

STAFF REPORT

Date: December 6, 2023

To: Mayor and City Council

Thru: Doug Thornley, City Manager

Subject: Staff Report (For Possible Action): Presentation, discussion, and possible action regarding audit follow-up for the 23-01 Code Enforcement - Metrics & Reporting Audit.

From: Emily Kidd, Internal Auditor

Department: City Manager's Office – Internal Audit

Summary:

The City Manager's Office directed Internal Audit to conduct an audit of the metrics and reporting documentation of the Code Enforcement Department. Fourteen findings resulted from the audit first reported February 2023. Recommendations have been implemented and all audit findings are now closed.

Alignment with Strategic Plan:

Public Safety

Previous Council Action:

There is no recent Council action relevant to this item.

Background:

International Standards for the Professional Practice of Internal Auditing Standards require a follow-up of formal audit recommendations to “monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.” (Standard #2500.A1)

The audit procedures included reasonable care and professional skepticism required by industry standards. The resultive findings are based on the sufficient, reasonable, and appropriate evidence obtained during fieldwork.

Discussion:

The purpose of the audit was to determine provide an independent, objective analysis of the

internal control environment for Code Enforcement reporting, and to determine if departmental invoicing procedures are reasonable and in compliance with established policies and best practices.

Fourteen findings resulted from the audit first reported February 2023. A finding is noted when audit testing identifies an area of noncompliance with documented policies or best practices. Simply put, findings identify areas of risk. The 14 findings are categorized into five distinct sections Equitable, Consistent Procedures; Lack of Internal Controls; Process Errors; Transparency Improvements; and Best Practices. Recommendations have been implemented and all audit findings are now closed. The detailed audit follow up is provided as an attachment.

The Financial Advisory Board (FAB) functions as the City's Audit Committee to provide expertise and a review of audit reports. The Board was provided the 23-01 Code Enforcement – Metrics and Reporting Audit follow-up document for their November 9, 2023 meeting for discussion, review, and approval.

Financial Implications:

There are no financial implications associated with this item.

Legal Implications:

Legal review completed for compliance with City procedures and Nevada law.

Recommendation:

Staff recommends Council accept the audit follow-up document.

Proposed Motion:

I move to approve staff recommendation.

Attachments:

23-01 Code Enforcement - Metrics and Reporting - Audit Follow-up Document