

CITY AUDITOR'S OFFICE



**ANNUAL AUDIT RECOMMENDATION
FOLLOW-UP AS OF JUNE 30, 2014**

**Report No. CAO 2603-1415-02
August 12, 2014**

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

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**Annual Audit Recommendation Follow-up
as of June 30, 2014
CAO 2603-1415-02**

BACKGROUND

Audits completed by the City Auditor’s Office contain findings which indicate a condition that requires corrective action. Recommendations are made to address those circumstances and eliminate or mitigate the noted condition. Management is asked to provide a management plan of action and an estimated date of completion for each of the recommendations. These management assertions are included in the audit report. The City Auditor’s Office tracks the status of these recommendations.

The status of each audit recommendation is classified using the following categories:

-  **Complete** **The recommendation has been implemented, some other action has been taken to effectively correct the deficiency, or other circumstances warrants a status of completion.**
-  **Incomplete** **The recommendation has not been implemented.**
-  **Not Due** **Due date identified by management has not passed.**
-  **Extended** **The recommendation has not been implemented due to circumstances beyond the department’s control.**

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.

An audit recommendation remains in Incomplete, Extended, or Not Due until City management completes the recommendation and notifies the City Auditor’s Office, including forwarding applicable documentary support. Subsequently, audit staff evaluates evidence supporting management’s representation. If the evidence demonstrates that the recommendation has been adequately addressed, the auditor identifies the recommendation as being Complete and notifies city management.

The City Auditor’s Office has provided 1,491 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, 2014.

**Annual Audit Recommendation Follow-up
as of June 30, 2014
Report No. CAO 2603-1415-02
August 12, 2014**

OBJECTIVE

The objective of our audit was to:

- Track and report the status of audit recommendations.

SCOPE AND METHODOLOGY

The scope of this audit was the activity related to recommendations contained in reports issued from Fiscal Year 1999-2000 through Fiscal Year 2013-2014. The scope of our work on internal control was limited to the controls within the context of the audit objective and the scope of the audit.

Our audit methodology included:

- Review of management assertions,
- Research of applicable guidelines,
- Interviews with City personnel,
- Observations of operations,
- Observations of work processes, and
- Analysis and detail testing.

We conducted this performance audit in accordance with generally accepted government auditing standards except for the requirement for an external peer review every three years. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

The exception to full compliance is because the City Auditor's Office has not yet undergone an external peer review. However, this exception has no effect on the audit or the assurances provided.

CONCLUSIONS

The following conclusions were noted:

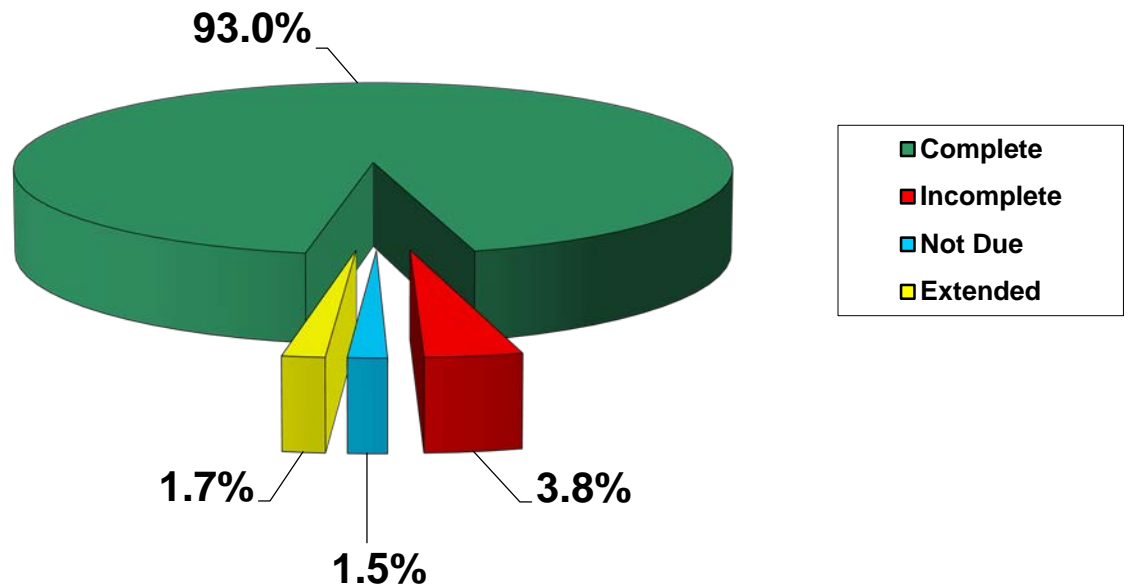
Track and report the status of audit recommendations.

- One Thousand Three Hundred Eighty-six Recommendations (or 93.0% of all recommendations) are COMPLETE.
- Fifty-seven Recommendations (or 3.8% of all recommendations) remain as INCOMPLETE.
- Twenty-three Recommendations (or 1.5% of all recommendations) remain as NOT DUE.
- Twenty-five Recommendations (or 1.7% of all recommendations) remain as EXTENDED.

Further information is contained in the following sections.

Recommendations Summary

January 1999 – June 2014



	COMPLETE	INCOMPLETE	NOT DUE	EXTENDED	TOTAL
	1,386	57	23	25	1,491
2013-2014	20	29	23	0	72
2012-2013	48	21	0	9	78
2011-2012	59	1	0	0	60
2010-2011	67	4	0	9	80
2009-2010	73	1	0	2	76
2008-2009	71	1	0	1	73
2007-2008	46	0	0	2	48
2006-2007	62	0	0	0	62
2005-2006	71	0	0	0	71
2004-2005	72	0	0	2	74
1999-2004	797	0	0	0	797

Incomplete Recommendations Summary

DEPARTMENT	Fiscal Year						TOTAL
	2008- 2009	2009- 2010	2010- 2011	2011- 2012	2012- 2013	2013- 2014	
Building and Safety	-	-	-	-	17	-	17
Fire and Rescue	-	-	-	-	-	4	4
Municipal Court	-	1	-	-	-	6	7
Office of Cultural Affairs	-	-	-	-	-	6	6
Office of the City Clerk	-	-	-	-	-	4	4
Operations and Maintenance	1	-	-	-	-	-	1
Parks, Recreation, and Neighborhood Services	-	-	4	1	3	9	17
Planning Department	-	-	-	-	1	-	1
TOTAL	1	1	4	1	21	29	57

**DEPARTMENTAL AUDIT RECOMMENDATION
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Status Page(s)

Building and Safety

1	0753 0708 01 03.	Hansen Expired Permit Fee Assessment	Extended	13
2	0753 0708 01 06.	Performance Reports	Extended	13
Audit of Neighborhood Services Rapid Response Team				
3	1802 0910 03 07.	Account Receivables	Extended	14
Audit of Building & Safety -- Code Enforcement Property Nuisance Abatement Program				
4	0754 1213 01 03. 01	Approved Contractor Listing Deficiencies	Incomplete	14
5	0754 1213 01 03. 02	Approved Contractor Listing Deficiencies	Incomplete	15
6	0754 1213 01 04. 01	Bid Review Procedure Deficiencies	Incomplete	15
7	0754 1213 01 04. 02	Bid Review Procedure Deficiencies	Incomplete	16
8	0754 1213 01 04. 03	Bid Review Procedure Deficiencies	Incomplete	16
9	0754 1213 01 05. 01	Bid Documentation Deficiencies	Incomplete	17
10	0754 1213 01 06. 01	Contractor Licensing Monitoring Deficiencies	Incomplete	17
11	0754 1213 01 06. 02	Contractor Licensing Monitoring Deficiencies	Incomplete	18
12	0754 1213 01 06. 04	Contractor Licensing Monitoring Deficiencies	Incomplete	18
13	0754 1213 01 06. 05	Contractor Licensing Monitoring Deficiencies	Incomplete	19
14	0754 1213 01 07. 01	Contractor Insurance Coverage Monitoring Deficiencies	Incomplete	19
15	0754 1213 01 07. 02	Contractor Insurance Coverage Monitoring Deficiencies	Incomplete	20
16	0754 1213 01 07. 03	Contractor Insurance Coverage Monitoring Deficiencies	Incomplete	20

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Building and Safety

Audit of Building & Safety -- Code Enforcement Property Nuisance Abatement Program

17	0754 1213 01 07. 04	Contractor Insurance Coverage Monitoring Deficiencies	Incomplete	21
18	0754 1213 01 07. 05	Contractor Insurance Coverage Monitoring Deficiencies	Incomplete	22
19	0754 1213 01 08. 03	Document Recording Process Inefficiencies	Incomplete	22
20	0754 1213 01 09. 03	Document Retention Program Deficiencies	Incomplete	23

Fire and Rescue

Software Audit -- Fire and Rescue

21	2801 1314 07 02. 01	Unauthorized Business Software Programs -- IT	Incomplete	24
22	2801 1314 07 02. 02	Unauthorized Business Software Programs -- IT	Incomplete	25
23	2801 1314 07 03. 01	Unauthorized Shareware or Freeware Software Programs -- IT	Incomplete	26
24	2801 1314 07 03. 02	Unauthorized Shareware or Freeware Software Programs -- IT	Incomplete	27

Information Technologies

Audit of Controls Over City Utility Payments and Costs

25	2001 0405 03 01. 02	Utility Usage Monitoring	Extended	28
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Municipal Court

Procedures Performed -- Minimum Accounting Standards Checklist for Nevada Courts

26	1103 0910 09 01. 07	Areas of Non-Compliance With MAS	Extended	29
27	1103 0910 09 01. 09	Areas of Non-Compliance With MAS	Incomplete	29
Audit of Municipal Court Subpoena Witness Fee Fund				
28	2205 1314 03 01. 02	Fund Balance Difference	Incomplete	30
29	2205 1314 03 02. 01	Witness Fee Payment Process Deficiencies	Incomplete	30

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Municipal Court

Audit of Municipal Court Subpoena Witness Fee Fund

30	2205 1314 03 02. 02	Witness Fee Payment Process Deficiencies	Incomplete	31
31	2205 1314 03 03. 01	Court Management System Deficiencies	Incomplete	31
32	2205 1314 03 03. 02	Court Management System Deficiencies	Incomplete	32
33	2205 1314 03 03. 03	Court Management System Deficiencies	Incomplete	32

Office of Cultural Affairs

Audit of the Office of Cultural Affairs Historic Fifth Street School Facility Rentals

34	1675 1314 04 05. 01	Lack of Required Vendor Documentation	Incomplete	33
35	1675 1314 04 08. 01	Lack of Non-Profit Status Verification	Incomplete	33

Software Audit -- Office of Cultural Affairs

36	2804 1314 05 02. 01	Unauthorized Business Software Programs -- IT	Incomplete	34
37	2804 1314 05 02. 02	Unauthorized Business Software Programs -- IT	Incomplete	35
38	2804 1314 05 03. 01	Unauthorized Shareware or Freeware Software Programs -- IT	Incomplete	36
39	2804 1314 05 03. 02	Unauthorized Shareware or Freeware Software Programs -- IT	Incomplete	37

Office of the City Clerk

Software Audit - Office of the City Clerk

40	2802 1314 01 02. 01	Unauthorized Business Software Programs -- IT	Incomplete	38
41	2802 1314 01 02. 02	Unauthorized Business Software Programs -- IT	Incomplete	38
42	2802 1314 01 03. 01	Unauthorized Shareware or Freeware Software Programs -- IT	Incomplete	39
43	2802 1314 01 03. 02	Unauthorized Shareware or Freeware Software Programs -- IT	Incomplete	39

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Operations and Maintenance

Audit of Durango Hills Golf Course Management Contract				
44	1701 0405 05 07. 01	Property Tax	Extended	40
Audit of Sanitary Sewer System Maintenance Section				
45	1703 0809 01 03.	Clark County Permits	Extended	40
46	1703 0809 01 10.	Standard Operating Procedures	Incomplete	41
Audit of Field Operations -- Fueling Access and Monitoring				
47	1705 1011 02 01. 01	Fuel Transaction Monitoring	Extended	42
48	1705 1011 02 01. 02	Fuel Transaction Monitoring	Extended	42
49	1705 1011 02 06. 02	Key Fob Use and Oversight	Extended	43
50	1705 1011 02 07. 01	Fueling Operations Policies and Procedures	Extended	43
51	1705 1011 02 08. 01	Standard Operating Procedures	Extended	44

Parks, Recreation, and Neighborhood Services

Audit of Leisure Services -- Sport Fields Administration				
52	1603 1011 03 01. 01	Limited Assurance Fees were Always Collected	Extended	45
53	1603 1011 03 02. 01	Segregation of Duties Deficiencies	Extended	46
54	1603 1011 03 03. 01	Proper Authorization of Transactions	Extended	47
55	1603 1011 03 04. 01	CLASS Data Input Inconsistencies	Incomplete	47
56	1603 1011 03 05. 01	Inequities in the Allocation of City Sport Fields	Extended	48
57	1603 1011 03 11. 01	Security Requirements	Incomplete	49
58	1603 1011 03 12. 01	Concession Permits	Incomplete	49
59	1603 1011 03 13. 01	Non-Profit Status	Incomplete	50

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Parks, Recreation, and Neighborhood Services

Audit of the Municipal Sports Unit

60	2902 1112 03 02. 02	Failure to Pay Required Fees	Incomplete	51
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Audit of Economic Urban Development - Neighborhood Stabilization Program

61	1803 1213 03 08. 01	Contract Disclosure Requirement Non-Compliance	Incomplete	52
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62	1803 1213 03 11. 01	Housing Rehabilitation Contract Insurance Requirements	Incomplete	52
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63	1803 1213 03 11. 02	Housing Rehabilitation Contract Insurance Requirements	Incomplete	53
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Software Audit – Parks, Recreation, and Neighborhood Services

64	2803 1314 06 02. 01	Unauthorized Business Software Programs -- IT	Incomplete	54
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65	2803 1314 06 02. 02	Unauthorized Business Software Programs -- IT	Incomplete	55
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66	2803 1314 06 03. 01	Unauthorized Shareware or Freeware Software Programs – IT	Incomplete	56
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67	2803 1314 06 03. 02	Unauthorized Shareware or Freeware Software Programs – IT	Incomplete	57
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Audit of Parks, Recreation, and Neighborhood Services -- Management Controls over Deposits from Drop Safes

68	1605 1314 08 01. 01	Customer Receipts Not Provided	Not Due	58
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69	1605 1314 08 01. 02	Customer Receipts Not Provided	Not Due	58
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70	1605 1314 08 01. 03	Customer Receipts Not Provided	Not Due	59
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71	1605 1314 08 02. 01	Deposits Not Made Within One Business Day	Not Due	59
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72	1605 1314 08 02. 02	Deposits Not Made Within One Business Day	Not Due	60
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73	1605 1314 08 03. 01	Incomplete Deposit Log Sheets	Not Due	60
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74	1605 1314 08 03. 02	Incomplete Deposit Log Sheets	Not Due	61
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75	1605 1314 08 03. 03	Incomplete Deposit Log Sheets	Not Due	61
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Audit of Parks, Recreation, and Neighborhood Services -- Management Controls over Deposits from Drop Safes

76	1605 1314 08 04. 01	Safe Combinations	Not Due	62
77	1605 1314 08 04. 02	Safe Combinations	Not Due	62
78	1605 1314 08 05. 01	Daily Cash Balancing Report (DCBR) Column deleted on Safe Log Sheet	Not Due	63
79	1605 1314 08 05. 02	Daily Cash Balancing Report (DCBR) Column deleted on Safe Log Sheet	Not Due	63
80	1605 1314 08 05. 03	Daily Cash Balancing Report (DCBR) Column deleted on Safe Log Sheet	Not Due	64

Audit of Parks, Recreation, and Neighborhood Services -- Management Controls over Employee Overtime

81	1604 1314 09 01. 01	Overtime Approval and Monitoring Process Deficiencies	Not Due	65-66
82	1604 1314 09 01. 02	Overtime Approval and Monitoring Process Deficiencies	Not Due	67
83	1604 1314 09 01. 03	Overtime Approval and Monitoring Process Deficiencies	Not Due	68
84	1604 1314 09 02. 01	Inadequate Support for Callback Hours	Incomplete	68
85	1604 1314 09 02. 02	Inadequate Support for Callback Hours	Not Due	69
86	1604 1314 09 02. 03	Inadequate Support for Callback Hours	Not Due	69
87	1604 1314 09 03. 01	Overtime Management Deficiencies	Not Due	70
88	1604 1314 09 03. 02	Overtime Management Deficiencies	Not Due	70
89	1604 1314 09 03. 03	Overtime Management Deficiencies	Not Due	71
90	1604 1314 09 03. 04	Overtime Management Deficiencies	Not Due	71
91	1604 1314 09 03. 05	Overtime Management Deficiencies	Not Due	72

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Parks, Recreation, and Neighborhood Services

Audit of Parks, Recreation, and Neighborhood Services -- Management Controls over Employee Overtime

92	1604 1314 09 04. 01	Enhancements Needed in Overtime Monitoring by Finance	Incomplete	72
93	1604 1314 09 04. 02	Enhancements Needed in Overtime Monitoring by Finance	Incomplete	73
94	1604 1314 09 04. 03	Enhancements Needed in Overtime Monitoring by Finance	Incomplete	73
95	1604 1314 09 05. 01	Clarifications Needed in Labor Contract Verbiage	Incomplete	74

Planning Department

Audit of Planning Department -- Business Licensing Audit Unit

96	0702 1213 04 01. 01	Lack of Formal Work Plan and Audit Selection Methodology	Extended	75
97	0702 1213 04 01. 02	Lack of Formal Work Plan and Audit Selection Methodology	Extended	76
98	0702 1213 04 01. 03	Lack of Formal Work Plan and Audit Selection Methodology	Extended	77
99	0702 1213 04 02. 01	Lack of Documented Desk Procedures	Extended	78
100	0702 1213 04 02. 02	Lack of Documented Desk Procedures	Extended	78
101	0702 1213 04 03. 01	Need for Improved Management Reports	Extended	79
102	0702 1213 04 03. 04	Need for Improved Management Reports	Extended	80
103	0702 1213 04 04. 05	Lack of Document Filing and Retention Guidelines	Incomplete	80
104	0702 1213 04 04. 06	Lack of Document Filing and Retention Guidelines	Extended	81
105	0702 1213 04 05. 03	Inaccurate Performance Measurement Results	Extended	81

**Annual Audit Recommendation Follow-up
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**FOLLOW-UP DETAIL:
AUDIT RECOMMENDATIONS
BY DEPARTMENT**

Building and Safety

1 0753 0708 01 Audit of Building and Safety Permit Division

03. Hansen Expired Permit Fee Assessment Due Date: 03/31/2008 Extended

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

Building and Safety

2 0753 0708 01 Audit of Building and Safety Permit Division

**06. Performance Reports *Due Date: 06/30/2008-R. Extended
12/31/2007-O.**

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

Building and Safety

3 1802 0910 03 Audit of Neighborhood Services Rapid Response Team

07. Account Receivables Due Date: 10/30/2009 Extended

Recommendation:

Neighborhood Services management should determine whether it would be cost effective to place liens on properties for services performed by the Rapid Response Team.

Management Action Plan:

Abatement costs are currently manually added on a case when work is performed by RRT. We are working with IT/CMO Project Staff to automate our systems to generate a fee and a bill. We are currently in the test phase and should have this complete shortly. This will ensure that all charges for services are billed. Charges that are billed, for RRT services such as pool pumping are typically billed to the property owner and if not paid are sent to collections. We are investigating the possibility of placing liens on properties that have not paid their bills in 90 days.

Auditor: N. Beaty

Building and Safety

**4 0754 1213 01 Audit of Building & Safety -- Code Enforcement
Property Nuisance Abatement Program**

03.01 Approved Contractor Listing Deficiencies Due Date: 05/16/2013 Incomplete

Recommendation:

Code Enforcement management, working with the Purchasing and Contracts Division, should evaluate, document, and implement a contractor solicitation process. This process should include all requirements that must be met prior to a contractor being added to the approved contractor listing (e.g., sufficient insurance, required city and state licenses).

Management Action Plan:

- (1) In collaboration with the Purchasing and Contracts Division, develop and implement a new policy and procedures regarding the contractor selection process that includes all the requirements that must be met prior to the contractor being added to the approved contractors listing;**
- (2) Conduct training on the new policy and procedures;**
- (3) Implement the new policy and procedures.**

Auditor: B. Smith

Incomplete: Not implemented.

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

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

Building and Safety

- 5 0754 1213 01 Audit of Building & Safety -- Code Enforcement
Property Nuisance Abatement Program

03.02 Approved Contractor Listing Deficiencies Due Date: 05/16/2013 Incomplete

Recommendation:

Code Enforcement management should evaluate, document, and implement a process by which the performance of contractors is formally evaluated. The measurements used in this evaluation (e.g., timeliness of completion of project, adequacy of work performed) should be identified and documented.

Management Action Plan:

- (1) In collaboration with the Purchasing and Contracts Division, develop and implement a new policy and procedures regarding the evaluation of contractor performance;
- (2) Conduct training on the new policy and procedures;
- (3) Implement the new policy and procedures.

Auditor: B. Smith

Building and Safety

- 6 0754 1213 01 Audit of Building & Safety -- Code Enforcement
Property Nuisance Abatement Program

04.01 Bid Review Procedure Deficiencies Due Date: 05/16/2013 Incomplete

Recommendation:

Code Enforcement management should evaluate, document, and implement the procedures that should be completed by staff members in reviewing and processing submitted bid packages.

Management Action Plan:

- (1) In collaboration with the Purchasing and Contracts Division, develop and implement a new policy and procedures regarding reviewing and processing submitted bid packages;
- (2) Conduct training on the new policy and procedures;
- (3) Implement the new policy and procedures.

Auditor: B. Smith

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.

Building and Safety

- 7 0754 1213 01 Audit of Building & Safety -- Code Enforcement
Property Nuisance Abatement Program

04.02 Bid Review Procedure Deficiencies Due Date: 05/16/2013 Incomplete

Recommendation:

Code Enforcement management should require that the date of receipt of bids input into Hansen reflect the actual date of receipt regardless of whether the date is prior to or after the due date.

Management Action Plan:

- (1) In conjunction with 4.1 and in collaboration with the Purchasing and Contracts Division, develop and implement a policy and procedures regarding the input into Hansen of the date of receipt of bids;
- (2) Determine the Hansen data fields that require modification;
- (3) Coordinate modification of any Hansen data fields;
- (4) Conduct training on the new policy and procedures;
- (5) Implement the new policy and procedures.

Auditor: B. Smith

Building and Safety

- 8 0754 1213 01 Audit of Building & Safety -- Code Enforcement
Property Nuisance Abatement Program

04.03 Bid Review Procedure Deficiencies Due Date: 05/16/2013 Incomplete

Recommendation:

Code Enforcement management should evaluate, document, and implement procedures to be performed by supervisors to ensure bid packages are being appropriately reviewed and processed by staff members.

Management Action Plan:

- (1) In conjunction with 4.1 and in collaboration with the Purchasing and Contracts Division, develop and implement a new policy and procedures regarding responsibilities of supervisors to ensure bid packages are being properly reviewed and processed by staff members;
- (2) Conduct training on the new policy and procedures;
- (3) Implement the new policy and procedures.

Auditor: B. Smith

Incomplete: Not implemented.

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

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

Building and Safety

**9 0754 1213 01 Audit of Building & Safety -- Code Enforcement
Property Nuisance Abatement Program**

05.01 Bid Documentation Deficiencies Due Date: 05/16/2013 Incomplete

Recommendation:

Code Enforcement management in consultation with Purchasing and Contracts should evaluate and address the identified deficiencies contained within the bid documents (including the Request for Quote, General Conditions of Abatement, and Attachment A Special Provisions). Management should ensure the verbiage within these documents aligns with current policy and operational practices.

Management Action Plan:

- (1) In conjunction with 4.1 and in collaboration with the Purchasing and Contracts Division, identify and address deficiencies contained in the bid documents;
- (2) In collaboration with the Purchasing and Contracts Division, conduct review of bid documents to ensure language in those documents align with policies and procedures developed in 4.1;
- (3) Conduct training on revised documents;
- (4) Implement the revised documents.

Auditor: B. Smith

Building and Safety

**10 0754 1213 01 Audit of Building & Safety -- Code Enforcement
Property Nuisance Abatement Program**

**06.01 Contractor Licensing Monitoring Due Date: 08/08/2012 Incomplete
Deficiencies**

Recommendation:

Code Enforcement management should evaluate, document, and implement procedures for reviewing the status of the city and state licenses of contractors with an interest in performing nuisance abatement work prior to being added to the approved contractor listing.

Management Action Plan:

- (1) Develop and implement a policy for reviewing the status of city and state licenses of contractors with an interest in performing nuisance abatement work prior to being added to the approved contractors listing;
- (2) Conduct training on the new policy and procedures;
- (3) Implement the new policy and procedures.

Auditor: B. Smith

Incomplete: Not implemented.

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

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

Building and Safety

11	0754 1213 01	Audit of Building & Safety -- Code Enforcement Property Nuisance Abatement Program		
	06. 02	Contractor Licensing Monitoring Deficiencies	Due Date: 08/08/2012	Incomplete

Recommendation:

Code Enforcement management should evaluate, document, and implement procedures for regularly reviewing the status of the city and state licensing of contractors on the approved contractor listing and prior to the awarding of a contract. These procedures should include a requirement to notify a contractor of a licensing deficiency and obtain evidence of current licenses.

Management Action Plan:

- (1) Develop and implement a policy for regularly reviewing the status of city and state licensing of contractors on the approved contractors listing prior to the awarding of a contract;
- (2) Conduct training on the new policy and procedures;
- (3) Implement the new policy and procedures.

Auditor: B. Smith

Building and Safety

12	0754 1213 01	Audit of Building & Safety -- Code Enforcement Property Nuisance Abatement Program		
	06. 04	Contractor Licensing Monitoring Deficiencies	Due Date: 05/16/2013	Incomplete

Recommendation:

Code Enforcement management should identify on the bid documents the specific type of city and state license(s) required for the abatement.

Management Action Plan:

- (1) In conjunction with 5.1 and 6.3 and in collaboration with the Purchasing and Contracts Division, in the new policy and procedures specify that the bid documents state the specific type of city and state licenses required for the abatement;
- (2) Identify any modifications required in Hansen to accommodate the new policy and procedures;
- (3) Implement any required modifications in Hansen;
- (4) Conduct training on the new policy and procedures;
- (5) Implement the new policy and procedures.

Auditor: B. Smith

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.

Building and Safety

13	0754 1213 01	Audit of Building & Safety -- Code Enforcement Property Nuisance Abatement Program		
	06. 05	Contractor Licensing Monitoring Deficiencies	Due Date: 05/16/2013	Incomplete

Recommendation:

Code Enforcement management should evaluate and document how contractor licenses should be recorded on the approved contractor listing and how the licensing data input fields within Hansen will be used if at all.

Management Action Plan:

- (1) In conjunction with 6.1 through 6.3 and in collaboration with the Purchasing and Contracts Division, evaluate and document how the contractor licenses should be record on the approved contractor listing and how the licensing data input fields within Hansen will be used, if at all.

Auditor: B. Smith

Building and Safety

14	0754 1213 01	Audit of Building & Safety -- Code Enforcement Property Nuisance Abatement Program		
	07. 01	Contractor Insurance Coverage Monitoring Deficiencies	Due Date: 05/16/2013	Incomplete

Recommendation:

Code Enforcement management working with the city's Risk Management division should document the insurance coverage requirements for the various type of property nuisance abatement projects (e.g., property clean-up, securing structures, demolition, asbestos surveys, asbestos removal).

Management Action Plan:

- (1) In collaboration with Purchasing and Contracts and Risk Management, document the insurance requirements for the various types of property abatement projects;

Auditor: B. Smith

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.

Building and Safety

15	0754 1213 01	Audit of Building & Safety -- Code Enforcement Property Nuisance Abatement Program		
	07. 02	Contractor Insurance Coverage Monitoring Deficiencies	Due Date: 05/16/2013	Incomplete

Recommendation:

Code Enforcement management should document the insurance coverage requirements in documentation distributed to contractors.

Management Action Plan:

- (1) In conjunction with 5.1 and in collaboration with the Purchasing and Contracts Division and Risk Management, in the new policy and procedures, document the insurance requirements for the various types of property abatement projects;
- (2) Conduct training on the new policy and procedures;
- (3) Implement the new policy and procedures.

Auditor: B. Smith

Building and Safety

16	0754 1213 01	Audit of Building & Safety -- Code Enforcement Property Nuisance Abatement Program		
	07. 03	Contractor Insurance Coverage Monitoring Deficiencies	Due Date: 05/16/2013	Incomplete

Recommendation:

Code Enforcement management should evaluate, document, and implement procedures for reviewing the adequacy of a contractor's insurance coverage and supporting documentation (e.g., certificate of insurance, endorsement page) prior to being placed on the approved contractor listing. In addition, the adequacy of the insurance coverage of the winning bidder should be reviewed prior to the awarding of a contract.

Management Action Plan:

- (1) In conjunction with 5.1, 6.1 and 7.2 and in collaboration with the Purchasing and Contracts Division and Risk Management, in the new policy and procedures, specify the mechanism for reviewing the adequacy of a contractor's insurance coverage and supporting documentation prior to being placed on the approved contractor listing and specify how the adequacy of the insurance coverage of the winning bid is to be reviewed prior to the award of a contract;
- (2) Conduct training on the new policy and procedures;
- (3) Implement the new policy and procedures.

Auditor: B. Smith

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.

Building and Safety

**17 0754 1213 01 Audit of Building & Safety -- Code Enforcement
Property Nuisance Abatement Program**

**07. 04 Contractor Insurance Coverage Due Date: 05/16/2013 Incomplete
Monitoring Deficiencies**

Recommendation:

Code Enforcement management should evaluate and document how the status of insurance coverage should be noted on the approved contractor listing and what information on insurance coverage if any will be input into Hansen.

Management Action Plan:

- (1) In conjunction with 7.1 through 7.3 and in collaboration with the Purchasing and Contracts Division and Risk Management, develop and implement a new policy and procedures regarding how the status of insurance coverage will be noted on the approved contractor listing and what information on insurance coverage if any will be input into Hansen;**
- (2) Identify any modification required to be made in Hansen to implement the new policy;**
- (3) Coordinate the completion of any Hansen modifications;**
- (4) Conduct training on the new policy and procedures;**
- (5) Implement the new policy and procedures.**

Auditor: B. Smith

Incomplete: Not implemented.

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

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

Building and Safety

18	0754 1213 01	Audit of Building & Safety -- Code Enforcement Property Nuisance Abatement Program		
	07. 05	Contractor Insurance Coverage Monitoring Deficiencies	Due Date: 05/16/2013	Incomplete

Recommendation:

The city's Purchasing and Contracts Division uses an outside service provider to monitor and verify contractor insurance coverage. Working with the Purchasing and Contracts Division, Code Enforcement management should evaluate the feasibility of using this service provider for monitoring insurance coverage compliance of its contractors.

Management Action Plan:

- (1) In conjunction 7.1 through 7.4 and in collaboration with the Purchasing and Contracts Division, evaluate the feasibility of using that Division's outside service provider to monitor and verify insurance coverage.
- (2) Document evaluation findings;
- (3) Incorporate the evaluation findings into a new policy and procedures as applicable;
- (4) Conduct training on the new policy and procedures;
- (5) Implement the new policies and procedures.

Auditor: B. Smith

Building and Safety

19	0754 1213 01	Audit of Building & Safety -- Code Enforcement Property Nuisance Abatement Program		
	08. 03	Document Recording Process Inefficiencies	Due Date: 03/14/2013	Incomplete

Recommendation:

Code Enforcement management should document the procedures to be followed by staff members to record documents with the Clark County Recorder's Office.

Management Action Plan:

- (1) In conjunction with 8.1 and 8.2 and in collaboration with the Clark County's Recorder's Office, develop policies and procedures to be followed by staff members to record documents with the Clark County Recorder's Office;
- (2) Conduct training on the new policy and procedures;
- (3) Implement the new policy and procedures.

Auditor: B. Smith

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.

Building and Safety

20	0754 1213 01	Audit of Building & Safety -- Code Enforcement Property Nuisance Abatement Program		
	09. 03	Document Retention Program Deficiencies	Due Date: 05/16/2013	Incomplete

Recommendation:

Code Enforcement management should evaluate, document, and implement supervisory review procedures to ensure staff members are complying with document retention standards.

Management Action Plan:

- (1) Develop and implement a policy and procedures that specify the review procedures to be used by supervisors to ensure staff members are complying with the department document retention standards;**
- (2) Conduct training on the new policy and procedures;**
- (3) Implement the new policy and procedures.**

Auditor: B. Smith

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.

Fire and Rescue

21	2801 1314 07	Software Audit – Fire and Rescue			
	02. 01	Unauthorized Business Software Programs	Due Date:	12/31/2013	Incomplete
		-- IT			

Recommendation:

Licenses, authorization, compatibility checking, virus checking, and registry in the software inventory should be completed for the identified programs. They should be in compliance with CLV Policy and Procedure or the software should be removed from CLV micro-computers.

Management Action Plan:

- 1) City IT is currently working on procurement for new software that will augment our existing tools for discovery and accounting of licenses. We expect this software to be in place before no later than March 31, 2014, barring any unforeseen circumstances. Once the software is in place we will begin a more effective policing strategy by scanning all existing installations and working to resolve them (see point 2, below). An additional outcome will be that we will have an accurate electronic inventory of licenses for the myriad software titles we use at the City, and reporting for same.
- 2) During our initial scans for clean-up, in each case where unauthorized software is discovered, City IT will address by working with the department to either remove or authorize and appropriately license said software. We will authorize software through our electronic service desk, and that will be a permanent record for such authorizations. We will then continue routine scans quarterly. We expect that we can finish all initial scans and mitigation by the end of the calendar year.
- 3) IT has issued a new policy – IT153 Windows Local Administrator Privilege Policy dated June 25, 2013. This policy will restrict the granting of computer administrator privilege to users. Administrator Rights allows the user to add and delete software to their computers. This will reduce unauthorized software from being added to city computers.

AUDITOR’S NOTE: (This is the same recommendation previously made to Information Technologies in the City Clerk Office Software Audit Report. Information Technology staff is currently working on this Procedure. Estimated Date of Completion was revised to March 31, 2014 because IT concluded Fire and Rescue due diligence is far more complex than initially expected.)

Auditor: P. Marmurowski

Incomplete:	Not implemented.
Not Due:	Due date identified by management has not passed.
Extended:	Not implemented due to circumstances beyond the department’s control.

Fire and Rescue

22	2801 1314 07	Software Audit – Fire and Rescue			
	02. 02	Unauthorized Business Software Programs	Due Date:	12/31/2013	Incomplete
		-- IT			

Recommendation:

IT must establish a verifiable system of inventory controls over all types of software programs from software acquisition to installation. Licenses for the identified programs should be obtained and be in compliance with CLV Policy and Procedure or the software should be removed from CLV micro-computers.

Management Action Plan:

- 1) City IT is currently working on procurement for new software that will augment our existing tools for discovery and accounting of licenses. We expect this software to be in place before no later than March 31, 2014, barring any unforeseen circumstances. Once the software is in place we will begin a more effective policing strategy by scanning all existing installations and working to resolve them (see point 2, below). An additional outcome will be that we will have an accurate electronic inventory of licenses for the myriad software titles we use at the City, and reporting for same.**
- 2) During our initial scans for clean-up, in each case where unauthorized software is discovered, City IT will address by working with the department to either remove or authorize and appropriately license said software. We will authorize software through our electronic service desk, and that will be a permanent record for such authorizations. We will then continue routine scans quarterly. We expect that we can finish all initial scans and mitigation by the end of the calendar year.**
- 3) IT has issued a new policy – IT153 Windows Local Administrator Privilege Policy dated June 25, 2013. This policy will restrict the granting of computer administrator privilege to users. Administrator Rights allows the user to add and delete software to their computers. This will reduce unauthorized software from being added to city computers.**

AUDITOR’S NOTE: (This is the same recommendation previously made to Information Technologies in the City Clerk Office Software Audit Report. Information Technology staff is currently working on this Procedure. Estimated Date of Completion was revised to March 31, 2014 because IT concluded Fire and Rescue due diligence is far more complex than initially expected.)

Auditor: P. Marmurowski

Incomplete:	Not implemented.
Not Due:	Due date identified by management has not passed.
Extended:	Not implemented due to circumstances beyond the department’s control.

Fire and Rescue

23	2801 1314 07	Software Audit – Fire and Rescue		
	03. 01	Unauthorized Shareware or Freeware Software Programs -- IT	Due Date: 03/31/2014	Incomplete

Recommendation:

Licenses, authorization, compatibility checking, virus checking, and registry in the software inventory should be completed for the identified programs. They should be in compliance with CLV Policy and Procedure or the software should be removed from CLV micro-computers.

Management Action Plan:

One other factor in the propagation of illicit software is that there is a proliferation of users who have had the administrative ability to install software on their computer without intervention from IT. This practice is largely being discontinued in favor of a more controlled approach and mitigation of some of the problems that were originally solved by allowing administrative control. We are implementing the change with the roll out of new computers and software images, and so we anticipate complete migration to our new policy sometime in the first quarter of 2014.

Also see IT management response to audit finding #2 Unauthorized Business Software Programs

AUDITOR’S NOTE: (This is the same recommendation previously made to Information Technologies in the City Clerk Office Software Audit Report. Information Technology staff is currently working on this Procedure. Estimated Date of Completion was revised to March 31, 2014 because IT concluded Fire and Rescue due diligence is far more complex than initially expected.)

Auditor: P. Marmurowski

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department’s control.

Fire and Rescue

24	2801 1314 07	Software Audit – Fire and Rescue		
	03. 02	Unauthorized Shareware or Freeware Software Programs -- IT	Due Date: 03/31/2014	Incomplete

Recommendation:

IT must establish a verifiable system of inventory controls over all types of software programs from software acquisition to installation. Licenses for the identified programs should be obtained and be in compliance with CLV Policy and Procedure or the software should be removed from CLV micro-computers.

Management Action Plan:

One other factor in the propagation of illicit software is that there is a proliferation of users who have had the administrative ability to install software on their computer without intervention from IT. This practice is largely being discontinued in favor of a more controlled approach and mitigation of some of the problems that were originally solved by allowing administrative control. We are implementing the change with the roll out of new computers and software images, and so we anticipate complete migration to our new policy sometime in the first quarter of 2014.

Also see IT management response to audit finding #2 Unauthorized Business Software Programs

AUDITOR’S NOTE: (This is the same recommendation previously made to Information Technologies in the City Clerk Office Software Audit Report. Information Technology staff is currently working on this Procedure. Estimated Date of Completion was revised to March 31, 2014 because IT concluded Fire and Rescue due diligence is far more complex than initially expected.)

Auditor: P. Marmurowski

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department’s control.

Information Technologies

25 2001 0405 03 Audit of Controls Over City Utility Payments And Costs

01. 02 Utility Usage Monitoring Due Date: 10/04/2005 Extended

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.

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

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

Municipal Court

- 26 1103 0910 09 Procedures Performed -- Minimum Accounting Standards Checklist For
Nevada Courts

01. 07 Areas of Non-Compliance With MAS **Due Date: 09/30/2010** **Extended**

Recommendation:

Court Management should address the identified areas of non-compliance with the MAS Checklist standards.

Accounts Receivable (#105a p. 56, #106 p. 56, #110 p. 57, #112 p. 57, #120 p. 60)

Management Action Plan:

Our Management Action Plan is to review all policies and procedures as they relate to our new case management system (CMOR) that went live in November. The areas identified as non-compliant by the audit staff will receive additional scrutiny to ensure compliance with the MAS Checklist standards. The Court will also coordinate the applicable policies and procedures with the Detention & Enforcement Department (D&E) ensuring that the procedures used by D&E on behalf of the Court comply with the MAS Checklist standards as well.

Auditor: B. Smith

Municipal Court

- 27 1103 0910 09 Procedures Performed -- Minimum Accounting Standards Checklist For
Nevada Courts

01. 09 Areas of Non-Compliance With MAS **Due Date: 09/30/2010** **Incomplete**

Recommendation:

Court Management should address the identified areas of non-compliance with the MAS Checklist standards.

Bail Reconciliation (#134, p. 66)

Management Action Plan:

Our Management Action Plan is to review all policies and procedures as they relate to our new case management system (CMOR) that went live in November. The areas identified as non-compliant by the audit staff will receive additional scrutiny to ensure compliance with the MAS Checklist standards. The Court will also coordinate the applicable policies and procedures with the Detention & Enforcement Department (D&E) ensuring that the procedures used by D&E on behalf of the Court comply with the MAS Checklist standards as well.

Auditor: B. Smith

Incomplete: Not implemented.

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

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

Municipal Court

28 2205 1314 03 Audit of Municipal Court Subpoena Witness Fee Fund

01. 02 Fund Balance Difference Due Date: 09/17/2013 Incomplete

Recommendation:

Financial Services should implement procedures to periodically reconcile their records with the Witness Fee Fund.

Management Action Plan:

Auditor: G. Phillips

Municipal Court

29 2205 1314 03 Audit of Municipal Court Subpoena Witness Fee Fund

02. 01 Witness Fee Payment Process Deficiencies Due Date: 08/05/2013 Incomplete

Recommendation:

The City Attorney's Office working with Financial Services Management should implement a reconciliation process of approved witness fee payments to actual payments made by the Municipal Court.

Management Action Plan:

The Office of the City Attorney - Criminal Division will implement the following effective 8/5/2013:

- a) A unique document number will be added to every Witness Subpoena that is generated. That document number will be visible on the top left hand side of the page (example attached)
- b) The existing Witness List used in Court by our Deputy City Attorney's will be revised so that when the deputy signs the subpoena confirming the witness(s) appearance in Court that day, he or she will check mark that name off the daily list (example attached) . The report is generated by our office by date of hearing or trial and by department number. That will report will be utilized to cross-reference against the Daily Witness Fee List (example attached) already generated and provided to Las Vegas Municipal Court for the payment of the daily witness fees.
- c) These two reports will be provided to Financial Services Management to reconcile the two reports along with the document number of the subpoena that is signed by one of our Deputy City Attorney's authorizing payment by them making their appearance in Court.

Auditor: G. Phillips

Incomplete: Not implemented.

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

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

Municipal Court

- 30** 2205 1314 03 Audit of Municipal Court Subpoena Witness Fee Fund
02. 02 Witness Fee Payment Process Deficiencies Due Date: 08/12/2013 Incomplete

Recommendation:

Municipal Court Management should require that court clerks obtain a copy of the payee's government photo ID for each Witness Fee Fund payment made.

Management Action Plan:

Municipal Court Management agrees that a copy of the payee's ID should be obtained at the time of the payout. We will implement this recommendation on or before 8/12/13; however, if we experience any interruptions in services due to malfunctions with our existing copy machine, this procedure will be postpone until the defective machine is replaced.

Auditor: G. Phillips

Municipal Court

- 31** 2205 1314 03 Audit of Municipal Court Subpoena Witness Fee Fund
03. 01 Court Management System Deficiencies Due Date: 09/17/2013 Incomplete

Recommendation:

Municipal Court Management should add a subroutine within CMS to account for Witness Fee Fund payments and to have this information included with the end of day balancing amounts.

Management Action Plan:

Witness Fee Fund payments are automatically included with the end of day balancing amounts (G/L Management in CMS), they are reconciled on a daily basis, and electronically transmitted to the general ledger.

Auditor: G. Phillips

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.

Municipal Court

- 32 2205 1314 03 Audit of Municipal Court Subpoena Witness Fee Fund
03.02 Court Management System Deficiencies Due Date: 09/17/2013 Incomplete

Recommendation:

Municipal Court Management should add a data field in CMS for capturing witness addresses.

Management Action Plan:

With the implementation of Recommendation 2.2, Municipal Court Management does not agree with this recommendation. The payee's government photo ID will contain the address and all copies of photo IDs will be included with the daily audit packet.

Auditor: G. Phillips

Municipal Court

- 33 2205 1314 03 Audit of Municipal Court Subpoena Witness Fee Fund
03.03 Court Management System Deficiencies Due Date: 09/17/2013 Incomplete

Recommendation:

Municipal Court Management should add system edits in CMS to the name, address and zip code fields. A data entry standard should be established so the information is uniform.

Management Action Plan:

With the implementation of Recommendation 2.2, Municipal Court Management does not agree with this recommendation. The payee's government photo ID will contain the address and all copies of photo IDs will be included with the daily audit packet.

Auditor: G. Phillips

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.

Office of Cultural Affairs

- 34 1675 1314 04 Audit of the Office of Cultural Affairs Historic Fifth Street School Facility Rentals
05. 01 Lack of Required Vendor Documentation Due Date: 06/30/2014 Incomplete

Recommendation:

Office of Cultural Affairs management should document and implement policies and procedures to record the names of vendors who provide services at Fifth Street School events and retain documentation to show they verified that vendors carry the appropriate business licenses, Southern Nevada Health District permits, and general liability insurance.

Management Action Plan:

Staff has been instructed they are to follow previous procedures and place copies in each rental file or face positive disciplinary process.

Auditor: N. Beaty

Office of Cultural Affairs

- 35 1675 1314 04 Audit of the Office of Cultural Affairs Historic Fifth Street School Facility Rentals
08. 01 Lack of Non-Profit Status Verification Due Date: 06/30/2014 Incomplete

Recommendation:

Office of Cultural Affairs management should evaluate, document, and implement policies and procedures for determining and documenting which entities are qualified for receiving a discounted rental rate.

Management Action Plan:

Office of Cultural will develop policies and procedures for determining which entities are qualified for receiving a discounted rental rate.

Auditor: N. Beaty

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.

Office of Cultural Affairs

36 2804 1314 05 Software Audit – Office of Cultural Affairs

02. 01 Unauthorized Business
Software Programs -- IT

Due Date: 12/31/2013 Incomplete

Recommendation:

Licenses, authorization, compatibility checking, virus checking, and registry in the software inventory should be completed for the identified programs and they should be in compliance with CLV Policy and Procedure or the software should be removed from CLV micro-computers.

Management Action Plan:

- 1) City IT is currently working on procurement for new software that will augment our existing tools for discovery and accounting of licenses. We expect this software to be in place before no later than October 1, barring any unforeseen circumstances. Once the software is in place we will begin a more effective policing strategy by scanning all existing installations and working to resolve them (see point 2, below). An additional outcome will be that we will have an accurate electronic inventory of licenses for the myriad software titles we use at the City, and reporting for same.
- 2) During our initial scans for clean-up, in each case where unauthorized software is discovered, City IT will address by working with the department to either remove or authorize and appropriately license said software. We will authorize software through our electronic service desk, and that will be a permanent record for such authorizations. We will then continue routine scans quarterly. We expect that we can finish all initial scans and mitigation by the end of the calendar year.
- 3) IT has issued a new policy – IT153 Windows Local Administrator Privilege Policy dated June 25, 2013. This policy will restrict the granting of computer administrator privilege to users. Administrator Rights allows the user to add and delete software to their computers. This will reduce unauthorized software from being added to city computers.

AUDITOR’S NOTE: (This is the same response previously made by Information Technologies for the City Clerk Office Software Audit Report. Information Technology staff is currently working on this Procedure. Estimated Date of Completion is by December 31, 2013.)

Auditor: P. Marmurowski

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department’s control.

Office of Cultural Affairs

37 2804 1314 05 Software Audit – Office of Cultural Affairs

02. 02 Unauthorized Business
Software Programs -- IT

Due Date: 12/31/2013 Incomplete

Recommendation:

IT must establish a verifiable system of inventory controls over all types of software programs from software acquisition to installation. Licenses for the identified programs should be obtained and be in compliance with CLV Policy and Procedure or the software should be removed from CLV micro-computers.

Management Action Plan:

- 1) City IT is currently working on procurement for new software that will augment our existing tools for discovery and accounting of licenses. We expect this software to be in place before no later than October 1, barring any unforeseen circumstances. Once the software is in place we will begin a more effective policing strategy by scanning all existing installations and working to resolve them (see point 2, below). An additional outcome will be that we will have an accurate electronic inventory of licenses for the myriad software titles we use at the City, and reporting for same.
- 2) During our initial scans for clean-up, in each case where unauthorized software is discovered, City IT will address by working with the department to either remove or authorize and appropriately license said software. We will authorize software through our electronic service desk, and that will be a permanent record for such authorizations. We will then continue routine scans quarterly. We expect that we can finish all initial scans and mitigation by the end of the calendar year.
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AUDITOR’S NOTE: (This is the same response previously made by Information Technologies for the City Clerk Office Software Audit Report. Information Technology staff is currently working on this Procedure. Estimated Date of Completion is by December 31, 2013.)

Auditor: P. Marmurowski

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department’s control.

Office of Cultural Affairs

38 2804 1314 05 Software Audit – Office of Cultural Affairs

03. 01 Unauthorized Shareware or
Freeware Software Programs -- IT Due Date: 03/31/2014 Incomplete

Recommendation:

Licenses, authorization, compatibility checking, virus checking, and registry in the software inventory should be completed for the identified programs and they should be in compliance with CLV Policy and Procedure or the software should be removed from CLV micro-computers.

Management Action Plan:

One other factor in the propagation of illicit software is that there is a proliferation of users who have had the administrative ability to install software on their computer without intervention from IT. This practice is largely being discontinued in favor of a more controlled approach and mitigation of the some of the problems that were originally solved by allowing administrative control. We are implementing the change with the roll out of new computers and software images, and so we anticipate complete migration to our new policy sometime in the first quarter of 2014.

Also see IT management response to audit finding #2 Unauthorized Business Software Programs

AUDITOR’S NOTE: (This is the same response previously made by Information Technologies for the City Clerk Office Software Audit Report. Information Technology staff is currently working on this Procedure. Estimated Date of Completion is by March 31, 2014.)

Auditor: P. Marmurowski

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department’s control.

Office of Cultural Affairs

39 2804 1314 05 Software Audit – Office of Cultural Affairs

03. 02 Unauthorized Shareware or
Freeware Software Programs -- IT Due Date: 03/31/2014 Incomplete

Recommendation:

IT must establish a verifiable system of inventory controls over all types of software programs from software acquisition to installation. Licenses for the identified programs should be obtained and be in compliance with CLV Policy and Procedure or the software should be removed from CLV micro-computers.

Management Action Plan:

One other factor in the propagation of illicit software is that there is a proliferation of users who have had the administrative ability to install software on their computer without intervention from IT. This practice is largely being discontinued in favor of a more controlled approach and mitigation of the some of the problems that were originally solved by allowing administrative control. We are implementing the change with the roll out of new computers and software images, and so we anticipate complete migration to our new policy sometime in the first quarter of 2014.

Also see IT management response to audit finding #2 Unauthorized Business Software Programs

AUDITOR’S NOTE: (This is the same response previously made by Information Technologies for the City Clerk Office Software Audit Report. Information Technology staff is currently working on this Procedure. Estimated Date of Completion is by March 31, 2014.)

Auditor: P. Marmurowski

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department’s control.

Office of the City Clerk

40 2802 1314 01 Software Audit – Office of the City Clerk

02. 01 Unauthorized Business
Software Programs -- IT

Due Date: 12/31/2013 Incomplete

Recommendation:

Licenses, authorization, compatibility checking, virus checking, and registry in the software inventory should be completed for the identified programs and they should be in compliance with CLV Policy and Procedure or the software should be removed from CLV micro-computers.

Management Action Plan:

City IT is currently working on procurement for new software that will augment our existing tools for discovery and accounting of licenses. We expect this software to be in place before no later than October 1, barring any unforeseen circumstances. Once the software is in place we will begin a more effective policing strategy by scanning all existing installations and working to resolve them (see point 2, below). An additional outcome will be that we will have an accurate electronic inventory of licenses for the myriad software titles we use at the City, and reporting for same.

Auditor: P. Marmurowski

Office of the City Clerk

41 2802 1314 01 Software Audit – Office of the City Clerk

02. 02 Unauthorized Business
Software Programs -- IT

Due Date: 12/31/2013 Incomplete

Recommendation:

IT must establish a verifiable system of inventory controls over all types of software programs from software acquisition to installation. Licenses for the identified programs should be obtained and be in compliance with CLV Policy and Procedure or the software should be removed from CLV micro-computers.

Management Action Plan:

During our initial scans for clean-up, in each case where unauthorized software is discovered, City IT will address by working with the department to either remove or authorize and appropriately license said software. We will authorize software through our electronic service desk, and that will be a permanent record for such authorizations. We will then continue routine scans quarterly. We expect that we can finish all initial scans and mitigation by the end of the calendar year.

Auditor: P. Marmurowski

Incomplete: Not implemented.

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

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

Office of the City Clerk

- 42 2802 1314 01 Software Audit – Office of the City Clerk
03. 01 Unauthorized Shareware or
Freeware Software Programs -- IT Due Date: 03/31/2014 Incomplete

Recommendation:

Licenses, authorization, compatibility checking, virus checking, and registry in the software inventory should be completed for the identified programs and they should be in compliance with CLV Policy and Procedure or the software should be removed from CLV micro-computers.

Management Action Plan:

One other factor in the propagation of illicit software is that there is a proliferation of users who have had the administrative ability to install software on their computer without intervention from IT. This practice is largely being discontinued in favor of a more controlled approach and mitigation of the some of the problems that were originally solved by allowing administrative control. We are implementing the change with the roll out of new computers and software images, and so we anticipate complete migration to our new policy sometime in the first quarter of 2014.

Also see IT management response to audit finding #2 Unauthorized Business Software Programs.

Auditor: P. Marmurowski

Office of the City Clerk

- 43 2802 1314 01 Software Audit – Office of the City Clerk
03. 02 Unauthorized Shareware or
Freeware Software Programs -- IT Due Date: 03/31/2014 Incomplete

Recommendation:

IT must establish a verifiable system of inventory controls over all types of software programs from software acquisition to installation. Licenses for the identified programs should be obtained and be in compliance with CLV Policy and Procedure or the software should be removed from CLV micro-computers.

Management Action Plan:

One other factor in the propagation of illicit software is that there is a proliferation of users who have had the administrative ability to install software on their computer without intervention from IT. This practice is largely being discontinued in favor of a more controlled approach and mitigation of the some of the problems that were originally solved by allowing administrative control. We are implementing the change with the roll out of new computers and software images, and so we anticipate complete migration to our new policy sometime in the first quarter of 2014.

Also see IT management response to audit finding #2 Unauthorized Business Software Programs.

Auditor: P. Marmurowski

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.

Operations and Maintenance

44 1701 0405 05 Audit of Durango Hills Golf Course Management Contract

07. 01 Property Tax Due Date: 06/30/2005 Extended

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: R. Snelding

Operations and Maintenance

45 1703 0809 01 Audit of Sanitary Sewer System Maintenance Section

03. Clark County Permits Due Date: 03/01/2009 Extended

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.

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

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

Operations and Maintenance

46 1703 0809 01 Audit of Sanitary Sewer System Maintenance Section

10. Standard Operating Procedures Due Date: 05/01/2009 Incomplete

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.

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

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

Operations and Maintenance

47 1705 1011 02 Audit of Field Operations -- Fueling Access and Monitoring

01. 01 Fuel Transaction Monitoring Due Date: 04/01/2011 Extended

Recommendation:

Fleet Services management should implement a process by which all city departments receive monthly detailed fueling transaction reports of their employees along with instructions for review of the reports and a discussion of possible indicators of irregularities.

Management Action Plan:

Develop a Fleet divisional Policy & Procedure involving cross training of staff to provide fueling reports to each Department Director whose staff operate city owned vehicles and equipment on a quarterly basis.

Auditor: B. Smith

Operations and Maintenance

48 1705 1011 02 Audit of Field Operations -- Fueling Access and Monitoring

01. 02 Fuel Transaction Monitoring Due Date: 05/15/2011 Extended

Recommendation:

Fleet Services management should evaluate options for increased automation of the generation of the monthly detailed fueling transaction reports and what enhancements can be made to the reports to facilitate the monitoring and identification of fueling transaction irregularities. Consideration should be given to color coding the following types of transactions on the reports to facilitate departmental review.

- Fueling transactions exceeding tank capacity
- Multiple fueling transactions within a short period for the same vehicle
- Weekend, holiday, late night, and early morning transactions
- Key fob transactions
- Unusually large transactions

Management Action Plan:

In conjunction with 1.1 above, work with I.T. to generate reports to track transactions that appear questionable for Department staff to follow-up with and report back to Fleet Services.

Auditor: B. Smith

Incomplete: Not implemented.

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

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

Operations and Maintenance

49 1705 1011 02 Audit of Field Operations -- Fueling Access and Monitoring

06. 02 Key Fob Use and Oversight Due Date: 01/01/2011 Extended

Recommendation:

Fleet Services management should update the key fob log with all known outstanding key fobs and the employees with responsibility for safeguarding the key fobs. This will require communication with city departments on which key fobs they have in their possession.

Management Action Plan:

In conjunction with 6.1 above, conduct a physical inventory of all key fobs issued to date. Enlist the assistance of departments currently in possession of key fobs for an accounting and cross check that information with what we have on record.

Auditor: B. Smith

Operations and Maintenance

50 1705 1011 02 Audit of Field Operations -- Fueling Access and Monitoring

07. 01 Fueling Operations Policies and Procedures Due Date: 06/15/2011 Extended

Recommendation:

Fleet Services management should document policies and procedures that address the following areas:

- Guidelines on the use of city fueling stations by employees
- Proper initiation and completion of fueling transactions at the pumps
- Guidelines on the use of CNG cards and CNG pump use
- Guidelines on the use of key fobs
- Consequences for misuse of the city fuel system
- Roles and responsibilities of departments in monitoring fueling transactions

These policies and procedures once adopted should be communicated and made accessible to city employees.

Management Action Plan:

Develop a city wide Policy clearly explaining fueling procedures and in conjunction with recommendation 1.1, provide detailed reports so that each department can readily ascertain suspicious fueling activities and report such activity to appropriate city staff.

Auditor: B. Smith

Incomplete: Not implemented.

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

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

Operations and Maintenance

51 1705 1011 02 Audit of Field Operations -- Fueling Access and Monitoring

08. 01 Standard Operating Procedures Due Date: 06/15/2011 Extended

Recommendation:

Fleet Services management should document desk procedures related to its responsibilities in the oversight of the City's fueling operations including the following areas:

- Fuel System Administration
- Fueling Transaction Reporting
- CNG Cards Oversight
- Key Fobs Oversight

Management Action Plan:

Develop internal procedures and cross train Fleet Services staff in the monitoring of the city's fuel systems.

Auditor: B. Smith

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.

Parks, Recreation, and Neighborhood Services

52	1603 1011 03	Audit of Leisure Services -- Sport Fields Administration		
01. 01	Limited Assurance Fees were Always Collected	Due Date: 01/31/2011	Extended	

Recommendation:

Leisure Services management should establish, document, and implement effective oversight over the payment for the use of sport fields to include:

- A policy to only issue field permits upon the payment of associated fees for sport field use.
- A process to track all field permits that are issued. This process could include either sequentially numbered field permits or printing field permits in CLASS after payment of fees.
- The reconciliation of field permits issued to CLASS fee payments.
- Standardized fee waiver process.
- Standardized document retention policies to include all relevant documentation.
- Improved/additional CLASS reports to assist with monitoring of sport fields activity.

Management Action Plan:

- Leisure Services will develop a policy to address payments prior to permitting, this has been a working practice since June of 2010. (Completion Date: January 2010)
- LS will work toward providing a permit through CLASS or sequentially numbering the field permits. (Completion Date: January 2011)
- LS will have the CLASS administrator run a monthly usage report to identify field permits to user groups. (Completion Date September 2010)
- Leisure Services has a standard process concerning fee waivers and will issue an email reminding all Municipals Sports staff of the process (Completion Date: August 15, 2010).
- Leisure Services will outline for the Municipal Sports office what paper work is required to be kept in accordance with the records retention policy. (Completion Date: December 2010)
- LS Management and the CLASS administrator will produce a monthly usage report and try to develop a report that will satisfy oversight of field usage. (Completion Date: January 2011)

Auditor: N. Beaty

Incomplete:	Not implemented.
Not Due:	Due date identified by management has not passed.
Extended:	Not implemented due to circumstances beyond the department's control.

Parks, Recreation, and Neighborhood Services

53 1603 1011 03 Audit of Leisure Services -- Sport Fields Administration

02. 01 Segregation of Duties Deficiencies Due Date: 09/30/2011 Extended

Recommendation:

Leisure Services management should establish, document, and implement effective policies and procedures to mitigate the identified segregation of duties deficiencies. The implemented policies and procedures should include:

- Segregation of the responsibilities for processing and collection of fees from the allocation of sport fields. Consideration should be given to having the Municipal Sports Unit staff input the field usage and associated fees in CLASS and provide user groups with instructions on how to pay for their fees via an on-line fee payment process.
- Evaluate the feasibility of segregating the responsibility of programming the sport field lights to employees not responsible for allocating sport fields. These employees should be provided with copies of the field permits and the weekly light logs.
- Reconciliation of the funds received to field usage to ensure that appropriate payments are received for all authorized sport fields usage.

Management Action Plan:

- LS is looking at online registration only, but has significant issues because of the amount of sponsorship and third party registration: looking long term to electronic registration only. (Completion Date: August 2011)
- LS agrees with the recommendation of segregating duties but currently does not have the staff members available to add additional employees to the sports office, LS will make the continue to evaluate the feasibility of adding staff as the impacts of FSR for 2011 are rolled out.
- LS will run a monthly usage report from CLASS and cross check it with the field permits issued to ensure that payment and activity correlate. (Completion Date: September 2011)

Auditor: N. Beaty

Incomplete: Not implemented.

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

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

Parks, Recreation, and Neighborhood Services

54 1603 1011 03 Audit of Leisure Services -- Sport Fields Administration

03.01 Proper Authorization of Transactions Due Date: 09/30/2010 Extended

Recommendation:

Leisure Services management should change CLASS security access rights to ensure that employees require management approval to delete transactions or reassign registration fees from activities that have already occurred to subsequent events.

Management Action Plan:

LS Management agrees to limit access rights and require management approvals to reassign registration fees through Manager or Class Administrator.

Auditor: N. Beaty

Parks, Recreation, and Neighborhood Services

55 1603 1011 03 Audit of Leisure Services -- Sport Fields Administration

04.01 CLASS Data Input Inconsistencies Due Date: 09/30/2011 Incomplete

Recommendation:

Leisure Services management should establish, document, and implement standard data input protocol for CLASS specific to sport fields. Current and new employees should be provided with standardized training on the use of CLASS.

Management Action Plan:

LS management will work to ensure that standardized data is inputted into CLASS, additionally all employees that are disciplined in CLASS or cash handling procedures are required to have a refresher course on CLASS and cash handling.

Auditor: N. Beaty

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.

Parks, Recreation, and Neighborhood Services

56 1603 1011 03 Audit of Leisure Services -- Sport Fields Administration

05. 01 Inequities in the Allocation of City Sport Fields Due Date: 01/31/2011 Extended

Recommendation:

Leisure Services management should establish a more equitable method of allocating sport fields. Consideration should be given to:

- Establishing a maximum number of hours of sport field usage for each registered league team. When available, leagues could contract for additional sport field usage at an additional fixed hourly rate.
- Implementing a standardized, process to document authorized exceptions to the standard field allocation process. This standardized process should be documented in policies and procedures.
- Performing periodic analyses of the sport field allocation process to ensure an equitable allocation of sport fields. The method used to complete this analysis should be documented in policies and procedures.

Management Action Plan:

- LS management will develop a comprehensive policy to address hours on sports fields, authorized exceptions and perform analyses. Currently Pro's consulting is in the final stages of completing the Sports Field Capacity/Master Plan, once the final draft is completed, LS will develop a new field allocation policy. (Estimated Date of completion August 2011, may not be able to implement until January 2012 because of forward scheduling and pricing of our user groups and the significant time it will take to brief both council and user groups and the radical changes it will cause to the sports user groups.)
- LS Management will develop a protocol and document authorized exceptions to the field allocation process. (Completion Date: January 2011)
- LS will develop a policy regarding the analyses of sports fields and their equitability. (Completion Date August 2011)

Auditor: N. Beaty

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.

Parks, Recreation, and Neighborhood Services

57 1603 1011 03 Audit of Leisure Services -- Sport Fields Administration

11.01 Security Requirements Due Date: 09/30/2010 Incomplete

Recommendation:

Leisure Services management should consult with the City Attorney's Office to determine the circumstances in which league and tournament user groups should be required to contract and pay for private security services during their events. Once determined, Leisure Services management should implement and document applicable policies and procedures and provide training to appropriate employees.

Management Action Plan:

LS Management will submit this suggestion to the City Attorney's Office and act according to their recommendation.

Auditor: N. Beaty

Parks, Recreation, and Neighborhood Services

58 1603 1011 03 Audit of Leisure Services -- Sport Fields Administration

12.01 Concession Permits Due Date: 09/30/2011 Incomplete

Recommendation:

Leisure Services management should document and implement policies and procedures for the issuance of concession permits. Training should be held for the applicable employees.

Management Action Plan:

LS is awaiting the master plan for sports fields from Pro's Consulting, once it is submitted Leisure will implement a policy and procedure for the issuance of concession permits.

Auditor: N. Beaty

Incomplete: Not implemented.

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

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

Parks, Recreation, and Neighborhood Services

59 1603 1011 03 Audit of Leisure Services -- Sport Fields Administration

13.01 Non-Profit Status Due Date: 01/31/2011 Incomplete

Recommendation:

Leisure Services management should ascertain what documentation they deem to be acceptable for determining non-profit status, document the criteria, and provide training to the applicable employees.

Management Action Plan:

LS Management is working to develop a proposal to discontinue nonprofit recognition in our department. Should this be unsuccessful, we want to have 501c-3 as the only nonprofit status recognized. This will be pursuant to Council briefing and adaptation.

Auditor: N. Beaty

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.

Parks, Recreation, and Neighborhood Services

60 2902 1112 03 Audit of the Municipal Sports Unit

02. 02 Failure to Pay Required Fees Due Date: 02/29/2012 Incomplete

Recommendation:

Parks, Recreation, and Neighborhood Services management should establish, document, and implement policies and procedures for independent verification of information submitted by user groups that is used in the calculation of fees.

Management Action Plan:

Tournaments are the only events that we rely on the organizers to provide us the information.

- Field monitors will check 25% of the yearly tournaments held at City of Las Vegas facilities to assure teams are accurately reporting the amount of teams participating in their tournaments which will assure the City accurate collections of revenue base on 15% of the registration fee.**
- When a tournament organizer requests a facility from the City, the organizer will be required to establish the number of teams that will be participating in the tournament.**
- The tournament organizer will also be required to establish the format of the tournament, i.e., single elimination, double elimination, or round robin and provide their website address.**
- Staff will check the website for tournament brackets as well as the number of teams advertised to verify the information provided by the organizer.**
- The MSU staff can ascertain from the number of teams and format how many fields, hours of play will be needed for the tournament.**
- Based on the typical format for a tournament bracket, staff can determine if the organizer is trying to acquire additional fields and times to accommodate teams that may not be declared to the City.**
- This will be a “red flag” for staff and staff will either discuss with the organizer or dispatch field monitors to count the numbers of teams playing in the tournament.**
- If staff finds that there are more teams in a tournament then was represented to the city, the organizer will be billed for the additional teams. Additionally, the organizer will be placed on probation and if caught again they may be banned from future allocation rentals.**

Auditor: N. Beaty

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department’s control.

Parks, Recreation, and Neighborhood Services

61	1803 1213 03	Audit of Economic Urban Development - Neighborhood Stabilization Program		
	08. 01	Contract Disclosure Requirement Non-Compliance	Due Date: 10/22/2012	Incomplete

Recommendation:

Neighborhood Development management should implement a process to ensure that the Housing Rehabilitation contractors submit a listing of all subcontractors and all persons who furnish materials of the value of \$500 or more for use on the project.

Management Action Plan:

- a. Recommend Rehabilitation Specialists review NRS 624.600 and meet to determine whether this recommendation is required.

Completed: The contract has been amended to remove the requirement and ensure consistency with HUD regulations. Language was provided by the City Attorney's Office. HUD determined that listing of sub-contractors and vendors is not required.

Auditor: N. Beaty

Parks, Recreation, and Neighborhood Services

62	1803 1213 03	Audit of Economic Urban Development - Neighborhood Stabilization Program		
	11. 01	Housing Rehabilitation Contract Insurance Requirements	Due Date: 12/19/2012	Incomplete

Recommendation:

Neighborhood Development management working with the city's Human Resources Safety Loss Control section should evaluate the insurance requirements for small rehabilitation contracts to determine what the appropriate insurance requirements should be and modify the boilerplate contract to include the revised criteria.

Management Action Plan:

Insurance Services made a determination and provided their recommendation on October 16, 2012 for further discussion with the City Attorney's Office. The requested amendments were submitted to the City Attorney's Office for drafting on October 29, 2012.

Auditor: N. Beaty

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.

Parks, Recreation, and Neighborhood Services

63	1803 1213 03	Audit of Economic Urban Development - Neighborhood Stabilization Program		
	11. 02	Housing Rehabilitation Contract Insurance Requirements	Due Date: 12/19/2012	Incomplete

Recommendation:

Neighborhood Development management should establish, document, and implement policies and procedures to review the submitted certificates of insurance to ensure that they include the required criteria established in Recommendation Number 11.1.

Management Action Plan:

Amend policies and procedures manual to reflect the changes to the NSP insurance requirements as approved by the City Attorney's office.

Auditor: N. Beaty

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.

Parks, Recreation, and Neighborhood Services

64	2803 1314 06	Software Audit – Parks, Recreation, and Neighborhood Services		
	02. 01	Unauthorized Business Software Programs	Due Date: 12/31/2013	Incomplete
		-- IT		

Recommendation:

Licenses, authorization, compatibility checking, virus checking, and registry in the software inventory should be completed for the identified programs and they should be in compliance with CLV Policy and Procedure or the software should be removed from CLV micro-computers.

Management Action Plan:

- 1) City IT is currently working on procurement for new software that will augment our existing tools for discovery and accounting of licenses. We expect this software to be in place before no later than March 31, 2014, barring any unforeseen circumstances. Once the software is in place we will begin a more effective policing strategy by scanning all existing installations and working to resolve them (see point 2, below). An additional outcome will be that we will have an accurate electronic inventory of licenses for the myriad software titles we use at the City, and reporting for same.
- 2) During our initial scans for clean-up, in each case where unauthorized software is discovered, City IT will address by working with the department to either remove or authorize and appropriately license said software. We will authorize software through our electronic service desk, and that will be a permanent record for such authorizations. We will then continue routine scans quarterly. We expect that we can finish all initial scans and mitigation by the end of the calendar year.
- 3) IT has issued a new policy – IT153 Windows Local Administrator Privilege Policy dated June 25, 2013. This policy will restrict the granting of computer administrator privilege to users. Administrator Rights allows the user to add and delete software to their computers. This will reduce unauthorized software from being added to city computers.

AUDITOR’S NOTE: (This is the same response previously made by Information Technologies for the City Clerk Office Software Audit Report. Information Technology staff is currently working on this Procedure. Estimated Date of Completion is by March 31, 2014.)

Auditor: P. Marmurowski

Incomplete:	Not implemented.
Not Due:	Due date identified by management has not passed.
Extended:	Not implemented due to circumstances beyond the department’s control.

Parks, Recreation, and Neighborhood Services

- 65 2803 1314 06 Software Audit – Parks, Recreation, and Neighborhood Services
02. 02 Unauthorized Business Software Programs Due Date: 12/31/2013 Incomplete
-- IT
-

Recommendation:

IT must establish a verifiable system of inventory controls over all types of software programs from software acquisition to installation. Licenses for the identified programs should be obtained and be in compliance with CLV Policy and Procedure or the software should be removed from CLV micro-computers.

Management Action Plan:

- 1) City IT is currently working on procurement for new software that will augment our existing tools for discovery and accounting of licenses. We expect this software to be in place before no later than March 31, 2014, barring any unforeseen circumstances. Once the software is in place we will begin a more effective policing strategy by scanning all existing installations and working to resolve them (see point 2, below). An additional outcome will be that we will have an accurate electronic inventory of licenses for the myriad software titles we use at the City, and reporting for same.
- 2) During our initial scans for clean-up, in each case where unauthorized software is discovered, City IT will address by working with the department to either remove or authorize and appropriately license said software. We will authorize software through our electronic service desk, and that will be a permanent record for such authorizations. We will then continue routine scans quarterly. We expect that we can finish all initial scans and mitigation by the end of the calendar year.
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Auditor: P. Marmurowski

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department’s control.

Parks, Recreation, and Neighborhood Services

66	2803 1314 06	Software Audit – Parks, Recreation, and Neighborhood Services		
	03. 01	Unauthorized Shareware or Freeware Software Programs – IT	Due Date: 03/31/2014	Incomplete

Recommendation:

Licenses, authorization, compatibility checking, virus checking, and registry in the software inventory should be completed for the identified programs and they should be in compliance with CLV Policy and Procedure or the software should be removed from CLV micro-computers.

Management Action Plan:

One other factor in the propagation of illicit software is that there is a proliferation of users who have had the administrative ability to install software on their computer without intervention from IT. This practice is largely being discontinued in favor of a more controlled approach and mitigation of some of the problems that were originally solved by allowing administrative control. We are implementing the change with the roll out of new computers and software images, and so we anticipate complete migration to our new policy sometime in the first quarter of 2014.

Also see IT management response to audit finding #2 Unauthorized Business Software Programs

AUDITOR’S NOTE: (This is the same response previously made by Information Technologies for the City Clerk Office Software Audit Report. Information Technology staff is currently working on this Procedure. Estimated Date of Completion is by March 31, 2014.)

Auditor: P. Marmurowski

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department’s control.

Parks, Recreation, and Neighborhood Services

67	2803 1314 06	Software Audit – Parks, Recreation, and Neighborhood Services		
	03. 02	Unauthorized Shareware or Freeware Software Programs – IT	Due Date: 03/31/2014	Incomplete

Recommendation:

IT must establish a verifiable system of inventory controls over all types of software programs from software acquisition to installation. Licenses for the identified programs should be obtained and be in compliance with CLV Policy and Procedure or the software should be removed from CLV micro-computers.

Management Action Plan:

One other factor in the propagation of illicit software is that there is a proliferation of users who have had the administrative ability to install software on their computer without intervention from IT. This practice is largely being discontinued in favor of a more controlled approach and mitigation of some of the problems that were originally solved by allowing administrative control. We are implementing the change with the roll out of new computers and software images, and so we anticipate complete migration to our new policy sometime in the first quarter of 2014.

Also see IT management response to audit finding #2 Unauthorized Business Software Programs

AUDITOR’S NOTE: (This is the same response previously made by Information Technologies for the City Clerk Office Software Audit Report. Information Technology staff is currently working on this Procedure. Estimated Date of Completion is by March 31, 2014.)

Auditor: P. Marmurowski

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department’s control.

Parks, Recreation, and Neighborhood Services

- 68 1605 1314 08 Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Deposits from Drop Safes
01. 01 Customer Receipts Not Provided Due Date: 12/31/2014 Not Due

Recommendation:

PRNS Management should implement a manual cash receipting system at the pools.

Management Action Plan:

Section K of the department’s Cash Handling Procedures (PRNS - 0005) addresses manual cash receipts for the entire department including the pools.

Auditor: G. Phillips

Parks, Recreation, and Neighborhood Services

- 69 1605 1314 08 Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Deposits from Drop Safes
01. 02 Customer Receipts Not Provided Due Date: 12/31/2014 Not Due

Recommendation:

PRNS Management needs to document and implement procedures to ensure paper receipts are available to customers.

Management Action Plan:

Section E of the department’s Cash Handling Procedures (PRNS - 0005) contains language referring to providing a receipt to customers. In addition, signage will be placed at each site stating the customer is entitled to a receipt.

Auditor: G. Phillips

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department’s control.

Parks, Recreation, and Neighborhood Services

70	1605 1314 08	Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Deposits from Drop Safes		
	01. 03	Customer Receipts Not Provided	Due Date:	12/31/2014 Not Due

Recommendation:

PRNS Management should provide additional cash handling training to their staff.

Management Action Plan:

Training is being scheduled for all department staff responsible for handling tender including supervisors and managers and will address the department’s updated Cash Handling Procedures.

Auditor: G. Phillips

Parks, Recreation, and Neighborhood Services

71	1605 1314 08	Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Deposits from Drop Safes		
	02. 01	Deposits Not Made Within One Business Day	Due Date:	12/31/2014 Not Due

Recommendation:

PRNS Management should document and implement procedures to verify that all deposits are delivered to the bank within 24 hours of receipt.

Management Action Plan:

The department’s Cash Handling Procedures (PRNS - 0005) contains language referring to bank deposits and verification procedures to ensure deposits are done within 1 business day. It is not feasible for some sites to make a bank deposit within 24 hours after a facility closes (i.e., after hours, weekends, holidays). PRNS has included procedures to ensure deposits match the daily Cash Journal Report from RecTrac and dated on the Deposit Log under dual control. All deposits are locked in the facility safe until removed the next business day for bank deposit. The community program supervisor will be required to access the bank’s website using CashPro on a daily basis to verify bank deposits are made and match the Cash Journal Report.

Auditor: G. Phillips

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department’s control.

Parks, Recreation, and Neighborhood Services

72	1605 1314 08	Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Deposits from Drop Safes		
	02. 02	Deposits Not Made Within One Business Day	Due Date: 12/31/2014	Not Due

Recommendation:

PRNS Management should require that two employees are present when transporting and making deposits.

Management Action Plan:

It is not practical with our current facility staffing levels to allow two employees to leave the site and transport deposits to the bank. There are procedures to ensure deposits are logged on the daily Deposit Log and deposit bag under dual control, and address verification of deposits in the Cash Handling Procedures (PRNS – 0005). The community program supervisor will be required to access the bank’s website using CashPro on a daily basis to verify bank deposits are made and match the Cash Journal Report.

Auditor: G. Phillips

Parks, Recreation, and Neighborhood Services

73	1605 1314 08	Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Deposits from Drop Safes		
	03. 01	Incomplete Deposit Log Sheets	Due Date: 12/31/2014	Not Due

Recommendation:

PRNS Management should document and implement procedures to ensure that staff is signing rather than initialing the deposit logs.

Management Action Plan:

The Department’s Cash Handling Procedures (PRNS - 0005) contains language that requires signatures instead of initials on all deposit forms. Examples are provided in the procedure.

Auditor: G. Phillips

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department’s control.

Parks, Recreation, and Neighborhood Services

74 1605 1314 08 Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Deposits from Drop Safes

03.02 Incomplete Deposit Log Sheets **Due Date: 12/31/2014 Not Due**

Recommendation:

PRNS Management should document and implement procedures to ensure the "DCBR" or the RecTrack equivalent is on the deposit log sheets and that the staffs are verifying the amount against deposit bags.

Management Action Plan:

Section M of the department's Cash Handling Procedures (PRNS - 0005) contains language requiring the principal community program specialist verify the daily Deposit Log and deposit bag matches the Cash Journal Report from RecTrac.

Auditor: G. Phillips

Parks, Recreation, and Neighborhood Services

75 1605 1314 08 Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Deposits from Drop Safes

03.03 Incomplete Deposit Log Sheets **Due Date: 12/31/2014 Not Due**

Recommendation:

PRNS Management should document and implement procedures to ensure coordinators/supervisors access the bank's online website and verify that deposits are received by the bank within one business day. If deposits are not made on time, PRNS management should follow-up with the appropriate staff and take corrective action.

Management Action Plan:

Section F of the department's Cash Handling Procedures (PRNS - 0005) contains language that requires the community program supervisor to access the bank's website using CashPro on a daily basis to verify bank deposits are made and match the Cash Journal Report. Allowances for after hours, weekends and holidays will be considered for any variances for deposits made outside the 1 business day requirement. The community program supervisor will address any discrepancies with bank deposits with the appropriate staff and take corrective action as necessary.

Auditor: G. Phillips

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.

Parks, Recreation, and Neighborhood Services

76 1605 1314 08 Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Deposits from Drop Safes

04.01 Safe Combinations Due Date: 12/31/2014 Not Due

Recommendation:

PRNS Management should document and implement procedures to ensure that safe combinations are changed in accordance with the cash handling policy and procedures.

Management Action Plan:

Section L.8 of the department’s Cash Handling Procedures (PRNS - 0005) contains language that addresses facility safe combinations specifically requiring the principal community program specialist change the facility safe combination a minimum of once a year, when there is a staff change, and/or when the combination is considered compromised.

Auditor: G. Phillips

Parks, Recreation, and Neighborhood Services

77 1605 1314 08 Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Deposits from Drop Safes

04.02 Safe Combinations Due Date: 12/31/2014 Not Due

Recommendation:

PRNS Management should maintain a log that tracks combination changes by D&E locksmiths.

Management Action Plan:

Section M of the department’s Cash Handling Procedures (PRNS - 0005) contains language that requires the principal community program specialist develop and maintain a log of all facility safe combination changes completed by the D&E Locksmiths. The principal community program specialist will follow appropriate records retention procedures to track the work requests sent to and completed by the D&E Locksmiths.

Auditor: G. Phillips

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department’s control.

Parks, Recreation, and Neighborhood Services

78	1605 1314 08	Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Deposits from Drop Safes		
	05. 01	Daily Cash Balancing Report (DCBR) Column deleted on Safe Log Sheet	Due Date: 12/31/2014	Not Due

Recommendation:

PRNS Management should ensure the "DCBR" or the RecTrack equivalent is on the deposit log sheets and ensures the staff is checking that amount against deposit bags as part of their internal control.

Management Action Plan:

Section I of the department's Cash Handling Procedures (PRNS - 0005) addresses deposit logs, bank bags, and deposit slips and requires dual control for matching the Cash Journal Report from RecTrac to the amount stated on the deposit bag.

Auditor: G. Phillips

Parks, Recreation, and Neighborhood Services

79	1605 1314 08	Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Deposits from Drop Safes		
	05. 02	Daily Cash Balancing Report (DCBR) Column deleted on Safe Log Sheet	Due Date: 12/31/2014	Not Due

Recommendation:

PRNS Management should require each site coordinator to check deposits daily through Bank of America's Cash Pro website to reconcile what was recorded on the Deposit Logs.

Management Action Plan:

Section F of the department's Cash Handling Procedures (PRNS - 0005) contains language that requires the community program supervisor to access the bank's website using CashPro on a daily basis to verify bank deposits are made and reconciles to the Cash Journal Report from RecTrac. The Deposit Log is onsite at the facility and is already reconciled under dual control by the principal community program specialist prior being deposited at the bank.

Auditor: G. Phillips

Incomplete:	Not implemented.
Not Due:	Due date identified by management has not passed.
Extended:	Not implemented due to circumstances beyond the department's control.

Parks, Recreation, and Neighborhood Services

80	1605 1314 08	Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Deposits from Drop Safes		
	05. 03	Daily Cash Balancing Report (DCBR) Column deleted on Safe Log Sheet	Due Date: 12/31/2014	Not Due

Recommendation:

PRNS Management should provide additional cash handling training to their staff.

Management Action Plan:

Training is being scheduled for all department staff responsible for handling tender including supervisors and managers and will address the department’s updated Cash Handling Procedures (PRNS - 0005). The principal community program specialist will provide training for all new employees upon hire. Any additional training may be held in conjunction with the annual review of the department’s standard operating procedures.

Auditor: G. Phillips

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department’s control.

Parks, Recreation, and Neighborhood Services

81	1604 1314 09	Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Employee Overtime		
01. 01		Overtime Approval and Monitoring Process Deficiencies	Due Date: 06/01/2015	Not Due

Recommendation:

PRNS management should implement a more efficient and effective overtime approval and monitoring process that includes the following elements:

- a. A more efficient and timely process by which employees can alert management of and receive approval for scheduled overtime and unplanned overtime worked.** This process should allow for timely communication of approval of overtime back to employees. Consideration should be given to reducing the number of management approvals required for approval of overtime. The approval of the employee’s direct supervisor and the employee’s timecard approving supervisor if different from the direct supervisor may be sufficient with the implementation of the additional controls recommended in this audit report. Consideration should be given to exploring alternatives to using the paper *Overtime/PERS Callback Form* as the method by which overtime approval is documented. Alternatives may include use of the city’s email system or the implementation of an automated process similar to that used by PRNS for approval of annual or sick leave.
- b. A methodology for retention of overtime approvals.** If an automated approach is adopted for overtime approval, a methodology for retention of the electronic approvals would be needed.
- c. Increased responsibility and reliance on timecard approving supervisors (rather than the timekeepers) to monitor overtime approval, the number of overtime hours worked, and to ensure that the overtime on the employee’s timecard is “accurate and the employee is entitled to payment for those hours.”** With the implementation of a new overtime approval process and increased responsibility by the timecard approving supervisors for monitoring overtime, there should no longer be a need for the overtime approval spreadsheet currently being maintained by the timekeepers.
- d. Training of PRNS employees in the proper completion of the electronic *Overtime/PERS Callback Form* to ensure this information is complete and accurate.** While the paper *Overtime/PERS Callback Form* may no longer be used in the overtime approval process, the information thereon must still be entered by employees when completing their bi-weekly timecard.
- e. Review of the electronic *Overtime/PERS Callback Form* by timecard approving supervisors in conjunction with their review and approval of employee timecards.** The timecard approving supervisors should review and approve all sections of employee timecards to ensure their completeness and accuracy. In addition, the “Acknowledgement” section of the electronic *Overtime/PERS Callback Form* must be completed by the supervisor.
- f. Implementation of a formalized department overtime monitoring process** whereby upper management routinely reviews summaries of overtime being recorded within their department to identify trends and irregularities and explores alternative work arrangements to reduce or eliminate the overtime. Management should consult with Finance and create or identify reports that can be run on a regular basis to facilitate the overtime monitoring.

Management Action Plan:

- a. Over the next 12-months, the Information Technologies Department will build an application using current available tools to facilitate and route the overtime requests for approval. Over the long term (2-3 years), IT will request an enhancement from Oracle to include an overtime request process with full integration into the timecard system.
- b. PRNS is working with IT to automate the overtime approval process which will allow the approvals to be tracked and stored electronically. The records will be maintained as part of the employee record.
- c. The existing policy states: “Supervisors must approve the OT Callback form prior to the timecard is approved. To help supervisor with this process, a training guide can be found at the following link: <http://clvportal/sites/DoIT/orp/ot/default.aspx>.”
- d. Training will occur for all affected staff in concert with training provided by the Department of Finance.
- e. Training will occur for all affected staff in concert with training provided by the Department of Finance.
- f. The Overtime/TILO/Callback Pay report is a report for Management to be aware of the amount, both hours and dollars that are being charged to their department. It is reported monthly. Specifically, the month closes around the 4th business day of the following month (e.g. January 2014 closed on February 6th, 2014). The data is pulled via “CLV OT Summary by Fund/Org report” out of ORACLE. The data is pulled and copied into the template, where it populates the pivot table and verified using the General Ledger by org. If there are any discrepancies a report out of Kbase or ORACLE “CLV Labor Distribution report” is used to determine what org the error occurred in. It is then sent to the Managers to determine if there are any “red-flags” that need to be addressed.

Auditor: B. Smith

Incomplete:	Not implemented.
Not Due:	Due date identified by management has not passed.
Extended:	Not implemented due to circumstances beyond the department’s control.

Parks, Recreation, and Neighborhood Services

82	1604 1314 09	Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Employee Overtime		
	01. 02	Overtime Approval and Monitoring Process Deficiencies	Due Date: 12/31/2014	Not Due

Recommendation:

PRNS management should update its documented policies and procedures and work rules to coincide with the newly implemented overtime approval and monitoring process. The procedures should clearly outline all aspects of the overtime approval and monitoring process including the following:

- a. The roles and responsibilities of employees, supervisors, and management in the process.
- b. The information that must be shared with a supervisor when requesting scheduled overtime approval.
- c. How and when to appropriately report unplanned overtime to a supervisor.
- d. What employees must do if they end up working less or more overtime than anticipated when they requested approval.

Management Action Plan:

The PRNS Overtime policy, noted above, is in draft form and is being reviewed by the Departments of Finance and Parks, Recreation & Neighborhood Services. Once the review has been completed, the document will be approved and implemented. Training will occur to ensure staff is aware of the revised policy.

Auditor: B. Smith

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.

Parks, Recreation, and Neighborhood Services

83	1604 1314 09	Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Employee Overtime		
	01. 03	Overtime Approval and Monitoring Process Deficiencies	Due Date: 12/31/2014	Not Due

Recommendation:

PRNS management should train employees in the new overtime approval and monitoring process.

Management Action Plan:

Training of employees and supervisors will be in concert with training developed by the Department of Finance.

Auditor: B. Smith

Parks, Recreation, and Neighborhood Services

84	1604 1314 09	Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Employee Overtime		
	02. 01	Inadequate Support for Callback Hours	Due Date: 04/30/2014	Incomplete

Recommendation:

Finance management should review the appropriateness of the classification of OT1's callback hours against NVPERS policies in consultation with NVPERS representatives and submit any required adjustments to NVPERS.

Management Action Plan:

Finance will review OT1's records, consult with PERS and submit required adjustments.

Auditor: B. Smith

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.

Parks, Recreation, and Neighborhood Services

85 1604 1314 09 Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Employee Overtime

02. 02 Inadequate Support for Callback Hours Due Date: 07/31/2014 Not Due

Recommendation:

Finance should complete a review of its documented payroll policies and procedures and training documents to ensure they clearly and accurately reflect documentation requirements and overtime policies contained within the LVCEA labor contract and NVPERS policies.

Management Action Plan:

A review of documented payroll policies, procedures and training documents is currently underway and will be completed.

Auditor: B. Smith

Parks, Recreation, and Neighborhood Services

86 1604 1314 09 Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Employee Overtime

02. 03 Inadequate Support for Callback Hours Due Date: 01/31/2015 Not Due

Recommendation:

PRNS management should implement a process requiring management and staff to periodically attend payroll policy and timecard completion training conducted by Finance.

Management Action Plan:

PRNS: When classes become available, PRNS will require all timecard approving staff to attend payroll policy and timecard completion training at least bi-annually.

Finance: Finance will coordinate with PRNS to ensure ample training sessions are offered and require that all Supervisors, Managers and Timekeepers attend.

Auditor: B. Smith

Incomplete: Not implemented.

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

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

Parks, Recreation, and Neighborhood Services

- 87 1604 1314 09 Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Employee Overtime
03.01 Overtime Management Deficiencies Due Date: 07/31/2014 Not Due

Recommendation:

The PRNS Director should evaluate whether any disciplinary measures should be taken against any employees as a result of the management deficiencies identified in this finding.

Management Action Plan:

Management is reviewing issues identified in the audit and working with Human Resources to evaluate whether disciplinary action should be taken against any employees based on the findings. Furthermore, given there have been 11 audits of both the Leisure Services and Parks, Recreation, and Neighborhood Services Departments over the past 10 years, resulting in frequent recurrence of similar audit findings in areas such as procedural controls and financial and cash management among others, the City Manager’s Office will be reorganizing the department in such a way as to avoid future reoccurrence of similar findings.

Auditor: B. Smith

Parks, Recreation, and Neighborhood Services

- 88 1604 1314 09 Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Employee Overtime
03.02 Overtime Management Deficiencies Due Date: 12/31/2014 Not Due

Recommendation:

PRNS management should implement a formalized department overtime monitoring process whereby upper management routinely reviews summaries of overtime being recorded within their department to identify trends and irregularities and explores alternative work arrangements to reduce or eliminate the overtime. Management should consult with Finance and create or identify reports that can be run on a regular basis to facilitate the overtime monitoring.

Management Action Plan:

Since 2012, the PRNS Budget Analyst distributes a monthly Overtime, Callback & TILO report to PRNS executive management team. The report is used to identify “red flags” and to monitor the trending. The Department identified that more training is necessary to ensure accountability at each level. Additionally, the Department’s overtime policy will be updated to reflect the expectations and responsibilities with respect to monitoring and managing overtime. Also, the City Manager’s Office will be working with an appropriate department independent of PRNS, most likely Finance, to provide frequent and periodic monitoring of overtime reporting that will be made available to CMO and PRNS management such that early intervention of any overtime usage and discrepancies may be possible.

Auditor: B. Smith

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department’s control.

Parks, Recreation, and Neighborhood Services

89 1604 1314 09 Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Employee Overtime

03. 03 Overtime Management Deficiencies **Due Date: 12/31/2014 Not Due**

Recommendation:

PRNS management should attend training by Finance on the proper application of overtime policies and completion of timecards. Management who approve timecards should be trained on how to appropriately review and approve employee timecards and reminded of their responsibility for ensuring the completeness and accuracy of the timecards they review.

Management Action Plan:

When training is available, PRNS will require all timecard approvers to attend training provided by Finance.

Auditor: B. Smith

Parks, Recreation, and Neighborhood Services

90 1604 1314 09 Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Employee Overtime

03. 04 Overtime Management Deficiencies **Due Date: 12/31/2014 Not Due**

Recommendation:

PRNS management should request that Finance train their employees more thoroughly on how to appropriately comply with overtime policies and complete their timecards. Employees should be reminded that they are responsible for ensuring their timecards are complete and accurate.

Management Action Plan:

Training of employees and supervisors will be in concert with training developed by the Department of Finance.

Auditor: B. Smith

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.

Parks, Recreation, and Neighborhood Services

91 1604 1314 09 Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Employee Overtime

03.05 Overtime Management Deficiencies Due Date: 09/01/2014 Not Due

Recommendation:

PRNS management should formally review department policies and procedures and revise them as needed so that they clearly reflect current overtime rules and regulations.

Management Action Plan:

PRNS reviews the department policies and procedures annually and makes revisions as necessary. PRNS management is currently reviewing and revising the overtime policy, which is ultimately approved by the Department Director.

Auditor: B. Smith

Parks, Recreation, and Neighborhood Services

92 1604 1314 09 Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Employee Overtime

**04.01 Enhancements Needed in Overtime Due Date: 04/30/2014 Incomplete
Monitoring by Finance**

Recommendation:

Finance should implement a formalized process for routinely monitoring overtime on a city-wide basis to timely identify trends, errors, and irregularities. Finance employees should be encouraged to question departments on any irregularities noted.

Management Action Plan:

Finance will implement a formalized process for routinely monitoring overtime on a city-wide basis to identify trends, errors and irregularities. Finance employees will be encouraged to question irregularities.

Auditor: B. Smith

**Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department’s control.**

Parks, Recreation, and Neighborhood Services

93	1604 1314 09	Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Employee Overtime		
	04. 02	Enhancements Needed in Overtime Monitoring by Finance	Due Date: 04/30/2014	Incomplete

Recommendation:

Finance should create or identify reports that can be run on a regular basis that facilitate overtime monitoring and analysis.

Management Action Plan:

Finance will identify existing reports or work with IT, if needed, to create reports that will facilitate overtime monitoring.

Auditor: B. Smith

Parks, Recreation, and Neighborhood Services

94	1604 1314 09	Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Employee Overtime		
	04. 03	Enhancements Needed in Overtime Monitoring by Finance	Due Date: 04/30/2014	Incomplete

Recommendation:

Finance should implement a formalized process whereby overtime reports are routinely made available and/or shared with departments and the City Manager’s Office for use in fulfilling their responsibility to monitor the overtime of their employees.

Management Action Plan:

Overtime reports will be made routinely available/shared with departments and the CMO office.

Auditor: B. Smith

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department’s control.

Parks, Recreation, and Neighborhood Services

95	1604 1314 09	Audit of Parks, Recreation, and Neighborhood Services – Management Controls Over Employee Overtime		
05. 01		Clarifications Needed in Labor Contract Verbiage	Due Date: 03/31/2014	Incomplete

Recommendation:

Human Resources management in consultation with Finance management should improve the verbiage in the LVCEA labor contract in future negotiations so that it more accurately reflects the NVPERS policies on callback time.

Management Action Plan:

The audit recommendation #5.1 has been accepted and will be negotiated and/or clarified in the current LVCEA negotiations via language changes prior to the sixth meeting, hopefully no later than the end of March 2014.

Auditor: B. Smith

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.

Planning Department

96	0702 1213 04	Audit of Planning Department -- Business Licensing Audit Unit		
	01. 01	Lack of Formal Work Plan and Audit Selection Methodology	Due Date: 11/30/2013	Extended

Recommendation:

Business Licensing management should develop, document, and implement a work plan that clearly outlines the work objectives, scope, and methodology of the audit unit. The work plan should:

- Promote the most efficient and effective use of staff in bringing businesses into compliance with licensing requirements and the identification of additional fees/taxes due the city.**
- Identify the criteria to be used by the audit unit to identify businesses to audit.**
- Be re-evaluated at a minimum annually to ensure it coincides with management's priorities and expectations and maximizes the effectiveness of the audit unit.**

Management Action Plan:

Business Licensing will create an administrative policy that will outline a formal work plan for the audit unit to include objectives, scope and methodology. The methodology will outline the specific criteria and parameters to be used in the selection of audits. The criteria will be based upon factors such as changes in reporting patterns, high risk industry and compliance issues. Perspective audits will be ranked using a scoring method such as low, medium, and high risk to prioritize audits of most significance. All of this information will be used to develop an annual audit plan. From this annual audit plan, performance goals of the audit unit will be determined. The new computerized system to be implemented in 2013 will play an important role in identifying businesses to be audited, tracking audits, and providing reports that will assist in the audit plan. Completion of the entire audit work plan will not take place until the new computer system is in place and the new procedures have been tested.

Auditor: B. Smith

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.

Planning Department

97	0702 1213 04	Audit of Planning Department -- Business Licensing Audit Unit		
	01. 02	Lack of Formal Work Plan and Audit Selection Methodology	Due Date: 11/30/2013	Extended

Recommendation:

Business Licensing management in conjunction with the development of the audit unit work plan should further re-evaluate the priority of and the approach to completing room tax audits considering the amount of time to complete these audits and the small percentage of under-reported revenues that are retained by the city.

Management Action Plan:

The business licensing division has already analyzed the priority of room tax audits last spring. It was determined that based upon the impact to the City, room tax audits were not a top priority. The PPET measure for room tax was removed for fiscal year 2013. However, since these audits have not been fully reviewed since 1995, it is important to complete a cycle of examination. Of the approximately 106 room tax audits, 35 still need to be completed. The remaining room tax audits combined with a new approach to auditing room tax will be incorporated into the audit work plan.

Auditor: B. Smith

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.

Planning Department

98	0702 1213 04	Audit of Planning Department -- Business Licensing Audit Unit		
	01. 03	Lack of Formal Work Plan and Audit Selection Methodology	Due Date: 11/30/2013	Extended

Recommendation:

Business Licensing management in conjunction with the implementation of their new system should:

- Explore and document criteria that could be used to automatically identify businesses to be considered for audit.
- Identify reports that will be useful to the audit unit for identifying businesses to audit based on established criteria.

Management Action Plan:

Business Licensing will create an administrative policy that will outline a formal work plan for the audit unit to include objectives, scope and methodology. The methodology will outline the specific criteria and parameters to be used in the selection of audits. The criteria will be based upon factors such as changes in reporting patterns, high risk industry and compliance issues. Perspective audits will be ranked using a scoring method such as low, medium, and high risk to prioritize audits of most significance. All of this information will be used to develop an annual audit plan. From this annual audit plan, performance goals of the audit unit will be determined. The new computerized system to be implemented in 2013 will play an important role in identifying businesses to be audited, tracking audits, and providing reports that will assist in the audit plan. Completion of the entire audit work plan will not take place until the new computer system is in place and the new procedures have been tested.

Auditor: B. Smith

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.

Planning Department

- 99 0702 1213 04 Audit of Planning Department -- Business Licensing Audit Unit
02.01 Lack of Documented Desk Procedures Due Date: 08/31/2013 Extended

Recommendation:

Business Licensing management should develop and document desk procedures that address at a minimum the following parts of the audit process:

- Audit Selection Process (see Finding #1)
- Audit Program for Completion of Gross Revenue Audits
- Audit Program for Completion of Room Tax Audits
- Supervisory Review Process for Audits
- Audit Results Appeals Process
- Audit Unit Responsibilities in the Lien Filing Process
- Audit Unit Responsibilities in the Collection of Amounts Due from Audits
- Audit Documentation Filing and Retention Process (see Finding #4)

Management Action Plan:

Desk procedures will be developed and will address all aspects of the audit process to include: audit programs, audit checklists, reviews, appeals, lien filing, collections, filing and retention, data input, and routine internal review functions performed by the audit staff.

Auditor: B. Smith

Planning Department

- 100 0702 1213 04 Audit of Planning Department -- Business Licensing Audit Unit
02.02 Lack of Documented Desk Procedures Due Date: 08/31/2013 Extended

Recommendation:

Business Licensing management should develop and document desk procedures that address data input guidelines to be followed by the audit unit and supervisory review procedures to be performed to ensure the uniform use of systems and the accuracy and completeness of the system data. These procedures could be included with the desk procedures discussed above.

Management Action Plan:

Desk procedures will be developed and will address all aspects of the audit process to include: audit programs, audit checklists, reviews, appeals, lien filing, collections, filing and retention, data input, and routine internal review functions performed by the audit staff.

Auditor: B. Smith

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.

Planning Department

101 0702 1213 04 Audit of Planning Department -- Business Licensing Audit Unit

03. 01 Need for Improved Management Reports Due Date: 11/30/2013 Extended

Recommendation:

Business Licensing management should identify and document what information should be included in routine activity reports on the audit unit.

Management Action Plan:

Due to Business Licensing software limitations the audit unit has been using Access Database, a Microsoft product, to track audit results. This software is not specifically designed to track audits and has many limitations. Some of these limitations create the potential for errors in data entry and the inability to accurately show findings. In 2013, a new Business Licensing system will be implemented that will provide for advanced reporting functions and will increase accuracy and help to prevent data errors. This advanced reporting function will allow business licensing to create reports based upon specifically defined criteria. Since the old system will be replaced it would be an inefficient use of resources to attempt to develop new reports now. Once the new system is on-line new management reports will be developed to track the efficiency of the audit unit.

Auditor: B. Smith

Incomplete: Not implemented.

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

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

Planning Department

102 0702 1213 04 Audit of Planning Department -- Business Licensing Audit Unit
03. 04 Need for Improved Management Reports Due Date: 11/30/2013 Extended

Recommendation:

Business Licensing management should request the creation of routine reports on the activities of the audit unit and document the following:

- title and description of the reports
- employee(s) who will be responsible for generating the reports
- how often the reports will be generated
- individuals to whom the reports will be distributed

Management Action Plan:

Due to Business Licensing software limitations the audit unit has been using Access Database, a Microsoft product, to track audit results. This software is not specifically designed to track audits and has many limitations. Some of these limitations create the potential for errors in data entry and the inability to accurately show findings. In 2013, a new Business Licensing system will be implemented that will provide for advanced reporting functions and will increase accuracy and help to prevent data errors. This advanced reporting function will allow business licensing to create reports based upon specifically defined criteria. Since the old system will be replaced it would be an inefficient use of resources to attempt to develop new reports now. Once the new system is on-line new management reports will be developed to track the efficiency of the audit unit.

Auditor: B. Smith

Planning Department

103 0702 1213 04 Audit of Planning Department -- Business Licensing Audit Unit
04. 05 Lack of Document Filing and Retention Guidelines Due Date: 08/31/2013 Incomplete

Recommendation:

Business Licensing management should document guidelines to be followed by the audit unit in obtaining and retaining copies of *business owner* documents.

Management Action Plan:

During the course of an audit, documentation is required from the business owner. Business owner documents are returned to the owner if they are delivered to the office for auditing. Otherwise they are reviewed on site. The only documents relevant are those which support or defend audit findings. Policies and procedures will be implemented to describe how documents are to be requested, what back up documentation is needed, and how it should be retained to support the determination of audit findings.

Auditor: B. Smith

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.

Planning Department

104	0702 1213 04	Audit of Planning Department -- Business Licensing Audit Unit		
	04.06	Lack of Document Filing and Retention Guidelines	Due Date: 11/30/2013	Extended

Recommendation:

Business Licensing management should evaluate whether permanent audit files should be created and maintained on certain businesses to facilitate future audits. If the decision is made to use permanent files, Business Licensing management should identify and document what information and documents should be retained in these files. Consideration should be given to the use of standardized checklists to gather information on businesses.

Management Action Plan:

Maintaining certain documents relating to an audit can be very valuable for future audits. The ability to properly store and maintain these files on a permanent basis can be burdensome. The implementation of the new computerized system will allow us to scan, store documents, and attach them to the business. Procedures will be put in place to identify which documents will be stored as permanent files. These procedures will be developed once the new system is in place. Additionally, the new system will also require a process work flow that requires milestone verification prior to advancing to the next step of the audit process. This process would replace a checklist.

Auditor: B. Smith

Planning Department

105	0702 1213 04	Audit of Planning Department -- Business Licensing Audit Unit		
	05.03	Inaccurate Performance Measurement Results	Due Date: 11/30/2013	Extended

Recommendation:

Business Licensing management should evaluate and document what other performance measurements related to the activities of the audit unit (beyond the city's performance plus program) would be useful and implement the tracking of these measurements.

Management Action Plan:

As procedures are developed for the audit unit, performance measurements will be developed as they relate to the activities in the audit unit. The implementation of the new computerized system will also be used to track these measurements.

Auditor: B. Smith

Incomplete: Not implemented.
Not Due: Due date identified by management has not passed.
Extended: Not implemented due to circumstances beyond the department's control.