

CITY AUDITOR'S OFFICE



Audit of Office of Communications Video Services

Report No. CAO 0231-1415-06

June 10, 2015

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CITY AUDITOR

TABLE OF CONTENTS

BACKGROUND	1
OBJECTIVES	1
SCOPE AND METHODOLOGY	1
CONCLUSIONS, FINDINGS AND RECOMMENDATIONS.....	2
1. Need to Evaluate Access to the KCLV Studio Facilities.....	3
2. Need for Staging Equipment at a Secondary Location.....	4
3. Non-Compliance with the Outside Employment Procedure	5
4. Need to Evaluate the Relevance of Performance Plus Indicator	6
MANAGEMENT RESPONSE	8

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BACKGROUND

Video Services, a division of the City of Las Vegas (city) Office of Communication, operates the city's government access channel KCLV. Broadcasting of KCLV is made possible through Cox Communications with whom the city has a cable franchise agreement.

Video Services currently has eleven full-time employees including one station manager, three producer/writers, two videographers, three television production specialists, one video production engineer, and one video control operator.

OBJECTIVES

The objectives of this audit were to assess the adequacy of the:

- Service invoicing process
- Security of the KCLV studio facilities
- Contingency plan for operation at a secondary location
- Outside employment approval process
- Performance indicator process

SCOPE AND METHODOLOGY

Unless otherwise indicated, the scope of the audit was limited to activity during calendar year 2014. The last date of fieldwork was April 15, 2015.

Our audit methodology included:

- Interviews of city employees,
- Research of applicable guidelines, and
- Analysis and detail testing of available data.

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

The 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, FINDINGS AND RECOMMENDATIONS

In completing procedures associated with our audit objectives, we identified several areas where improvements should be implemented, as noted below:

Service Invoicing Process

Controls over the service invoicing process were deemed to be adequate.

Security of the KCLV Studio Facilities

There is a need to evaluate access to the KCLV studio facilities to limit access to those with an appropriate business purpose to enter the facilities. (Finding #1)

Contingency plan for operation at a secondary location

Equipment has not been staged at a secondary location in the event that city hall is no longer operational. (Finding #2)

Outside Employment Approval Process

Audit procedures identified two employee business relationships that were not reported in accordance with the city's Outside Employment Procedure. (Finding #3)

Performance Indicator Process

There is a need to evaluate the relevance of the client survey performance plus indicator. (Finding #4)

Further information is contained in the sections below.

1. Need to Evaluate Access to the KCLV Studio Facilities

Criteria

Controlled access to facilities ensures that only those individuals with an appropriate business purpose can access operations.

Condition

Card readers control access to eleven doors within the KCLV studio and the city council chambers control room. A review of the *Cardholder Access to Readers Reports* as of March 4, 2015 was completed. The number of individuals with authorized access to the various card readers for the KCLV studio and the city council chambers control room are summarized below in the second column of the table.

An analysis of who used their access cards during the period of January 26, 2015 through March 26, 2015 between the hours of 6 AM to 6 PM during normal business work days (Monday through Thursday) was completed. The results of this analysis are summarized below in the third column of the table. Based on this analysis, there appears to be many non-Communication staff that don't have ongoing business purposes requiring them to have permanent access to the KCLV studios and/or control rooms. Therefore, restricting access for many of these individuals would not impede staff from accomplishing work objectives.

KCLV Studio and Control Rooms Door #'s	# of Individuals with Access (1) (2)	% of Access by Communications Staff (3)
CH 101	12	100%
CH 102	161	97%
CH 107	248	68%
CH 109	165	83%
CH 110	12	98%
CH 111	165	99%
CH 112	165	97%
CH 119	246	98%
CH 127	245	90%
CH 207	182	92%
CH 213	182	70%

(1) These totals do not include Detention and Enforcement marshals.

(2) Communication staff consists of 24 individuals.

(3) These percentages include all attempted accesses identified during the represented period.

In addition, we observed that the camera equipment room is a keyed entry door that at times is left open. This room stores high dollar valued equipment.

Cause

Access to the KCLV studio facilities was established when the city hall first became operational and was never reviewed or updated to reflect current operational needs.

Effect

The number of individuals with access to the KCLV studios exceeds the number of individuals who have a legitimate business purpose requiring permanent access and increases the risk of loss or misuse of valuable equipment.

Recommendation

- 1.1 Video Services management should review who currently has access to the various door access points for the KCLV studio facilities and request that access be removed for those individuals who are deemed to not have an appropriate business purpose for access.
- 1.2 Video Services management should evaluate whether the camera equipment room keyed door entry should be modified to card reader access.
- 1.3 Video Services management should periodically review who has access to the various card reader access points for the KCLV studio facilities and modify access.

2. Need for Staging Equipment at a Secondary Location

Criteria

Staging equipment at a secondary location ensures that KCLV can broadcast during emergency operations when the city hall is not operational.

Condition

In the event of an emergency when access to the city hall is not feasible, Video Services has the ability to remotely program and keep KCLV operational for a period of time. However, in the event that city hall is not operational, appropriate equipment has not been staged at a secondary location to allow for the resumption of operations.

Cause

The staging of equipment at a secondary location was not included in Video Services Emergency Plan.

Effect

Not having equipment staged at a secondary location could limit KCLV's ability to continue operations in the case of an emergency.

Recommendation

- 2.1 Video Services management should determine what equipment should be staged at a secondary location and ensure that the equipment has been placed there for use in emergency situations.
- 2.2 Video Services management should implement a process to periodically test the equipment staged at the secondary location to ensure it remains operational.
- 2.3 Video Services management should update policies and procedures to account for the staging of equipment at a secondary location.

3. Non-Compliance with the Outside Employment Procedure

Criteria

Outside Employment Procedure (HR10.01)

Purpose

To establish procedures for City employees who choose to engage in outside employment. City employees wishing to work, engage, or invest in outside employment, venture, or transaction who meet the criteria stipulated by the Outside Employment Policy HR3.12.01 shall complete the Outside Employment Request Form.

Condition

Audit procedures identified two employee business relationships that had not been reported in accordance with the city's Outside Employment Procedure.

Cause

These employees were not aware that these business relationships should have been reported.

Effect

Non-compliance with the Outside Employment Procedure resulted in the city not having direct knowledge of two employee business relationships.

Recommendation

- 3.1 Video Services management should instruct the identified employees to report their business relationships in accordance with the city’s Outside Employment Procedure.
- 3.2 Video Services management should remind employees of the requirement to comply with the city’s Outside Employment Procedure.

4. Need to Evaluate the Relevance of Performance Plus Indicator

Criteria

Relevant performance indicators assist organizations in defining and measuring progress toward organizational goals.

Condition

One of the Video Service Line of Business performance plus indicators is:
90 % clients surveyed who indicate they are “satisfied” or “very satisfied” with the quality of production service.

The September 2013 Performance Report results for this indicator states:
Staffing changes with outside client have changed limiting the amount of work to survey clients. No data to report.

According to the station manager, when this performance plus indicator was first established, KCLV provided production services for three clients. With the economic recession, two of the production contracts were not renewed. No formal feedback process has been established for surveying the remaining client. Considering only one client remains, this performance plus indicator is not as relevant as in prior years.

Cause

The performance plus indicator has not been re-evaluated to determine its relevance.

Effect

Client survey performance plus indicator may no longer provide relevant information to management.

Recommendation

- 4.1 Video Services management should evaluate whether the client production service performance plus indicator continues to provide relevant information and determine whether to continue its reporting.

MANAGEMENT RESPONSE

1. Need to Evaluate Access to the KCLV Studio Facilities

Recommendation 1.1

Video Services management should review who currently has access to the various door access points for the KCLV studio facilities and request that access be removed for those individuals who are deemed to not have an appropriate business need for access.

Management Plan of Action

KCLV management will work with the various department directors and managers who have staff members with access to the studio facility. A determination will be made as to which employees should be removed from access to KCLV.

Estimated Date of Completion

October 15, 2015

Recommendation 1.2

Video Services management should evaluate whether the camera equipment room keyed door entry should be modified to card reader access.

Management Plan of Action

KCLV management will work with Detention & Enforcement and Operations & Maintenance as to the feasibility of adding a new card reader access pad for the camera equipment room.

Estimated Date of Completion

October 15, 2015

Recommendation 1.3

Video Services management should periodically review who has access to the various card reader access points for the KCLV studio facilities and modify access.

Management Plan of Action

KCLV management, with assistance from Detention & Enforcement, will perform reviews of the card reader access at least two times annually.

Estimated Date of Completion

This process will start January 2016

2. Need for Staging Equipment at a Secondary Location

Recommendation 2.1

Video Services management should determine what equipment should be staged at a secondary location and ensure that the equipment has been placed there for use in emergency situations.

Management Plan of Action

In the event KCLV were unable to broadcast from City Hall because of an emergency, our first options would be to work with partners such as Clark County TV (Channel 4) or KLVX-TV (Channel 10). As additional back up, KCLV can stage hardware and software near the emergency operations center at the city's West Service Yard. KCLV can use a combination of stored inventory, and newly purchased items to achieve this goal. KCLV will be able to broadcast using live internet streaming. New equipment and software would have to be budgeted and procured by the city to complete this project.

With the changes noted above, the secondary location could have the capability of the following:

1. KCLV bulletin board
2. Limited KCLV programming
3. Live news conferences
4. Video editing

The secondary location would require the following equipment. Equipment with an asterisk would have to be procured:

1. 1-Video camera
2. 1-MacPro computers
3. 1-PC computer*
4. 1-Tripod*
5. 4-Microphones
6. 1-Light Kit*
7. 1-Video Switcher*

- 8. 1-Multiviewer*
- 9. 1-Monitor*
- 10. 1-Audio mixer*
- 11. 1-Custom Rack road case*

Estimated Date of Completion

August 31, 2016

Recommendation 2.2

Video Services management should implement a process to periodically test the equipment staged at the secondary location to ensure it remains operational.

Management Plan of Action

KCLV personnel will setup and test all equipment at the secondary location annually.

Estimated Date of Completion

August 31, 2017

Recommendation 2.3

Video Services management should update policies and procedures to account for the staging of equipment at a secondary location.

Management Plan of Action

KCLV will require a secure area at the secondary location to store all broadcast equipment. Access to the secured area will be limited. All equipment at the secondary location will be inventoried with sensitive item stickers and included in any required inventories.

Estimated Date of Completion

August 31, 2016

3. Non-Compliance with the Outside Employment Procedure

Recommendation 3.1

Video Services management should instruct the identified employees to report their business relationships in accordance with the city's Outside Employment Procedure.

Management Plan of Action

Both Video Services employees will complete the Outside Employment forms, get them approved, and turn them into Human Resources.

Estimated Date of Completion

July 30, 2015

Recommendation 3.2

Video Services management should remind employees of the requirement to comply with the city's Outside Employment Procedure.

Management Plan of Action

KCLV management will send an annual reminder to staff to update the Outside Employment form.

Estimated Date of Completion

July 30, 2015

4. Need to Evaluate the Relevance of Performance Plus Indicator

Recommendation 4.1

Video Services management should evaluate whether the client production services performance plus indicator continues to provide relevant information and determine whether to continue its reporting.

Management Plan of Action

KCLV management will cease the use of the client production services performance plus indicator. However, if KCLV obtains a regular client base of at least three clients, then management will re-evaluate the need to bring this performance plus indicator tracking back into service.

Estimated Date of Completion

July 30, 2015