

# **CITY AUDITOR'S OFFICE**



## **Annual Audit Recommendation Follow-Up As Of June 30, 2009**

**Report No. CAO 2600-0910-05**

**September 25, 2009**

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

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## BACKGROUND





The City Auditor's Office has provided 1,125 audit recommendations requiring corrective action to City Departments since January 1, 1999. This report summarizes the status of these audit recommendations as of June 30, 2009.

## OBJECTIVES

The objective of our follow-up program is to ensure that audit recommendations are being appropriately addressed by City management and to track the status of the recommendations. Much of the benefit from audit work is not in the findings reported or the recommendations made, but in their effective resolution. City management is responsible for addressing audit recommendations. This follow-up is a process to help management fulfill this responsibility.

## SCOPE AND METHODOLOGY

Our follow-up program is in accordance with Operating Instruction A. 050 of the City Auditor's Office Operating Instruction Manual. The status of each audit recommendation is identified using the following classifications:

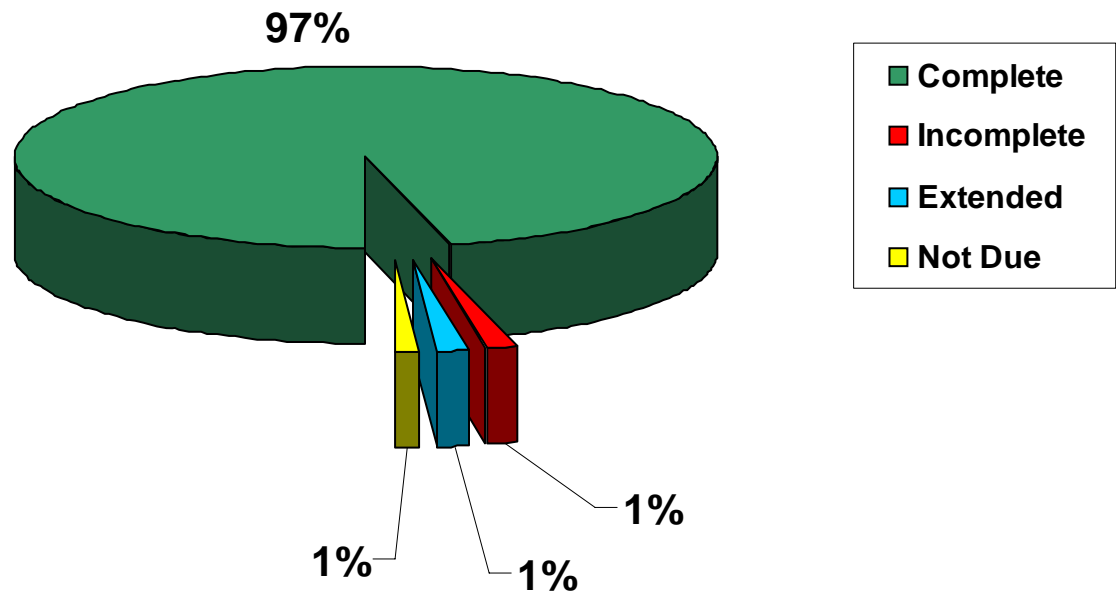
- |   |            |  |
|---|------------|--|
|    | Complete   | The recommendation has been implemented or some other action has been taken to effectively correct the deficiency. |
|    | Incomplete | The recommendation has not been implemented.   |
|   | Extended   | The recommendation has not been implemented due to circumstances beyond the department's control.                  |
|  | Not Due    | Due date identified by management has not passed.  |

For each audit recommendation, City management provides an estimated completion date. An audit recommendation is classified as being Not Due until this date has passed and then the audit recommendation becomes Incomplete or Extended. An audit recommendation remains in one of these classifications until City management completes the recommendation and notifies our Office. Subsequently, audit staff obtain and evaluate evidence supporting management's representation. If the evidence demonstrates that the recommendation has been adequately addressed, the auditor identifies the recommendation as being Complete.

## CONCLUSION

The accompanying chart and tables (pages 2 to 4) summarize the status of the audit recommendations in total and by department. Following the chart, each audit recommendation is classified as Incomplete, Extended, or Not Due and listed by department. The Management Action Plan response was obtained from the original audit report. While city management has made progress toward the implementation of the audit recommendations contained in the various reports, additional efforts should be made in finalizing incomplete recommendations.

## 1,125 Recommendations January 1999 - June 2009



|                  | COMPLETE | INCOMPLETE | EXTENDED | NOT DUE | TOTAL      |
|------------------|----------|------------|----------|---------|------------|
|                  | 1,081    | 15         | 15       | 14      | 1,125      |
| <b>2008-2009</b> | 45       | 14         | 0        | 14      | <b>73</b>  |
| <b>2007-2008</b> | 45       | 0          | 3        | 0       | <b>48</b>  |
| <b>2006-2007</b> | 61       | 1          | 0        | 0       | <b>62</b>  |
| <b>2005-2006</b> | 69       | 0          | 2        | 0       | <b>71</b>  |
| <b>2004-2005</b> | 72       | 0          | 2        | 0       | <b>74</b>  |
| <b>2003-2004</b> | 39       | 0          | 0        | 0       | <b>39</b>  |
| <b>2002-2003</b> | 88       | 0          | 0        | 0       | <b>88</b>  |
| <b>2001-2002</b> | 155      | 0          | 3        | 0       | <b>158</b> |
| <b>2000-2001</b> | 113      | 0          | 0        | 0       | <b>113</b> |
| <b>1999-2000</b> | 394      | 0          | 5        | 0       | <b>399</b> |

## **15 Incomplete Recommendations Summary**

| <b>DEPARTMENT</b>                    | <b>Fiscal Year</b>    |                       | <b>TOTAL</b> |
|--------------------------------------|-----------------------|-----------------------|--------------|
|                                      | <b>2006-<br/>2007</b> | <b>2008-<br/>2009</b> |              |
| <b>Field Operations</b>              | --                    | 10                    | 10           |
| <b>Finance and Business Services</b> | 1                     | --                    | 1            |
| <b>Fire &amp; Rescue</b>             | --                    | 4                     | 4            |
| <b>TOTAL</b>                         | 1                     | 14                    | 15           |

## 1,081 Complete Recommendations Summary Fiscal Year

| DEPARTMENT                              | 1999-<br>2000 | 2000-<br>2001 | 2001-<br>2002 | 2002-<br>2003 | 2003-<br>2004 | 2004-<br>2005 | 2005-<br>2006 | 2006-<br>2007 | 2007-<br>2008 | 2008-<br>2009 | TOTAL |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------|
| AFI                                     | --            | --            | 11            | --            | --            | --            | --            | --            | --            | --            | 11    |
| Building & Safety                       | 54            | 1             | --            | --            | --            | --            | --            | 8             | 6             | --            | 69    |
| City Attorney                           | --            | --            | --            | --            | 1             | --            | --            | --            | --            | 3             | 4     |
| City Manager                            | 14            | 8             | 1             | 5             | 6             | 9             | --            | --            | --            | --            | 43    |
| Detention & Enf.                        | 2             | 6             | 6             | --            | --            | --            | 14            | 1             | 1             | --            | 30    |
| Field Operations                        | 3             | --            | 22            | 25            | --            | 23            | 5             | --            | 5             | 4             | 87    |
| Finance & Business<br>Services          | 43            | 31            | 43            | 26            | 2             | 6             | 3             | 11            | 4             | 4             | 173   |
| Fire & Rescue                           | 30            | --            | --            | --            | --            | --            | --            | --            | 7             | 4             | 41    |
| Human Resources                         | 41            | 32            | --            | 26            | 2             | 2             | --            | --            | 6             | --            | 109   |
| Information<br>Technologies             | 83            | --            | 37            | --            | --            | 4             | --            | 10            | --            | --            | 134   |
| Leisure Services                        | 87            | 2             | 24            | 6             | --            | 27            | 44            | 13            | 2             | 29            | 234   |
| Municipal Court                         | 29            | 10            | --            | --            | --            | --            | 3             | 1             | --            | --            | 43    |
| Neighborhood<br>Services                | --            | --            | --            | --            | 4             | --            | --            | 8             | --            | --            | 12    |
| Office of<br>Administrative<br>Services | --            | --            | --            | --            | --            | --            | --            | --            | 14            | 1             | 15    |
| Office of Business<br>Development       | --            | --            | --            | --            | 21            | --            | --            | --            | --            | --            | 21    |
| Office of<br>Communications             | --            | --            | --            | --            | --            | --            | --            | 9             | --            | --            | 9     |
| Planning &<br>Development               | 8             | --            | --            | --            | 3             | --            | --            | --            | --            | --            | 11    |
| Public Works                            | --            | 23            | 11            | --            | --            | 1             | --            | --            | --            | --            | 35    |
| <b>TOTAL</b>                            | 394           | 113           | 155           | 88            | 39            | 72            | 69            | 61            | 45            | 45            | 1,081 |

## ***DEPARTMENTAL AUDIT RECOMMENDATION FOLLOW-UP INDEX***

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|   | <b>Audit of Detention and Enforcement's Inmate Booking and Release Processes</b> |     |   |                      |                    |
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**Las Vegas Municipal Court**

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***Office of Administrative Services***

**Durango Hills Community Center Contract Compliance Audit**

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**Audit of Professional Services Contract No. 060266 - Ostrovsky & Associates**

|                  |                     |            |                            |                |           |
|------------------|---------------------|------------|----------------------------|----------------|-----------|
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**DEPARTMENTAL  
AUDIT  
RECOMMENDATION  
FOLLOW-UP  
DETAIL**

|                                   |                                    |                        |
|-----------------------------------|------------------------------------|------------------------|
| <b><u>Building and Safety</u></b> | <b><u>Due Date: 03/31/2008</u></b> | <b><u>Extended</u></b> |
|-----------------------------------|------------------------------------|------------------------|

- 1 0753 0708 01 Audit of Building and Safety**  
**03. Hansen Expired Permit Fee Assessment**

**Recommendation:**

Building and Safety management should resolve the expired permit fee function deficiencies. Once the issues are resolved, the process should be documented and staff instructed of established procedures.

**Management Action Plan:**

- Problems with incorrect expiration of permits: This trigger has been disabled and is currently being re-designed by the Hansen Project Team.
- As an interim solution, a new policy has been put in place that all permit renewals must go through a Supervisor for approval and pricing.

**Auditor: N. Beaty**

|                                   |  |                        |
|-----------------------------------|--|------------------------|
| <b><u>Building and Safety</u></b> | <b><u>Due Date: *06/30/2008-R.</u></b> | <b><u>Extended</u></b> |
|                                   | <b><u>12/31/2007-O.</u></b>            |                        |

- 2 0753 0708 01 Audit of Building and Safety**  
**06. Performance Reports**

**Recommendation:**

Building and Safety management should develop and document more accurate methods for calculating monthly performance reports.

**Management Action Plan:**

- Data entry error and variance in reporting still to be resolved.
- Valuation report has some data entry problems which can be addressed once we are fully on Hansen by producing an automated report. A new valuation report will be available by the end of October '07.
- A new cashing system will be in place with Hansen by the end of November '07.

A new revenue report will be generated from Hansen in December '07 with a few additions from Legacy/Mainframe such as Sign permits, Express Inspections & Refees on existing Legacy permits. The new report will be cross-checked for accuracy against the existing Oracle reports in September and October.

**Auditor: N. Beaty**

**Incomplete:** Not implemented.

**Extended:** Not implemented due to circumstances beyond the department's control.

**Not Due:** Due date identified by management has not passed.

**Due Date:** \*R.=Revised / O.=Original

**Management Action Plan response was obtained from the original audit report.**

|   |                                  |                       |
|---|----------------------------------|-----------------------|
| <b><u>Detention and Enforcement</u></b> | <b><u>Due Date: 12/31/09</u></b> | <b><u>Not Due</u></b> |
|---|----------------------------------|-----------------------|

**3 1403 0809 05 Audit of Detention and Enforcement's Inmate Booking and Release Processes**

**01. Controls over Inmate Cash Receipted During the Booking Process**

**Recommendation:**

Detention and Enforcement management should implement the following management controls:

- Establish a single system to track cash receipted when inmates are booked into the detention center.
- Ensure that the system includes:
  - dual verification by Detention and Enforcement staff of the inmates' initial cash amounts,
  - a consistent method to document amounts receipted,
  - the ability to reconcile receipted cash to amounts returned or deposited for inmates, and
  - follow-up procedures when the dollar amount of receipted cash differs from the amount deposited.
- Establish physical controls over the keys to the dual lockbox and file cabinet for inmate funds stored in the Law Enforcement Support Unit. The physical controls should require employees from different lines of authority be present to open the dual lockbox and file cabinet.

Detention and Enforcement management is considering outsourcing the function of receipting cash received from inmates during the booking process. If outsourced, Detention and Enforcement management should ensure that:

- the contract includes a right-to-audit clause,
- the entity is bonded,
- the computer system is adequately secured and appropriate backup procedures are in place, and
- they have established periodic monitoring procedures and reporting requirements.

**Management Action Plan:**

- The recommendation to establish a single system to track cash receipted when inmates are booked into the detention center is not feasible using existing software as it is now configured. The explanation is that we receipt money when inmates get booked into the facility, but do not place the money on the commissary account until they are sentenced because we do not know the length of time they are going to be in custody, to include if they decide to bail out. D&E and IT are investigating the possibility of modifying the Keefe Commissary software to allow it to track not only money in the commissary accounts, but also the money being held for non-sentenced inmates.

**Incomplete:** Not implemented.

**Extended:** Not implemented due to circumstances beyond the department's control.

**Not Due:** Due date identified by management has not passed.

**Due Date:** \*R.=Revised / O.=Original

**Management Action Plan response was obtained from the original audit report.**

- D&E will establish a system and ensure that the system includes:
  - Dual verification by Detention and Enforcement staff of the inmates' initial cash amounts will be completed when exceeding the amount of \$250.
  - A consistent method to document amounts receipted by implementing a pre-list. The prelist would be generated by the staff receipting the money and would follow to the business office when the money is transferred over. We have two options to consider generating a pre-list. One is through Offendertrak and the other is through Keefe.
  - The ability to reconcile receipted cash to amounts returned or deposited for inmates by utilizing the pre-list. A copy of this list will follow with the money to the Business Office and a second copy of the list will go to the Business Office Supervisor to reconcile information.
  - Follow-up procedures when the dollar amount of receipted cash differs from the amount deposited will be completed by someone in the business Office that was not involved with the deposit.
- Physical controls over the keys to the money drop box (dual lockbox) and FireKing Safe (file cabinet) for inmate funds stored in the Law Enforcement Support Unit will be established as follows. The physical controls will require employees from different lines of authority be present to open the money drop box (dual lockbox) and FireKing Safe (file cabinet). The money will be dropped in the money drop box (lockbox). Presently, all Law Enforcement Support Technician (LEST) staff has access to the money drop box (lockbox). There are two keys to enter the money drop box (lockbox), but one LEST is capable of obtaining both keys. One set of keys will remain on the LEST key ring and the other set of keys will be added to the LEST Supervisors key ring. Additionally, the LEST keys will be moved from the LEST Unit and placed into the Key Watcher System located outside of the LEST Unit. This system guarantees accountability and ensures specific authorization of keys. The same procedure will be implemented for the FireKing Safe.

Detention and Enforcement management is considering outsourcing the function of receipting cash received from inmates during the booking process. Vendors that can provide automated cash/coin collection machines are being sought, however, to date none have been identified that have a proven money collection system tested in a jail environment. If outsourced, Detention and Enforcement management will ensure that:

- the contract includes a right-to-audit clause,
- the entity is bonded,
- the computer system is adequately secured and appropriate backup procedures are in place, and
- there will be established periodic monitoring procedures and reporting requirements.

**Estimated Date of Completion:** December 31, 2009

**Auditor:** N. Beaty

**Incomplete:** Not implemented.

**Extended:** Not implemented due to circumstances beyond the department's control.

**Not Due:** Due date identified by management has not passed.

**Due Date:** \*R.=Revised / O.=Original

**Management Action Plan response was obtained from the original audit report.**

|   |                                  |                       |
|---|----------------------------------|-----------------------|
| <b><u>Detention and Enforcement</u></b> | <b><u>Due Date: 12/31/09</u></b> | <b><u>Not Due</u></b> |
|---|----------------------------------|-----------------------|

**4 1403 0809 05 Audit of Detention and Enforcement's Inmate Booking and Release Processes**

**02. Controls over Funds Placed on Account for Inmates**

**Recommendation:**

Detention and Enforcement management should implement the following management controls:

- The initial opening of inmate funds received should be completed by two individuals and recorded on a pre-list. A copy of the pre-list should be forwarded to an employee independent of the deposit process.
- The inmate funds and a copy of the pre-list should be forwarded to the Business Office to be used for the deposit and posting to the commissary system.
- Once the deposit is complete, the deposit documentation and a summary from the commissary system should be forwarded to the same third party noted above. This individual should complete a review of the documentation to ensure all funds collected have been deposited and posted to the correct inmate account in the commissary system.

Detention and Enforcement management in coordination with Finance and Business services is researching the feasibility of outsourcing receipting inmate funds submitted through the mail and the drop box. If outsourced, Detention and Enforcement management should ensure that:

- the contract includes a right-to-audit clause,
- the entity is bonded,
- the computer system is adequately secured and appropriate backup procedures are in place, and
- they have established periodic monitoring procedures and reporting requirements.

**Management Action Plan:**

- The initial opening of inmate funds received will be completed by two officers and recorded on a pre-list. A copy of the pre-list will be forwarded to the Business Office Supervisor who is an employee independent of the deposit process. We are exploring the options on how to automatically generate the pre-list to reduce the human error factor. Offendertrak and Keefe are included in these options.
- Once the deposit is complete, the deposit documentation will be forwarded to the Business Office Supervisor. The Business Office Supervisor will reconcile the pre-list with the summary from the commissary system to ensure all funds collected have been deposited and posted to the correct inmate account in the commissary system.
- If for some reason the sealed money bag becomes unsealed at any point of the safekeeping, the money must be verified again by two people, resealed, and documented on the pre-list.

**Auditor: N. Beaty**

**Incomplete: Not implemented.**

**Extended: Not implemented due to circumstances beyond the department's control.**

**Not Due: Due date identified by management has not passed.**

**Due Date: \*R.=Revised / O.=Original**

**Management Action Plan response was obtained from the original audit report.**

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| <b><u>Detention and Enforcement</u></b> | <b><u>Due Date: 12/31/09</u></b> | <b><u>Not Due</u></b> |
|---|----------------------------------|-----------------------|

**5 1403 0809 05 Audit of Detention and Enforcement's Inmate Booking and Release Processes**

**03. Business Office Inmate Fund Deposit Process**

**Recommendation:**

Detention and Enforcement management should implement controls to ensure that:

- Any funds forwarded to the Business Office for deposit include a listing by inmate and dollar amount of the funds that were transferred. This listing should also be forwarded to an individual independent of the deposit process.
- A copy of the deposit documentation and summary of the documentation posted to the commissary system is forwarded to the same independent individual. This individual should complete a review of the documentation to ensure all funds collected have been deposited and posted to the correct inmate account in the commissary system.
- An individual independent of the deposit process should complete follow-up on inmate inquiries.

Detention and Enforcement management is considering outsourcing the function of receipting funds receipted for inmates. Any funds placed on account would be deposited by this entity. If outsourced, Detention and Enforcement management should ensure that:

- the contract includes a right-to-audit clause,
- the entity is bonded,
- the computer system is adequately secured and appropriate backup procedures are in place, and
- they have established periodic monitoring procedures and reporting requirements.

**Management Action Plan:**

- All funds forwarded to the Business Office for deposit will include a listing by inmate and dollar amount of the funds that were transferred on the pre-list. This pre-list will also be forwarded to the Business Office Supervisor, who is independent of the deposit process.
- Once the deposit is complete, the deposit documentation will be forwarded to the Business Office Supervisor. The Business Office Supervisor will reconcile the pre-list with the summary from the commissary system to ensure all funds collected have been deposited and posted to the correct inmate account in the commissary system.
- A Business Office Employee who was not part of the deposit process will complete follow-up on inmate inquiries.
- Once the outsourcing is completed and implemented, the only means for the public to deposit money will be through the kiosk, website or toll free call center. Upon implementation of these services, no money will be accepted through the mail. Notification to inmates and on the website will inform senders and recipients.

**Auditor: N. Beaty**

**Incomplete: Not implemented.**

**Extended: Not implemented due to circumstances beyond the department's control.**

**Not Due: Due date identified by management has not passed.**

**Due Date: \*R.=Revised / O.=Original**

**Management Action Plan response was obtained from the original audit report.**

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| <b><u>Detention and Enforcement</u></b> | <b><u>Due Date: 12/31/09</u></b> | <b><u>Not Due</u></b> |
|---|----------------------------------|-----------------------|

**6 1403 0809 05 Audit of Detention and Enforcement's Inmate Booking and Release Processes**

**04. Return of Inmate Funds upon Release**

**Recommendation:**

Detention and Enforcement management should:

- Evaluate the available options for returning inmate funds.
- Limit processing inmate fund returns to once each day.

Detention and Enforcement management is considering outsourcing the function of returning funds to inmates. If outsourced, Detention and Enforcement management should ensure that:

- the contract includes a right-to-audit clause,
- the entity is bonded,
- the computer system is adequately secured and appropriate backup procedures are in place, and
- they have established periodic monitoring procedures and reporting requirements.

**Management Action Plan:**

Detention and Enforcement management has:

- We started evaluating the available options for returning inmate funds. We have researched the process to have the Keefe System print money orders. This system is new and there is not enough information on the reliability of this process. The best option at this time appears to be using pay cards. We have been researching this option and have identified two vendors that can provide this service. We are having discussions with finance to select the vendor most suitable for us.
- We have limited processing inmate fund returns to once each day. This is effective as of Monday, March 02, 2009.

**Estimated Date of Completion:** December 31, 2009

Completed on Monday, March 02, 2009

**Auditor:** N. Beaty

**Incomplete:** Not implemented.

**Extended:** Not implemented due to circumstances beyond the department's control.

**Not Due:** Due date identified by management has not passed.

**Due Date:** \*R.=Revised / O.=Original

**Management Action Plan response was obtained from the original audit report.**

**Detention and Enforcement**

**Due Date: 12/31/09**

**Not Due**

**7 1403 0809 05 Audit of Detention and Enforcement's Inmate Booking and Release Processes**

**05. Safeguarding Checks Used for Federal Inmates**

**Recommendation:**

Detention and Enforcement management should establish physical controls over the file cabinet and desk drawer keys to access the blank checks and endorsement stamp to ensure that employees from different lines of authority are required to be present to obtain them.

**Management Action Plan:**

D&E Management will establish physical controls over the file cabinet and desk drawer to access the blank checks and endorsement stamp to ensure the employees from different lines of authority are required to be present to obtain them by:

- Utilizing the Key Watcher System to store the two separate sets of keys needed to get in the FireKing Safe (file cabinet). The desk drawer will no longer be used to store the endorsement stamp.
- The blank checks will remain in the FireKing Safe. In order to get into this safe, a LEST Supervisor or LEST Acting Supervisor and a LEST will need to be present, as they each have a separate key needed to get in.
- The endorsement stamp will be secured in the lockbox that requires the Employee Access Badge to open it. The only staff authorized and having access to this lockbox will be the LEST Supervisors and LEST Acting Supervisors.

**Auditor: N. Beaty**

**Incomplete:** Not implemented.

**Extended:** Not implemented due to circumstances beyond the department's control.

**Not Due:** Due date identified by management has not passed.

**Due Date:** \*R.=Revised / O.=Original

**Management Action Plan response was obtained from the original audit report.**

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| <b><u>Detention and Enforcement</u></b> | <b><u>Due Date: 12 /31/09</u></b> | <b><u>Not Due</u></b> |
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**8 1403 0809 05 Audit of Detention and Enforcement's Inmate Booking and Release Processes**

**06. Voiding Bail Transactions and the Audit of Bail Deposits**

**Recommendation:**

The Municipal Court is in the process of migrating to a new Court Management System. Bail transactions will be processed through this system. Detention and Enforcement management should ensure adequate management controls are in place to include:

- Segregation of duties for the employees that accept funds for bail transactions and employees that void or delete processed bail transactions.
- Documented audit procedures to include a review of voided or deleted transactions and follow-up procedures for unusual circumstances.

**Management Action Plan:**

D&E Management will ensure that adequate management controls are in place, to include:

- The LEST's access rights no longer will include "void functions." The LEST Supervisor's and LEST Acting Supervisor's will be the only staff authorized to have access rights at the level which voids can be executed. We will train additional staff as Acting LEST Supervisor's to ensure there is always a LEST Supervisor or a LEST Acting Supervisor on duty.
- The documented audit procedures, including a review of voided or deleted transactions and follow-up procedures for unusual circumstances will be as follows:
  - When a transaction receipt (TR) is missing, a memorandum with a detailed explanation shall be written in the place of the missing transaction receipt. This process will ensure there is accountability for all transaction receipts. All unusual circumstances will be looked into by the person conducting the bail audit (a business office employee) and the LEST Supervisor with follow-up documentation on the findings.

**Auditor: N. Beaty**

**Incomplete: Not implemented.**

**Extended: Not implemented due to circumstances beyond the department's control.**

**Not Due: Due date identified by management has not passed.**

**Due Date: \*R.=Revised / O.=Original**

**Management Action Plan response was obtained from the original audit report.**

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| <b><u>Detention and Enforcement</u></b> | <b><u>Due Date: 03/01/10</u></b> | <b><u>Not Due</u></b> |
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**9 1403 0809 05 Audit of Detention and Enforcement's Inmate Booking and Release Processes**

**07. Inmate Sentence Calculation**

**Recommendation:**

Detention and Enforcement management should re-evaluate the calculation of inmate good and work time off, determine if changes should be made to the calculations, and modify the programming in Offendertrak accordingly.

**Management Action Plan:**

D&E has already begun the recommended evaluation process. We have received an expert opinion from the City Attorney's office. We are continuing to evaluate the calculation process and plan to reevaluate Offendertrak. The evaluation process includes:

- The interpretation of NRS from City Attorney which would significantly change the formula used for calculations.
- Testing the cases that the auditor provided. A total of eleven (11) cases were reviewed by the auditor and were determined to need further evaluation from D&E for clarification on sentence calculation. All cases computed correctly, with the exception of three (3). The next step is to further test the three (3) cases by re-entering the cases into Offendertrak training site and re-calculating the cases. Random testing will also be conducted to further determine if the Offendertrak system is calculating good time, work time and release dates accurately and in accordance with NRS.
- Hand calculations are being compared to Offendertrak calculations to determine consistency and accuracy.
- Follow up with the three (3) local agencies will be done and responses compared accordingly.
- If changes need to be made with the calculations and formula, Motorola will need to conduct additional testing, look at discrepancies and make modifications to the program. If modifications are needed, it will not be under contract and is estimated to be a fiscal impact. The other possibility is that the formula in place has a potential "glitch." If this is the case, D&E will need to demonstrate that it was a program error and we would not have discovered this during the testing phases prior to signing off. If that is the case, it may or may not incur a fiscal impact.

**Auditor: N. Beaty**

**Incomplete: Not implemented.**

**Extended: Not implemented due to circumstances beyond the department's control.**

**Not Due: Due date identified by management has not passed.**

**Due Date: \*R.=Revised / O.=Original**

**Management Action Plan response was obtained from the original audit report.**

**Detention and Enforcement**

**Due Date: 12/31/09**

**Not Due**

**10 1403 0809 05 Audit of Detention and Enforcement's Inmate Booking and Release Processes**

**08. Offendertrak Computer System Access**

**Recommendation:**

Detention and Enforcement management should:

- Remove active Offendertrak computer system access for the individuals indicated above.
- Develop, document, and implement procedures to ensure that Offendertrak computer system access is removed when:
  - employees leave employment with the City,
  - employees assume City positions that no longer require access to Offendertrak, and
  - users who are not City employees no longer require access to Offendertrak.
- Implement a periodic review of the computer system access rights to verify that all changes have been made.

**Management Action Plan:**

- The active Offendertrak computer system access for the individuals listed above has been removed.
- D&E has a "Detention and Enforcement Employee Separation Checklist. A checkbox has been added to the checklist for "Remove from Offendertrak Database."
- Periodic review of the computer system access rights to verify all changes have been will be implemented on a quarterly basis.

**Auditor: N. Beaty**

**Incomplete: Not implemented.**

**Extended: Not implemented due to circumstances beyond the department's control.**

**Not Due: Due date identified by management has not passed.**

**Due Date: \*R.=Revised / O.=Original**

**Management Action Plan response was obtained from the original audit report.**

| <b><u>Detention and Enforcement</u></b> | <b><u>Due Date: 12/31/09</u></b> | <b><u>Not Due</u></b> |
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**11 1403 0809 05 Audit of Detention and Enforcement's Inmate Booking and Release Processes**

**09. Municipal Court Mainframe Computer System Access**

**Recommendation:**

Detention and Enforcement management should implement procedures to notify the Municipal Court personnel of employment status changes that would affect access rights to the Municipal Court Mainframe system.

The Municipal Court is in the process of migrating to a new Court Management System. The implemented procedures should apply to this system as well.

**Management Action Plan:**

Detention and Enforcement management has implemented procedures to notify the Municipal Court personnel of employment status changes that would affect access rights to the Municipal Court Mainframe system. This will be executed by sending an e-mail. D&E has a "Detention and Enforcement Employee Separation Checklist. A checkbox has been added to the checklist for "E-mail municipal court requesting removal from Court Management System."

**Auditor: N. Beaty**

| <b><u>Field Operations</u></b> | <b><u>Due Date: 06/30/2005</u></b> | <b><u>Extended</u></b> |
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**12 1701 0405 05 Audit of Durango Hills Golf Course Management Contract**  
**07. 01. Property Tax**

**Recommendation:**

The Project Manager should seek formal resolution from the City Attorney's Office as to whether the current outsourcing arrangement for DHGC qualifies for tax exemption.

**Management Action Plan:**

The Project Manager should certainly be involved, however, a directive for formal resolution from the City Attorney's Office would be more appropriately made from the City Manager's Office.

**Auditor: W. Cimo**

**Incomplete:** Not implemented.

**Extended:** Not implemented due to circumstances beyond the department's control.

**Not Due:** Due date identified by management has not passed.

**Due Date:** \*R.=Revised / O.=Original

**Management Action Plan response was obtained from the original audit report.**

| <b><u>Field Operations</u></b> | <b><u>Due Date: 06/01/2006</u></b> | <b><u>Extended</u></b> |
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- 13**    **1702 0506 02    Audit of City Vehicle Replacement Program**  
**02.        01.        Projected Vehicle Useful Lives**

**Recommendation:**

The Fleet Services Manager should assign each vehicle's projected useful life based on the history of the vehicle being replaced and the projected annual usage.

**Management Action Plan:**

Fleet Management and Finance will establish criteria for the assignment of useful life. At a minimum, the process will address historical trending, projected use, and governmental accounting guidelines.

As we discussed, the use of a fleet specific Fleet Management software program, as opposed to the City's current Hansen Program, would make this an easier task to accomplish. Indeed, the consultant that was hired by the Auditing department was surprised that we use the Hansen program and advocated a canned fleet management program to replace it. Estimated cost of this type of program is \$100,000. There are sufficient reserves in the Divisional operating budget to cover this expense. In the absence of this type of program, an internal review of vehicles and equipment's useful lives, though cumbersome under Hansen, would be utilized.

**Timetable:** Full implementation by June 1, 2006 if a new Fleet Management Program is approved. If not approved, use of the Hansen program by November 1, 2005.

**Auditor: B. Smith**

| <b><u>Field Operations</u></b> | <b><u>Due Date: 01/03/2006</u></b> | <b><u>Extended</u></b> |
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- 14**    **1702 0506 02    Audit of City Vehicle Replacement Program**  
**02.        02.        Projected Vehicle Useful Lives**

**Recommendation:**

The Fleet Services Manager should consider rotating low-use and high-use vehicles among staff/departments to balance and optimize the use of all vehicles in the fleet.

**Management Action Plan:**

Dovetails with item 2.1 above. A fleet specific software program will make this a doable task in a timely fashion. The Vehicle Advisory Committee (more fully discussed in recommendation 3.1 below) would be charged with making recommendations to allocate the City's vehicular fleet, that is not assigned to specific individuals, to maximize their usefulness. This committee should have the authority to direct changes to the fleet configuration where resistance is encountered and, quite frankly, expected.

**Auditor: B. Smith**

**Incomplete:** Not implemented.

**Extended:** Not implemented due to circumstances beyond the department's control.

**Not Due:** Due date identified by management has not passed.

**Due Date:** \*R.=Revised / O.=Original

**Management Action Plan response was obtained from the original audit report.**

**Field Operations**

**Due Date: 01/15/2009**

**Incomplete**

**15 1703 0809 01 Audit of Sanitary Sewer System**

**01. Activity Records**

**Recommendation:**

Sewer Maintenance management should evaluate the recordkeeping deficiencies identified within this audit finding and make necessary changes to improve the correlation, reliability, and usefulness of its internal records. Sewer Maintenance management should document guidelines to be followed in completing the key documents and spreadsheets used in its operations. The following ideas should be considered:

- Work activity categories could be created that align with management reporting requirements and performance measurements for use on the Daily Sheets. These work activity categories could be documented on the Daily Sheets for reference by the work crews.
- A work activity summarization box could be added to the Daily Sheets where work crews could summarize their daily activities by the established work activity categories. The information from this box could be accumulated on a spreadsheet.
- When a crew responds to a service request from Hansen, the corresponding service request number could be documented on the Daily Sheet.
- A monthly report could be generated from Hansen and reviewed to ensure that all required SSO reports have been completed.
- The All SAN Calls Spreadsheet could be expanded to document more information on the nature of each call and whether the event is reportable.

**Management Action Plan:**

- The format of the Daily Sheet will be reviewed and modified to provide for more efficient collection of data.
- A graphical map component will be added to allow for quicker and verifiable determination of activity dates for a specific location (e.g., response to subpoena request).
- Productivity as measured by hourly cleaning rates will be collected and compared to ensure all crews are performing within an acceptable statistical deviation from average productivity.
- The form will be constructed to allow for comparison with the @Road GPS stop log results, and random audits will be instituted to ensure appropriate and consistent levels of crew productivity.
- Tabular formatted activity sheets will be utilized for daily events other than cleaning activities, and to document responses to external concerns (e.g., Hansen) and identify field noted issues (e.g., partial blockages). The All SAN Calls Spreadsheet will be modified and/or replaced by this collection of data.
- Cost summary sheets, similar to those currently used for lateral repairs, will be implemented for non-routine activities, (e.g., lateral repairs, manhole repairs, support for other divisions), in order to identify the value of expenditures on activities other than routine maintenance.
- The Hansen data entry will be reviewed to ensure false reports of sanitary sewer overflows e.g., leaking water meters, “bubble-up” storm drain manholes) are correctly identified as such.

**Incomplete:** Not implemented.

**Extended:** Not implemented due to circumstances beyond the department’s control.

**Not Due:** Due date identified by management has not passed.

**Due Date:** \*R.=Revised / O.=Original

**Management Action Plan response was obtained from the original audit report.**

- A quarterly review of the data collection results, individually and collectively among staff, will be established.

Estimated Date of Completion:

- The new data collection sheets will be implemented by October 1, 2008.
- The GPS random audits will be implemented by November 1, 2008.
- The quarterly review meetings will be implemented by January 15, 2009.

**Auditor: B. Smith**

| <b><u>Field Operations</u></b> | <b><u>Due Date: 09/15/2008</u></b> | <b><u>Incomplete</u></b> |
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**16 1703 0809 01 Audit of Sanitary Sewer System**  
**02. Spill Reporting Requirements**

**Recommendation:**

Sewer Maintenance management working with the City's Public Works Environmental Division should seek clarification from NDEP on whether sewer stoppages without an overflow need to be included in the Quarterly SSO Report. If not needed, Sewer maintenance should discontinue use of the SSO Report for documenting stoppages without an overflow and create an alternative means for documenting and monitoring these stoppages.

Sewer Maintenance management should create documented policies and procedures giving direction to their employees on how to comply with the Spill Reporting Policy. These policies and procedures should include guidance on the following areas:

- staff member responsibilities
- proper completion of data fields on SSO Reports
- when to complete a 24-hour report and the required distribution of the report
- supporting documentation requirements

**Management Action Plan:**

- In accordance with the definition of an SSO in the original reporting policy developed in conjunction with staff from the Nevada Department of Environmental Protection, which states that "SSO means any diversion, bypass, spill, overflow or discharge of untreated or partially treated wastewater from wastewater treatment, collection, or conveyance facilities under control of the permittee, other than through points of discharge identified in a discharge permit", staff will no longer report stoppages without overflows as an SSO. Instead full and partial stoppages will be tracked internally only, via the activity sheets described in Item 1, and a TBD graphical format (e.g., a map with color coded incidents, GIS layer input added in conjunction with PW staff).
- A SSO procedure will be compiled and all staff trained on response and documentation requirements and activities.
- The procedure will include 24-hour and 5-day report requirements, but primary responsibility

**Incomplete:** Not implemented.

**Extended:** Not implemented due to circumstances beyond the department's control.

**Not Due:** Due date identified by management has not passed.

**Due Date:** \*R.=Revised / O.=Original

**Management Action Plan response was obtained from the original audit report.**

for those activities will remain with the Division Manager, as these incidences will by nature have property damage and/or regulatory citation liabilities.

- Compilation of mitigation costs will be added to the SSO tracking.

**Estimated Date of Completion:**

- Identification of stoppages without overflows, in the SSO reporting submitted to NDEP, will be eliminated on July 1, 2008.
- Training and implementation of internal SSO response and documentation procedure will be implemented by September 15, 2008.

**Auditor: B. Smith**

| <b><u>Field Operations</u></b> | <b><u>Due Date: 03/01/2009</u></b> | <b><u>Incomplete</u></b> |
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**17 1703 0809 01 Audit of Sanitary Sewer System**  
**03. Clark County Permits**

**Recommendation:**

Sewer Maintenance management working with the City Attorney's Office and Public Works should enter into discussions with Clark County representatives to create an intergovernmental agreement giving them access to the city sewer lines running through Clark County land without the need for individual permits.

**Management Action Plan:**

- Previous S&S requests to have this issue addressed in associated agreements have been rejected by PW and CAO, so this will need to be a stand-alone agreement. The City will have little leverage with the County in any negotiations, and the County would likely prefer to treat the City similar to other utility providers (e.g., Nevada Power, Southwest Gas). Unless the City is willing to take a firm stance on this issue (e.g., no further connections until an agreement is executed), we may find the County uncooperative and/or unrealistic. Nonetheless S&S staff will work with County maintenance staff to draft an agreement for review by the respective Public Works and Attorney staffs.

**Estimated Date of Completion:**

- The draft will be forwarded for PW and CAO review and action by March 1, 2009.

**Auditor: B. Smith**

**Incomplete:** Not implemented.

**Extended:** Not implemented due to circumstances beyond the department's control.

**Not Due:** Due date identified by management has not passed.

**Due Date:** \*R.=Revised / O.=Original

**Management Action Plan response was obtained from the original audit report.**

**Field Operations**

**Due Date: 07/01/2008**

**Incomplete**

**18 1703 0809 01 Audit of Sanitary Sewer System**  
**04. Video Inspection Program**

**Recommendation:**

Sewer Maintenance management should pursue transferring the responsibility and costs for the video inspections to contractors and developers. Sewer Maintenance management should document the details of the new program including:

- Procedures to be followed by staff members
- Requirements of contractors and developers including forms to be completed and documents to be submitted
- Timelines to be followed by staff members
- Deadlines for contractors and developers

If the new program is not implemented, Sewer Maintenance management should:

- Revise the verbiage relating to charging contractors and developers for standby/re-test time or implement a method by which fees could be assessed.
- Improve monitoring of the performance of the video inspection program by documenting and tracking at a minimum the video inspection request date, acceptance date, rejection date, and reason for the rejection.
- Create a formal letter of rejection template with reference to applicable sewer design and construction standards for distribution to contractors and developers on rejection of a sewer line.
- Reconcile the video inspection contractor invoices to the detail video inspection reports.

Sewer Maintenance should determine what performance measurements relating to the video inspection program should be tracked and ensure the measurement titles properly reflect what is being reported.

**Management Action Plan:**

- Review history of expenditures and results for this program to confirm and demonstrate that it has not historically been a cost effective use of resources.
- Review activities and incoming project listings of the last few months to demonstrate the program need has been drastically reduced due to the slow down in residential and commercial construction.
- Draft modification for standard Off-Site Improvement Agreement template to define requirements for Developer provision of video inspections, and address requirements for open agreements.
- Submit proposal to FO Director, select PW staff, select Finance staff, HR management and CAO for program elimination, Off-Site Improvement Agreement modification, and elimination/reallocation of assigned resources.

**Auditor: B. Smith**

**Incomplete: Not implemented.**

**Extended: Not implemented due to circumstances beyond the department's control.**

**Not Due: Due date identified by management has not passed.**

**Due Date: \*R.=Revised / O.=Original**

**Management Action Plan response was obtained from the original audit report.**

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| <b><u>Field Operations</u></b> | <b><u>Due Date: 05/01/2009</u></b> | <b><u>Incomplete</u></b> |
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- 19 1703 0809 01 Audit of Sanitary Sewer System**  
**05. Call Before You Dig Program Compliance**

**Recommendation:**

Sewer Maintenance management working with Public Works (Traffic Engineering and Engineering Planning Divisions) should further evaluate the adequacy of their compliance with NRS 455 and what additional measures should be taken to ensure compliance. Sewer Maintenance management should document its methodology, policies, and procedures for complying with NRS 455.

**Management Action Plan:**

- This issue has been reviewed among the aforementioned Divisions and the consensus agreement is that visual identification through the installation of surface components (i.e., manhole lids), can be construed to provide compliance with the requirements of NRS 455, as it relates to sanitary sewer installations. Furthermore, given the infrequency of incidences and minimal costs the City has incurred with respect to this issue, it would not seem to be cost effective to implement a more stringent identification program.
- Sewer maintenance management staff will work with PW staff to see if additional improvements to the current system are appropriate.

**Auditor: B. Smith**

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| <b><u>Field Operations</u></b> | <b><u>Due Date: 01/30/2009</u></b> | <b><u>Incomplete</u></b> |
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- 20 1703 0809 01 Audit of Sanitary Sewer System**  
**06. Equipment and Supplies**

**Recommendation:**

Sewer Maintenance management should document and implement a formal equipment and supplies inventory control program. Periodic inventories of equipment and supplies should be conducted. Changes in supply levels should be evaluated for reasonableness based on activity. Sewer Maintenance management should consider requiring employees to document supplies being taken from the storage building.

**Management Action Plan:**

- A listing of equipment will be generated, with photographs of each, and compiled in a binder for documentation purposes. A quarterly inventory will be taken to ensure all equipment is accounted for.
- Supplies are generally procured on an as-needed basis, and fall into 2 categories, equipment replacement parts (e.g., hoses) and consumables (e.g., deodorant materials). The supplies will be included in the quarterly inventory review, and applicable procurements for the period in question reviewed to ensure consistent levels of use.

**Incomplete: Not implemented.**

**Extended: Not implemented due to circumstances beyond the department's control.**

**Not Due: Due date identified by management has not passed.**

**Due Date: \*R.=Revised / O.=Original**

**Management Action Plan response was obtained from the original audit report.**

**Estimated Date of Completion:**

- The inventory and supply listing will be completed by August 15, 2008, and quarterly inventory reviews will start in January, 2009.

**Auditor: B. Smith**

**Field Operations**

**Due Date: 11/30/2008**

**Incomplete**

**21 1703 0809 01 Audit of Sanitary Sewer System  
07. Training Tracking and Monitoring**

**Recommendation:**

The Field Operations Safety and Health Officer should regularly summarize the training status of Sewer Maintenance employees in relation to OSHA and City safety requirements. This summarization should be made available to Sewer Maintenance management. The Field Operations Safety and Health Officer should also work with Sewer Maintenance management in updating their *New Employee Orientation Checklist*.

**Management Action Plan:**

- Training class sign-in sheets are now being given to the City's HR Department for recording into the Oracle system for tracking and summarization purposes. A report showing the training status of Sewer Maintenance employees has been developed and will be given to management quarterly for their review. The first status report will be given to Sewer Maintenance management at the November 2008 Supervisory Meeting with a summary of the period from 7/1/08 to 9/30/08.
- Input will be given to Sewer Maintenance management on changes needed to the New Employee Orientation Checklist so it reflects current training requirements.

**Estimated Date of Completion:**

- First training status report will be created by November 2008.
- New Employee Orientation Checklist will be updated by August 1, 2008.

**Auditor: B. Smith**

**Incomplete:** Not implemented.

**Extended:** Not implemented due to circumstances beyond the department's control.

**Not Due:** Due date identified by management has not passed.

**Due Date:** \*R.=Revised / O.=Original

**Management Action Plan response was obtained from the original audit report.**

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| <b><u>Field Operations</u></b> | <b><u>Due Date: 05/01/2009</u></b> | <b><u>Incomplete</u></b> |
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**22 1703 0809 01 Audit of Sanitary Sewer System**  
**08. Performance Measurements**

**Recommendation:**

Sewer Maintenance management should:

- Evaluate the appropriateness and value of the current performance measurements being tracked.
- Evaluate whether additional performance measurements should be tracked.
- Document the definition and derivation of each performance measurement used.
- Ensure the performance measurement titles properly reflect the data being reported.

**Management Action Plan:**

- Identification of improved performance measurements will be considered during development of policies and procedures, with emphasis placed on quantitative cost-benefit analysis, productivity, and resource “leakage” due to external causes (e.g., support for other City Divisions, mandatory training).

**Auditor: B. Smith**

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| <b><u>Field Operations</u></b> | <b><u>Due Date: 04/01/2009</u></b> | <b><u>Incomplete</u></b> |
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**23 1703 0809 01 Audit of Sanitary Sewer System**  
**09. Public Reporting Using City Website**

**Recommendation:**

Sewer Maintenance management should work with the City’s Information Technologies Department to address the noted deficiencies in the website menu screens being used by the public to report sewer problems. In addition, Sewer Maintenance management should request that a sewer overflow category be added in Hansen to allow for differentiation between sewer stoppages and overflows.

**Management Action Plan:**

- Sewer problems are usually reported via phone call, as the system is generally an all or nothing application (i.e., either the sewage is flowing downhill or it is not) and citizens consider a non-functioning sewer system to be an immediate concern for which they make direct contact.
- Direct contact is preferable in the event of a sewer overflow so that response time is minimized. Staff will request IT provide a phone number for direct contact for notification of perceived sewer overflows.

**Auditor: B. Smith**

**Incomplete:** Not implemented.

**Extended:** Not implemented due to circumstances beyond the department’s control.

**Not Due:** Due date identified by management has not passed.

**Due Date:** \*R.=Revised / O.=Original

**Management Action Plan response was obtained from the original audit report.**

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| <b><u>Field Operations</u></b> | <b><u>Due Date: 05/01/2009</u></b> | <b><u>Incomplete</u></b> |
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**24 1703 0809 01 Audit of Sanitary Sewer System**  
**10. Standard Operating Procedures**

**Recommendation:**

Sewer Maintenance management should create documented standard operating procedures for its three primary functions to enhance management oversight, improve staff accountability, provide orientation and reference material for staff, and document the institutional knowledge of existing staff in case of employee turnover or extended absences. For purposes of this audit, documented standard operating procedures should be created for the following areas:

Sanitary sewer conveyance component maintenance and repairs (cleaning of main lines, line repairs, video inspections, manhole repairs, diversion operations)

- Daily responsibilities of work crews including documentation requirements (see Finding #1)
- Use of Hansen customer complaint/service system
- Monthly activity summarization and reporting
- Video inspection program (see Finding #4)
- Equipment and supplies inventory control program (see Finding #6)
- Overtime and after-hours call-out rotation
- Performance measurement summarization (see Finding #8)
- Document retention compliance guidelines

Sanitary sewer private collection component responses (identification of lateral issues and provision of customer service assistance)

- Lateral line customer assistance program

Sanitary sewer overflow (“SSO”) responses (removal of obstructions and restoration of flow, mitigation of contamination, and regulatory compliance reporting)

- NDEP Spill Reporting Policy compliance (see Finding #2)
- Call Before You Dig program compliance (see Finding #5)

**Management Action Plan:**

- Applicable operating procedures will be developed and implemented.

**Auditor: B. Smith**

**Incomplete:** Not implemented.

**Extended:** Not implemented due to circumstances beyond the department’s control.

**Not Due:** Due date identified by management has not passed.

**Due Date:** \*R.=Revised / O.=Original

**Management Action Plan response was obtained from the original audit report.**

**Finance and Business Services**

**Due Date: 10/01/2001**

**Extended**

**25 1501 0102 02 Audit of Wastewater Pollution Control Facility and Sewer Services**  
**B. 02. 01. Sewer Fee Billings**

**Recommendation:**

Sewer Services management should change the sewer services billing to a quarterly billing cycle and adjust the penalty policies to align with this change.

**Management Action Plan:**

The Business Services Division (BSD) is recommending a proposed Municipal Code change to a quarterly billing cycle where the penalty fee would be assessed on the outstanding balance for the quarter rather than the unpaid balance of the bill. These code changes are projected for implementation around October 2001.

Regarding the incorporation of sewer fees into annual property taxes, we do not believe it is economically or operationally feasible at this time. We estimate that our cost to perform the billing function (including treasury, technology, sewer billing, and mail room support) does not exceed \$250,000 annually. Obviously, this cost is passed on to the property owners in the form of sewer rates. The Nevada Revised Statutes (NRS) would need significant revision to allow the County to include routine City sewer bills with the property tax. Such a change would also require a change in the City billing cycle which is currently based on the start of service, not on the fiscal tax year. Since the NRS currently provides for a 4 percent surcharge by the County Treasurer for the delinquent sewer service charges it collects on the annual property tax roll, it is difficult to imagine they would be willing to handle all sewer billings for less than that statutory rate. Note that this 4 percent fee is passed on to the property owner. If all charges were billed through the County Treasurer, their estimated fees would approach \$1.5 million, far exceeding what the property owners currently pay for City billing service. The City would still be responsible for inspections and customer service inquiries, functions that the County will not be able to execute. Consequently, the Business Services Division does not see an advantage for the rate-payer in using the County Treasurer for all billings at this time.

**Auditor: B. Smith**

**Incomplete: Not implemented.**

**Extended: Not implemented due to circumstances beyond the department's control.**

**Not Due: Due date identified by management has not passed.**

**Due Date: \*R.=Revised / O.=Original**

**Management Action Plan response was obtained from the original audit report.**

| <b><u>Finance and Business Services</u></b> | <b><u>Due Date: 12/31/2002</u></b> | <b><u>Extended</u></b> |
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- 26    **1501 0102 02    Audit of Wastewater Pollution Control Facility and Sewer Services**  
**B. 04.    01.    Performance Reports**

**Recommendation:**

Sewer Services should create a monthly performance report with additional performance data needed by upper management.

**Management Action Plan:**

As mentioned, the BSD anticipates converting the current sewer billing system to the Oracle-based Hansen Industries system. The new system, fully integrated with the planning, building inspection, public works, business licensing, and finance functions, will allow for the creation of many different management reports. In order to best allocate personnel resources (both BSD and Information Technology), no changes will be made to the legacy system, but rather the improved management reports will be focused on the new Hansen system when it is brought up in late Fall, 2002.

**Auditor: B. Smith**

| <b><u>Finance and Business Services</u></b> | <b><u>Due Date: 12/31/2002</u></b> | <b><u>Extended</u></b> |
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- 27    **1501 0102 02    Audit of Wastewater Pollution Control Facility and Sewer Services**  
**B. 04.    02.    Performance Reports**

**Recommendation:**

For information that is not easily accessible from the sewer service system, Sewer Services should work with Information Technologies to access this data.

**Management Action Plan:**

As mentioned, the BSD anticipates converting the current sewer billing system to the Oracle-based Hansen Industries system. The new system, fully integrated with the planning, building inspection, public works, business licensing, and finance functions, will allow for the creation of many different management reports. In order to best allocate personnel resources (both BSD and Information Technology), no changes will be made to the legacy system, but rather the improved management reports will be focused on the new Hansen system when it is brought up in late Fall, 2002.

**Auditor: B. Smith**

**Incomplete:** Not implemented.

**Extended:** Not implemented due to circumstances beyond the department's control.

**Not Due:** Due date identified by management has not passed.

**Due Date:** \*R.=Revised / O.=Original

**Management Action Plan response was obtained from the original audit report.**

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| <b><u>Finance and Business Services</u></b> | <b><u>Due Date: 07/01/2008</u></b> | <b><u>Incomplete</u></b> |
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- 28    **0601   0607 06    Audit of Financial Services Grant Fiscal Administration**  
**01.                    Allocation of Indirect Costs for Federal Grants**

**Recommendation:**

City Management should review the benefits and costs identified in this audit for an indirect cost allocation plan for Federal Grant Awards and evaluate whether such a plan would be beneficial to the City.

**Management Action Plan:**

Financial Services Division will evaluate cost allocation methodologies and goals to develop a comprehensive cost allocation strategy.

**Estimated Date of Completion:** Implementation in fiscal year 2008

**Auditor:** N. Beaty

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| <b><u>Finance and Business Services</u></b> | <b><u>Due Date: 12/31/2009</u></b> | <b><u>Not Due</u></b> |
|---|------------------------------------|-----------------------|

- 29    **3100   0809 07    Audit of Professional Services Contract No. 070122 - Delphi Research of Nevada**  
**02.                    Contract Monitoring Policy and Procedures**

**Recommendation:**

The City Manager should establish a comprehensive Contract Monitoring Policy and Procedure for the administration of personal services contracts to apply to all departments utilizing these contracts. The policies, procedures, and responsibilities should address at a minimum the following:

1. Segregation of Duties or Incompatible Functions – Duties related to the administration of the contract should be appropriately segregated.
2. Qualified, Trained Personnel – Personnel should be qualified and adequately trained to monitor the contract.
3. Authorization – All transactions are approved by an appropriate member of management.
4. Records – Records regarding the administration of this contract should be required and documented. These records should be sufficient, competent, relevant, and timely.
5. Reporting – Reports should be prepared on an appropriate basis so as to document the performance of the contract. There should be statement of opinion if the vendor is performing as originally intended.
6. Control over Assets and Records – Specific responsibilities and procedures regarding custody of assets (information) and records should be enumerated and followed.
7. Independent Review – Provision for a periodically independent review of performance of the contract and monitoring of the administration of the contract should be performed by an independent individual or group.
8. Limited Access – Access to information and records should be maintained and monitored.

**Incomplete:** Not implemented.

**Extended:** Not implemented due to circumstances beyond the department's control.

**Not Due:** Due date identified by management has not passed.

**Due Date:** \*R.=Revised / O.=Original

**Management Action Plan response was obtained from the original audit report.**

### Management Action Plan:

In response to your November 24, 2008, review of "Draft ICR 042, ICR 048 and QRA 3100-001 -- Delphi Research" recommendation number 3 to establish a comprehensive Contract Monitoring Policy and Procedures for administration of personal services contracts to apply to all departments utilizing these contracts. Staff has been assigned to draft policies and procedures that will include, but not be limited to cover, the eight areas outlined in your recommendations. The draft will be forwarded to you for your review and comment prior to forwarding to all Department Directors for feedback and implementation. The development of compensative policy and procedures guidelines requires many steps for proper development. Therefore the City Manager Office has set a target date of December 31, 2009 for development and implementation. There will also be a developed and piloted contract administration class and trained Purchasing & Contracts staff on aspects of the policy that will change purchasing processes and procedures.

**Auditor: P. Marmurowski**

| <b><u>Finance and Business Services</u></b> | <b><u>Due Date: 12/31/09</u></b> | <b><u>Not Due</u></b> |
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**30 3100 0809 08 Audit of Professional Services Contract No. 060266 - Ostrovsky & Associates**

**02. Contract Monitoring Policy and Procedures**

### Recommendation:

The City Manager should establish a comprehensive contract monitoring policy and procedure for the administration of professional services contracts to apply to all departments utilizing these contracts. The policies, procedures, and responsibilities should address at a minimum the following:

1. Segregation of Duties or Incompatible Functions – Duties related to the administration of the contract should be appropriately segregated.
2. Qualified, Trained Personnel – Personnel should be qualified and adequately trained to monitor the contract.
3. Authorization – All transactions are approved by an appropriate member of management.
4. Records – Records regarding the administration of this contract should be required and documented. These records should be sufficient, competent, relevant, and timely.
5. Reporting – Reports should be prepared on an appropriate basis so as to document the performance of the contract. There should be statement of opinion if the vendor is performing as originally intended.
6. Control over Assets and Records – Specific responsibilities and procedures regarding custody of assets (information) and records should be enumerated and followed.
7. Independent Review – Provision for a periodically independent review of performance of the contract and monitoring of the administration of the contract should be performed by an independent individual or group.
8. Limited Access – Access to information and records should be maintained and monitored.

**Incomplete: Not implemented.**

**Extended: Not implemented due to circumstances beyond the department's control.**

**Not Due: Due date identified by management has not passed.**

**Due Date: \*R.=Revised / O.=Original**

**Management Action Plan response was obtained from the original audit report.**

**AUDITOR'S NOTE:**

(This is the same recommendation previously made to the City Managers Office. The Purchasing and Contracts staff is currently working on this procedure. The estimated date of completion is December 31, 2009.)

**Management Action Plan:**

In response to your November 24, 2008, review of "Draft ICR 042, ICR 048 and QRA 3100-001 -- Delphi Research" recommendation number 3 to establish a comprehensive Contract Monitoring Policy and Procedures for administration of personal services contracts to apply to all departments utilizing these contracts. Staff has been assigned to draft policies and procedures that will include, but not be limited to cover, the eight areas outlined in your recommendations. The draft will be forwarded to you for your review and comment prior to forwarding to all Department Directors for feedback and implementation. The development of compensative policy and procedures guidelines requires many steps for proper development. Therefore the City Manager Office has set a target date of December 31, 2009 for development and implementation. There will also be a developed and piloted contract administration class and trained Purchasing & Contracts staff on aspects of the policy that will change purchasing processes and procedures.

**Auditor: R. Snelding**

**Fire and Rescue**

**Due Date: 05/01/10**

**Not Due**

**31 1303 0809 06 Audit of Fire Prevention Division**  
**01. Quality Control Program**

**Recommendation:**

Fire Prevention management should create, document, and implement a formal quality control program to provide assurance that standards are being applied consistently and uniformly by its staff members in conducting plan reviews and inspections. This program should include at a minimum:

- Formal and systematic procedures for monitoring the quality of the work being performed by staff members in completing their inspections and plan reviews.
- Formal and systematic procedures for reviewing the adequacy of the paperwork being completed and submitted for scanning and the data being input into Hansen.

**Management Action Plan:**

Evaluation of field activities by Fire Prevention Inspection Supervisors and Deputy Fire Marshals will be more formalized through the following:

- Develop a standard by which all Fire Prevention Inspectors will be evaluated on.
- Develop a process that can objectively document the inspection process that is transparent to the Inspectors so there is no ambiguity in the standard being applied to them.
- Staff evaluation by a process of shadowing and field follow-up by having supervisors validate code violations identified by field staff.
- Document and publish a common practices (or lessons learned) manual for inspection staff to

**Incomplete: Not implemented.**

**Extended: Not implemented due to circumstances beyond the department's control.**

**Not Due: Due date identified by management has not passed.**

**Due Date: \*R.=Revised / O.=Original**

**Management Action Plan response was obtained from the original audit report.**

- follow to increase consistency during the field inspection process.
- Reduce inconsistency of fire code enforcement through training and regular staff contact by field supervisors.
- Formal and systematic procedures for reviewing the adequacy of the paperwork being completed and submitted for scanning and the data being imputed into Hansen.

Fire Prevention will develop formal procedure for scanning of documents to:

- Eliminate inconsistencies on how documents are indexed in the records management system (eB).
- To insure that documents are properly indexed to the proper address by the Scan Center.
- To give guidance on what needs to be scanned and discarded in accordance with the records retention schedule.

Fire Prevention Inspection Supervisors will review Hansen input for accuracy and completeness by the following:

- Running reports on daily and weekly basis of Inspector activity to ensure the accuracy of data. This will also ensure that proper coding is used, violations are being correctly entered, and that inspection times are documented.
- Inspection staff will be corrected on an individual basis as needed, and staff directives will be written if group wide issues are identified.

**Estimated Date of Completion:**

The development of a Quality Control Program will take some time to develop and implement. The overall structure of the program will be outline by May 1, 2009, but the implementation and overall success may take up to 1 year. This program goes beyond just telling staff what is to be done or expected and the acceptance of oversight and monitoring will be needed to prevent motivational and performance issues.

**Auditor: B. Smith**

**Incomplete:** Not implemented.

**Extended:** Not implemented due to circumstances beyond the department's control.

**Not Due:** Due date identified by management has not passed.

**Due Date:** \*R.=Revised / O.=Original

**Management Action Plan response was obtained from the original audit report.**

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| <b><u>Fire and Rescue</u></b> | <b><u>Due Date: 05/01/09</u></b> | <b><u>Incomplete</u></b> |
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**32 1303 0809 06 Audit of Fire Prevention Division**  
**03. Hazardous Materials Program**

**Recommendation:**

Fire Prevention management should:

- Evaluate how the hazardous materials program can be most effectively administered considering the limited staffing resources and the varied skills of the inspectors. Consideration should be given to assignments or rotations of inspectors to help with processing the hazardous materials documentation.
- Document policies and procedures to be followed in administering the hazardous materials program.
- Create standard reports that can regularly be reviewed to monitor the status of processing of hazardous materials documentation and completion of hazardous materials inspections.
- Implement and document procedures for regularly reviewing these reports.
- Evaluate what additional and reoccurring training may be needed for the hazardous materials program to operate effectively.

**Management Action Plan:**

A standard operating procedure will be written on the collection and dissemination of hazardous materials documentation submitted to Fire Prevention. Fire Prevention will be determining the need for a specialize unit dealing with the data collection and inspection of facilities within the City of Las Vegas that store, handle, or use hazardous materials.

The Fire Prevention Division will create a Special Hazards Unit (SHU) to conduct compliance inspections of high-risk and hazardous materials occupancies to utilize their knowledge and abilities.

- The SHU will identify, inspect issue and modify existing use permits of occupancies storing and utilizing hazardous materials. Within this task the SHU will verify specific processes for code compliance associated to the operation.
- The SHU will utilize the database permitting system now in place to verify the existing hazardous materials inventory statements and plans, which are submitted to the fire department, with what is actually stored on-site.
- The SHU is to verify locations that have high-piled commodity storage configurations with the existing fire sprinklers design density to ensure adequate coverage of fire protection in the event of a fire.
- The SHU will assist area fire inspectors in assessing existing hazards with their expertise and identify potential deficiencies in fire protection systems installed in these high-risk occupancies.

The SHU will be supervised by a Grade 79 level person, either a Fire Prevention Inspection Supervisor, or Assistant Fire Protection Engineer. This will allow the person to give direction to Fire Prevention Inspectors on Inspections required and procedures to be followed for inspections

**Incomplete: Not implemented.**

**Extended: Not implemented due to circumstances beyond the department's control.**

**Not Due: Due date identified by management has not passed.**

**Due Date: \*R.=Revised / O.=Original**

**Management Action Plan response was obtained from the original audit report.**

of identified facilities that hazardous materials associated with them. The SHU Supervisor can, as needed, assist inspectors within their respective inspection areas with large scale inspections and activities requiring multiple inspectors to accomplish. (Example: High-rise system code compliance testing). They may also attend construction meeting on major projects to assist the area inspector.

The hazardous materials compliance program will benefit by having the SHU by verifying the revenue recovered through permitting is accurately assessed and all sources are identified. The hazardous materials compliance program currently generates approximately \$400,000 in cost recovery fees for inspections conducted. A dedicated person to the SHU will lead to increase oversight of the program with the chance of increased cost recovery.

**Estimated Date of Completion:**

Benchmarks to be met:

Documentation review and revision by May 1, 2009.

Additional Position to be added - March 1, 2010?

***Auditor: B. Smith***

**Incomplete:** Not implemented.

**Extended:** Not implemented due to circumstances beyond the department's control.

**Not Due:** Due date identified by management has not passed.

**Due Date:** \*R.=Revised / O.=Original

**Management Action Plan response was obtained from the original audit report.**

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| <b><u>Fire and Rescue</u></b> | <b><u>Due Date: 08/01/09</u></b> | <b><u>Not Due</u></b> |
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33    **1303   0809 06   Audit of Fire Prevention Division**  
**05.                      Interaction With Fire Suppression Personnel**

**Recommendation:**

Fire Prevention management working with Fire Suppression management should provide documented directives to their personnel regarding their expectations for interaction between the Fire Suppression personnel and inspectors at the fire stations. Input on this directive should be sought from both Fire Suppression and Fire Prevention personnel. The following elements should be addressed in the directives:

- A declaration of support of the program from the Fire Chief and management from both Fire Suppression and Fire Prevention.
- Management's expectations for interaction between the personnel (i.e., meetings to attend, site visits to attend, etc.).
- Identification of useful information/documents to be shared between the personnel and how the information will be shared.
- Office area protocol (i.e., answering phones, use of fire station amenities, etc.).

**Management Action Plan:**

A policy will be drafted for the Fire Chiefs approval to outline the following items for fire department staff to follow when there is interaction between Fire Prevention personnel and those in other divisions:

Expectations for Fire Prevention Personnel assigned to Fire Stations and their interaction with fire station personnel.

Expectations for Fire Prevention personnel while at a scene of an ongoing emergency and their interaction with the incident commander.

Fire Preventions support for other Divisions within the fire department such as Training and Public Education.

**Auditor: B. Smith**

**Incomplete:** Not implemented.

**Extended:** Not implemented due to circumstances beyond the department's control.

**Not Due:** Due date identified by management has not passed.

**Due Date:** \*R.=Revised / O.=Original

**Management Action Plan response was obtained from the original audit report.**

**Fire and Rescue**

**Due Date: 04/01/09**

**Incomplete**

**34 1303 0809 06 Audit of Fire Prevention Division  
06. Post-Fire Evaluations**

**Recommendation:**

Following commercial fires, Fire Prevention should evaluate the adequacy of their procedures and the fire code and regulations by participating in the post-incident analysis with Fire Suppression personnel and reviewing reports compiled by fire investigators.

**Management Action Plan:**

Considering the current state of the economy and our reduced workforce, it is only realistic to predict that we won't be able to perform this task within the next couple of years. At that time, we need to develop the exact procedures, levels and the scope of involvement. Evaluations of the second and third alarm commercial fires, and also residential fires that involve activation of the residential fire sprinkler systems might be a starting point.

Educational and training measures must be taken to prepare me and my staff in being able to perform those functions in future. Those include attending the Arson Investigation classes at the National Fire Academy (NFA) and obtaining the necessary certifications.

Systematic interaction with our Fire Investigators would also be quite valuable to provide us not only with the hands on training, but also the necessary professional cooperative relationship.

Arrange for a monthly informative coordination meeting between the Deputy Chief/Fire Marshal and the Fire Investigation/Bomb Squad Supervisor.

Establish formal process for the Deputy Chief/Fire Marshal to receive and review the fire investigation report as soon as they are prepared and officially filed.

**Estimated Date of Completion:**

Establishing the review mechanism for the fire investigation report and arrange the monthly coordination meeting could be accomplished by April 1, 2009.

Training and certification of the Fire Protection Engineering staff could be accomplished by the end of 2010.

Actual participation of the Fire Protection Engineering staff in the Post Fire Evaluations could be initiated by the middle of 2011.

**Auditor: B. Smith**

**Incomplete: Not implemented.**

**Extended: Not implemented due to circumstances beyond the department's control.**

**Not Due: Due date identified by management has not passed.**

**Due Date: \*R.=Revised / O.=Original**

**Management Action Plan response was obtained from the original audit report.**

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| <b><u>Fire and Rescue</u></b> | <b><u>Due Date: 04/03/09</u></b> | <b><u>Incomplete</u></b> |
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35    **1303   0809 06   Audit of Fire Prevention Division**  
**07.                      Conflict of Interest Monitoring**

**Recommendation:**

Fire Prevention management should implement procedures for evaluating potential conflicts of interest by their inspectors and engineers. The following elements should be included:

- Copies of all outside employment forms submitted to Human Resources by Fire Prevention personnel should be obtained and retained by Fire Prevention management.
- A summary of the information from these forms should be created for review by Fire Prevention management in monitoring inspection and plan review assignments.
- All inspectors and engineers should be required to keep Fire Prevention management aware of any changes to the status of their outside employment.
- Fire Prevention management should evaluate having all of its employees annually attest on a form as to whether or not they have outside employment or interests that could potentially be conflicts of interest with their assignments.

**Management Action Plan:**

Outside employment and declaration is already addressed by Human Resources. The expectation is that Fire Inspection staff will not place themselves in a position of conflict or that would discredit the fire department. An annual request for declaration of outside employment will be requested and reviewed by the Fire Marshal before being forwarded to the Fire Chief. Additional oversight by fire prevention management would not have any added value to the process. All outside employment is required to be approved by the fire chief.

**Auditor: B. Smith**

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| <b><u>Fire and Rescue</u></b> | <b><u>Due Date: 04/01/09</u></b> | <b><u>Incomplete</u></b> |
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36    **1303   0809 06   Audit of Fire Prevention Division**  
**09.                      Management Reports**

**Recommendation:**

Fire Prevention management should create and document desk procedures outlining the following:

- Listing of standardized management reports.
- Position(s) responsible for creating the reports.
- Objective of reports and what should be reviewed.
- Identification of how often the reports are to be run and reviewed.
- Identification of how the results of these reports should be summarized.
- Report distribution listing.

**Incomplete:** Not implemented.

**Extended:** Not implemented due to circumstances beyond the department's control.

**Not Due:** Due date identified by management has not passed.

**Due Date:** \*R.=Revised / O.=Original

**Management Action Plan response was obtained from the original audit report.**

### **Management Action Plan:**

Fire Prevention Management staff has already standardized its reports for Performance Plus and those needed for monitoring inspection activity. These reports are categorized by the frequency on the time to be run. For example, reports are currently run on a daily, weekly, quarterly, and annually basis based on the need for information and level of monitoring. A separate distribution policy will be written to identify these reports and the frequency established for their need.

### **Estimated Date of Completion:**

A majority of the reports are already written with the expectation that changes will be needed as new policies or performance measures are implemented. The policy for identifying these reports and timelines will be established by April 1, 2009.

**Auditor: B. Smith**

| <b><u>Information Technologies</u></b> | <b><u>Due Date: 10/04/2005</u></b> | <b><u>Extended</u></b> |
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- 37    2001   0405   03    **Audit of Controls Over City Utility Payments And Costs**  
01.        02.    **Utility Usage Monitoring**

### **Recommendation:**

In conjunction with the development of the utility usage monitoring program, Information Technologies should evaluate the needs of this program and use this information in establishing utility processing on a new systems platform.

### **Management Action Plan:**

Information Technologies Management agrees that a program to monitor usage would establish the bases for identifying support solutions. The functional needs of the program, as well as whom and how many would be using it will help I.T. determine the appropriate system requirement. Early identification of the software requirements, users, and access will aid in the determination of the hardware component requirement as well. Additionally, the assessment of third party monitoring tools in the market could both automate and accelerate the discovery of system solutions and the implementation process.

**Auditor B. Smith**

**Incomplete:** Not implemented.

**Extended:** Not implemented due to circumstances beyond the department's control.

**Not Due:** Due date identified by management has not passed.

**Due Date:** \*R.=Revised / O.=Original

**Management Action Plan response was obtained from the original audit report.**

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| <b><u>Municipal Court</u></b> | <b><u>Due Date: 06/30/2000</u></b> | <b><u>Extended</u></b> |
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- 38                    1999 07    Las Vegas Municipal Court  
 B. 03.    i.            Correspondence With Defendants

**Recommendation:**

In order to increase the effectiveness of the postcard mailings and avoid future waste in postage costs, management of the Court should work with the Information Technologies Department in making the required programming changes to ensure that the addresses being used for mailing are the most current in the System.

**Management Action Plan:**

Management of the Court will work with IT in making these programming changes. We estimate that the required programming changes will be made in June 2001.

*Auditor:* B. Smith

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| <b><u>Municipal Court</u></b> | <b><u>Due Date: 06/30/2000</u></b> | <b><u>Extended</u></b> |
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- 39                    1999 07    Las Vegas Municipal Court  
 B. 03.    ii.            Correspondence With Defendants

**Recommendation:**

Management of the Court should work with the Information Technologies Department in developing the capability within the Court System for recording the history of all correspondence with defendants. The history of all correspondence should be retained and accessible for review on a consolidated basis via a screen or report. Changes to the correspondence history should be restricted. Implementation of this capability within the Court System will improve the efficiency of court personnel working on individual cases and customer service.

**Management Action Plan:**

Most, if not all, of the above recommendations will be implemented in the new computer system(s) in working towards a Court-wide paperless environment.

*Auditor:* B. Smith

Incomplete: Not implemented.  
 Extended: Not implemented due to circumstances beyond the department's control.  
 Not Due: Due date identified by management has not passed.  
 Due Date: \*R.=Revised / O.=Original

Management Action Plan response was obtained from the original audit report.

**Municipal Court**

**Due Date: 06/30/2000**

**Extended**

- 40            1999 07    Las Vegas Municipal Court  
C. 02.    iii.       User Passwords For Court System

**Recommendation:**

System access logs should be created and reviewed periodically by management for unusual access attempts.

**Management Action Plan:**

In designing the new Court system, system access logs will be requested and procedures implemented for their review.

**Auditor: B. Smith**

**Municipal Court**

**Due Date: 06/30/2000**

**Extended**

- 41            1999 07    Las Vegas Municipal Court  
C. 04.    ii.        Limits On Cash In Drawers

**Recommendation:**

The Court System should be improved to allow clerks to determine how much cash they have collected.

**Management Action Plan:**

Management will look into the possibility of the legacy computer system keeping track of and indicating the amount of cash in each drawer.

**Auditor: B. Smith**

**Incomplete:** Not implemented.

**Extended:** Not implemented due to circumstances beyond the department's control.

**Not Due:** Due date identified by management has not passed.

**Due Date:** \*R.=Revised / O.=Original

**Management Action Plan response was obtained from the original audit report.**

|                               |                                    |                        |
|-------------------------------|------------------------------------|------------------------|
| <b><u>Municipal Court</u></b> | <b><u>Due Date: 06/30/2000</u></b> | <b><u>Extended</u></b> |
|-------------------------------|------------------------------------|------------------------|

42            1999 07    Las Vegas Municipal Court  
 D. 02.            Bail Register Report Errors

**Recommendation:**

Court management should further investigate the errors within the Bail Register and procedures should be implemented to identify and monitor these errors in a more timely manner until the programming errors can be corrected. Court management should work with IT in addressing these issues.

**Management Action Plan:**

The Court has looked into these differences and has pinpointed the problems. The problems must be corrected through computer programming. We will continue to work with IT to correct them and in the meantime continue to manually research and correct the errors.

**Auditor: B. Smith**

|   |                                    |                        |
|---|------------------------------------|------------------------|
| <b><u>Office of Administrative Services</u></b> | <b><u>Due Date: 03/31/2008</u></b> | <b><u>Extended</u></b> |
|---|------------------------------------|------------------------|

43            1602 0708 06    Durango Hills Community Center Contract Compliance Audit  
 12.            Other Governmental Permits

**Recommendation:**

The Project Manager should:

- Request that the YMCA obtain and provide copies of current pool health and boiler permits in the name of the appropriate organization.
- Implement procedures to ensure that all operating permits remain current.
- Request that the YMCA forward copies of correspondence, permits, and reports from all governmental agencies relating to the operations of the Center.
- Review correspondence and reports from regulatory agencies to determine the impact on the operations of the Center and compliance with Agreement provisions.

**Management Action Plan:**

- A letter will be sent to the YMCA requesting that all appropriate health and boiler permits be transferred into the City's name. Field Operations staff and the City's Safety/Loss Prevention Officer will ensure the timely renewal of such permits.
  - A meeting with representatives from the YMCA, City, and applicable regulatory agencies may be set up in order to determine how the permits should read.
- The status of the permits will be checked on or before June 30 of each year.
- A letter will be sent to the YMCA requesting that all correspondence, permits, and reports from all governmental agencies relating to the operations of the Center be forwarded to the Program Manager.
- All reports from regulatory agencies will be reviewed by the appropriate staff as determined by the Program Manger.

**Auditor: N. Beaty**

**Incomplete:** Not implemented.

**Extended:** Not implemented due to circumstances beyond the department's control.

**Not Due:** Due date identified by management has not passed.

**Due Date:** \*R.=Revised / O.=Original

**Management Action Plan response was obtained from the original audit report.**

|   |                                  |                       |
|---|----------------------------------|-----------------------|
| <b><u>Office of Administrative Services</u></b> | <b><u>Due Date: 07/01/09</u></b> | <b><u>Not Due</u></b> |
|---|----------------------------------|-----------------------|

**44 3100 0809 08 Audit of Professional Services Contract No. 060266 - Ostrovsky & Associates**

**01. Contract Compliance**

**Recommendation:**

Administrative Services should:

1. Require expenses billed under the "Other Expenses" category include sufficient supporting documentation for verification that the expenditures are not "routine meals" and are "for the benefit of the City". This supporting documentation should identify the participants and more fully explain the nature of the meeting.
2. Require invoices be sent and payment be requested after service is performed.
3. Require a status report be submitted with the monthly bill recapping the Contractor's activities related to the Contract. The status report should be detailed enough to allow the Project Manager to determine the relative value of the Contractor performance.
4. Require noted insurance be in force at all times during the contract and a copy of the Certificate(s) of Insurance be provided to the City.

**Management Action Plan:**

1. Prior to payment, all "other or miscellaneous expenses" will be reviewed by the contract manager to ensure that sufficient supporting documentation has been submitted. No payment for these expenses will be authorized without the appropriate documentation.
2. All invoices will be paid after services are rendered.
3. The contractor will be required to provide, with the invoice for payment, a report that contains a list of meetings with: state legislators, state/local agencies, businesses, lobbyists, and others that the contractor worked with on behalf of the CLV including correspondence/meetings with CLV management and personnel.
4. The contract manager will work with the Purchasing and Contracts Division to ensure that all required insurance is received prior to extending or renegotiating the contract.
5. The contract manager will include language in the contract that requires "Any expense other than travel that is expected to exceed \$500 in a reporting period must be requested in writing to the project manager. The invoice for the expense must be accompanied by the written or emailed approval from the project manager in order for reimbursement."

**Auditor: R. Snelding**

**Incomplete: Not implemented.**

**Extended: Not implemented due to circumstances beyond the department's control.**

**Not Due: Due date identified by management has not passed.**

**Due Date: \*R.=Revised / O.=Original**

**Management Action Plan response was obtained from the original audit report.**