards, and city policies
- Analysis and detail testing of available data
- Observation of gift card inventory and reconciliation to records

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 last fieldwork date of this audit was February 28, 2022.

## **FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS**

The results of our audit procedures to each of our audit objectives are found below:

### **Objective 1:**

Verify compliance with the city's gift card policy and procedures.

#### **Conclusion:**

- Gift cards held by one of the specialty courts were not appropriately secured. See Finding #2.
- Incomplete gift card inventory logs were found. See Finding #3.
- Municipal court management does not regularly inspect and audit the gift card inventory and logs. See Finding #4.
- One of the specialty courts was found to be missing gift cards totaling \$100. See Finding #5.

### **Objective 2:**

Determine whether internal controls are adequately designed and operating effectively to sufficiently mitigate the risk of gift card fraud and waste.

#### **Conclusion:**

The employee who oversees the Municipal Court's gift card purchases and distribution of these cards to the gift card custodians has developed a good process for tracking gift cards. However, the gift card custodians within the specialty courts are in need of additional training on how to appropriately comply with the city's gift card policy and procedures. See Finding #1.

**Contributors to this report included:**

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## **1. Need for Additional Training on Gift Card Policy**

### **Criteria**

The city's Gift Card Policy/Procedure (FN212) outlines the process to be followed in purchasing, handling, and issuing gift cards. Every city employee who handles gift cards should be aware of and receive training on the gift card policy and procedures.

### **Condition**

The employee who oversees the gift card purchases and their distribution to the gift card custodians was familiar with the city's gift card policy and procedures. However, in our meetings with the specialty court gift card custodians, we found that most of them were not familiar with the city's gift card policy/procedure or were only vaguely aware of it.

### **Cause**

- Inadequate training on the gift card policy and procedures.

### **Effect**

- Non-compliance with the gift card policy and procedures.

### **Recommendation**

- 1.1 Municipal Court management should provide additional training to gift card custodians on how to appropriately comply with the city's gift card policy and procedures.

## 2. Inadequate Gift Card Security

### Criteria

- **Gift Card Policy/Procedure FN212 (excerpt)**
  - Once gift cards are purchased, employees are required to physically secure the gift cards as follows:
    - Gift cards are to be handled the same as cash and secured under lock and key by the P-Card holder until issued.
  - The p-card holder/requester maintains control and provides physical security for unissued gift cards.

### Condition

The City Auditor's Office met with the Municipal Court gift card custodians to discuss the physical security of gift cards. We noted most specialty courts secure their gift cards in locked cabinets or drawers where access to keys is restricted to only the gift card custodian or direct supervisor. However, one of the specialty court gift card custodians was not aware that gift cards should be secured under lock and key. As such, their gift cards were in an unsecured cabinet.

### Cause

- Gift card custodians are not all aware of the gift card security requirements within the gift card policy.

### Effect

- Non-compliance with gift card policies and procedures.
- Increased risk of theft.

### Recommendation

- 2.1 Municipal Court management should instruct gift card custodians to secure gift cards under lock and key until issued and ensure key access is restricted. Management should periodically verify that custodians are properly securing their gift cards.

### 3. Incomplete Gift Card Logs

#### Criteria

- **Gift Card Policy/Procedure FN212 (excerpt)**
  - Each department purchasing gift cards is responsible for maintaining a *Gift Card Inventory & Disbursement Log*, which is used as an inventory for the gift cards and to track the distribution of the gift cards.
  - It is the city's fiscal responsibility to document who distributed and received the cards.
  - If the gift cards are for a public event:
    - The P-Card holder or city employee responsible for maintaining gift card inventory will update the *Gift Card Inventory & Disbursement Log* by entering the date the cards were issued to the distributor in the *Date* box, and the name of the event in the *Event/Purpose* box for each card distributed.
    - The distributor prints his/her name in the *Distributor* box and signs in the *Distributor Signature* box for each card distributed.

#### Condition

According to policy, the Municipal Court is required to use a form known as the Gift Card Inventory & Disbursement Log (see Exhibit B) to record all gift card purchases and distributions. We examined the gift card logs for purchases made from July 1, 2019 through June 30, 2021 (400 gift cards purchased in 32 transactions). A total of 142 of these cards were distributed during the period. We examined the logs completed for these gift cards to verify whether all required distribution information was documented. We noted the following:

- 71 of the 142 documented gift cards were missing distributor signatures.
- 21 of the 142 documented gift cards were missing a description of the event or the purpose for which the cards were distributed or the distribution date.

#### Cause

- Inadequate training on the gift card policy and procedures.
- Lack of management review of the completeness of the gift card logs.

#### Effect

- Non-compliance with the gift card policy and procedure.
- Incomplete gift card logs.

## Recommendations

- 3.1 Municipal Court management should provide additional training to gift card custodians on the proper way to complete the gift card logs when distributing gift cards.
- 3.2 Municipal Court management should verify compliance with the gift card policy/procedure by periodically reviewing the completed gift card logs.

## 4. Inadequate Management Review of Gift Card Inventory

### Criteria

- **Gift Card Policy/Procedure FN212 (excerpt)**
  - Directors and/or division managers must regularly inspect and audit the *Gift Card Inventory and Disbursement Log* and inventory of unissued gift cards to ensure compliance with this policy and procedure.

### Condition

The employee who oversees the purchase of all gift cards for the Municipal Court records each gift card purchased on a blank gift card log which is subsequently given to the gift card custodian of the respective specialty court that requested the gift cards. This employee tracks all gift cards purchased and to which specialty court they are given on a spreadsheet. Annually, this employee performs a count of the gift cards being held by the custodians and reconciles the count to her spreadsheet. However, Municipal Court management does not participate in this count or regularly perform their own inspection and audit of the unissued gift cards and logs as required by policy.

### Cause

- Management was not aware of this requirement and relied on the procedures being performed by the gift card purchaser.

### Effect

- Non-compliance with the city's gift card policy and procedures.

### Recommendation

- 4.1 Municipal Court management should implement procedures requiring the director and/or division managers to periodically perform independent inspections and audits of the unissued gift cards and logs in accordance with policy.

## 5. Missing Gift Cards

### Criteria

- **Gift Card Policy/Procedure FN212 (excerpt)**
  - Each department purchasing gift cards is responsible for maintaining a *Gift Card Inventory & Disbursement Log*.
  - Once gift cards are purchased, employees are required to physically secure the gift cards as follows:
    - Gift cards are to be handled the same as cash and secured under lock and key by the P-Card holder until issued;

### Condition

Our audit procedures included observing and documenting all gift cards being held by the specialty court custodians and determining whether each of the courts had the appropriate number and type of gift cards on hand based on gift card purchase and distribution records. However, one of the specialty courts was found to be missing four \$25 Uber gift cards. This specialty court's gift card custodian informed us that the gift cards had been lost during their recent move from the Regional Justice Center to the new Municipal Court building. The custodian believes they will eventually be found in boxes yet to be unpacked.

### Cause

- Inadequate safeguarding of gift cards during move.


### Effect

- Missing gift cards.

### Recommendation

- 5.1 Municipal Court management should locate the missing gift cards or report them missing to the Finance Department.

### Exhibit A – Gift Card Purchase Request Form

				
<b>GIFT CARD PURCHASE REQUEST</b>				
<b>P-CARD HOLDER</b>				
<b>DEPARTMENT</b>		<b>DATE</b>		
<input style="width: 100%;" type="text"/>		<input style="width: 100%;" type="text"/>		
<b>FIRST</b>	<b>MI</b>	<b>LAST</b>		
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>		
<p>This form must be completed by the requesting department, signed by the department director or a division manager, and then forwarded to Finance. A signature from a Finance Department manager is required before purchase of gift cards. Once approved by Finance this document will be returned to the requesting department. This original form must be included with the procurement card (P-Card) reconciliation paperwork for the period in which gift cards were purchased. Failure to complete this form and/or include it with P-Card reconciliation paperwork can result in a strike being issued to the P-Card holder.</p>				
<b># CARDS</b>	<b>AMOUNT</b>	<b>TOTAL</b>	<b>PURPOSE</b>	<b>TYPE OF CARD</b>
<input style="width: 50px;" type="text"/>	x <input style="width: 50px;" type="text"/>	= <input style="width: 50px;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
<input style="width: 50px;" type="text"/>	x <input style="width: 50px;" type="text"/>	= <input style="width: 50px;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
<input style="width: 50px;" type="text"/>	x <input style="width: 50px;" type="text"/>	= <input style="width: 50px;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
<input style="width: 50px;" type="text"/>	x <input style="width: 50px;" type="text"/>	= <input style="width: 50px;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
<b>GRAND TOTAL</b>		<input style="width: 50px;" type="text"/>		
<b>DEPARTMENT DIRECTOR/DIVISION MANAGER</b>				
<p>By my signature below I certify the above requested gift cards are intended for official and approved city of Las Vegas business interests. I further certify that I understand my department is required to secure these cards, and log when and to whom cards are issued using the Gift Card Log supplied by Finance. I understand this log is the responsibility of my department and it is to be maintained for no less than seven years and is subject to review/audit at any time.</p>				
<b>FIRST</b>	<b>MI</b>	<b>LAST</b>		
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>		
<b>SIGNATURE</b>		<b>DATE</b>		
<input style="width: 100%;" type="text"/>		<input style="width: 100%;" type="text"/>		
<b>FOR FINANCE USE ONLY</b>				
<b>PRINT NAME</b>				
<input style="width: 100%;" type="text"/>				
<b>SIGNATURE</b>				
<input style="width: 100%;" type="text"/>				

## Exhibit B – Gift Card Inventory & Disbursement Log



### GIFT CARD INVENTORY & DISBURSEMENT LOG

DEPARTMENT:

P-CARD HOLDER:

Complete column if distributing to an employee.

Complete column if distributing at an event.

CARD NUMBER	TYPE	AMOUNT	<b>EMPLOYEE INFORMATION</b>	<b>EVENT INFORMATION</b>
<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>	<b>EMPLOYEE (Print name) &amp; CLV 6-DIGIT EMP # *</b> <input style="width: 100%; height: 15px;" type="text"/>	<b>DISTRIBUTOR (Print name)</b> <input style="width: 100%; height: 15px;" type="text"/>
<b>EVENT/PURPOSE</b>		<b>DATE</b>	<b>EMPLOYEE SIGNATURE</b>	<b>DISTRIBUTOR SIGNATURE</b>
<input style="width: 100%; height: 15px;" type="text"/>		<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>

CARD NUMBER	TYPE	AMOUNT	<b>EMPLOYEE INFORMATION</b>	<b>EVENT INFORMATION</b>
<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>	<b>EMPLOYEE (Print name) &amp; CLV 6-DIGIT EMP # *</b> <input style="width: 100%; height: 15px;" type="text"/>	<b>DISTRIBUTOR (Print name)</b> <input style="width: 100%; height: 15px;" type="text"/>
<b>EVENT/PURPOSE</b>		<b>DATE</b>	<b>EMPLOYEE SIGNATURE</b>	<b>DISTRIBUTOR SIGNATURE</b>
<input style="width: 100%; height: 15px;" type="text"/>		<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>

CARD NUMBER	TYPE	AMOUNT	<b>EMPLOYEE INFORMATION</b>	<b>EVENT INFORMATION</b>
<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>	<b>EMPLOYEE (Print name) &amp; CLV 6-DIGIT EMP # *</b> <input style="width: 100%; height: 15px;" type="text"/>	<b>DISTRIBUTOR (Print name)</b> <input style="width: 100%; height: 15px;" type="text"/>
<b>EVENT/PURPOSE</b>		<b>DATE</b>	<b>EMPLOYEE SIGNATURE</b>	<b>DISTRIBUTOR SIGNATURE</b>
<input style="width: 100%; height: 15px;" type="text"/>		<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>

CARD NUMBER	TYPE	AMOUNT	<b>EMPLOYEE INFORMATION</b>	<b>EVENT INFORMATION</b>
<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>	<b>EMPLOYEE (Print name) &amp; CLV 6-DIGIT EMP # *</b> <input style="width: 100%; height: 15px;" type="text"/>	<b>DISTRIBUTOR (Print name)</b> <input style="width: 100%; height: 15px;" type="text"/>
<b>EVENT/PURPOSE</b>		<b>DATE</b>	<b>EMPLOYEE SIGNATURE</b>	<b>DISTRIBUTOR SIGNATURE</b>
<input style="width: 100%; height: 15px;" type="text"/>		<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>

CARD NUMBER	TYPE	AMOUNT	<b>EMPLOYEE INFORMATION</b>	<b>EVENT INFORMATION</b>
<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>	<b>EMPLOYEE (Print name) &amp; CLV 6-DIGIT EMP # *</b> <input style="width: 100%; height: 15px;" type="text"/>	<b>DISTRIBUTOR (Print name)</b> <input style="width: 100%; height: 15px;" type="text"/>
<b>EVENT/PURPOSE</b>		<b>DATE</b>	<b>EMPLOYEE SIGNATURE</b>	<b>DISTRIBUTOR SIGNATURE</b>
<input style="width: 100%; height: 15px;" type="text"/>		<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>

\* REQUIRED FOR EMPLOYEE RECIPIENTS. GIFT CARDS ARE CONSIDERED TAXABLE INCOME PER IRS CODE SECTION 102.  
 DEPARTMENTS ARE REQUIRED TO RETAIN THIS LOG FOR SEVEN YEARS. THIS LOG IS SUBJECT TO AUDIT AT ANY TIME.

## MANAGEMENT RESPONSE

### 1. Need for Additional Training on Gift Card Policy

- 1.1 Municipal Court management should provide additional training to gift card custodians on how to appropriately comply with the city's gift card policy and procedures.

**Management Action Plan:** Training for the employees who issue gift cards to participants of specialty courts was conducted on March 7, 2022. The Training included review of Gift Card Policy from Finance, proper procedure for complete forms related to gift cards and ensuring gift cards are securely stored.

**Estimated Date of Completion:** March 7, 2022

### 2. Inadequate Gift Card Security

- 2.1 Municipal Court management should instruct gift card custodians to secure gift cards under lock and key until issued and ensure key access is restricted. Management should periodically verify that custodians are properly securing their gift cards.

**Management Action Plan:** See Management Action Plan 1.1.

**Estimated Date of Completion:** March 7, 2022

### 3. Incomplete Gift Card Logs

- 3.1 Municipal Court management should provide additional training to gift card custodians on the proper way to complete the gift card logs when distributing gift cards.

**Management Action Plan:** See Management Action Plan 1.1.

**Estimated Date of Completion:** March 7, 2022

- 3.2 Municipal Court management should verify compliance with the gift card policy/procedure by periodically reviewing the completed gift card logs.

**Management Action Plan:** The Court has implemented additional procedures for verifying compliance with the gift card policy/procedure.

**Estimated Date of Completion:** April 1, 2022

#### **4. Inadequate Management Review of Gift Card Inventory**

- 4.1 Municipal Court management should implement procedures requiring the director and/or division managers to periodically perform independent inspections and audits of the unissued gift cards and logs in accordance with policy.

**Management Action Plan:** The Municipal Court has established an audit process for members of the Executive Team to audit gift cards and logs.

**Estimated Date of Completion:** May 4, 2022

#### **5. Missing Gift Cards**

- 5.1 Municipal Court management should locate the missing gift cards or report them missing to the Finance Department.

**Management Action Plan:** The missing cards were reported to the Finance Department after an additional search failed to locate them.

**Estimated Date of Completion:** March 10, 2022



## City Auditor's Office Follow-up Process

- Management provides:
  - **Management Action Plan**
  - **Estimated Date of Completion**
- Initially classified as **NOT DUE**
- Changes to **INCOMPLETE** once **Estimated Date of Completion** passes
- Changes to **COMPLETE** once auditor verifies recommendation was addressed



## **Incomplete Audit Recommendations**



# Incomplete Audit Recommendations

## Finance – Accounting Operations Division

### **Audit of Petty Cash Funds Management (CW015-2021-14)**

- 1.1 Finance management should evaluate and address the testing results and policy deficiencies identified during the audit. Management should consider creating a separate policy and procedure for the handling of the Accounting Operations petty cash funds. (9/30/21)
- 1.2 Finance management should provide training to the Accounting Operations custodians on the petty cash fund policy. (8/30/21)
- 1.3 Finance management should evaluate whether travel advances should continue to be made from the Accounting Operations petty cash funds. (9/30/21)
- 2.2 Finance management should document and implement procedures requiring their enhanced review of the adequacy of the supporting documentation being accepted by fund custodians with each fund replenishment. (9/30/21)
- 3.2 Finance management should document and implement procedures for periodically reviewing compliance by the fund custodians with the maintenance of petty cash fund management documentation. (9/30/21)
- 4.1 Finance management should implement procedures for periodically reviewing the disbursement activity of the Accounting Operations petty cash funds and evaluate whether the funds should continue to be used, reduced, closed, or combined with another fund. (9/30/21)



## INCOMPLETE AUDIT RECOMMENDATIONS

### INFORMATION TECHNOLOGIES

#### **Audit of Computer Hardware Inventory (IT003-1920-03)**

- 3.1 IT Management should document and implement controls and procedures to ensure a periodic inventory count of city-wide inventory items is regularly conducted to ensure the accuracy of the IT inventory listing. (2/28/20)



## INCOMPLETE AUDIT RECOMMENDATIONS

### CITY MANAGER'S OFFICE

#### **Citywide Audit of Management Controls Over Insurance Certificates (CW014-2021-01)**

The City Manager's Office should:

- 1.2 Develop, document, and implement citywide policies and procedures. (12/31/20)
  
- 2.1 Work with department management to develop/update, document, and implement department policies and procedures to provide direction to staff on their responsibilities for the receipt, review, monitoring, and retention of insurance certificates and how to appropriately track the insurance certificate information. (12/31/20)



# Incomplete Audit Recommendations

## FIRE & RESCUE

### **Audit of Fueling Transactions Oversight (CW015-2021-10)**

- 1.1 Evaluate whether all of its secondary prokees are still needed. (6/30/21)
- 1.2 Work with Fleet Services to complete secondary prokee request forms for each of its secondary prokees and update outdated forms. (6/30/21)
- 1.3 Document and implement department procedures requiring that:
  - Use logs be maintained for all secondary prokees.
  - Reconciliation of logs to fueling reports be completed and documented.
  - Secondary prokee fueling reports be reviewed for irregular transactions. (6/30/21)
- 1.4 Document and implement department procedures requiring that:
  - Use logs and reconciliations be signed and dated by preparer.
  - Reconciliations be reviewed and signed and dated by a manager. (6/30/21)
- 2.1 Document and implement department procedures requiring that the:
  - Monthly and quarterly fueling reports be reviewed for irregular transactions
  - Review be documented including the identification of any irregular transactions, explanations for the transactions, and signature of the reviewer and date of the review.
  - Documentation be retained for a minimum of a year. (6/30/21)



# Incomplete Audit Recommendations

## Operations & Maintenance – Facilities Division

### **Audit of Fueling Transactions Oversight (CW015-2021-11)**

- 1.2 Document and implement procedures for reconciling the use logs to the secondary prokee fueling reports. (4/26/21)
- 1.3 Document and implement procedures requiring that the secondary prokee reconciliation documentation (including the use logs and fueling reports used in the reconciliation) be reviewed by a manager and retained for a minimum of a year in accordance with policy. The reconciliations should be signed and dated by the preparer and manager. (4/26/21)
- 2.1 Document and implement procedures for reviewing the fueling reports for irregular transactions. Documented evidence of the review should include a copy of the fueling reports along with the identification of irregular transactions, the reviewer's notes on research into these transactions, the reviewer's signature, and the date of the review. If the initial reviewer is not a manager, the review documentation should subsequently be reviewed, approved, and signed by a manager. Review documentation should be retained for a minimum of a year to comply with fueling policy. (4/26/21)



# Incomplete Audit Recommendations

## Operations & Maintenance – Streets and Sanitation Division

### Audit of Fueling Transactions Oversight (CW015-2021-12)

- 1.1 Update its secondary prokee request forms and request that Fleet Services update the fueling system records to reflect current secondary prokee assignments. (3/31/21)
- 1.2 Evaluate whether all of their secondary prokees are still needed and return any that are not to Fleet Services. (3/31/21)
- 2.1 Document and implement procedures requiring that the secondary prokee reconciliation documentation (including the use logs and fueling reports used in the reconciliation) be subject to a supervisory review and approval and be retained for a minimum of a year in accordance with policy. The reconciliations should be signed and dated by both the preparer and reviewer. (4/26/21)
- 2.2 Document and implement procedures for reviewing both the primary and secondary fueling reports for irregular transactions. Documented evidence of the review should include a copy of the fueling reports along with the identification of irregular transactions, the reviewer's notes on research into these transactions, the reviewer's signature, and the date of the review. If the initial reviewer is not a manager, the review documentation should subsequently be reviewed, approved, and signed by a manager. Review documentation should be retained for a minimum of a year to comply with fueling policy. (4/26/21)



# Incomplete Audit Recommendations

## Operations & Maintenance – Fleet and Fuel Services Division

### Audit of Fueling Transactions Oversight (CW015-2021-13)

- 1.2 Document and implement procedures for maintaining secondary prokee use logs and reconciling the use logs to the monthly secondary prokee fueling reports. (4/26/21)
- 1.3 Document and implement procedures requiring that the secondary prokee reconciliation documentation (including the use logs and fueling reports used in the reconciliation) be reviewed by a manager and retained for a minimum of a year in accordance with policy. The reconciliations should be signed and dated by the preparer and manager. (4/26/21)
- 2.1 Document and implement procedures for reviewing the monthly and quarterly fueling reports for irregular transactions. Documented evidence of the review should include a copy of the fueling reports along with the identification of irregular transactions, the reviewer's notes on research into these transactions, the reviewer's signature, and the date of the review. If the initial reviewer is not a manager, the review documentation should subsequently be reviewed, approved, and signed by a manager. Review documentation should be retained for a minimum of a year to comply with fueling policy. (4/26/21)



# Incomplete Audit Recommendations

## Operations & Maintenance – Fleet and Fuel Services

### **Audit of Fueling Program Administration (CW015-2021-14)**

- 1.1 Improve communication of fueling policies and procedures with city departments. (10/4/21)
- 1.2 Implement procedures for periodically reminding departments of the fueling policies and procedures. (9/13/21)
- 1.3 Create citywide fueling policies and procedures. (9/13/21)
- 1.4 Review compliance periodically by city departments. (10/4/21)
- 2.1 Review fueling report deficiencies identified and make improvements where possible to the fueling reports. (9/13/21)
- 2.2 Implement procedures to ensure data on the fueling reports is accurate and complete. (9/13/21)



# Incomplete Audit Recommendations

## Operations & Maintenance – Fleet and Fuel Services

### **Audit of Fueling Program Administration (CW015-2021-14)**

- 3.1 Document and implement procedures to keep records current. (9/13/21)
- 3.2 Review records to ensure a request form exists for every secondary prokee. (9/13/21)
- 3.3 Identify secondary prokees with infrequent use and inquire as to whether they are still needed. (9/13/21)



## Current Audits

- Gift Card Policy Compliance
  - ❖ Community Services
  - ❖ YDSI
  - ❖ Parks and Recreation
  - ❖ Finance
- Payment Collection Site – Floyd Lamb Park