

STAFF REPORT

Date: February 22, 2023

To: Mayor and City Council

Thru: Doug Thornley, City Manager

Subject: . Staff Report (For Possible Action): Presentation and discussion regarding Audit Report 23-01, Code Enforcement – Metrics and Reporting.

From: Emily Kidd, Internal Auditor

Summary:

This audit identified 14 exceptions; an exception is noted when Audit identifies an area of noncompliance with documented policies or best practices. Simply put, exceptions identify areas of risk. The 14 exceptions are categorized into five distinct sections Equitable, Consistent Procedures; Lack of Internal Controls; Process Errors; Transparency Improvements; and Best Practices.

Audit Exceptions –

Equitable, Consistent Procedures

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

Lack of Internal Controls

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

Process Errors

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

Transparency Improvements

- Website Enhancements
- Reporting Enhancements

Best Practices

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

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.

Background: The City Manager's Office directed Internal Audit to conduct an audit of the metrics and reporting documentation provided by the Code Enforcement Department. The audit is to 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. To achieve these objectives, Audit interviewed applicable City employees, reviewed departmental policies and procedures, sample-tested report metrics, and evaluated current procedures against best business practices.

Financial Implications: There are no financial implications associated with this item.

Legal Implications: Legal review competed for compliance with City procedures and Nevada law.

Recommendation: Staff recommends Council accept the audit report.

Proposed Motion: I move to approve staff recommendation.

Attachments:

23-01 Code Enforcement Audit – Metrics and Reporting – Limited Review 2023.02