



## 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 8, 2024
5. Discussion for possible action regarding Audit of Economic and Urban Development Department – Parking Services Division – Front Office Payment Collections (EU004-2324-01)
6. Discussion for possible action regarding Audit of Economic and Urban Development Department – Parking Services Division – Special Events Payment Collections (EU004-2324-02)
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

# **CITY AUDITOR'S OFFICE**



## **AUDIT OF ECONOMIC AND URBAN DEVELOPMENT DEPARTMENT**

### **PARKING SERVICES DIVISION FRONT OFFICE PAYMENT COLLECTIONS**

**Report EU004-2324-01**

**March 25, 2024**

## TABLE OF CONTENTS

<b>BACKGROUND .....</b>	<b>1</b>
<b>OBJECTIVES .....</b>	<b>1</b>
<b>SCOPE AND METHODOLOGY .....</b>	<b>1</b>
<b>FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS.....</b>	<b>2</b>
<b>1. Improved Management Oversight Needed.....</b>	<b>4</b>
<b>2. Unnecessary Access to Count Room.....</b>	<b>4</b>
<b>3. Employee System Access Not Terminated Upon Separation.....</b>	<b>6</b>
<b>MANAGEMENT RESPONSE .....</b>	<b>8</b>

**AUDIT OF  
ECONOMIC AND URBAN DEVELOPMENT DEPARTMENT  
PARKING SERVICES DIVISION  
FRONT OFFICE PAYMENT COLLECTIONS  
Report EU004-2324-01**

**BACKGROUND**

The Department of Economic and Urban Development – Parking Services Division (Parking Services) is responsible for oversight of parking services within the city of Las Vegas. Parking Service’s front office is located at 350 S. City Parkway and is open Monday–Friday, 7:30 a.m. to 5:15 p.m. This office offers assistance to customers with parking fines, monthly parking, and other related parking services.

The Parking Services front office is managed by the Parking Services Manager, the Parking Administrator, and the Parking Office Supervisor. In addition to these members of management, there are nine Administrative Support Assistants that work in the front office.

The Parking Services front office utilizes two different computer systems for the receipting of cash, checks, and debit/credit cards:

- AIMS – System used for parking citations/fines
- Zephyre – System used for monthly parking

**OBJECTIVES**

Our audit objectives were to review Parking Services’ front office payment collection process and determine whether:

- Customer payments are receipted, recorded, and deposited in accordance with the department’s and the city’s cash handling policies and procedures.
- Funds are appropriately secured.
- Department management is monitoring compliance with cash handling policies and procedures.
- System access permissions assigned to employees 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. Our testing covered the following periods:

- Payment and deposit testing during the period of July 1, 2022 through June 30, 2023.
- Count room access as of 9/14/23 and activity during the period of March 1, 2023 through August 31, 2023.

- Systems access permissions testing as of November 2023.

Our audit methodology included:

- Observations of payment collections.
- Interviews with management and staff.
- Review of current practices against the following city and department policies and procedures:
  - Cash Handling Policy/Procedure (FN302)
  - Change Funds Policy/Procedure (FN307)
  - Parking Services Operations Procedure (Parking Admin – 100)
- Review of a sample of 24 days of payment transactions and deposit documentation during the period of July 1, 2022 through June 30, 2023.
- Review of count room access reports from the city’s Innovation & Technology (IT) department.
- Review of the appropriateness of employee access permissions within the AIMS and Zephyre systems.

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 20, 2024.

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

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

**Objective 1:** *Determine whether customer payments are receipted, recorded, and deposited in accordance with the department’s and the city’s cash handling policies and procedures.*

**Conclusion:** Customer payments are being receipted, recorded, and deposited in accordance with the department’s and the city’s cash handling policies and procedures

**Objective 2:** *Determine whether funds are appropriately secured.*

**Conclusion:** The Parking Service front office’s funds were found to be appropriately secured. However, we found that access to the count room where deposits are prepared is not adequately restricted to those employees with a need for access. **See Finding #2.**

**Objective 3:** *Determine whether department management is monitoring compliance with cash handling policies and procedures.*

Audit of Economic and Urban Development Department  
Parking Services Division  
Front Office Payment Collections  
EU004-2324-01  
March 25, 2024

**Conclusion:** Parking Services management is not conducting periodic cash handling audits of the Parking front office as required by city policy. **See Finding #1.**

***Objective 4:** Determine whether system access permissions assigned to employees are appropriate for their job responsibilities.*

**Conclusion:** We found that system access permissions assigned to employees are appropriate for their job responsibilities. However, we identified two former city employees who still had access to the Zephyre system. **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:**

Bryan L. Smith, CPA, CFE  
Acting City Auditor

Nancy Cardoza  
Senior Internal Auditor

Louis Hlad, CISA  
Senior IT Auditor

## **1. Improved Management Oversight Needed**

### **Criteria**

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

*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.*

Parking Services Operations Procedures (Parking Admin – 100) states the following:

*The department administrator or designee (other than a cashier) performs and documents unannounced inspections of their department's cash handling activities.*

### **Condition**

Parking Services management is not conducting periodic cash handling audits/inspections as required by city and department policy.

### **Cause**

- Parking Services management has not implemented a process requiring the completion of periodic cash handling audits of the Parking front office.

### **Effect**

- Noncompliance with city and department policy.
- Areas of noncompliance may not be identified.

### **Recommendation**

- 1.1 Parking Services management, in consultation with Finance, should document and implement procedures for the completion of periodic audits of its cash handling locations.

## **2. Unnecessary Access to Count Room**

### **Criteria**

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

4d. *Access to cash storage areas shall always be kept to a minimum.*

## **Condition**

Parking Services has a count room in the front office that is used for preparing deposits and safeguarding funds. Parking Services employees access the count room using their personal electronic ID badge. In our review of a count room access report from the city's IT department as of September 14, 2023 and excluding Public Safety employees, we found that the following 98 individuals had access to the count room:

- 81 Parking Services and EUD employees (including Parking Enforcement Officers and the Hearing Officer)
- 9 city employees outside of EUD/Parking Services
- 8 non-employees

Upon review of access activity into the count room for the six-month period from March 1, 2023 through August 31, 2023, we found that only 55 Parking Services employees accessed the room. Accordingly, there appear to be individuals with access to the count room that may not need it or should not have it.

As noted in city policy, access to cash storage areas should always be kept to a minimum. A count room should provide a safe and secure area to count funds and prepare deposits out of public view and access should be limited only to those individuals needing access.

## **Cause**

- Parking Services has not developed procedures for reviewing access to the count room.

## **Effect**

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

## **Recommendations**

- 2.1 Parking Services management should review and evaluate the report of employees with access to the Parking Services count room and request that access be terminated for those employees without a need.
- 2.2 Parking Services management should document and implement procedures for periodically reviewing the appropriateness of employees with access to the Parking Services count room.

### **3. Employee System Access Not Terminated Upon Separation**

#### **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**

During our review of the appropriateness of the system access permissions assigned to Parking Services employees within the AIMS and Zephyre systems, we found that the permissions were appropriate for their job responsibilities. However, we found that two former city employees inappropriately still had active access to the Zephyre system.

#### **Cause**

Parking Services management has not developed procedures for periodically reviewing the appropriateness of employees with access to the AIMS and Zephyre systems.

**Effect**

- Noncompliance with city policy.
- Potential for unauthorized access to Parking systems.

**Recommendations**

- 3.1 Parking Services management should terminate access to the Zephyre system for the two former city employees identified in the audit.
- 3.2 Parking Services management should document and implement procedures for periodically reviewing the appropriateness of individuals with access to the parking systems.

## MANAGEMENT RESPONSE

### 1. Improved Management Oversight Needed

- 1.1 Parking Services management, in consultation with Finance, should document and implement procedures for the completion of periodic audits of its cash handling locations.

**Management Action Plan:** Parking Administrator (Administration) will meet with Finance to discuss cash handling audit coordination and best practices for conducting quarterly audits. With the support of Finance, a written procedure/process will be added to Parking Services Administration policy.

**Estimated Date of Completion:** June 3, 2024

### 2. Unnecessary Access to Count Room

- 2.1 Parking Services management should review and evaluate the report of employees with access to the Parking Services count room and request that access be terminated for those employees without a need.

**Management Action Plan:** A badge audit of the count room door was completed by the Parking Administrator. The employees/persons without an official business reason to enter the count room have had access removed.

**Estimated Date of Completion:** Completed on January 11, 2024

- 2.2 Parking Services management should document and implement procedures for periodically reviewing the appropriateness of employees with access to the Parking Services count room.

**Management Action Plan:** An employee access policy and procedure will be developed and implemented with the support of Finance. An audit of all secured access points in the Parking Services office will be conducted semi-annually by the Parking Administrator or designee. A quarterly request for access review will be sent to DPS to audit their list of employees who have access to any secured areas within Parking, including the count room.

**Estimated Date of Completion:** Review completed. Policy/Procedure documented June 3, 2024

### **3. Employee System Access Not Terminated Upon Separation**

- 3.1 Parking Services management should terminate access to the Zephyre system for the two former city employees identified in the audit.

**Management Action Plan:** Terminated employees have been promptly removed.

**Estimated Date of Completion:** Completed

- 3.2 Parking Services management should document and implement procedures for periodically reviewing the appropriateness of individuals with access to the parking systems.

**Management Action Plan:** A Software and Employee Access policy and procedure will be developed and implemented with the support of Finance.

**Estimated Date of Completion:** June 3, 2024



## Background

- Parking Services office at 350 S. City Parkway.
- Assist customers with parking fines, monthly parking, and other related parking services.
- Nine Administrative Support Assistants work in front office.
- Two systems are used for processing payments including one for parking citations/fines (AIMS) and another for monthly parking fees (Zephire).



## Objectives

- Customer payments are receipted, recorded, and deposited in accordance with the department's and the city's cash handling policies and procedures.
- Funds are appropriately secured.
- Department management is monitoring compliance with cash handling policies and procedures.
- System access permissions assigned to employees are appropriate for their job responsibilities.



# Findings and Recommendations

1. Parking Services management is not conducting periodic cash handling audits/inspections as required by city and department policy.
  - Document and implement process for audits/inspections
2. Count room used for preparing deposits and safeguarding funds can be accessed by individuals who do not need or should not have access.
  - Review access report and terminate unnecessary access
  - Periodically review count room access report
3. Two former city employees inappropriately still had access to one of the parking systems (Zephire).
  - Terminate access of former employees
  - Periodically review system access report

# Questions



# **CITY AUDITOR'S OFFICE**



## **AUDIT OF ECONOMIC AND URBAN DEVELOPMENT DEPARTMENT**

### **PARKING SERVICES DIVISION SPECIAL EVENTS PAYMENT COLLECTIONS**

**Report EU004-2324-02**

**March 25, 2024**

## TABLE OF CONTENTS

<b>BACKGROUND .....</b>	<b>1</b>
<b>OBJECTIVES .....</b>	<b>2</b>
<b>SCOPE AND METHODOLOGY .....</b>	<b>2</b>
<b>FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS .....</b>	<b>3</b>
<b>1. Improved Management Oversight Needed .....</b>	<b>4</b>
<b>2. Unnecessary Access to Count Room.....</b>	<b>4</b>
<b>3. System Access Permission Deficiencies .....</b>	<b>6</b>
<b>4. Lack of Records of Keys Provided to Employees .....</b>	<b>7</b>
<b>5. Non-compliance with Cash Discrepancy Documentation Requirements.....</b>	<b>8</b>
<b>MANAGEMENT RESPONSE .....</b>	<b>10</b>

**AUDIT OF  
ECONOMIC AND URBAN DEVELOPMENT DEPARTMENT  
PARKING SERVICES DIVISION  
SPECIAL EVENTS PAYMENT COLLECTIONS  
Report EU004-2324-02**

**BACKGROUND**

The Department of Economic and Urban Development (EUD) – Parking Services Division (Parking Services) – Special Events Parking Unit (Special Events Parking) is responsible for the oversight and collection of parking fees for special events within the city of Las Vegas.

Special Events Parking is managed by the Parking Services Manager, the Parking Operations Administrator, and the Special Events Parking Supervisor. In addition to these members of management, there are typically 30 to 40 part-time event staff (cashiers) that are assigned as needed to the city’s various special events parking lots and garages listed below to collect parking payments.

*Smith Center Events*

- City Parkway Garage (350 S. City Pkwy.)
- Promenade Garage (355 Promenade Place)
- Symphony Lot (open lot adjacent to the Promenade Garage)

*First Friday Art Festival*

- Desert Gold Lot (1300 S. Commerce St.)
- 1326 S. Main St. Lot
- Funk Yard Lot (1216 S. Casino Center Blvd.)
- California Lot (1201 S. Casino Center Blvd.)
- Corner of Main Lot (1501 Main St.)

*Cashman Field Events*

- Cashman Field Parking Lots

Special Events Parking staff use hand-held devices with the ZipPark event parking management software (ZipPark) for the recording of cash and credit card payments. Prior to each event, the staff are assigned a hand-held device and provided with a \$200 change fund. At the end of each event, the staff gather at the city’s Parking Office at 350 S. City Parkway in a count room with a supervisor to reconcile the payments collected to what was recorded in the ZipPark system, prepare the deposits, and return the change funds.

Special Events Parking processed 71,368 payments and collected \$591,582 (\$301,774 cash and \$289,808 credit cards) during the period from July 1, 2022 to June 30, 2023.

## **OBJECTIVES**

Our audit objectives were to review the Special Events Parking payment collection process and determine whether:

- Customer payments are receipted, recorded, and deposited in accordance with the department's and the city's cash handling policies and procedures.
- Funds are appropriately secured.
- Department management is monitoring compliance with cash handling policies and procedures.
- System access permissions assigned to employees 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. Our testing covered the following periods:

- Payment and deposit testing during the period of February 1, 2023 through July 31, 2023.
- Count Room access as of September 14, 2023 and activity during the period of March 1, 2023 through August 31, 2023.
- Systems access permissions testing as of September 19, 2023.

Our audit methodology included:

- Observations of payment collections.
- Interviews with management and staff.
- Review of current practices against the following city and department policies and procedures:
  - Cash Handling Policy/Procedure (FN302)
  - Change Funds Policy/Procedure (FN307)
  - Parking Services Operations Procedure (Parking Admin – 100)
- Review of a sample of 24 days of payment transactions and deposit documentation during the period of February 1, 2023 through July 31, 2023.
- Review of count room access reports from the city's Innovation & Technology (IT) department.
- Review of the appropriateness of employee access permissions within the ZipPark system.

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 20, 2024.

## FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

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

**Objective 1:** *Determine whether customer payments are receipted, recorded, and deposited in accordance with the department's and the city's cash handling policies and procedures.*

**Conclusion:** Customer payments are being receipted, recorded, and deposited in accordance with department and city cash handling policies and procedures; however, we found that cash collection discrepancies in excess of the established threshold were not being documented in accordance with the department procedure. **See Finding #5**

**Objective 2:** *Determine whether funds are appropriately secured.*

**Conclusion:** Special Events Parking funds were found to be appropriately secured. However, we found that access to the count room where deposits are prepared is not adequately restricted to those employees with a need for access. **See Finding #2.** In addition, we found that there are no records of which uniquely numbered keys have been assigned to each of the supervisors for the safe deposit boxes in which the change funds are stored. **See Finding #4.**

**Objective 3:** *Determine whether department management is monitoring compliance with cash handling policies and procedures.*

**Conclusion:** Parking Services management is not conducting periodic cash handling audits of Special Events Parking as required by city policy. **See Finding #1.**

**Objective 4:** *Determine whether system access permissions assigned to employees are appropriate for their job responsibilities.*

**Conclusion:** We found that system access permissions assigned to employees are appropriate for their job responsibilities. However, we identified four generic user IDs and four users who are no longer active city employees within ZipPark. Additionally, we found that cashiers do not have individually assigned user accounts for accessing ZipPark on the hand-held devices. **See Finding #3.**

### **Contributors to this report included:**

Bryan L. Smith, CPA, CFE  
Acting City Auditor

James Burnett, CIA  
Senior Internal Auditor

Louis Hlad, CISA  
Senior IT Auditor

## **1. Improved Management Oversight Needed**

### **Criteria**

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

*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.*

Parking Services Operations Procedures (Parking Admin – 100) states the following:

*The department administrator or designee (other than a cashier) performs and documents unannounced inspections of their department's cash handling activities.*

### **Condition**

Parking Services management is not conducting periodic cash handling audits/inspections as required by city and department policy.

### **Cause**

- Parking Services management has not implemented a process requiring the completion of periodic cash handling audits of Special Events Parking.

### **Effect**

- Noncompliance with city and department policy.
- Areas of noncompliance may not be identified.

### **Recommendation**

- 1.1 Parking Services management, in consultation with Finance, should document and implement procedures for the completion of periodic audits of its cash handling locations.

## **2. Unnecessary Access to Count Room**

### **Criteria**

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

*4d. Access to cash storage areas shall always be kept to a minimum*

## **Condition**

Parking Services has a count room in the front office that is used for preparing deposits and safeguarding funds. Parking Services employees access the count room using their personal electronic ID badge. In our review of a count room access report from the city's IT department as of September 14, 2023 and excluding Public Safety employees, we found that the following 98 individuals had access to the count room:

- 81 Parking Services and EUD employees (including Parking Enforcement Officers and the Hearing Officer)
- 9 city employees outside of EUD/Parking Services
- 8 non-employees

Upon review of access activity into the count room for the six-month period from March 1, 2023 through August 31, 2023, we found that only 55 Parking Services employees accessed the room. Accordingly, there appear to be individuals with access to the count room that do not need it or should not have it.

As noted in city policy, access to cash storage areas should always be kept to a minimum. A count room should provide a safe and secure area to count funds and prepare deposits out of public view and access should be limited only to those individuals needing access.

## **Cause**

- Parking Services has not developed procedures for reviewing access to the count room.

## **Effect**

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

## **Recommendations**

- 2.1 Parking Services management should review and evaluate the report of employees with access to the Parking Services count room and request that access be terminated for those employees without a need.
- 2.2 Parking Services management should document and implement procedures for periodically reviewing the appropriateness of employees with access to the Parking Services count room.

### **3. System Access Permission Deficiencies**

#### **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**

We tested the appropriateness of the ZipPark system access permissions assigned to Special Events Parking employees using a system report dated September 19, 2023. During our review we noted the following system access permission deficiencies:

- 4 generic user profiles were found. Transactions with these profiles cannot be attributed to a specific person.
- 4 users are not active city employees and have access to the system.
- Cashiers do not have individually assigned user accounts when using ZipPark. Instead, they log on to a hand-held device using a generic account associated with the device. Therefore, transactions by these cashiers can only be traced to the hand-held device rather than to an individual cashier.

### **Cause**

Parking Services has not developed procedures for periodically reviewing the appropriateness of the system permissions assigned to employees with access to the ZipPark system.

### **Effect**

- Non-compliance with city policy.
- Potential for unauthorized access to Parking systems.
- Lack of individual accountability for transactions.

### **Recommendation**

- 3.1 Parking Services management should perform a review of user access permissions across the ZipPark application, taking corrective action as needed to restrict inappropriate and unnecessary access. Consideration should be given to:
- Discontinuing the use of shared passwords and generic user accounts.
  - Verifying that all active user accounts are authorized to use the application.
  - Determining whether system permissions are appropriately assigned to each user.
  - Assigning an individual account to each cashier accessing the application.

## **4. Lack of Records of Keys Provided to Employees**

### **Criteria**

Keys to safes or safety deposit boxes where cash is stored should be properly controlled and accounted for.

### **Condition**

Special Events Parking change funds are stored in four safety deposit boxes in a count room in the Parking Office. The Special Events Parking supervisors each have access to these boxes using a uniquely numbered key. There is no record maintained by the department of which keys have been assigned to each of these supervisors. The city locksmith maintains the master keys to the safety deposit boxes and has a record of the keys which have been provided to Parking Services, but not the names of the individuals to whom the keys were given. Without this information, a missing key could be used by an unauthorized individual to access the respective safety deposit box.

### **Cause**

- Lack of department policies and procedures requiring that records be maintained of keys assigned to employees.

### **Effect**

- Incomplete records of key assignments.
- Increased risk of theft or fraud.
- Additional costs for replacing keys.

### **Recommendations**

- 4.1 Parking Services management should maintain a log of all of the safety deposit box keys in the department's possession including the following information:
- Safety deposit box numbers.
  - Individual key numbers for each box.
  - Name of employee to whom each key has been assigned.
  - Signature of employee and supervisor with date key was provided.
  - Signature of employee and supervisor with date key was returned.
- 4.2 Parking Services management should develop, document, and implement a procedure to maintain a log of all of the safety deposit box keys in the department's possession.

## **5. Non-compliance with Cash Discrepancy Documentation Requirements**

### **Criteria**

Special Events Parking's "Paid Parking Procedure" states the following:

*Duties of the Revenue Supervisor at the end of the shift include, but are not limited to, the following:*

*Completing the Individual Cashiers Daily Ticket Sales Worksheet verifying the amount of tickets sold to the amount of cash received. If the cashier shows more than a \$40 discrepancy, a Cash Discrepancy Explanation Sheet must be completed. The cashier is responsible for determining the cause for the error and will list it on the form. The cashier and supervisor shall sign the form and it shall be included in the shift's paperwork. (D3)*

### **Condition**

Special Events Parking policy requires cashiers to complete a *Cash Discrepancy Explanation Sheet* when they have a difference of more than \$40 at the end of their shift. During our review of a sample of 24 days of payment transactions and deposit documentation (including 399 individual cashier deposits) during the period of February 2023 through July 2023, we found that cashiers had \$40 differences on 19 different deposits and a *Cash Discrepancy Explanation Sheet* was only completed once.

### **Cause**

- Department procedures are not being followed.
- Management has not been enforcing compliance with department procedures.

### **Effect**

- Misappropriation of funds could go undetected.

### **Recommendations**

- 5.1 Parking Services management should document and implement procedures to verify that Revenue Supervisors and cashiers are completing *Cash Discrepancy Explanation Sheets* when required by policy.
- 5.2 Parking Services management, in consultation with Finance, should evaluate the adequacy of their current procedure for documenting payment collection discrepancies and make adjustments as needed.
- 5.3 Parking Services management, in consultation with Finance, should establish procedures for tracking individual cashier payment collection discrepancies and reviewing the data for trends.

## MANAGEMENT RESPONSE

### 1. Improved Management Oversight Needed

- 1.1 Parking Services management, in consultation with Finance, should document and implement procedures for the completion of periodic audits of its cash handling locations.

**Management Action Plan:** The Parking Administrator or designee will coordinate with Finance to establish and updated process and procedure for documenting and implementing periodic audits of the event staff banks.

**Estimated Date of Completion:** June 3, 2024

### 2. Unnecessary Access to Count Room

- 2.1 Parking Services management should review and evaluate the report of employees with access to the Parking Services count room and request that access be terminated for those employees without a need.

**Management Action Plan:** A badge audit of the count room door was completed by Parking Administrator. The employees/persons without an official business reason to enter/terminated have had access removed.

**Estimated Date of Completion:** Completed

- 2.2 Parking Services management should document and implement procedures for periodically reviewing the appropriateness of employees with access to the Parking Services count room.

**Management Action Plan:** An employee access policy and procedure will be developed and implemented with the support of Finance. An audit of all secured access points in the Parking Services office will be conducted semi-annually by the Parking Administrator or designee.

**Estimated Date of Completion:** Review completed. Policy/Procedure complete April 15, 2024

### 3. System Access Permission Deficiencies

- 3.1 Parking Services management should perform a review of user access permissions across the ZipPark application, taking corrective action as needed to restrict inappropriate and unnecessary access. Consideration should be given to:
- Discontinuing the use of shared passwords and generic user accounts.

- Verifying that all active user accounts are authorized to use the application.
- Determining whether system permissions are appropriately assigned to each user.
- Assigning an individual account to each cashier accessing the application.

**Management Action Plan:** Parking Services Administrator or designee will immediately:

- Discontinue the use of shared passwords and generic user accounts.
- Verify all active user accounts are authorized to use the Zip Park application.
- Determine that all system permissions are appropriately assigned to each user.
- Assign an individual account to each cashier who accesses the system.

**Estimated Date of Completion:** April 15, 2024

#### **4. Lack of Records of Keys Provided to Employees**

4.1 Parking Services management should maintain a log of all of the safety deposit box keys in the department's possession including the following information:

- Safety deposit box numbers.
- Individual key numbers for each box.
- Name of employee to whom each key has been assigned.
- Signature of employee and supervisor with date key was provided.
- Signature of employee and supervisor with date key was returned.

**Management Action Plan:** Parking Services Administrator or designee will create and maintain a log of all of the safety deposit box keys in the department's possession to include the following:

- Safety deposit box numbers.
- Individual key numbers for each box.
- Name of employee to whom each key has been assigned.
- Signature of employee and supervisor with date key was provided.
- Signature of employee and supervisor with date key was returned.

**Estimated Date of Completion:** April 15, 2024

4.2 Parking Services management should develop, document, and implement a procedure to maintain a log of all of the safety deposit box keys in the department's possession.

**Management Action Plan:** Parking Services Administrator or designee will create and maintain a log of all of the safety deposit box keys in the department's possession as well as implement a new Parking Services specific employee processing in and out document to cover the issuance of internal keys and software program accesses to ensure keys/equipment are returned and all access to programs is terminated upon separation.

**Estimated Date of Completion:** April 15, 2024

## **5. Non-compliance with Cash Discrepancy Documentation Requirements**

- 5.1 Parking Services management should document and implement procedures to verify that Revenue Supervisors and cashiers are completing *Cash Discrepancy Explanation Sheets* when required by policy.

**Management Action Plan:** Parking Services Administrator under the guidance of Finance will update the Cash Discrepancy policy/procedures for event cashiers to ensure we are in compliance with Finance requirements and the threshold for documenting is consistent with over/short \$40 during a specific shift. Discrepancies will be appropriately documented and logged/tracked on a spreadsheet following recordkeeping guidelines.

**Estimated Date of Completion:** June 3, 2024

- 5.2 Parking Services management, in consultation with Finance, should evaluate the adequacy of their current procedure for documenting payment collection discrepancies and make adjustments as needed.

**Management Action Plan:** Parking Services Administrator or designee under the guidance of Finance will evaluate the adequacy of our current procedures for documenting discrepancies and take corrective action. Routinely audit the discrepancy reporting process to ensure policies and procedures are adhered to and establish appropriate documenting processes with the guidance of Finance.

**Estimated Date of Completion:** June 3, 2024

- 5.3 Parking Services management, in consultation with Finance, should establish procedures for tracking individual cashier payment collection discrepancies and reviewing the data for trends.

**Management Action Plan:** Parking Services Administrator or designee under the guidance of Finance will implement a discrepancy reporting tracking document to establish appropriate documenting processes and routinely review for trends and address accordingly.

**Estimated Date of Completion:** June 3, 2024



## Background

- Parking Services – Special Events Parking Unit is responsible for the oversight and collection of parking fees for special events.
- 30-40 part-time staff are assigned as needed to special events parking lots and garages to collect payments.
- Hand-held devices are used by staff to process cash and credit card transactions.
- Special events include Smith Center events, First Friday Art Festival, and Cashman Field events
- Fiscal year 2023 – 71,368 payments totaling \$591,582 (\$301,774 cash and \$298,808 credit cards).



## Objectives

- Customer payments are receipted, recorded, and deposited in accordance with the department's and the city's cash handling policies and procedures.
- Funds are appropriately secured.
- Department management is monitoring compliance with cash handling policies and procedures.
- System access permissions assigned to employees are appropriate for their job responsibilities.



# Findings and Recommendations

1. Parking Services management is not conducting periodic cash handling audits/inspections as required by city and department policy.
  - Document and implement process for audits/inspections
  
2. Count room used for preparing deposits and safeguarding funds can be accessed by individuals who do not need or should not have access.
  - Review access report and terminate unnecessary access
  - Periodically review count room access report

\*\*\* Duplicates from Parking Front Office Report \*\*\*



## Findings and Recommendations

3. System access deficiencies were identified in the ZipPark system including generic user profiles and accounts.
  - Review system access permissions and take corrective actions.
4. No record is maintained of which uniquely numbered keys have been provided to each of the supervisors for the safe deposit boxes in which the change funds are stored.
  - Maintain a log of assigned keys
  - Develop, document, and implement a procedure for maintaining a log.
5. Cash collection overages/shortages are not being documented in accordance with department policy and tracked for cashier trends.
  - Document and implement procedures to verify procedures are being followed.
  - Evaluate adequacy of current procedure.
  - Track individual cashier payment discrepancies.

# Questions





## 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



## **Completed Audit Recommendations Since April 2023 Audit Committee Meeting**

- **Finance** – 5 recommendations
- **Parks, Recreation & Cultural Affairs** – 33 recommendations
- **Neighborhood Services** – 8 recommendations
- **Public Works** – 1 recommendation



# Results

- **Improved Management Controls and Policies & Procedures Over:**
  - Purchase, Safeguarding, and Distribution of Gift Cards.
  - Payment Collections
  - Safeguarding of Cash
  - System Access Permissions
- **Improved Oversight by Fueling Services of Compliance with Fueling Policies**
- **Improved Oversight by Finance of Compliance with the Gift Card Policy**



# Incomplete Audit Recommendations

## FINANCE

### **Audit of Parks, Recreation & Cultural Affairs - Payment Collections – Veteran’s Memorial, Mirabelli, and Doolittle Community Centers and West Las Vegas Arts Center (PR016-2223-05,06,07,08)**

- 1.2 Finance management should provide direction to departments on how to appropriately comply with the city’s cash handling policy requiring departments to complete periodic audits of cash handling locations. (1/31/24)

### **Audit of Parks, Recreation & Cultural Affairs - Payment Collections – West Las Vegas Arts Center (PR016-2223-05)**

- 4.2 Finance management should provide direction to departments on the procedures to follow when a change fund custodian transfers to another location within a department. (1/31/24)
- 5.2 Finance management should provide direction to city staff on the procedures that they should follow and the safeguards that should be taken when transporting deposits to the bank. (1/31/24)



# Current Audits

- **IT Assets – Hardware / Fixed Assets Policy Compliance**
- **Public Safety – Evidence Room**
- **Public Safety – Commissary Contract**