



Audit Oversight Committee Minutes

1. **Call to Order and Roll Call**

Minutes:

CHAIR SEAMAN called the meeting to order at 10:01 a.m.

PRESENT: CHAIR SEAMAN and MEMBERS PREISS, GAUGHAN, ALLEN-PALENSKE, and KAERCHER

ALSO PRESENT: JOHN CURTAS, Deputy City Attorney IV; LUANN D. HOLMES, City Clerk; and BRIAN CARROLL, Senior Deputy City Clerk

2. **Announcement Regarding: Compliance with Open Meeting Law**

Minutes:

ANNOUNCEMENT MADE: This meeting has been properly noticed and posted at the following locations in accordance with the noticing standards as outlined in NRS 241.020: City Hall, 495 South Main Street, 1st Floor; the City of Las Vegas website – www.lasvegasnevada.gov; and the Nevada Public Notice website – notice.nv.gov.

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.

Minutes:

None.

4. For possible action to approve the Final Minutes by reference of the Regular Meeting of January 8, 2024

Motion made by Eric Preiss to Approve

Passed For: 5; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

For-Eric Preiss, Victoria Seaman, Brendan Gaughan, Francis Allen-Palenske, Chad Kaercher;

5. Discussion for possible action regarding Audit of Economic and Urban Development Department – Parking Services Division – Front Office Payment Collections (EU004-2324-01)

Minutes:

NANCY CARDOZA, Senior Internal Auditor, utilized a PowerPoint presentation, a copy of which was submitted for the record, to explain that the front office for the Economic and Urban Development Department – Parking Services Division handles the oversight of parking services and offers assistance to customers with parking fines, monthly parking, and other related parking services. She advised that nine Administrative Support Assistants and three management staff work in the front office, and they use the AIMS and Zephyre systems to handle parking citations and monthly parking. MS. CARDOZA reviewed the objectives in completing this audit,

which were to determine whether customer payments were being handled in accordance with policy, that funds are appropriately secured, that management monitored compliance with policies and procedures, and that system access permissions assigned to employees were appropriate for their job responsibilities.

Finding #1 – Staff found that Division management was not conducting periodic cash handling audits and inspections as required by City and Department policies, and staff recommended that Division management document and implement a process for audits of their cash handling procedures.

Finding #2 – MS. CARDOZA explained that a count room is used to store cash, and staff found that over 200 employees had access to the room, while only around 50 employees required access. Staff recommended that management review the count room access report and terminate any unnecessary access, noting that the Division should periodically review the access report.

Finding #3 – Staff found that two former employees had access to the Zephyre parking system and recommended that management terminate system access for former employees and periodically review system access reports to ensure former employees do not have access to parking systems.

MS. CARDOZA advised that the Division had begun working on the recommendations, and she appreciated the support from Parking Services management and staff in completing this audit.

MEMBER KAERCHER asked for additional information on the count room, as he believed 55 employees having access was excessive. MS. CARDOZA clarified that the room is used for cash deposits and maintaining cash drawers, and she stated that part-time staff handling special events also have their funds counted in the room. MEMBER GAUGHAN questioned why part-time staff needed access to the count room, noting that only 25 people were allowed inside the South Point Hotel and Casino's count room. DINA BABSKY, Acting Economic and Urban Development Director, advised that full-time staff work Monday-Thursday, and she clarified that staff handling weekend special events were included in the 55 employees. In response to MEMBER PREISS, MS. BABSKY confirmed that the count room contained less than \$10,000.

Motion made by Eric Preiss to Accept the report

Passed For: 5; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

For-Eric Preiss, Victoria Seaman, Brendan Gaughan, Francis Allen-Palenske, Chad Kaercher;

6. Discussion for possible action regarding Audit of Economic and Urban Development Department – Parking Services Division – Special Events Payment Collections (EU004-2324-02)

Minutes:

JAMES BURNETT, Senior Internal Auditor, utilized a PowerPoint presentation, a copy of which was submitted for the record, to report that the Economic and Urban Development – Parking Services Division – Special Events Parking Unit collects parking fees for special events within the city. He said the Parking Unit is comprised of three managers and between 30-40 part-time staff that support special events, such as First Friday. Special Events Parking staff is provided a \$200 change fund and use handheld devices with the ZipPark parking management software to record payments, and they reconcile the payments with a supervisor after each event. Further, Special Events Parking collected \$591,582 in Fiscal Year 2023. MR. BURNETT stated that the objectives in completing this audit and the first two findings and recommendations were previously discussed by NANCY CARDOZA, Senior Internal Auditor, and were displayed from the presentation.

Finding #3 – Staff reviewed system access permissions for ZipPark and identified generic user accounts, which MR. BURNETT explained made it difficult to identify who processed transactions. He recommended for management to review access permissions for ZipPark, discontinue role-based user accounts, verify that active accounts are authorized to use the application, and determine whether system permissions are appropriately allocated to each user.

Finding #4 – Staff found that management does not maintain records showing who has keys to safety deposit boxes, and staff recommended maintaining a log of all safety deposit box keys in the Department's possession.

Finding #5 – MR. BURNETT explained that Special Events Parking policy requires cashiers to complete a Cash Discrepancy Explanation Sheet when there is a cash difference of more than \$40. Staff reviewed 399 cashier deposits from February to July 2023 and found only one Cash Discrepancy Explanation Sheet had been completed, while there were 19 deposits with a \$40 difference. Staff recommended that management implement procedures to ensure cashiers complete Cash Discrepancy Explanation Sheets when required by policy and consult with the Finance Department to evaluate the procedure for documenting and tracking payment collection discrepancies.

CHAIR SEAMAN wondered how much money was contained in safety deposit boxes, and MR. BURNETT responded that he believed \$400. The Chair asked how problems identified in audit reports are addressed in other departments, noting that this report recommended reviewing system and badge access permissions. DEPUTY CITY MANAGER STEVE FORD said he was not aware of any policy in the City Manager's Office (CMO) to make systematic changes, and he clarified that they rely on Audit Department staff and department directors to make changes and bring any discrepancies to the CMO. In response to CHAIR SEAMAN, MR. FORD advised that they would work with the City Auditor's Office to see if a systematic policy was appropriate.

MEMBER ALLEN-PALENSKE stated that she has been a small business owner for 17 years, and she questioned why intake for cash was higher than credit cards. MR. BURNETT could not explain why people tend to use cash to pay for parking, opining that cash was faster for traffic control.

MEMBER PREISS believed it was important to have cash controls in place to prevent losses.

See Item 5 for related discussion.

Motion made by Eric Preiss to Accept the report

Passed For: 5; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

For-Eric Preiss, Victoria Seaman, Brendan Gaughan, Francis Allen-Palenske, Chad Kaercher;

7. Report by staff and discussion for possible action regarding an update on the Audit Recommendations with a Status of Incomplete

Minutes:

BRYAN SMITH, Acting City Auditor, utilized a PowerPoint presentation, a copy of which was submitted for the record, to report that twice a year staff briefs the Committee on incomplete audit recommendations. Following a brief review of the audit recommendation follow-up procedures, MR. SMITH stated that over the past year City departments have completed 47 audit recommendations, which he explained may involve creating policies and procedures or training staff. He applauded City staff for addressing the proposed recommendations and ensuring controls are implemented. He listed three incomplete recommendations issued to the Finance Department to provide the following direction to departments: how to appropriately complete periodic audits of cash handling locations in accordance with the City's cash handling policy, procedures to follow when a change fund custodian transfers to another location within a department, and procedures to follow and safeguards that should be taken when transporting deposits to a bank. MR. SMITH noted that SUSAN HELTSLEY, Finance Director, had sent an e-mail to department directors and management addressing these recommendations.

MS. HELTSLEY confirmed that an e-mail was sent to address these findings, noting that a checklist will be created to ensure policies are followed and access is revoked when someone leaves a department. She hoped that would help secure the cash handling process, and she advised that the Department had been reorganized and CORY DEMILLE, Treasury Section Manager, would be in charge of cash management.

MEMBER ALLEN-PALENSKE wondered if VINCE ZAMORA, Human Resources Director, should be consulted to create a checklist for use after employee separations. MS. HELTSLEY said she had not recently reviewed the employee exit checklist and believed that was a great idea.

MEMBER PREISS stated that audits are typically performed at a department level, and he wondered if cash

should be audited across departments to ensure policies are consistent. He understood the audit process could be difficult and believed cash policies could be easily reviewed across departments.

CHAIR SEAMAN thanked the Audit staff for their work.

Motion made by Eric Preiss to Approve

Passed For: 5; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

For-Eric Preiss, Victoria Seaman, Brendan Gaughan, Francis Allen-Palenske, Chad Kaercher;

8. Report by staff regarding current audits

Minutes:

BRYAN SMITH, Acting City Auditor, utilized a PowerPoint presentation, a copy of which was submitted for the record, to report that the City Auditor's Office was auditing IT (Innovation and Technology) assets to ensure compliance with the City's fixed assets policy. The Public Safety Department's evidence room was being audited to ensure control over high-risk items such as firearms and cash. Lastly, MR. SMITH advised that the Las Vegas Jail's commissary contract was being audited to review controls regarding the storage, distribution, and price changes for items purchased by inmates.

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.

Minutes:

None.

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.

Minutes:

None.

11. **Adjournment**

Minutes:

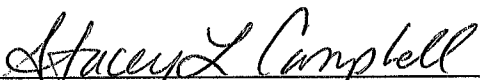
CHAIR SEAMAN announced that the next Audit Oversight Committee meeting is scheduled for July 8, 2024.

The meeting was adjourned at 10:32 a.m.

Respectfully submitted:



Brian Carroll, Senior Deputy City Clerk



LuAnn D. Holmes, MMC, City Clerk

THIS MEETING WAS 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