

**CITY AUDITOR'S OFFICE**



**ANNUAL AUDIT RECOMMENDATION  
FOLLOW-UP AS OF JUNE 30, 2011**

**Report No. CAO 2600-1112-02**

**October 25, 2011**

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

**CITY AUDITOR**

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**Annual Audit Recommendation Follow-Up  
As Of June 30, 2011  
Report No. CAO 2600-1112-02  
October 25, 2011**

**BACKGROUND**





The City Auditor's Office has provided 1,281 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, 2011.

**OBJECTIVES**

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

**SCOPE AND METHODOLOGY**

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

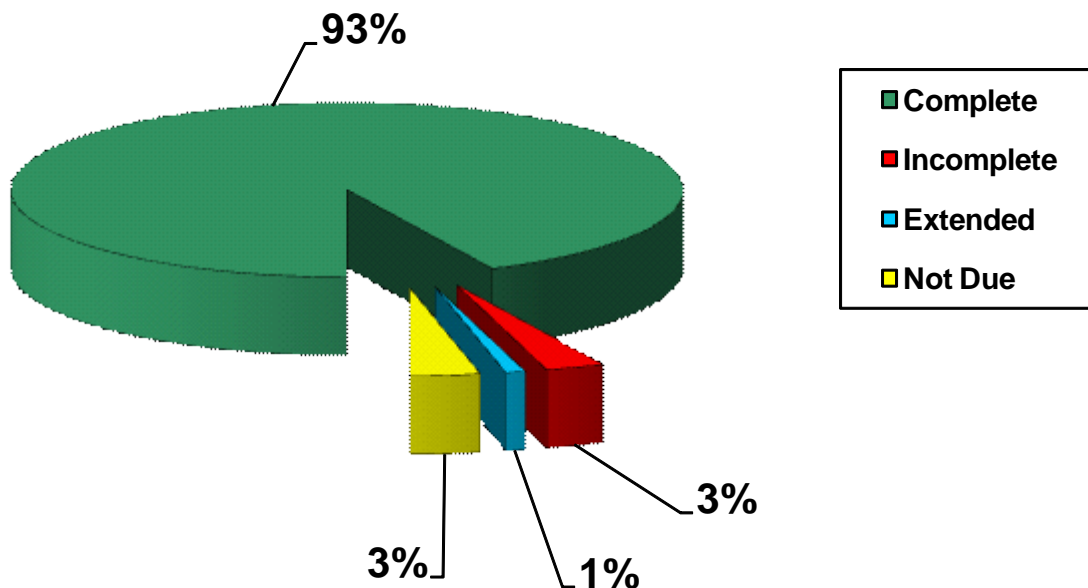
-  Complete      The recommendation has been implemented, some other action has been taken to effectively correct the deficiency, or other circumstances warrants a status of completion.
-  Incomplete      The recommendation has not been implemented.
-  Extended      The recommendation has not been implemented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

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

**CONCLUSION**

The accompanying chart and tables (pages 2 and 3) summarize the status of the audit recommendations. Following the chart, each audit recommendation is classified as Incomplete, Extended, or Not Due and listed by department. The Management Action Plan response was obtained from the original audit report. While city management has made progress toward the implementation of the audit recommendations contained in the various reports, additional efforts should be made in finalizing incomplete and extended recommendations.

## Recommendations Summary January 1999 - June 2011



	<b>COMPLETE</b>	<b>INCOMPLETE</b>	<b>EXTENDED</b>	<b>NOT DUE</b>	<b>TOTAL</b>
	<b>1,190</b>	<b>36</b>	<b>12</b>	<b>43</b>	<b>1,281</b>
<b>2010-2011</b>	10	27	0	43	<b>80</b>
<b>2009-2010</b>	68	4	4	0	<b>76</b>
<b>2008-2009</b>	69	4	0	0	<b>73</b>
<b>2007-2008</b>	46	0	2	0	<b>48</b>
<b>2006-2007</b>	61	1	0	0	<b>62</b>
<b>2005-2006</b>	69	0	2	0	<b>71</b>
<b>2004-2005</b>	72	0	2	0	<b>74</b>
<b>2003-2004</b>	39	0	0	0	<b>39</b>
<b>2002-2003</b>	88	0	0	0	<b>88</b>
<b>2001-2002</b>	156	0	2	0	<b>158</b>
<b>2000-2001</b>	113	0	0	0	<b>113</b>
<b>1999-2000</b>	399	0	0	0	<b>399</b>

## Incomplete Recommendations Summary

DEPARTMENT	Fiscal Year				TOTAL
	2006 - 2007	2008 - 2009	2009 - 2010	2010 - 2011	
Finance	1	--	--	--	1
Municipal Court	--	--	4	--	4
Operations and Maintenance	--	4	--	16	20
Parks, Recreation, and Neighborhood Services	--	--	--	11	11
<b>TOTAL</b>	1	4	4	27	36

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*Status Page*

***Building and Safety***

**Audit of Building and Safety**

<b>1</b>	<b>0753 0708 01 03.</b>	Hansen Expired Permit Fee Assessment	Extended	11
<b>2</b>	<b>0753 0708 01 06.</b>	Performance Reports	Extended	11

**Audit of Neighborhood Services Rapid Response Team**

<b>3</b>	<b>1802 0910 03 07.</b>	Account Receivables	Extended	12
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***Finance***

**Audit of Wastewater Pollution Control Facility and Sewer Services**

<b>4</b>	<b>1501 0102 02 B. 04. 01.</b>	Performance Reports	Extended	13
<b>5</b>	<b>1501 0102 02 B. 04. 02.</b>	Performance Reports	Extended	13

**Audit of Financial Services Grant Fiscal Administration**

<b>6</b>	<b>0601 0607 06 01.</b>	Allocation of Indirect Costs for Federal Grants	Incomplete	14
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***Fire and Rescue***

**Audit of The Metropolitan Medical Response System Grant Program**

<b>7</b>	<b>2010 1011 06 01.</b>	Pharmaceutical and Equipment Management	Not Due	15
<b>8</b>	<b>2010 1011 06 02.</b>	Reconciliation of Pharmaceutical and Equipment Purchases	Not Due	15
<b>9</b>	<b>2010 1011 06 03.</b>	Exercise Management	Not Due	16
<b>10</b>	<b>2010 1011 06 04.</b>	Award Adjustments	Not Due	16
<b>11</b>	<b>2010 1011 06 05.</b>	Costs Requiring Prior Approval	Not Due	17
<b>12</b>	<b>2010 1011 06 06.</b>	Employee Certification	Not Due	17
<b>13</b>	<b>2010 1011 06 07.</b>	Quarterly Progress Reports	Not Due	18
<b>14</b>	<b>2010 1011 06 08.</b>	Record Retention Requirements	Not Due	18

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**Information Technologies**

**Audit of Controls Over City Utility Payments And Costs**

15	2001 0405 03 01. 02.	Utility Usage Monitoring	Extended	19
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**Municipal Court**

**Procedures Performed -- Minimum Accounting Standards Checklist For Nevada Courts**

16	1103 0910 09 01. 01.	Areas of Non-Compliance With MAS	Incomplete	20
17	1103 0910 09 01. 02.	Areas of Non-Compliance With MAS	Extended	20
18	1103 0910 09 01. 03.	Areas of Non-Compliance With MAS	Incomplete	21
19	1103 0910 09 01. 05.	Areas of Non-Compliance With MAS	Incomplete	21
20	1103 0910 09 01. 07.	Areas of Non-Compliance With MAS	Extended	22
21	1103 0910 09 01. 09.	Areas of Non-Compliance With MAS	Incomplete	22
22	1103 0910 09 02.	MAS Policy and Procedures	Extended	23

**Operations and Maintenance**

**Audit of Durango Hills Golf Course Management Contract**

23	1701 0405 05 07. 01.	Property Tax	Extended	24
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**Audit of City Vehicle Replacement Program**

24	1702 0506 02 02. 01.	Projected Vehicle Useful Lives	Extended	24
25	1702 0506 02 02. 02.	Projected Vehicle Useful Lives	Extended	25

**Audit of Sanitary Sewer System**

26	1703 0809 01 02.	Spill Reporting Requirements	Incomplete	26
27	1703 0809 01 03.	Clark County Permits	Incomplete	27
28	1703 0809 01 08.	Performance Measurements	Incomplete	28
29	1703 0809 01 10.	Standard Operating Procedures	Incomplete	29

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***Operations and Maintenance***

**Audit of Field Operations -- Fueling Access and Monitoring**

30	1705 1011 02 01. 01.	Fuel Transaction Monitoring	Incomplete	30
31	1705 1011 02 01. 02.	Fuel Transaction Monitoring	Incomplete	30
32	1705 1011 02 01. 03.	Fuel Transaction Monitoring	Incomplete	31
33	1705 1011 02 02. 01.	Compressed Natural Gas Card Oversight	Incomplete	31
34	1705 1011 02 02. 02.	Compressed Natural Gas Card Oversight	Incomplete	32
35	1705 1011 02 02. 03.	Compressed Natural Gas Card Oversight	Incomplete	32
36	1705 1011 02 02. 04.	Compressed Natural Gas Card Oversight	Incomplete	32
37	1705 1011 02 03. 01.	Fueling of Bi-Fuel Vehicles	Incomplete	33
38	1705 1011 02 03. 02.	Fueling of Bi-Fuel Vehicles	Incomplete	33
39	1705 1011 02 05. 01.	Account Coding Updates to Fuel System	Incomplete	34
40	1705 1011 02 06. 01.	Key Fob Use and Oversight	Incomplete	34
41	1705 1011 02 06. 02.	Key Fob Use and Oversight	Incomplete	35
42	1705 1011 02 06. 03.	Key Fob Use and Oversight	Incomplete	35
43	1705 1011 02 07. 01.	Fueling Operations Policies and Procedures	Incomplete	36
44	1705 1011 02 08. 01.	Standard Operating Procedures	Incomplete	36

**Audit of East Service Center Employee Fuel Theft**

45	2901 1011 04 01. 01.	Security over Fuel in Vehicles Being Serviced	Incomplete	37
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***Parks, Recreation, and Neighborhood Services***

**Audit of Leisure Services -- Sport Fields Administration**

46	1603 1011 03 01. 01.	Limited Assurance Fees were Always Collected	Incomplete	38
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***Parks, Recreation, and Neighborhood Services***

**Audit of Leisure Services -- Sport Fields Administration**

47	1603 1011 03 02.	01.	Segregation of Duties Deficiencies	Not Due	39
48	1603 1011 03 03.	01.	Proper Authorization of Transactions	Incomplete	40
49	1603 1011 03 03.	03.	Proper Authorization of Transactions	Incomplete	40
50	1603 1011 03 04.	01.	CLASS Data Input Inconsistencies	Not Due	41
51	1603 1011 03 05.	01.	Inequities in the Allocation of City Sport Fields	Not Due	42
52	1603 1011 03 06.	01.	Lighting of Sport Fields	Not Due	43
53	1603 1011 03 06.	02.	Lighting of Sport Fields	Incomplete	43
54	1603 1011 03 06.	03.	Lighting of Sport Fields	Incomplete	44
55	1603 1011 03 06.	04.	Lighting of Sport Fields	Not Due	45
56	1603 1011 03 07.	01.	City Sponsored Leagues Liability Waivers	Incomplete	46
57	1603 1011 03 08.	01.	Liability Waiver Retention Policy	Incomplete	46
58	1603 1011 03 09.	01.	League and Tournament User Group Liability Waivers	Incomplete	47
59	1603 1011 03 10.	01.	Certificates of General Liability Insurance	Incomplete	47
60	1603 1011 03 11.	01.	Security Requirements	Incomplete	48
61	1603 1011 03 12.	01.	Concession Permits	Not Due	48
62	1603 1011 03 13.	01.	Non-Profit Status	Incomplete	49

***Public Works***

**Audit of Public Works - Traffic Engineering Field Operations  
Inventory Management and Damage/Loss Reporting**

63	1503 1011 07 01.	01.	Inventory Management	Not Due	50
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***Public Works***

**Audit of Public Works - Traffic Engineering Field Operations  
Inventory Management and Damage/Loss Reporting**

<b>64</b>	<b>1503 1011 07 01. 02.</b>	Inventory Management	Not Due	50
<b>65</b>	<b>1503 1011 07 01. 03.</b>	Inventory Management	Not Due	51
<b>66</b>	<b>1503 1011 07 01. 04.</b>	Inventory Management	Not Due	52
<b>67</b>	<b>1503 1011 07 02. 01.</b>	Annual Physical Inventory Counts	Not Due	52
<b>68</b>	<b>1503 1011 07 02. 02.</b>	Annual Physical Inventory Counts	Not Due	53
<b>69</b>	<b>1503 1011 07 02. 03.</b>	Annual Physical Inventory Counts	Not Due	53
<b>70</b>	<b>1503 1011 07 02. 04.</b>	Annual Physical Inventory Counts	Not Due	54
<b>71</b>	<b>1503 1011 07 02. 05.</b>	Annual Physical Inventory Counts	Not Due	54
<b>72</b>	<b>1503 1011 07 03. 01.</b>	Inventory Storage	Not Due	55
<b>73</b>	<b>1503 1011 07 03. 02.</b>	Inventory Storage	Not Due	55
<b>74</b>	<b>1503 1011 07 03. 03.</b>	Inventory Storage	Not Due	56
<b>75</b>	<b>1503 1011 07 04. 01.</b>	Inventory Security	Not Due	56
<b>76</b>	<b>1503 1011 07 04. 02.</b>	Inventory Security	Not Due	57
<b>77</b>	<b>1503 1011 07 04. 03.</b>	Inventory Security	Not Due	57
<b>78</b>	<b>1503 1011 07 04. 04.</b>	Inventory Security	Not Due	58
<b>79</b>	<b>1503 1011 07 05. 01.</b>	Safeguarding Of Tools and Equipment	Not Due	58
<b>80</b>	<b>1503 1011 07 05. 02.</b>	Safeguarding Of Tools and Equipment	Not Due	59
<b>81</b>	<b>1503 1011 07 05. 03.</b>	Safeguarding Of Tools and Equipment	Not Due	60
<b>82</b>	<b>1503 1011 07 05. 04.</b>	Safeguarding Of Tools and Equipment	Not Due	61

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**Public Works**

**Audit of Public Works - Traffic Engineering Field Operations  
 Inventory Management and Damage/Loss Reporting**

<b>83</b>	<b>1503 1011 07 06. 01.</b>	Damage and Loss Reporting	Not Due	61
<b>84</b>	<b>1503 1011 07 06. 02.</b>	Damage and Loss Reporting	Not Due	62
<b>85</b>	<b>1503 1011 07 06. 03.</b>	Damage and Loss Reporting	Not Due	62
<b>86</b>	<b>1503 1011 07 06. 04.</b>	Damage and Loss Reporting	Not Due	63
<b>87</b>	<b>1503 1011 07 06. 05.</b>	Damage and Loss Reporting	Not Due	63
<b>88</b>	<b>1503 1011 07 06. 06.</b>	Damage and Loss Reporting	Not Due	64
<b>89</b>	<b>1503 1011 07 06. 07.</b>	Damage and Loss Reporting	Not Due	64
<b>90</b>	<b>1503 1011 07 07. 01.</b>	Damage and Loss Reporting	Not Due	65
<b>91</b>	<b>1503 1011 07 07. 02</b>	Damage and Loss Reporting	Not Due	65

**FOLLOW-UP DETAIL:  
AUDIT  
RECOMMENDATIONS  
BY  
DEPARTMENT**



## ***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

**Incomplete: Not implemented.**

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

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



***Finance***

- 6 0601 0607 06 Audit of Financial Services Grant Fiscal Administration  
01. Allocation of Indirect Costs for Federal Grants Due Date: 07/01/2008 Incomplete

**Recommendation:**

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

**Management Action Plan:**

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

**Estimated Date of Completion:**

Implementation in fiscal year 2008

Auditor: N. Beaty

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

## **Fire and Rescue**

- 7    2010 1011 06    **Audit of The Metropolitan Medical Response System Grant Program**  
**01.                    Pharmaceutical and Equipment Management    Due Date: 01/01/2012    Not Due**

### **Recommendation:**

The MMRS coordinator should establish, document, and implement an inventory management plan. This plan should include:

- Compliance with 44 CFR Part 13.32 Equipment standards.
- Policies and procedures to mark equipment purchased with Federal grant funds.
- Policies and procedures to minimize large periodic variations in supplies due to coinciding purchases and expiration dates.

### **Management Action Plan:**

Accept and implement recommendations.

Auditor: N. Beaty

## **Fire and Rescue**

- 8    2010 1011 06    **Audit of The Metropolitan Medical Response System Grant Program**  
**02.                    Reconciliation of Pharmaceutical and                    Due Date: 01/01/2012    Not Due**  
**Equipment Purchases**

### **Recommendation:**

The MMRS coordinator should establish, document, and implement an inventory management control system that includes the following procedures:

- Confirm the receipt of pharmaceuticals and equipment purchases to invoices and purchases orders.
- Add the purchases to physical inventory records that include the categories listed in 44 CFR Part 13.32 (d)(1).
- Review the quarterly financial reports to ensure that the grant reimbursements agree with the actual purchases. Follow-up on any discrepancies accordingly.
- Update the physical inventory records for any status changes.

### **Management Action Plan:**

Accept and implement recommendations.

Auditor: N. Beaty

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

### ***Fire and Rescue***

9	2010 1011 06	Audit of The Metropolitan Medical Response System Grant Program		
	03.	Exercise Management	Due Date: 01/01/2012	Not Due

#### **Recommendation:**

The MMRS coordinator should establish, document, and implement policies and procedures to ensure that:

- All exercises are pre-approved by Nevada Department of Public Safety Division of Emergency Management Exercise Officer (EO).
- All exercises are coordinated with the EO to ensure that the exercises are conducted in accordance with appropriate guidelines.
- After Action Report/Improvement Plans (AAR/IP) are submitted within 60 days to the EO with a copy provided to the Grants & Project Analyst.

#### **Management Action Plan:**

Accept and implement recommendations.

Auditor: N. Beaty

### ***Fire and Rescue***

10	2010 1011 06	Audit of The Metropolitan Medical Response System Grant Program		
	04.	Award Adjustments	Due Date: 01/01/2012	Not Due

#### **Recommendation:**

The MMRS coordinator should establish, document, and implement policies and procedures to ensure that:

- Written requests or notifications are completed and retained to notify the Nevada Department of Public Safety Division of Emergency Management of grant award adjustments.
- When received, written approvals for grant award adjustments are retained.

#### **Management Action Plan:**

Accept and implement recommendations.

Auditor: N. Beaty

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

### ***Fire and Rescue***

- 11    2010 1011 06    Audit of The Metropolitan Medical Response System Grant Program  
05.                    Costs Requiring Prior Approval                    Due Date: 01/01/2012    Not Due
- 

#### **Recommendation:**

The MMRS coordinator should establish, document, and implement policies and procedures to ensure that prior approval is obtained before the MMRS coordinator prepares subsequent MMRS grant proposals and modifies existing awards. For future grant proposals, consideration should be given to adding these job responsibilities to MMRS coordinator job description in the Investment Justification.

#### **Management Action Plan:**

Accept and implement recommendations.

Auditor: N. Beaty

### ***Fire and Rescue***

- 12    2010 1011 06    Audit of The Metropolitan Medical Response System Grant Program  
06.                    Employee Certification                    Due Date: 01/01/2012    Not Due
- 

#### **Recommendation:**

Fire and Rescue management should establish, document, and implement policies and procedures to ensure compliance with 2 CFR Part 225. Periodic certifications should be submitted to the Nevada Department of Public Safety Division of Emergency Management that state the MMRS coordinator worked solely on the MMRS grant. The certifications should be signed by an official who has firsthand knowledge of the work performed by the MMRS coordinator.

#### **Management Action Plan:**

Accept and implement recommendations.

Auditor: N. Beaty

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

### ***Fire and Rescue***

13	2010 1011 06	Audit of The Metropolitan Medical Response System Grant Program		
	07.	Quarterly Progress Reports	Due Date: 01/01/2012	Not Due

#### **Recommendation:**

The MMRS coordinator should establish, document, and implement standardized policies and procedures to ensure:

- Timely submittal of quarterly reports.
- Documentation is maintained to confirm the timely submittal of the required reports.
- Continuity of the timely submittal of the quarterly progress reports when a change in the MMRS coordinator position occurs.

#### **Management Action Plan:**

Accept and implement recommendations.

Auditor: N. Beaty

### ***Fire and Rescue***

14	2010 1011 06	Audit of The Metropolitan Medical Response System Grant Program		
	08.	Record Retention Requirements	Due Date: 01/01/2012	Not Due

#### **Recommendation:**

The MMRS coordinator should:

- Determine what documents should be retained to support the MMRS grant program.
- Designate a centralized location to systematically store applicable documents related to the MMRS grant program.
- Implement a retention schedule for all applicable documents.
- Ensure continuity of documents when a change in the MMRS coordinator position occurs.
- Establish, document, and implement written policies and procedures for the retention of required documents.

#### **Management Action Plan:**

Accept and implement recommendations.

Auditor: N. Beaty

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

## **Information Technologies**

15 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.**

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

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

### ***Municipal Court***

- 16 1103 0910 09 Procedures Performed -- Minimum Accounting Standards Checklist For Nevada Courts

01. 01. 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.

Written Policy and Procedure Deficiencies (#2j p. 16, #129a, b, and c p. 64)

#### **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***

- 17 1103 0910 09 Procedures Performed -- Minimum Accounting Standards Checklist For Nevada Courts

01. 02. 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.

Documentation on Distribution of Policies and Procedures to Court Employees (#3 p.17, #68 p. 38, #101 p. 54, #130 p. 65)

#### **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.

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

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

### *Municipal Court*

- 18 1103 0910 09 Procedures Performed -- Minimum Accounting Standards Checklist For Nevada Courts

01. 03. 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.

Limitations on Amount of Cash in Cash Drawers (#18c, p. 21)

#### **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*

- 19 1103 0910 09 Procedures Performed -- Minimum Accounting Standards Checklist For Nevada Courts

01. 05. 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.

Implementation of Procedures to Comply with IRS Reporting Requirements (#29, p. 23)

#### **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.

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

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

### *Municipal Court*

20 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*

21 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.

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

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

## ***Municipal Court***

22 1103 0910 09 Procedures Performed -- Minimum Accounting Standards Checklist For Nevada Courts

02. MAS Policy and Procedures Due Date: 12/01/2010 Extended

### **Recommendation:**

**Court Management should review and update the MAS System of Internal Controls document.**

### **Management Action Plan:**

Our Management Action Plan is to begin a five-stage review of all policies and procedures upon the implementation of the new case management system (CMOR). The initial stage of the review is to identify and correct programming issues that may arise. The second stage of the review is to ensure all reports are created and have been validated for accuracy. The third stage is to develop procedures that are compliant with MAS Checklist standards and City Policy. The fourth stage of the review is to document the policies and procedures and obtain Court approval. The final stage of the review is to issue the policies and procedures to Court personnel.

**Auditor: B. Smith**

**Incomplete: Not implemented.**

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

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

### *Operations and Maintenance*

23 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*

24 1702 0506 02 Audit of City Vehicle Replacement Program

02. 01. Projected Vehicle Useful Lives Due Date: 06/01/2006 Extended

#### **Recommendation:**

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

#### **Management Action Plan:**

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

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

Auditor: B. Smith

Incomplete: Not implemented.

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

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

## *Operations and Maintenance*

25 1702 0506 02 Audit of City Vehicle Replacement Program

02. 02. Projected Vehicle Useful Lives Due Date: 01/03/2006 Extended

### **Recommendation:**

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

### **Management Action Plan:**

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

Timetable: January 3, 2006

Auditor: B. Smith

Incomplete: Not implemented.

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

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

## *Operations and Maintenance*

26 1703 0809 01 Audit of Sanitary Sewer System

02. Spill Reporting Requirements Due Date: 09/15/2008 Incomplete

### **Recommendation:**

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

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

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

### **Management Action Plan:**

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

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

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

Auditor: B. Smith

Incomplete: Not implemented.

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

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

## *Operations and Maintenance*

27 1703 0809 01 Audit of Sanitary Sewer System

03. Clark County Permits

Due Date: 03/01/2009 Incomplete

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

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

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

Auditor: B. Smith

**Incomplete:** Not implemented.

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

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

## *Operations and Maintenance*

28 1703 0809 01 Audit of Sanitary Sewer System

08. Performance Measurements Due Date: 05/01/2009 Incomplete

### **Recommendation:**

#### **Sewer Maintenance management should:**

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

### **Management Action Plan:**

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

Auditor: B. Smith

**Incomplete:** Not implemented.

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

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

## ***Operations and Maintenance***

29 1703 0809 01 Audit of Sanitary Sewer System

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.

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

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

### *Operations and Maintenance*

30 1705 1011 02 Audit of Field Operations -- Fueling Access and Monitoring

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

#### **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*

31 1705 1011 02 Audit of Field Operations -- Fueling Access and Monitoring

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

#### **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.

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

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

### *Operations and Maintenance*

32 1705 1011 02 Audit of Field Operations -- Fueling Access and Monitoring

01. 03. Fuel Transaction Monitoring Due Date: 04/01/2011 Incomplete

**Recommendation:**

Fleet Services management should begin tracking fuel tank capacities of vehicles for use in monitoring fueling transactions.

**Management Action Plan:**

In conjunction with 1.1 above, develop a process to list fuel tank capacities of all city owned vehicles and equipment.

Auditor: B. Smith

### *Operations and Maintenance*

33 1705 1011 02 Audit of Field Operations -- Fueling Access and Monitoring

02. 01. Compressed Natural Gas Card Oversight Due Date: 01/01/2011 Incomplete

**Recommendation:**

Fleet Services management should implement and document a more formalized process for ensuring all active CNG cards are placed in their assigned vehicles.

**Management Action Plan:**

Use the current sign-out sheet for city employees driving a CNG fueled vehicle as a cross-check for identifying CNG cards that have been turned in and destroyed. If still in use, insure they are easily accessible by placing them in the glove box with the accident report kit that is in each city owned vehicle. Confirm compliance and indicate such compliance on the work order each time the vehicle is brought in for scheduled service.

Auditor: B. Smith

Incomplete: Not implemented.

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

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

### *Operations and Maintenance*

- 34 1705 1011 02 Audit of Field Operations -- Fueling Access and Monitoring  
02. 02. Compressed Natural Gas Card Oversight Due Date: 01/01/2011 Incomplete

**Recommendation:**

Fleet Services management should implement and document procedures outlining actions to be taken with CNG cards upon disposal of a vehicle.

**Management Action Plan:**

Indicate on the work order generated when a vehicle is brought in for preparation for disposal, that the CNG card has been destroyed by Fleet Services staff.

Auditor: B. Smith

### *Operations and Maintenance*

- 35 1705 1011 02 Audit of Field Operations -- Fueling Access and Monitoring  
02. 03. Compressed Natural Gas Card Oversight Due Date: 01/01/2011 Incomplete

**Recommendation:**

Fleet Services management should begin tracking the deactivation and card destruction date on the CNG fuel card log and at a minimum complete an annual reconciliation of the CNG fuel card log to the CNG contractor's records.

**Management Action Plan:**

Same as 2.2 above. Track the specific deactivation date on the CNG fuel card log. Reconcile annually with the fuel billing report generated by the vendor Clean Energy.

Auditor: B. Smith

### *Operations and Maintenance*

- 36 1705 1011 02 Audit of Field Operations -- Fueling Access and Monitoring  
02. 04. Compressed Natural Gas Card Oversight Due Date: 01/01/2011 Incomplete

**Recommendation:**

Fleet Services management should destroy all deactivated cards and evaluate whether all ten spare CNG cards are necessary.

**Management Action Plan:**

In addition to 2.1 above, develop a CNG Card Deactivation Log that documents all inactive or returned CNG cards have been destroyed and document the date on the log.

Auditor: B. Smith

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

### *Operations and Maintenance*

- 37 1705 1011 02 Audit of Field Operations -- Fueling Access and Monitoring  
03. 01. Fueling of Bi-Fuel Vehicles Due Date: 02/15/2011 Incomplete

**Recommendation:**

Fleet Services management should document a policy for city employees outlining the expectations for use of CNG fuel in bi-fuel vehicles.

**Management Action Plan:**

Develop a written Policy & Procedure specifying CNG card “user handling and responsibilities” including that CNG fuel use should be the primary fuel of choice i.e. first used.

Auditor: B. Smith

### *Operations and Maintenance*

- 38 1705 1011 02 Audit of Field Operations -- Fueling Access and Monitoring  
03. 02. Fueling of Bi-Fuel Vehicles Due Date: 02/15/2011 Incomplete

**Recommendation:**

Fleet Services management should create a process in which CNG card activity is routinely analyzed for vehicles out of compliance with the established policy. Non-compliant employees should be identified and informed of their non-compliance.

**Management Action Plan:**

Audit and report compliance on monthly CNG fuel use reports. Notify by e-mail, the Department Director and/or his/her responsible managing designee, of staff non-compliance.

Auditor: B. Smith

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

### *Operations and Maintenance*

39 1705 1011 02 Audit of Field Operations -- Fueling Access and Monitoring

05. 01. Account Coding Updates to Fuel System Due Date: 11/01/2010 Incomplete

**Recommendation:**

Fleet Services management working with Finance should establish and document a formal process by which Fleet Services makes necessary accounting coding updates monthly to the fuel system based on feedback from Finance.

**Management Action Plan:**

Review with Finance and establish a notification process whereby Finance informs Fleet Services Manager when coding changes occur. In turn, the Manager or his designee will enter the new data upon receipt.

Auditor: B. Smith

### *Operations and Maintenance*

40 1705 1011 02 Audit of Field Operations -- Fueling Access and Monitoring

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

**Recommendation:**

Fleet Services management should document policies and procedures for city employees on the use and consequences of misuse or loss of key fobs.

**Management Action Plan:**

Develop a formal Policy & Procedure for the proper use of key fobs.

Auditor: B. Smith

**Incomplete:** Not implemented.

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

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

### *Operations and Maintenance*

- 41 1705 1011 02 Audit of Field Operations -- Fueling Access and Monitoring  
06. 02. Key Fob Use and Oversight Due Date: 01/01/2011 Incomplete

#### **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*

- 42 1705 1011 02 Audit of Field Operations -- Fueling Access and Monitoring  
06. 03. Key Fob Use and Oversight Due Date: 04/01/2011 Incomplete

#### **Recommendation:**

Fleet Services management should include key fob activity on detailed fueling transaction reports distributed to departments and ensure the reports clearly identify the key fob transactions.

#### **Management Action Plan:**

In conjunction with 1.1 above, key fob fueling transactions will be included and identified on the quarterly fueling reports to departments for review. Any key fobs with low or no activity will be deactivated.

Auditor: B. Smith

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

### *Operations and Maintenance*

43 1705 1011 02 Audit of Field Operations -- Fueling Access and Monitoring

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

#### **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

### *Operations and Maintenance*

44 1705 1011 02 Audit of Field Operations -- Fueling Access and Monitoring

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

#### **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.

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

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

## *Operations and Maintenance*

- 45 2901 1011 04 Audit of East Service Center Employee Fuel Theft  
01. 01. Security over Fuel in Vehicles Being Serviced Due Date: 04/01/2011 Incomplete

### **Recommendation:**

**Fleet Services should install appropriate security devices to prevent or minimize theft of fuel from City owned vehicles. This could include the installation of locking fuel caps and/or anti-siphoning devices in City vehicles.**

### **Management Action Plan:**

**The Department of Detention & Enforcement has been and will continue to conduct unannounced and random surveillance activities in the service bays. Additionally, Fleet Services supervisory staff routinely and randomly perform similar functions. Additionally, we will install “anti-fuel siphoning” theft devices on vehicles as they are brought in for their scheduled, routine preventive maintenance work.**

**Auditor: G. Phillips**

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

## *Parks, Recreation, and Neighborhood Services*

46	1603 1011 03	Audit of Leisure Services -- Sport Fields Administration		
01.	01.	Limited Assurance Fees were Always Collected	Due Date: 01/31/2011	Incomplete

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

## ***Parks, Recreation, and Neighborhood Services***

47 1603 1011 03 Audit of Leisure Services -- Sport Fields Administration

**02. 01. Segregation of Duties Deficiencies Due Date: 09/30/2011 Not Due**

### **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.**

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

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

***Parks, Recreation, and Neighborhood Services***

48 1603 1011 03 Audit of Leisure Services -- Sport Fields Administration

**03. 01. Proper Authorization of Transactions Due Date: 09/30/2010 Incomplete**

**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***

49 1603 1011 03 Audit of Leisure Services -- Sport Fields Administration

**03. 03. Proper Authorization of Transactions Due Date: 09/30/2010 Incomplete**

**Recommendation:**

Leisure Services management should determine which documentation to retain. At a minimum, team rosters, game cards, and schedules should be retained. Once determined, they should document and implement policies and procedures to include the retention of these documents for specified time periods.

**Management Action Plan:**

LS management will add team rosters, game cards, and schedules to the records retention policy for 3 years.

Auditor: N. Beaty

**Incomplete: Not implemented.**

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

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

***Parks, Recreation, and Neighborhood Services***

50 1603 1011 03 Audit of Leisure Services -- Sport Fields Administration

04. 01. CLASS Data Input Inconsistencies Due Date: 09/30/2011 Not Due

**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.

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

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

## *Parks, Recreation, and Neighborhood Services*

51	1603 1011 03	Audit of Leisure Services -- Sport Fields Administration		
05.	01.	Inequities in the Allocation of City Sport Fields	Due Date: 01/31/2012	Not Due

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

***Parks, Recreation, and Neighborhood Services***

52 1603 1011 03 Audit of Leisure Services -- Sport Fields Administration

06. 01. Lighting of Sport Fields Due Date: 08/31/2011 Not Due

**Recommendation:**

Leisure Services management should evaluate the allocation of sport fields to user groups to ensure that the assigned sport field time frames are consistent with the user groups actual schedules/usage.

**Management Action Plan:**

LS is currently evaluating the user groups, lighting and capacity and will address new ideas for the accountability of our user groups and lighting at the conclusion of the consultants work.

Auditor: N. Beaty

***Parks, Recreation, and Neighborhood Services***

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

06. 02. Lighting of Sport Fields Due Date: 07/31/2010 Incomplete

**Recommendation:**

Leisure Services management should evaluate the feasibility of charging user groups for light usage. This could be accomplished by determining the actual cost of lighting fields and implementing a pilot program starting with a set percentage of cost recovery for light usage. The cost recovery percentage can be modified over time to eventually have a 100 percent cost recovery for light usage.

**Management Action Plan:**

Leisure Services is currently awaiting the completion of Pros Consulting Sports Fields Capacity Study. Leisure Services intends to develop new pricing in accordance with not just the utility costs of lights, but the \$1,000,000 in internal service charges for our fields. Having just presented fee increases for sports fields and leagues in July of 2010, new increases will not be suggested until at least spring of 2011.

Auditor: N. Beaty

Incomplete: Not implemented.

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

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

***Parks, Recreation, and Neighborhood Services***

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

06. 03. Lighting of Sport Fields Due Date: 09/22/2010 Incomplete

**Recommendation:**

Leisure Services management should work with Traffic Engineering Field Operations to determine which fields have the push button light activation feature and evaluate the feasibility of reprogramming the lights on these fields to a method that can be controlled by Municipal Sports Unit staff.

**Management Action Plan:**

Leisure Services has this information, the cost is between \$16,000 – \$18,000 in equipment and \$5,000 - \$7,000 if installed in house with TEFO personnel. The \$25,000 is cost prohibitive to the department for the purposes of bringing one field on line.

Auditor: N. Beaty

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

## *Parks, Recreation, and Neighborhood Services*

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

06. 04. Lighting of Sport Fields Due Date: 08/31/2011 Not Due

### **Recommendation:**

Leisure Services management should establish, document, and implement effective policies and procedures to mitigate the issues associated with lighting City sport fields when the user groups are not using the fields. The implemented policies and procedures should include:

- The method used to evaluate allocating sport fields to user groups to ensure that the assigned sport field time frames are consistent with the user group actual schedules/usage.
- The method used to evaluate charging user groups for light usage.
- The incorporation of language in the Facility Use Agreement of the requirement for user groups to require user groups to provide weekly light logs and to notify the Municipal Sports Unit that they will not be using the fields.
- The implementation of consequences for user groups who fail to notify the Municipal Sports Unit when they will not be using sport fields.
- The implementation of a policy relating to inclement weather conditions.

### **Management Action Plan:**

- Leisure services will develop a comprehensive policy and user group responsibility list to address each of the recommendations above. (Estimated Completion Date: The draft of the policy can be completed by August of 2011, implementation may not be until 2012 due to the radical change that will be experienced by our user groups and the need for time to fully brief and vet with the City Council.
- Pros Consulting is performing this service and analyses for the Department and is expected to present their final draft at the end of August. (LS will make pricing recommendations and present to council their findings (Completion Date: May 2011)
- LS Management will incorporate language requiring weekly light logs into Facility Use agreement (Completion Date: August 2011)

Auditor: N. Beaty

Incomplete: Not implemented.

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

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

***Parks, Recreation, and Neighborhood Services***

- 56 1603 1011 03 Audit of Leisure Services -- Sport Fields Administration  
07. 01. City Sponsored Leagues Liability Waivers Due Date: 01/31/2011 Incomplete

**Recommendation:**

Leisure Services management should document and implement policies and procedures to ensure that prior to the beginning of City sponsored league play:

- All individuals that participate in the City sponsored leagues sign an Official Player Contract, Waiver, Release of Liability, and Indemnification Agreement.
- Each team submits a team roster.
- A Leisure Service employee ensures that a signed liability waiver is obtained and retained for each individual that is listed on the team roster.

**Management Action Plan:**

- Leisure Services will require that all participants in city leagues sign a waiver and that all coaches submit a roster. (Completion Date: October of 2010)
- LS Management will require that all city sponsored leagues present a roster (Completion Date: January 2011)
- LS Management will require that signed waivers are presented with the rosters (Completion Date: January 2011)

Auditor: N. Beaty

***Parks, Recreation, and Neighborhood Services***

- 57 1603 1011 03 Audit of Leisure Services -- Sport Fields Administration  
08. 01. Liability Waiver Retention Policy Due Date: 09/30/2010 Incomplete

**Recommendation:**

Leisure Services management should modify the retention period for the Official Player, Contract, Waiver, Release of Liability, and Indemnification Agreement to three years to include the entire three year period for property damages.

**Management Action Plan:**

Leisure Services will direct the Municipal Sports staff to retain all official player, contract, waiver, release of liability and indemnification agreements for three years.

Auditor: N. Beaty

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

***Parks, Recreation, and Neighborhood Services***

58	1603 1011 03	Audit of Leisure Services -- Sport Fields Administration		
	09.	01.	League and Tournament User Group Liability Waivers	Due Date: 09/30/2010 Incomplete

**Recommendation:**

Leisure Services management should seek counsel from the City Attorney's Office on what requirements league and tournament user groups should follow to limit the City's liability when users are hurt or personal property is damaged while using City sport fields. Once determined, Leisure Services management should implement and document applicable policies and procedures and provide training to appropriate employees.

**Management Action Plan:**

LS will request assistance from the City Attorney's Office and implement any recommendations. (submit to City attorneys September of 2010)

Auditor: N. Beaty

***Parks, Recreation, and Neighborhood Services***

59	1603 1011 03	Audit of Leisure Services -- Sport Fields Administration		
	10.	01.	Certificates of General Liability Insurance	Due Date: 03/31/2011 Incomplete

**Recommendation:**

Leisure Services management should ascertain how the general liability certificates should be executed, document the guidelines, provide training to the applicable employees, and provide notification to the user groups.

**Management Action Plan:**

LS will work with Holly Jenson to determine how certificates are to be executed, and request the appropriate training.

Auditor: N. Beaty

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

***Parks, Recreation, and Neighborhood Services***

60 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***

61 1603 1011 03 Audit of Leisure Services -- Sport Fields Administration

12. 01. Concession Permits Due Date: 09/30/2011 Not Due

**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.

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

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

***Parks, Recreation, and Neighborhood Services***

62 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.**  
**Extended: Not implemented due to circumstances beyond the department's control.**  
**Not Due: Due date identified by management has not passed.**

### ***Public Works***

63	1503 1011 07	Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting		
01.	01.	Inventory Management	Due Date: 01/01/2012	Not Due

#### **Recommendation:**

TEFO management should evaluate and document the cost and benefits of implementing a perpetual inventory system for the maintenance and repairs inventory.

#### **Management Action Plan:**

Traffic Engineering Field Operations currently uses no perpetual inventory system, but does extensively use Hansen's Customer Service, Work Order, and Asset modules to track its performance during the course of its operations. Accordingly, since this enterprise-wide software program is already being used for asset management and costing purposes, it seems a logical fit to expand to the "Inventory" module already within Hansen. Therefore, though other inventory programs may be reviewed for their acceptability with regards to costs and benefits, TEFO management will primarily focus its evaluation of the costs and benefits associated with using Hansen when implementing its perpetual inventory system.

Auditor: B. Smith

### ***Public Works***

64	1503 1011 07	Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting		
01.	02.	Inventory Management	Due Date: 07/01/2012	Not Due

#### **Recommendation:**

While adoption of a full perpetual inventory may not be practical or cost effective for TEFO at this time, TEFO management should at a minimum implement a limited perpetual inventory tracking system for selected inventory based on established criteria. Management should consider tracking frequently used inventory, higher-valued inventory, and/or inventory with significant lead times.

#### **Management Action Plan:**

Dependent upon the outcome of the previous item (1.1), TEFO management will implement the use of either Hansen or another computerized program to track the disposition of higher value inventory items, items with greater risk of loss, and items procured for specific project and/or use. The items to be tracked will be those located in the shops or in the yards that have been procured by the City, but have yet to be deployed for use at a specific location.

Auditor: B. Smith

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

## ***Public Works***

65 1503 1011 07 Audit of Public Works - Traffic Engineering Field Operations  
Inventory Management and Damage/Loss Reporting

01. 03. Inventory Management Due Date: 07/01/2012 Not Due

### **Recommendation:**

**TEFO management should document their purchasing methodology and procedures and distribute them to employees with purchasing responsibility.**

### **Management Action Plan:**

**TEFO management will focus on greater centralization of its procurement decisions, and has already taken some steps to this end. First of all, much of the physical operations of the division have been relocated and centralized at the West Service Center, which has already created an environment for better communication between those individuals with procurement responsibilities. Additionally, purchasing responsibilities shall be limited to provide better oversight of buying decisions. As such, specific individuals will be made responsible for procurement of specific assets to be used by TEFO. Finally, TEFO management will develop a handbook that defines both specific as well as general procurement and purchasing guidelines. This handbook will build upon the City's Purchasing & Contracts requirements, as it relates specifically to the needs of the TEFO organization. This handbook will be distributed to all staff, and will formally document the processes and methodologies that shall be undertaken by all staff when procuring goods or services during the course of performing his or her respective duties.**

**Auditor: B. Smith**

**Incomplete: Not implemented.**

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

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

### *Public Works*

66	1503 1011 07	Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting		
	01.	04.	Inventory Management	Due Date: 07/01/2012 Not Due

#### **Recommendation:**

TEFO management should document and implement procedures that promote increased coordination in inventory purchasing decisions between senior staff members at TEFO's three locations.

#### **Management Action Plan:**

With some changes that have recently occurred, such as the consolidation of its operations and relocation of most of its staff to the West Service Center, as well as proposed organizational changes to its supervisory structure, TEFO management will be integrating greater centralization of the division's procurement decisions into its operations. These procedures shall be documented in the handbook noted within the response in item 1.3.

Auditor: B. Smith

### *Public Works*

67	1503 1011 07	Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting		
	02.	01.	Annual Physical Inventory Counts	Due Date: 07/01/2012 Not Due

#### **Recommendation:**

TEFO management should document and implement annual physical inventory count procedures to be followed by their employees. Consideration should be given to the deficiencies identified during the audit when developing these procedures.

#### **Management Action Plan:**

TEFO has performed annual physical inventory counts in conjunction with the Finance Department's requirements in mid-June every year. As such, this process will be documented and formalized, and coupled with any perpetual inventory system that has been chosen to be employed for use by the division as noted in item 1.1 and 1.2. These procedures shall be documented in the handbook noted within the response in item 1.3.

Auditor: B. Smith

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

### ***Public Works***

68	1503 1011 07	Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting
<u>02.</u>	<u>02.</u>	<u>Annual Physical Inventory Counts</u> <span style="float: right;"><u>Due Date: 04/01/2012</u> <u>Not Due</u></span>

#### **Recommendation:**

**TEFO management should implement procedures to ensure that annual physical inventory counts are completed for all of the work units.**

#### **Management Action Plan:**

TEFO management will require submission of the annual physical counts to the Assistant Traffic Manager for review and approval for all work units. They will be performed by the appropriately designated and trained employee with the adequate level of responsibility, then compiled and forwarded to the Finance Department as a single submission only after this action. These new procedures shall be documented in the handbook noted within the response in item 1.3.

Auditor: B. Smith

### ***Public Works***

69	1503 1011 07	Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting
<u>02.</u>	<u>03.</u>	<u>Annual Physical Inventory Counts</u> <span style="float: right;"><u>Due Date: 04/01/2012</u> <u>Not Due</u></span>

#### **Recommendation:**

**TEFO management should expand the information required to be documented on the count sheets during the physical inventory to include the date(s) of the count, the employee(s) performing the count, the specific location of the inventory, and identification of estimates made.**

#### **Management Action Plan:**

TEFO management will create a new inventory count sheet to be used during all annual physical counts. This sheet will include the date(s) of the count, the employee(s) performing the count, the specific location of the inventory, and identification of estimates made. The process used to determine asset valuation of the inventory shall be identified for division-wide uniformity, as well. These new procedures shall be documented in the handbook noted within the response in item 1.3.

Auditor: B. Smith

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

### ***Public Works***

70	1503 1011 07	Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting		
02.	04.	Annual Physical Inventory Counts	Due Date: 07/01/2012	Not Due

#### **Recommendation:**

Upon implementation of a full or partial perpetual inventory system, TEFO management should use the results of the physical inventory counts to adjust the perpetual inventory records as needed and research the cause of any identified differences.

#### **Management Action Plan:**

TEFO management will use its newly-implemented perpetual inventory system that resulted from the evaluation completed in item 1.1 and 1.2, and integrate the annual physical count data into the reconciliation process. A formalized internal audit process to resolve differences or similarities between the data gleaned through the annual physical count, and that inventory used throughout the year during the course of TEFO's operations shall be developed and implemented.

Auditor: B. Smith

### ***Public Works***

71	1503 1011 07	Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting		
02.	05.	Annual Physical Inventory Counts	Due Date: 07/01/2012	Not Due

#### **Recommendation:**

TEFO management should document and implement procedures to complete at a minimum an annual evaluation of its inventory including an evaluation of the adequacy of the inventory levels and the identification of any unusual trends or irregularities. This information should also be used in developing future inventory purchasing strategies.

#### **Management Action Plan:**

TEFO management plans to use the data gained from the annual reconciliation process, and the associated formalized internal audit process to objectively evaluate procurement processes, adjust future purchasing amounts, address better security measures, develop greater loss mitigation efforts, or revise sustained inventory levels, based on actual data as opposed to individual judgment.

Auditor: B. Smith

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

### ***Public Works***

72	1503 1011 07	Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting		
03.	01.	Inventory Storage	Due Date: 04/01/2012	Not Due

#### **Recommendation:**

TEFO management should complete an evaluation of the adequacy of the inventory organization and storage practices being followed at the service yards (including earlier generation and recycled inventory) and address the identified concerns.

#### **Management Action Plan:**

With the recent relocation of the division, TEFO management will perform a formalized evaluation of inventory organization. Stored assets that need more secure storage or better protection from the elements shall be relocated accordingly. Documentation providing an authorized "Inventory Location Plan" shall be developed and updated as needs change.

Auditor: B. Smith

### ***Public Works***

73	1503 1011 07	Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting		
03.	02.	Inventory Storage	Due Date: 04/01/2012	Not Due

#### **Recommendation:**

TEFO management should implement a program for documenting the earlier generation and recycled inventory. This could be completed in conjunction with the annual physical inventory count.

#### **Management Action Plan:**

TEFO management will perform a formalized evaluation of its legacy inventory components which are still needed because standing assets remain in the field that require maintenance, and a supplier is no longer available for procuring replacement parts. Once complete, management will formally evaluate the inventory storage practices associated with these earlier-generation or recycled assets. These assets will ultimately be part of TEFO's documentation as defined in the new "Inventory Location Plan." Alterations to this plan shall be developed and updated as needs change.

Auditor: B. Smith

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

### ***Public Works***

74	1503 1011 07	Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting		
	03.	03.	Inventory Storage	Due Date: 07/01/2012 Not Due

#### **Recommendation:**

TEFO management should document and implement procedures to conduct at a minimum an annual walkthrough of its inventory to identify damaged, obsolete, earlier generation, and recycled inventory that is no longer needed and any inventory storage deficiencies. This procedure could be completed in conjunction with the annual physical inventory count.

#### **Management Action Plan:**

TEFO management will create an administrative policy for treatment of legacy equipment. Part of this policy shall define when the recycled assets are no longer required to remain in the division's inventory for maintenance purposes. Additionally, management will mandate staff to perform a formalized evaluation of all legacy inventory components as part of the annual inventory process in mid-June. Ultimately, the location of these assets will be part of TEFO's "Inventory Location Plan." Alterations to this plan shall be developed and updated as needs change.

Auditor: B. Smith

### ***Public Works***

75	1503 1011 07	Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting		
	04.	01.	Inventory Security	Due Date: 04/01/2012 Not Due

#### **Recommendation:**

TEFO management should document and implement inventory security policies and communicate these policies to employees.

#### **Management Action Plan:**

TEFO management will create a formal document referred to as its "Asset Control Manual" which defines inventory security policies, and once complete, the document will be distributed to all staff. Adherence to the policies shall be made mandatory.

Auditor: B. Smith

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

### ***Public Works***

76	1503 1011 07	Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting		
04.	02.	Inventory Security	Due Date: 07/01/2012	Not Due

#### **Recommendation:**

TEFO management should document which employees have access to the various inventory storage areas.

#### **Management Action Plan:**

TEFO management will create a formal document referred to as its "Asset Control Manual" which defines who has access, at what facility, and at what level this access includes. Furthermore, though some the areas containing TEFO's inventory assets can limit access division staff only, some of the areas do not currently offer this possibility. As funding becomes available in the future, consideration should be made in the City's Capital Project Program to provide better security with greater restrictions for non-authorized individuals. This will include installing additional storage buildings, pavement, fences, gates, locks, and block walls.

Auditor: B. Smith

### ***Public Works***

77	1503 1011 07	Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting		
04.	03.	Inventory Security	Due Date: 10/01/2011	Not Due

#### **Recommendation:**

TEFO management should replace all unauthorized padlocks used in inventory storage areas with padlocks authorized by the city locksmith.

#### **Management Action Plan:**

TEFO management will meet with Detention & Enforcement staff, and will coordinate with the locksmiths so they can procure the appropriate number of authorized padlocks to replace all of those that are currently being used. Once procured, the padlocks will be installed by TEFO staff.

Auditor: B. Smith

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

### **Public Works**

78	1503 1011 07	Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting		
04.	04.	Inventory Security	Due Date: 04/01/2012	Not Due

#### **Recommendation:**

TEFO management should document and implement procedures to conduct at a minimum an annual walkthrough of its inventory storage areas to identify security concerns and deficiencies. This procedure could be completed in conjunction with the annual physical inventory.

#### **Management Action Plan:**

TEFO management will implement a procedure to perform a formalized evaluation of its inventory storage areas to identify security concerns and deficiencies, as part of the annual inventory process in mid-June. Documentation of the procedure shall be part of the formal document defining inventory security policies as noted in item 4.1, which will be referred to as TEFO's "Asset Control Manual."

Auditor: B. Smith

### **Public Works**

79	1503 1011 07	Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting		
05.	01.	Safeguarding Of Tools and Equipment	Due Date: 04/01/2012	Not Due

#### **Recommendation:**

TEFO management should identify and document which tools and equipment they deem to be valuable (i.e., requiring a higher level of security and monitoring).

#### **Management Action Plan:**

TEFO management will create a formal document referred to as "Asset Control Manual" containing a listing of tools and equipment considered to be of sufficient value or at greater risk of loss. These will be those assets requiring a higher level of security and more frequent monitoring.

Auditor: B. Smith

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

## ***Public Works***

80	1503 1011 07	Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting	
05.	02.	Safeguarding Of Tools and Equipment	Due Date: 04/01/2012 Not Due

### **Recommendation:**

TEFO management should begin maintaining records of valuable tools and equipment. The tools and equipment records should include at a minimum a description of each item, serial or identification numbers, and the storage location of the items. Consideration should be given to retaining a photo of each item.

### **Management Action Plan:**

TEFO management will create a formal document referred to as "Asset Control Manual" containing a not only a list, but also a photo of tools and equipment considered to be of sufficient value or of greater risk of loss. The assets will include a description of each item, serial number, City identification numbers, and the location the item is stored when not in use.

Auditor: B. Smith

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

## ***Public Works***

81	1503 1011 07	Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting		
	05.	03.	Safeguarding Of Tools and Equipment	Due Date: 04/01/2012 Not Due

### **Recommendation:**

TEFO management should conduct an evaluation of the adequacy of the storage areas where the valuable tools and equipment are being stored, document which employees have access to these areas, and review the appropriateness of this access.

### **Management Action Plan:**

TEFO management will create a formal document referred to as an "Asset Control Manual" defining who has access to tools and equipment, at what storage area, and at what level this access includes. With the recent consolidation of most of TEFO's staff to the West Service Center, much of this issue has already been resolved, but some further enhancements to facilities could be made to improve access and security to authorized staff. Therefore, as funding becomes available in the future, consideration should be made in the City's Capital Expenditure Program to provide better security with greater restrictions for non-authorized individuals. This will include installing additional storage buildings, pavement, fences, gates, locks, and block walls. Additionally, the locksmiths in the Detention & Enforcement Department have recommended the installation of a badge access system to verify appropriate access as the best method to effectively secure and safeguard TEFO tools and equipment. Consideration should be given to fund such an investment.

Auditor: B. Smith

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

### ***Public Works***

- 82    1503 1011 07    **Audit of Public Works - Traffic Engineering Field Operations  
Inventory Management and Damage/Loss Reporting**
- 
- 05.    04.    Safeguarding Of Tools and Equipment                      Due Date: 04/01/2012    Not Due**

#### **Recommendation:**

**TEFO management should document and implement procedures for securing and tracking its valuable tools and equipment and conducting periodic verifications of the existence of these items.**

#### **Management Action Plan:**

**TEFO management will create a formal document referred to as “Asset Control Manual” defining its procedures for securing and tracking its valuable tools and equipment and in the manual periodic verifications of the presence of these items in the proper location by the appropriate staff will be mandated.**

**Auditor: B. Smith**

### ***Public Works***

- 83    1503 1011 07    **Audit of Public Works - Traffic Engineering Field Operations  
Inventory Management and Damage/Loss Reporting**
- 
- 06.    01.    Damage and Loss Reporting                                      Due Date: 01/01/2012    Not Due**

#### **Recommendation:**

**TEFO management should document and implement procedures addressing how TEFO employees are to comply with the damage/loss reporting guidelines within the city’s Safety Loss Control Manual.**

#### **Management Action Plan:**

**TEFO management will create a formal document referred to as “Damage Loss Handbook” defining how TEFO staff is to comply with the damage/loss reporting guidelines within the city’s Safety Loss Control Manual. This document will be created in conjunction with Human Resources Insurance Service Division staff.**

**Auditor: B. Smith**

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

### ***Public Works***

84	1503 1011 07	Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting		
06.	02.	Damage and Loss Reporting	Due Date: 01/01/2012	Not Due

#### **Recommendation:**

TEFO management should begin reporting damage and losses from acts of nature and graffiti to Human Resources and document this requirement in its procedures.

#### **Management Action Plan:**

TEFO management has met with Human Resources Insurance Service Division staff to determine the best approach for achieving this recommendation. Since this will likely include well over 400 to 500 instances of such acts per month, it was agreed (by mutual consent) that a monthly report retrieving Work Order data directly from Hansen will be created. This report will be run, and sent to Human Resources at the end of each month noting losses from acts of nature and graffiti. This procedure will be noted in the newly developed "Damage Loss Handbook."

Auditor: B. Smith

### ***Public Works***

85	1503 1011 07	Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting		
06.	03.	Damage and Loss Reporting	Due Date: 01/01/2012	Not Due

#### **Recommendation:**

TEFO management should work with Human Resources in eliminating having to manually report damage/loss information that is already captured in the Hansen system.

#### **Management Action Plan:**

TEFO management has met with Human Resources Insurance Service Division staff, and has created a viable process for achieving this recommendation. TEFO staff is already testing this process for adequacy. Once this testing has been completed to the satisfaction of Human Resources and Public Works, the outcome will be noted in the newly developed "Damage Loss Handbook."

Auditor: B. Smith

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

### ***Public Works***

86	1503 1011 07	Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting		
<u>06.</u>	<u>04.</u>	<u>Damage and Loss Reporting</u>	<u>Due Date: 01/01/2012</u>	<u>Not Due</u>

#### **Recommendation:**

TEFO management should follow-up with Human Resources to ensure they are using the correct system reports for capturing the fully burdened labor rate for damage/loss claims.

#### **Management Action Plan:**

TEFO management has met with Human Resources Insurance Service Division staff, and has verified they are using the correct system reports for capturing the fully burdened labor rate for damage/loss claims. A new HammerLaunch report was created by Public Work's Senior Technical Systems Analyst, and has been provided to Human Resources for their use. This report captures the fully burdened labor rate as provided by the Finance Department. This process will be noted in the newly developed "Damage Loss Handbook."

Auditor: B. Smith

### ***Public Works***

87	1503 1011 07	Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting		
<u>06.</u>	<u>05.</u>	<u>Damage and Loss Reporting</u>	<u>Due Date: 01/01/2012</u>	<u>Not Due</u>

#### **Recommendation:**

TEFO management in consultation with the city's Fleet Services division should re-evaluate the adequacy of the vehicle use rates currently being used for damage/loss reporting. FEMA's Schedule of Equipment Rates used by the Federal Government should be considered for use as a benchmark reference. The vehicle use rate methodology should be documented for future reference.

#### **Management Action Plan:**

TEFO management has met with Human Resources Insurance Service Division staff and they have agreed to support this recommendation when billing subrogation parties. After approval by Vehicle Service management, TEFO staff will modify the charge rates used for vehicles within Hansen, utilized in the Damage Reports sent by TEFO to Insurance Services. The source of these rates will be noted in the newly developed "Damage Loss Handbook."

Auditor: B. Smith

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

### ***Public Works***

88	1503 1011 07	Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting		
06.	06.	Damage and Loss Reporting	Due Date: 01/01/2012	Not Due

#### **Recommendation:**

TEFO management should document and implement procedures to annually review the adequacy of the vehicle rates being used and verify that these rates and the fully burdened labor rates are being used with TEFO damage/loss claims.

#### **Management Action Plan:**

TEFO management will create a formal document referred to as the "Damage Loss Handbook." As part of this document, procedures will be identified as to how TEFO will verify and review the adequacy of the vehicle rates on a yearly basis as defined in FEMA's Schedule of Equipment Rates used by the Federal Government. This annual process for validating the fully burdened labor rates will be part of the document, as well.

Auditor: B. Smith

### ***Public Works***

89	1503 1011 07	Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting		
06.	07.	Damage and Loss Reporting	Due Date: 01/01/2012	Not Due

#### **Recommendation:**

TEFO management should document and implement procedures for updating the material costs within the work order system. These procedures should include at a minimum an annual review by management of the material listing within the work order system to ensure that the information is complete and that the costs are current.

#### **Management Action Plan:**

As part of the "Damage Loss Handbook," TEFO management will document and implement procedures for updating the material costs within the Hansen work order system. It will be noted in the document that an annual review by management will be part of this procedure. This will include reviewing the material listing within the Hansen work order system, and verifying the adequacy of costs and types of materials entered.

Auditor: B. Smith

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

### *Public Works*

90	1503 1011 07	Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting		
	07.	01.	Damage and Loss Reporting	Due Date: 10/01/2011 Not Due

#### **Recommendation:**

TEFO management should begin cross-training additional employees on the skills required to operate the sign shop.

#### **Management Action Plan:**

TEFO management will develop a formal rotational process designed to train numerous Signing & Marking Technicians regarding the operation of the sign manufacturing function. The tasks related to these functions are already part of the Signing & Marking Technician classification specification, and the formal rotational process will be a voluntary rotation among this level employee that will adhere to the LVCEA rules associated with such actions.

Auditor: B. Smith

### *Public Works*

91	1503 1011 07	Audit of Public Works - Traffic Engineering Field Operations Inventory Management and Damage/Loss Reporting		
	07.	02	Damage and Loss Reporting	Due Date: 07/01/2012 Not Due

#### **Recommendation:**

TEFO management should document the procedures followed within the sign shop for the fabrication of signage. This documentation should include information on the use of equipment and software.

#### **Management Action Plan:**

The necessary documentation needed for the fabrication of signage will be an integral part of the formal rotational process implemented by TEFO management which has been developed to train Signing & Marking Technicians. As staff is rotated into the sign production shop to more fully learn all operations of the sign manufacturing function, they will be required to document what they learn while in training. These individual reports will be compiled with knowledge held by the current individual already performing the function, and used to create a manual defining the procedures followed within the sign shop for the fabrication of signage.

Auditor: B. Smith

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