

CITY AUDITOR'S OFFICE



AUDIT OF OFFICE OF THE CITY CLERK Enterprise Records Management Division

Report CC004-1718-02

April 10, 2018

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BACKGROUND

The mission of the Office of the City Clerk is “to serve all citizens by conducting the administrative and legal affairs of the Office of the City Clerk impartially, performing all duties with integrity and professionalism, and practicing the highest standards of ethical conduct to instill public trust and confidence in matters related to historic documents, official public records, and elections.”

Section 2.60.020 of the Municipal Code states that the City Clerk is responsible for developing and implementing a records management program for the city as follows:

- Establish guidelines and procedures for making an inventory of and retaining the public records of the City in accordance with approved records retention schedules.
- Establish a records center for storing inactive public records of the City pending their disposition in accordance with approved records retention schedules.
- Establish a program for the protection of historical, archival and vital records that are essential to the continuation or reestablishment of governmental operations in the event of a natural or other disaster.
- Provide micrographics services to the various offices for public records that require permanent retention, records that have a minimum retention of seven years and vital records.

The City Clerk and the Enterprise Records Officer (Officer) oversee the city’s Enterprise Records Management division (ERM division). The ERM division consists of six additional employees located at either city hall or the Archives and Records Center (ARC). On June 23, 2017, the prior Officer terminated employment with the city and subsequently on August 17, 2017, a new Officer was appointed.

The ERM division employees work with city department directors and employees from each city department who have been designated as Record Management Delegates (Delegates). Section 2.60.050 of the Municipal Code states “The director of each department of the City shall: (A) Conduct and maintain an inventory of all of the types of public records that exist within each department; and (B) With regard to such records, establish such policies and procedures as are necessary and appropriate in order to comply with this Chapter and procedures established thereunder.”

The ERM division operates the city’s records storage facility known as the ARC. It is a secure centralized facility at the city’s West Service Yard for housing archive collections and inactive official records. The ARC is staffed with four employees including two Records Technicians, a Materials Management Technician, and an Electronic Records Specialist.

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OBJECTIVES

Our objectives in completing this audit were to:

- Determine whether existing policies and procedures reflect current operations and are adequate.
- Determine the adequacy of the quality assurance activities being performed by the Officer to verify department compliance with the city-wide record management policies and procedures.
- Determine whether training is adequate for the Delegates.
- Determine the adequacy of the procedures to keep the record retention schedules current.
- Determine if the record destruction process at the ARC is designed to ensure that only records scheduled for destruction are destroyed.
- Determine the adequacy of the process being followed to monitor the timeliness of public records requests.

SCOPE AND METHODOLOGY

The scope of this audit was limited to a review of the ERM division of the Office of the City Clerk. The audit did not include a review of the records management practices of individual city departments. The scope of our work on internal controls was limited to the controls within the context of the audit objectives and the scope of the audit. Testing samples were judgmentally selected from transactions during calendar year 2017. The last fieldwork date of this audit was March 7, 2018.

Our audit methodology included:

- Review of applicable policies and procedures
- Interviews with ERM division staff and other city employees
- Review of various data, documents, and reports

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.

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

Determine whether existing policies and procedures reflect current operations and are adequate.

- The ERM division has not developed formalized internal operating procedures. (Finding #1)
- The ERM division has documented some city-wide policies and procedures related to records management; however, they do not address all aspects of the ERM function. Additionally, certain procedures do not reflect current practices. (Finding #2)
- No internal operating procedures exist outlining the detailed process to be followed by ARC employees in destroying records. In addition, current document destruction practices do not require a formal acknowledgment by the vendor of the records to be destroyed. (Finding #4)

Determine the adequacy of the quality assurance activities being performed by the Officer to verify department compliance with the city-wide record management policies and procedures.

- The ERM division has not developed internal operating procedures for monitoring city department compliance with the city-wide ERM policies and procedures. (Finding #1).
- The ERM division has not implemented a formalized, reoccurring training program for Delegates and city departments. (Finding #3)

Determine whether training is adequate for the records delegates.

- The ERM division has not developed a formalized training program designed to educate department directors, Delegates, and city employees on city-wide records management policies and procedures. (Finding #3)

Determine the adequacy of the procedures to keep the record retention schedules current.

- The ERM division has not developed internal procedures documenting how the city's record retention schedules are to be maintained. (Finding #1)
- The "Development of Record Retention Schedules" city-wide procedure does not reflect current practices. (Finding #2)

Determine if the record destruction process at the ARC is designed to ensure that only records scheduled for destruction are destroyed.

- ARC staff overseeing the destruction of records is not having the vendor performing the service formally acknowledge the scope of work to be completed prior to the start of the destruction. (Finding #4)

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Determine the adequacy of the process being followed to monitor the timeliness of public records requests.

- The ERM division has not developed formalized internal procedures documenting their process for monitoring and reporting on public record requests using GovQA. (Finding #1)
- The ERM division has not developed a city-wide procedure requiring all city departments that utilize GovQA to input all public records requests regardless of method used to make the request. (Finding #2)
- In testing the calculation being performed by the ERM division to determine whether a department's public records request response was in compliance with statute, we found an error in the methodology being used. (Finding #5)

Further information on these issues is contained in the sections below. While other issues were identified and discussed with management, they were deemed less significant for reporting purposes.

1. Incomplete Internal Records Management Procedures

Criteria

Documented internal procedures formally establish employee accountability, provide orientation and reference material for employees, and document the institutional knowledge of existing staff in case of employee turnover or extended absences.

Condition

While the Office of the City Clerk has created city-wide policies and various informational guides and reference materials related to the records management program, the ERM division lacks detailed internal operating procedures that clearly identify the roles and responsibilities of its staff in performing their duties. For example, the following procedures are needed:

- Procedures for monitoring compliance by departments with the city-wide ERM policies and procedures including the following areas:
 - Completion of record inventories
 - Review and updating of record retention schedules
 - Creation of department policies and procedures
- Procedures for ARC staff:
 - Receipt of records from departments
 - Storage of records in warehouse and vault
 - Retrieval of records from departments
 - Maintenance of ARC storage records within SIRE
 - Destruction of records
 - Periodic record inventories (see Finding #6)
 - Facility access reviews
- Procedures for reviewing and approving requests by city departments to implement an Electronic Records Management System
- Public record requests response monitoring and reporting procedures

Cause

- ERM division management has not documented internal policies and procedures for their employees.

Effect

- Lack of instructions for monitoring department compliance
- Lack of documentation on expectations of ERM division employees
- Lack of instructions in case of extended absence or turnover of employees
- Inadequate procedural documentation for management to make informed decisions

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Recommendations

- 1.1 ERM division management should document internal operating procedures for monitoring city department compliance with the city-wide ERM policies and procedures. At a minimum, the following areas should be addressed:
- Completion of record inventories
 - Review and updating of record retention schedules
 - Creation of department policies and procedures
- 1.2 ERM division management should document internal operating procedures for ARC staff. At a minimum, the following areas should be addressed:
- Receipt of records from departments
 - Storage of records in the warehouse and vault
 - Retrieval of records from departments
 - Maintenance of ARC storage records within SIRE
 - Destruction of records
 - Periodic records inventories (see Finding #6)
 - Facility access reviews
- 1.3 ERM division management should document internal operating procedures for reviewing and approving requests by city departments to implement an Electronic Records Management System.
- 1.4 ERM division management should document internal operating procedures for monitoring and reporting on public records requests.

2. Incomplete City-Wide Records Management Policies and Procedures

Criteria

An organization's records management program should be supported by detailed policies and procedures that establish standards and clearly outline processes and the roles and responsibilities of employees.

Condition

The Office of the City Clerk has issued the following city-wide policies and procedures:

- Electronic Records (CL002) – Last updated 12/03/08
- Destruction of Public Records (ROP CL201) – Last updated 3/31/09
- Development of Record Retention Schedules (ROP CL203) – Last updated 3/31/09
- Archive and Records Center Storage Policy/Procedure (CL003) – Last updated 12/04/17

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In addition, the ERM division has developed or made available various informational guides and reference materials related to the records management program to assist city departments.

The existing city-wide records management policies and procedures do not adequately address the following areas:

- Use of GovQA by city employees in departments that utilize the software to process public records requests

While the Office of the City Clerk created and released the “Archive and Records Center Storage Policy/Procedure (CL003) during the audit, other Office of the City Clerk city-wide policies and procedures have not been updated since 2008 and 2009. The “Development of Records Retention Schedules” procedure refers to a Records Management Committee that has not existed since 2011.

Cause

- ERM division management has not recently reviewed and updated all ERM city-wide policies and procedures.
- ERM division management has not addressed all areas of the ERM function in their city-wide policies and procedures.

Effect

- Lack of guidance on current ERM processes to be followed by departments
- Lack of clarity on the process to be followed by departments that utilize GovQA in recording public record requests in the software

Recommendations

- 2.1 ERM division management should evaluate the accuracy and completeness of the existing city-wide ERM policies and procedures and update them as needed.
- 2.2 ERM division management should update the city-wide policies and procedures to include the proper use of GovQA by city employees in departments that utilize the software to process public records requests.

3. Lack of a Formalized Records Management Training Program

Criteria

An effective records management program includes training on an ongoing basis for an organization’s employees, both those formally involved in the records management program as well as all other employees.

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Section 2.60.020(A) of the Las Vegas Municipal Code states that the City Clerk will “establish guidelines and procedures for making an inventory of and retaining the public records of the City in accordance with approved record retention schedules.” The Office of City Clerk’s FY 2016-2017 Strategic Business Plan states that the ERM division administers the city records management training program.

Condition

Each city department has one or more employees that have been designated as Records Management Delegates. These employees are tasked to work with their department director to ensure their department is in compliance with the city’s records management program and their respective document retention schedules.

The previous Officer’s approach to training the Delegates was informal and on an as needed basis. While various reference documents exist, no formalized, reoccurring training program has been developed for the Delegates and city departments. In addition, there is no formalized approach to reviewing the performance of the Delegates.

Cause

- ERM division management has not developed a formalized records management training program.

Effect

- Lack of formalized training for departments on their record management responsibilities and completion of the annual records review
- Lack of consistent instruction on records management
- Lack of assurance that Delegates are adequately trained and meeting the expectations of ERM division management

Recommendations

- 3.1 ERM division management should develop and implement a formalized ERM training program for at a minimum the Delegates. These delegates should be required to sign a document confirming their receipt of training and understanding of applicable policies and procedures. The training program should at a minimum:
 - Outline the responsibilities for managing departmental records
 - Reinforce city-wide ERM policies and procedures
 - Support the departments in their completion of the annual records management review
- 3.2 ERM division management should evaluate how to regularly communicate records management program information to not only the Delegates, but also to all city employees.

4. Inadequate Review of Records to Be Destroyed

Criteria

An organization's records management program must include management controls that ensure only records approved for destruction are destroyed.

Condition

The ARC utilizes an outside vendor to destroy stored records whose retention period has passed and for which approval has been obtained from the respective department(s). An ARC employee is required to observe the destruction of the records by the outside vendor. While this employee identifies the boxes to be destroyed for the vendor and observes the destruction, there is no documentation provided to the vendor outlining what is to be destroyed and no acknowledgment by the vendor of receipt of this information.

While an ARC employee reviews the accuracy of the amounts charged on the invoices from the outside vendors against records on what was destroyed by the vendor, this process is not documented in an internal procedure.

The Records Operating Procedure CL-201 "Destruction of Public Records" only provides general guidelines for destroying records. It states that the ERM division "destroys records in an appropriate manner." No internal operating procedures exist outlining the detailed process to be followed by ARC employees in destroying records.

Cause

- Records destruction vendor is not required to formally acknowledge scope of work to be performed as outlined by ARC employee.
- ERM management has not developed internal procedures for ARC employees for destroying records and for reviewing and processing vendor invoices.

Effect

- Failing to verify that the vendor is aware of the records scheduled to be destroyed could result in either the accidental destruction of unscheduled records or failure to destroy records scheduled for destruction.
- Potential for inaccurate charges by outside vendor without detection

Recommendation

- 4.1 ERM division management should document and implement record destruction procedures to be followed by ARC staff. These procedures should include:

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- Requirement that ARC staff provide the records destruction vendor with documentation outlining what is to be destroyed and to obtain acknowledgment from the vendor of their receipt of this information
- Vendor invoice review procedures

5. Incorrect Methodology Used with Response Measurement

Criteria

City-wide policy/procedure CM920 (as well as NRS 239.0107) requires that “public records requests must be responded to no later than the end of the fifth business day after the date on which the request is received by the custodian of record.” In the initial response, the city can either complete the request, notify the requester when it will be completed, notify the person that the city does not have the record, or deny the request.

Condition

The ERM division works with departments to ensure they are complying with requirements related to public records requests. Public records requests made to the city can be completed in-person, by email, via the phone, or online using software known as GovQA. Requests received by city departments outside of GovQA are to be input into GovQA for tracking purposes and to allow for monitoring compliance with the requirement in NRS that the city respond to requests “not later than the end of the fifth business day.” A monthly report is run from the GovQA system and utilized by the ERM division to identify responses out of compliance with this requirement. The results are posted to the city’s website. This is a key performance indicator for the Office of the City Clerk.

In testing the calculation being performed by the ERM division to determine whether a department’s public records response request was in compliance with statute, we found an error in the methodology being used. A public records request responded to within 60 business hours was considered to be in compliance rather than 52.5 business hours (5 days at 10.5 hours per day) which corresponds to the city’s standard work day hours and the parameters established within the GovQA system.

Cause

- Error in methodology being used to determine whether the response to a public records response was in compliance with statute

Effect

- Inaccurate measurement of the city’s compliance with the public records request response requirements

Recommendations

- 5.1 ERM division management should change their methodology for measuring city department compliance with the public records response statute by utilizing 52.5 business hours rather than 60 business hours.
- 5.2 ERM division management should document the system configuration and change management process for GovQA.

6. Lack of Periodic Records Inventory Procedures at ARC

Criteria

Periodic reconciliations of inventory records to actual inventory being held helps maintain the accuracy of the inventory records.

Condition

According to the Archive and Records Center Storage Policy/Procedure (CL-003), records sent to the ARC become the custody of the ERM division. Information on these records (i.e., type of records, destruction date, and storage location within the ARC) are retained in a records database known as SIRE. No procedures are currently completed by ARC staff to verify the accuracy of the information maintained within SIRE or the continued existence of the records being stored at the ARC.

Cause

- Lack of a process to periodically reconcile information within the records database with the records being stored at the ARC

Effect

- Potential for errors within the records database and/or missing records

Recommendation

- 6.1 ERM division management should document and implement procedures requiring ARC staff to periodically complete an inventory of a sample of records being stored at the ARC. Information on boxes within the warehouse should be compared to the information within the records database.

MANAGEMENT RESPONSES

1. Incomplete Internal Records Management Procedures

1.1 ERM division management should document internal operating procedures for monitoring city department compliance with the city-wide ERM policies and procedures. At a minimum, the following areas should be addressed:

- Completion of record inventories
- Review and updating of record retention schedules
- Creation of department policies and procedures

Management Action Plan: Yes, we acknowledge and we will develop and document procedures for monitoring city department compliance with the citywide ERM policies and procedures.

Estimated Date of Completion: December 31, 2018

1.2 ERM division management should document internal operating procedures for ARC staff. At a minimum, the following areas should be addressed:

- Receipt of records from departments
- Storage of records in the warehouse and vault
- Retrieval of records from departments
- Maintenance of ARC storage records within SIRE
- Destruction of records
- Periodic records inventories (see Finding #6)
- Facility access reviews

Management Action Plan: Yes, we acknowledge. We will develop and document accordingly.

Estimated Date of Completion: June 30, 2019

1.3 ERM division management should document internal operating procedures for reviewing and approving requests by city departments to implement an Electronic Records Management System.

Management Action Plan: Yes, we acknowledge. We will develop procedures for reviewing and approving requests for implementing an ERMS.

Estimated Date of Completion: December 31, 2018

1.4 ERM division management should document internal operating procedures for monitoring and reporting on public records requests.

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Management Action Plan: Yes, we acknowledge. We will develop procedures for monitoring and reporting on public records requests.

Estimated Date of Completion: December 31, 2018

2. Incomplete City-Wide Records Management Policies and Procedures

2.1 ERM division management should evaluate the accuracy and completeness of the existing city-wide ERM policies and procedures and update them as needed.

Management Action Plan: Yes, we acknowledge. We will review the existing city-wide ERM policies and procedures and update them as needed. Subsequently, an annual review during the December timeframe will be performed regarding the accuracy and completeness of the policies and procedures. If there are deficiencies found, a plan will be developed to address these deficiencies within the next 6 months after they have been identified.

Estimated Date of Completion: December 31, 2018

2.2 ERM division management should update the city-wide policies and procedures to include the proper use of GovQA by city employees in departments that utilize the software to process public records requests.

Management Action Plan: We acknowledge and will document proper procedures on using GovQA to process public records requests.

Estimated Date of Completion: December 31, 2018

3. Lack of a Formalized Records Management Training Program

3.1 ERM division management should develop and implement a formalized ERM training program for at a minimum the Delegates. These delegates should be required to sign a document confirming their receipt of training and understanding of applicable policies and procedures. The training program should at a minimum:

- Outline the responsibilities for managing departmental records
- Reinforce city-wide ERM policies and procedures
- Support the departments in their completion of the annual records management review

Management Action Plan: Yes, we acknowledge. We will develop an onsite class and offer quarterly refreshers.

Estimated Date of Completion: December 31, 2018

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3.2 ERM division management should evaluate how to regularly communicate records management program information to not only the Delegates, but also to all city employees.

Management Action Plan: Coordinate with HR to supply material for new employee orientation. Establish online communication as a refresher.

Estimated Date of Completion: December 31, 2018

4. Inadequate Review of Records to Be Destroyed

4.1 ERM division management should document and implement record destruction procedures to be followed by ARC staff. These procedures should include:

- Requirement that ARC staff provide the records destruction vendor with documentation outlining what is to be destroyed and to obtain acknowledgment from the vendor of their receipt of this information
- Vendor invoice review procedures

Management Action Plan: Yes, we acknowledge. We will document, educate staff and implement procedures.

Estimated Date of Completion: December 31, 2018

5. Incorrect Methodology Used with Response Measurement

5.1 ERM division management should change their methodology for measuring city department compliance with the public records response statute by utilizing 52.5 business hours rather than 60 business hours.

Management Action Plan: This has been completed.

Estimated Date of Completion: Complete

5.2 ERM division management should document the system configuration and change management process for GovQA.

Management Action Plan: Yes, we acknowledge. We will document and educate staff.

Estimated Date of Completion: December 31, 2018

6. Lack of Periodic Records Inventory Procedures at ARC

- 6.1 ERM division management should document and implement procedures requiring ARC staff to periodically complete an inventory of a sample of records being stored at the ARC. Information on boxes within the warehouse should be compared to the information within the records database.

Management Action Plan: Yes, we acknowledge. We will document, educate staff and implement procedures.

Estimated Date of Completion: December 31, 2018