



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 July 12, 2021
5. Discussion for possible action regarding Audit Oversight Committee quarterly meeting dates for calendar year 2022
6. Discussion for possible action regarding Audit of the Department of Finance – Accounting Operations – Petty Cash Funds (CW012-2122-01)
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
The Nevada Public Notice website – notice.nv.gov
City Hall, 495 South Main Street, 1st Floor



Proposed Audit Oversight Committee Meeting Dates for 2022

- **Monday, January 10, 2022 10:00 A.M. – 12:00 P.M.**
- **Monday, April 11, 2022 10:00 A.M. – 12:00 P.M.**
- **Monday, July 11, 2022 10:00 A.M. – 12:00 P.M.**
- **Monday, October 10, 2022 10:00 A.M. – 12:00 P.M.**



Background

- The Finance Department oversees the administration of all city petty cash funds and is responsible for enforcing the city's Petty Cash and Change Funds Policies/Procedures (FN305).
- Petty cash funds are typically used for immediate/emergency cash payments of \$100 or less for activities in compliance with Nevada Revised Statutes, city codes, and policies
- Finance's Accounting Operations Division manages four petty cash funds for which travel advances are paid out and to reimburse departments for qualifying petty cash expenditures.



Objectives

Our audit objectives were as follows:

- Verify the existence of the four Accounting Operations petty cash funds.
- Verify Accounting Operations' compliance with the city's Petty Cash and Change Funds Policy/Procedure (FN305) and determine whether the controls in place are adequate.



Finding #1

Improvements Needed to Petty Cash Fund Policy and Procedures



Recommendations

- 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.
- 1.2 Finance management should provide training to the Accounting Operations custodians on the petty cash fund policy.
- 1.3 Finance management should evaluate whether travel advances should continue to be made from the Accounting Operations petty cash funds.



Finding #2

Incomplete Supporting Documentation



Recommendations

- 2.1 Finance management should provide additional training to fund custodians on the documentation that must be submitted prior to disbursement from their petty cash funds and the procedures to follow when the documentation is found to be incomplete.

- 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.



Finding #3

Incomplete Fund Management Documentation



Recommendations

- 3.1 Finance management should provide additional training to fund custodians on the documentation that must be maintained in managing their petty cash funds.
- 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.



Finding #4

Infrequently Used Petty Cash Funds



Recommendation

- 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.



Questions and Discussion

- **Arianna Rodriguez-Mora – Accounting Manager, Finance**
- **Abbe Yacoben, Deputy Finance Director**



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

CITY MANAGER'S OFFICE

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

The City Manager's Office should:

- 1.1 Develop and implement a citywide process for the oversight of the receipt, review, monitoring, and retention of insurance certificates by city departments. (10/1/20)
- 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)
- 3.2 The City Manager's Office should develop, document, and implement a training program on the review and monitoring of insurance certificates. (3/31/21)



INCOMPLETE AUDIT RECOMMENDATIONS

CITY MANAGER'S OFFICE

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

The City Manager's Office should:

- 4.1 Direct management of the departments receiving insurance certificates to develop and implement written policy/procedures to address the tracking and monitoring of insurance certificate information. (12/31/20)
- 4.2 Evaluate whether additional departments would benefit from the utilization of the tracking service. (12/31/20)
- 5.1 Direct department management to update guidelines provided to applicants for licenses and permits to require that insurance certificates be properly addressed and referenced and include all the requirements. (12/31/20)
- 5.2 Work with the City Attorney's Office to update written guidelines for city agreements/contracts with insurance provisions to include language requiring that the associated department name and descriptions of the project or event be clearly referenced on the insurance certificate. (12/31/20)



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

PUBLIC WORKS

Audit of Fueling Transactions Oversight (CW015-2021-09)

- 1.3 Document and implement department procedures requiring the use of secondary prokee use logs and the reconciliation of the logs to the monthly secondary prokee fueling reports for all secondary prokees. (1/30/21)

- 2.1 Document and implement department procedures requiring that the monthly and quarterly fueling reports be reviewed by division managers for irregular transactions and that this review be documented. Documented evidence of the review should include a copy of the fueling reports along with the reviewer's signature, the date of the review, and notes on research into irregular transactions. Reviewed documentation should be retained for a minimum of a year to comply with fueling policy. (3/31/21)



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

- Strategic Services – Customer Care Center
Financial Operations
- Gift Card Policy Compliance
 - ❖ Community Services
 - ❖ YDSI
 - ❖ Parks and Recreation
 - ❖ Municipal Court