

23-01 Code Enforcement Audit – Metrics & Reporting

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Internal Audit Function @ City

- To provide the City of Reno with an independent appraisal function designed to assist the Reno City Council, constituents, and City management in establishing accountability, transparency, and a culture of continuous improvement in City operations.
- At its core, Internal Audit helps the organization achieve its objectives.



Purpose of the Audit

**Analysis of the internal control environment
for Code Enforcement reporting**

Independent ✓

Objective ✓



Audit Findings

Internal Control Environment

**14 Exceptions
were noted**

- Inconsistent invoicing practices
- Highly subjective & manual
- Without a review process
- Without adequate supervisory oversight

Internal Controls 101

What is internal control?

Internal control is a process that helps an entity achieve its objectives. It is the first line of defense in safeguarding public resources.



Internal Controls 101

Example:

Disallow
Code
Officers to
adjust
fees/fines

Preventative
Controls -
hard or soft

System
Access
changes – a
hard control

Code
Officers are
unable to
adjust
fees/fines in
system



Internal Controls 101



Audit Findings

Areas of Risk – 5 categories

1. Equitable, Consistent Procedures
2. Lack of Internal Controls
3. Process Errors
4. Transparency Improvements
5. Best Practices

Audit Findings

Equitable, Consistent Procedures

- Inconsistent Application of Fees and Fines
- Invoice Management Improvements
- Fees and Fines Adjusted Without Proper Approval

Audit Findings

Lack of Internal Controls

- Lack of Segregation of Duties
- Lack of Reviews of Adjustments & Voids
- Lack of Checks and Balances

Audit Findings

Process Errors

- Fees Charged Do Not Agree to Approved Fee Schedule
- Penalty Fees are Not Being Assessed

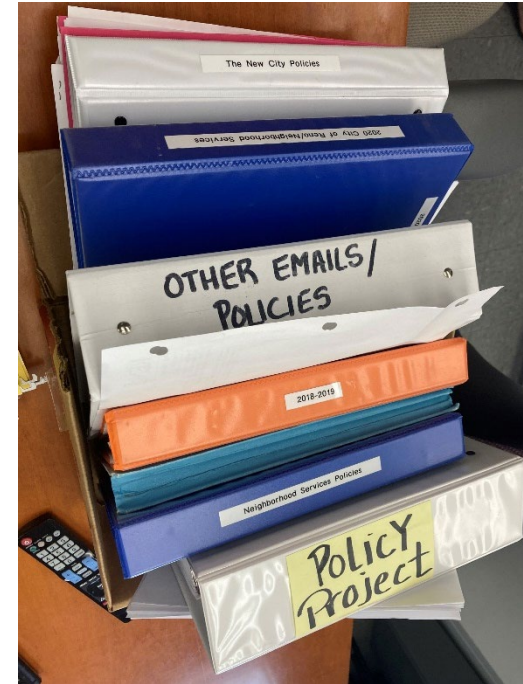
Transparency Improvements

- Website Enhancements
- Reporting Enhancements

Audit Findings

Best Practices

- Policies and Procedures
- Streamline Enforcement Process
- Citation Numbering Methodology
- Fines May Not Be Commensurate with the Economy



Audit Recommendations

- Software application – hard controls
- Standardized, repeatable reporting
- Invoice reconciliations
- Multiple departments' collaboration



Management Responses

What measures are planned
to address this finding?

When will the measures
be taken?

- Code Enforcement responses (#1 - #13)
- City Manager's Office response (#14)
- Implementation timelines are included
- Code Enforcement is responsible for implementation

Not Included in this Audit

Items listed were outside
of the Audit's Scope

- *Timeliness of citations*
- *System access parameters*
- *The appeals process*
- *Invoice reconciliations*
- *An equity analysis*
- *Specific requirements detailed in the Reno Municipal Code & its parity with applicable Nevada Revised Statutes.*

Recommended Motion

I move to accept the internal audit report,
Code Enforcement – Metrics and Reporting.

