

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1312	Wastewater Customer Rate Classification Review	Issued:	8/9/2013	
1	The Water Resources Division should use more current data to establish Food Service Establishment COD loading values.	<p>March 2014: The Sewer Cost of Service Study, which will document more current loading values, was still underway.</p> <p>June 2014: The Cost of Service Study was completed May 27. Water Resources management indicated the updated 1998 values cover all 15 of the City's sewer categories, and will be considered when proposing updates to the sewer rate structure.</p>	Implemented	<input checked="" type="checkbox"/>
2A	The Water Resources Division should include in the Linko database a common data field for each of the key City systems, such as license number and customer billing number.	<p>March 2014: Water Resources staff found it was not a viable option to add common data fields in Linko. Instead, procedures have been developed to improve the data flow between Linko and the NorthStar billing system. These procedures will be documented in a department standard operating procedure.</p> <p>June 2014: Water Resources staff provided a copy of their new Standard Operating Procedure to ensure data flow between the systems.</p>	Implemented	<input checked="" type="checkbox"/>
2B	The Water Resources Division should perform a final verification step to ensure all intended changes were applied. Auditors found that 8 of 289 accounts were not updated as intended.	<p>March 2014: Auditor review confirmed the Division added a final verification check to the spreadsheet that documents sewer bill code updates.</p>	Implemented	<input checked="" type="checkbox"/>
2C	The Water Resources Division should ensure the analysis worksheet includes all applicable businesses for any future reviews.	<p>March 2014: Auditor reviewed documentation showing that 42 billing addresses not previously included in the initial project had been reviewed and updated. Division staff noted that these reviews were completed in September 2013 and the applicable bill code updates processed and verified.</p>	Implemented	<input checked="" type="checkbox"/>
2D	The Water Resources Division should request the monthly tax & license report include all potentially relevant NAICS codes to further ensure data completeness.	<p>March 2014: The Division now receives from Tax & License a monthly report of businesses added within certain NAICS codes. Auditor review identified another 7 codes of those previously recommended that were not yet added. The Division will request Tax & License to include those as well.</p> <p>June 2014: Auditors confirmed that the additional codes are now included.</p>	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

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1402	E-Verify Compliance FY 2012/13	Issued:	3/3/2014	
2A	Human Resources management should ensure that employment eligibility is timely verified through the E-Verify program and documentation is appropriately retained.	October 2014: Auditors reviewed e-verify documentation for 13 employees hired since the audit; all were verified timely. A new procedure is being implemented for a second HR staff to confirm that the City has completed new-hire e-verify within the 3-day requirement. June 2015: Auditors verified that HR has put a procedure in place to ensure employment eligibility is timely verified and documentation is retained.	Implemented	<input checked="" type="checkbox"/>
2B	Human Resources management should work with the City Clerk's office to adopt maximum retention periods for personnel documents, including E-Verify documentation, to ensure records are not selectively retained or destroyed.	October 2014: HR is in the process of setting appropriate retention periods for its 30 or so document types, including e-verify related documents, within the document management system. At the calculated destruction date, the document management system flags the record for review and deletion. June 2015: Auditors verified that HR has established appropriate retention periods for e-verify records in the document management system .	Implemented	<input checked="" type="checkbox"/>
1404	Cash Handling Controls & Accountability FY 2013/14	Issued:	3/6/2014	
1A	Division management should require supervisory review and supervisor documentation of cash balancing documents and related void, refund, and other documentation.	October 2014: Community Services management indicated that supervisory sign offs have been emphasized. As well, cash handling staff and managers are attending the City Treasurer's Office cash handling training scheduled in October and November. Auditors will verify the improvements at a future date. December 2014: Auditors verified that improved supervisory review and documentation has been implemented at the sites tested during this audit.	Implemented	<input checked="" type="checkbox"/>
1B	Division management should require that all sales transactions are immediately recorded and cash/cash equivalents are immediately placed in the cash register. Further, ensure employees are familiar with AR268 requirements to provide each customer with a receipt validating the transaction.	October 2014: Community Services management reported that staff are recording transactions at the time of purchase. As well, staff are being required to print and give receipts to customers. Auditors will verify the improvements at a future date. December 2014: Auditors verified that this recommendation has been implemented at one site, but additional follow up review will be conducted for the other site. June 2015: Auditors verified that this recommendation has been implemented at the remaining site.	Implemented	<input checked="" type="checkbox"/>

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1C	<p>Division management should require that dual custody is maintained in cash handling processes. 1) Require that cash is counted and balanced in dual custody and that both employees sign off on balancing documents to verify that dual custody was maintained. 2) Follow AR268 requirements to use dual-control safes in a dual-control capacity. Further, change combinations when applicable and limit the number of employees with safe access to the minimum that is operationally feasible. 3) Consider directing all mail-in receipts to the City's centralized Remittance Processing.</p>	<p>October 2014: Community Services reported that additional training has been provided during branch/location meetings. Also cash handling staff and branch managers are registering for the City Treasurer's Office cash handling training being provided in October and November. However, at times there may not be enough staff to always ensure dual custody at closing. Another person will subsequently verify the cash balancing. Auditors will verify the improvements at a future date. December 2014: Auditors confirmed that the recommendation has been implemented at most sites tested during the audit. Additional follow up reviews will be conducted at one site. June 2015: Auditors determined that this recommendation is still in the process of being implemented at the remaining site. October 2015: Based on testing, the site is continuing to work on consistent implementation. June 2016: Based on auditor review in April, dual custody is being documented.</p>	Implemented	<input checked="" type="checkbox"/>
1D	<p>Division management should limit cash drawer access to one employee at a time or establish a mitigating control that maintains individual accountability when multiple cashiers are assigned to a single cash drawer. Further, emphasize to employees the City's IT Security policy requirement not to access the CLASS system and process transactions under another employee's user account.</p>	<p>October 2014: Community Services management reported that to the extent feasible while maintaining the quality of customer service, individual accountability will be maintained. Further, security cameras are installed in cash handling locations. Assistant Managers covering during employee breaks now log in individually and have their own change fund/cash drawer. Additional cash handling training has been provided, and management will remind staff during an annual review of the Cash Handling AR. Auditors will verify the improvements at a future date. December 2014: Auditors confirmed that this recommendation has been implemented at most sites tested during the audit. Additional follow up reviews will be conducted at one site. June 2015: Auditors verified that this recommendation has been implemented at the remaining site.</p>	Implemented	<input checked="" type="checkbox"/>
1E	<p>Division management should work with employees to determine the frequency that additional change is needed and obtain Accounting approval to establish a sufficient change fund so that employees do not personally transport cash offsite.</p>	<p>October 2014: Community Services management indicated an increase, if needed, will be discussed with the City Treasurer's Office. December 2014: As this location only has infrequent cash transactions, they are exchanging larger denominations for smaller denominations from the vending machine company staff when needed. Also they will be adding "exact change preferred" or a similar notation on the location's fee sheets.</p>	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

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1F	Division management should ensure fees are clearly displayed for customers as required by AR268.	<p>October 2014: Community Services management indicated the park has made laminated signs for program, facility and skate park access card fees, and they are displayed where they can be viewed by the public. Auditors will verify this improvement at a future date.</p> <p>December 2014: Auditors confirmed that fees are now clearly displayed.</p>	Implemented	<input checked="" type="checkbox"/>
2A	Division management should ensure ticket rolls, ticket books and wristbands are tracked by serial number and reconciled to daily sales and deposits. Ensure the serial numbers are recorded and management approval is documented prior to any ticket destruction. Further, ensure the physical ticket inventory is periodically reconciled to ticket purchases and sales.	<p>October 2014: Community Services management indicated ticket rolls, books and wristbands were added to the POS inventory system and included in the annual physical inventory. Also, on a monthly basis, a supervisor compares sales to ticket numbers. Auditors will verify the improvements at a future date. December 2014: Auditors confirmed that substantial progress has been made in implementing this recommendation. Additional follow up reviews will be conducted. June 2015: Auditors determined that Parks & Recreation staff continue to make progress in implementing this recommendation. September 2015: Park staff have made substantial progress in ticket and cash accountability, but need to complete weekend reconciliations. April 2016: this will be reviewed again as part of a more recent related audit.</p>	In Progress	<input checked="" type="checkbox"/>
2B	Division management should ensure skate park access cards and wristbands are tracked by serial number and reconciled to daily sales and the deposit. Further, ensure ticket and wristband inventories are periodically reconciled to ticket purchases.	<p>October 2014: Community Services management reported that a new procedure has been implemented to account for access cards and wristbands, including damaged or misprinted cards. The CLASS system will prompt the card serial number to be recorded, and sales reports will be reconciled to the card/wristband log. Auditors will verify the improvements at a future date. December 2014: Auditors confirmed that substantial progress has been made in implementing this recommendation. June 2015: Auditors determined that Parks & Recreation staff continue to make progress in implementing this recommendation. September 2015: Park staff continue to make progress in implementing this recommendation. June 2016: Based on auditor review, this is now being performed.</p>	Implemented	<input checked="" type="checkbox"/>

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2C	Division management should ensure printer/copier use is reconciled to cash collected and deposited, and that an independent supervisor reviews the cash balancing documents.	October 2014: Community Services management reported that printer/copier counts are being reconciled to the receipts as closely as the current printer/copier hardware and software support system will allow. A new override form has been implemented and is included with cash balancing documents. As well, management is reviewing cash handling control forms for dual custody and supporting documentation. Auditors will verify these improvements at a future date. December 2014: Auditors confirmed that progress has been made in implementing this recommendation. June 2015: Auditors determined that Library staff are working towards implementing this recommendation. September 2015: The Library Director indicated that a new reconciling form has been created and is being tested. The plan is to use the new format at all branches within the next month. The reconciling forms are now reviewed by the Senior Budget Analyst.	Implemented	<input checked="" type="checkbox"/>
3A	The City Treasurer's Office should consider reducing the authorized amount for petty cashiers with a low fund turnover rate and consolidating petty cash for Water Administration.	October 2014: Auditors reviewed the current listing of authorized petty cash locations and confirmed that the City Treasurer's Office has reduced the number from 20 to 18. Further, the Accounting Director reported that based on FY 2013/14 activity, the petty cash fund amounts at three sites are potentially being reduced in the coming weeks.	Implemented	<input checked="" type="checkbox"/>
3B	The City Treasurer's Office should remove the requirements for cash handling training from AR268 or clarify responsibility for providing the City's cash handling training and ensure training is provided to enhance understanding of and compliance with the City's cash handling requirements.	October 2014: Auditors reviewed the updated AR 268, which now states the City Treasurer's Offices provides the cash handling training. The most recent classes were scheduled for October 29 and November 5, 2014.	Implemented	<input checked="" type="checkbox"/>
1405	Scottsdale Stadium Lease Agreements	Issued:	9/4/2014	
1A	Parks and Recreation management should include all direct operating expenses when calculating the maintenance and operations cost for reimbursement, including those paid by other departments.	June 2015: Management indicated that all direct operating expenses will be included in the reimbursement calculation. Additional follow up reviews will be conducted. September 2015: Stadium staff indicated that they included utilities in the maintenance and operation costs billed for 2014. Based on auditor review, although some other related operating costs were not included, the billed amount reached the reimbursement maximum.	Part Impl'd	<input checked="" type="checkbox"/>

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1B	Parks and Recreation management should include all labor hours associated with maintaining the fields and facilities at the professional baseball standard year-round.	June 2015: Management indicated that personnel expenditures will be monitored while continuing to maintain fields to contractual standards. Additional follow up reviews will be conducted. September 2015: Stadium staff stated they are monitoring hours associated with the Giants field usage. Based on auditor review, related field maintenance hours are now more correctly allocated.	Part Impl'd	<input checked="" type="checkbox"/>
1C	Parks and Recreation management should obtain the Giants' agreement to reimburse scoreboard maintenance costs prior to incurring the expense and bill these costs for full reimbursement.	June 2015: Management stated that annual maintenance costs will be addressed with the Giants. Additional follow up reviews will be conducted. September 2015: Stadium staff indicated that scoreboard costs were considered as part of the maintenance and operation billing, which reached the maximum limit. However, auditors clarified that the contract provides separately that scoreboard maintenance is to be a Giants expense. December 2015: The new Parks & Recreation Manager indicated staff is working with the Giants to ensure they are directly billed for this expense in the future. March 2016: Management stated the parties have reaffirmed that the Giants are responsible for scoreboard maintenance expenses. All future scoreboard maintenance expenses will be billed on a separate invoice from the regular maintenance reimbursement.	Implemented	<input checked="" type="checkbox"/>
2A	Parks and Recreation management should: 1) deduct approximately \$5,000 from the next amount due for maintenance and operations and ensure approval is documented for any future use of the Capital Improvement Fund, and 2) periodically submit a summary of the Capital Improvement Fund activity to the Giants and the Charros.	June 2015: Management stated they will reduce maintenance and operations costs by up to \$5,000 in the next year's expense billing. Additional follow up reviews will be conducted. September 2015: Stadium staff indicated that Parks & Recreation management will look further into this item. June 2016: For a recent scoreboard replacement, staff properly obtained documented concurrence for use of the Stadium Capital Improvement Fund. For a Stadium master plan project, concurrence was not documented.	Part Impl'd	<input checked="" type="checkbox"/>
2B	The City Treasurer's Office should review its methodology for allocating CIP overhead to ensure the overhead costs allocated to capital projects are in proportion to the effort expended on the project.	January 2015: The City Treasurer's Office reported that the CIP allocation methodology does not associate costs in proportion to efforts expended on the project. It is designed to recover the management costs of operating the capital improvement program, and these costs are allocated proportionate to expenditures. However, this allocation is now applied quarterly rather than monthly to allow costs to be spread more equitably.	Part Impl'd	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

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3A	<p>The Contract Administrator should work with the City Treasurer's Office to develop a more efficient method of tracking actual costs using automated reports where possible. For labor costs, this may be done by developing a specific payroll code for stadium hours or by documenting the staff hours and position types required and using average employee costs.</p>	<p>June 2015: Management stated that the City Treasurer's office prefers to use the established cost center for tracking labor costs rather than using the payroll system. Auditors will review the next billing process for progress. September 2015: Based on auditor review, a scheduling calendar is still being used to track some supplemental labor hours. The cost center method has not been fully implemented yet. The effectiveness of the current method will be reviewed again with the next billing. June 2016: For the 2016 reimbursement billing, spring training staff hours were charged to the Stadium cost centers and amounts supported by payroll reports and allocated maintenance hours in the remainder of the year were documented. Worksheets are used to track other costs so that transaction explanations can be noted.</p>	Implemented	<input checked="" type="checkbox"/>
3B	<p>The Contract Administrator should ensure that staff is familiar with contract rates and review the accuracy of bills before they are sent to stadium users.</p>	<p>June 2015: Management stated staff will review all contract rates when billing. Auditors will review future billings during a subsequent status update. September 2015: Based on auditor review, press box cleaning during spring training is still billed to the City rather than to the appropriate third party. December 2015: The new Parks & Recreation Manager indicated the press box cleaning expense will be billed directly to the Giants during Spring Training. June 2016: Management instructed the custodial company to direct bill the press box cleaning during spring training. Based on auditor review of a recent Stadium use billing, correct rates, days and other details were used.</p>	Implemented	<input checked="" type="checkbox"/>
3C	<p>The Contract Administrator should request from the Scottsdale Charros a more detailed accounting of the use of net baseball proceeds and review year-to-year fluctuations in the net baseball revenue balances to ensure all proceeds are used for the established purposes.</p>	<p>June 2015: Management stated they will request a more detailed accounting and the Senior Budget Analyst will assist with reviewing the information. Additional follow up reviews will be conducted. September 2015: The Charros have not yet submitted the detailed annual report. March 2016: This will be reviewed again in September when the 2016 report is due.</p>	In Progress	<input type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

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3D	The Contract Administrator should work with the Cty Treasurer's Office to establish invoicing and remittance handling procedures for the concessionaire. Also establish invoicing timelines with Accounting to ensure City billings comply with contract deadlines.	June 2015: Management indicated they will work with the City Treasurer's office on invoicing and remittance handling procedures. September 2015: Stadium staff reported that they have worked with Accounting on invoicing and correction procedures, and the process will be evaluated for effectiveness. Based on auditor review, a receivable account has been set up for the concessionaire billing and payment, but the Giants payment due date has not been revised based on the contract. March 2016: Management reported that an invoicing and remittance handling process has been established with assistance of the Treasurer's Office. Auditors verified an accounts receivable account has been established for the concessionaire.	Implemented	<input checked="" type="checkbox"/>
3E	The Contract Administrator should request the Giants provide a ticket system report to verify the annual ticket sales reported to the City.	June 2015: Management indicated that they will work with the team to obtain a report to corroborate ticket sales. September 2015: Based on auditor review, the Giants provided a ticket system report verifying the reported ticket sales for this past year.	Implemented	<input checked="" type="checkbox"/>
1406	Property & Evidence Management	Issued:	5/9/2014	
1A1	1. The Department should ensure officers are responding timely to authorize disposition of eligible evidence items.	December 2014: The department's Forensic Services Director reported that a committee has been established and is currently developing reports to assist officers in identifying cases with property that could be released for disposition. The committee is also reviewing current policies and practices and will make recommendations for changes to ensure adherence to the policies. June 2015: The Forensic Services Director reported that the committee has established procedures that are being tested before being incorporated into the department's field orders. The total project, from testing through training of all officers, is expected to take approximately six months to complete. September 2015: The Forensic Services Director reported that there are approximately 40,000 evidence items impounded by former officers to be reviewed. Further the program, which is in its second month, is progressing very well and should be completed in approximately 4 more months. March 2016: Written policies and procedures have been developed for incorporation into Field Operations Orders and officers are scheduled for training. June 2016: The Forensic Services Director provided the officer training schedule that has been completed.	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

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1A2	2. The Department should add the responsible officer's name to the weekly disposition report so that Property & Evidence Unit staff do not have to spend time on research.	December 2014: Auditors reviewed a recent disposition report and confirmed that the responsible officer's name has been added when applicable, thus limiting the number of items that Property & Evidence Unit staff will have to research.	Implemented	<input checked="" type="checkbox"/>
1A3	3. The Department should address the cause of missing case officers in the Property module.	December 2014: The Forensic Services Director reported that the department's Technical Services staff is researching this issue. The revised completion date is January 30, 2015. June 2015: The Forensic Services Director reported that the Technical Services section determined that the reason for the missing case officers is a software issue that cannot be easily rectified. They have updated the records for all cases with an assigned case officer and determined that the required information can be found by Property & Evidence Staff through other methods in I/LEADS.	Implemented	<input checked="" type="checkbox"/>
1B	To free valuable storage space, the Department should timely dispose of items eligible to be released, auctioned, or otherwise disposed.	December 2014: The Forensic Services Director reported that the department has implemented a short-term solution by obtaining grant money for a temporary part-time employee, however, a qualified candidate has not yet been hired. Until permanent staffing can be obtained, the Unit will continue to first complete its primary duty of receiving, securing and storing evidence from crimes and then as time permits, to properly dispose of items no longer needed by the judicial system. Overtime will be used when deemed prudent and necessary. June 2015: The Forensic Services Director reported that a part-time contract worker has been hired and is beginning training. September 2015: The Forensic Services Director reported that the property and evidence disposal review and notification process has gone through a formal process improvement review and efficiencies are being implemented. The Unit will continue to complete its primary duty of receiving, securing and storing evidence from crimes and then, as time permits, to properly dispose of items no longer needed by the judicial system. March 2016: Management indicated the department has implemented internal processes to alleviate the issue and will continue to request additional staffing for this area.	Part Impl'd	<input checked="" type="checkbox"/>
2A	The Department should review its procedures to ensure that they outline how evidence returns directly picked up by technicians are to be handled.	December 2014: Auditors selected 10 random items in certain areas of the warehouse and compared to I/LEADS records. All items' location, case number and property ID properly matched the records.	Implemented	<input checked="" type="checkbox"/>

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2B	The Department should enforce the policy that officers provide Court receipts before items are identified as Out to Court rather than Out to Officer, and ensure supervisors are notified timely when receipts are not provided. Further, establish a process for handling documents when I/LEADS is not available.	December 2014: Auditors reviewed the updated policies and procedures, which include that the officer's supervisor will be included in communication regarding receipts that have not been timely returned and a procedure for handling documents when I/LEADS is not available. Auditors also reviewed selected items that were identified as Out to Court.	Implemented	<input checked="" type="checkbox"/>
3A	The Department should establish regular supervisory review of the Audit and Delete tables.	December 2014: The Forensic Services Director reported that the Property and Evidence manual has been updated to establish a regular supervisory review of the Audit and Delete tables during the Evidence Control Manager's annual audit process. Technical Services is to develop a report to make this information available. The revised completion date is February 2015. June 2015: The Forensic Services Director reported that the internal review of the Audit and Delete tables was completed in March 2015.	Implemented	<input checked="" type="checkbox"/>
3B	The Department should establish a timeframe for follow up on and correction of pending and rejected items.	December 2014: Auditors reviewed the updated Field Operations Order, which now provides one working day to correct rejected impound voucher packets. The procedures do not yet specifically address the timeliness of completing pending vouchers. June 2015: The Forensic Services Director stated that they are working to establish policies and procedures to ensure the review and resolution of all pending vouchers. They expect to have the policies and procedures established and complete the review of all pending vouchers by October 30, 2015. September 2015: The more than 1,000 pending vouchers are being reviewed and addressed. The completion goal is still October 30, 2015. March 2016: Management reported that the updated procedures have been placed into the Field Operations Manual and pending items have been reviewed and are being addressed as they occur. June 2016: Auditor confirmed the reported progress.	Implemented	<input checked="" type="checkbox"/>

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3C	The Department should require that test entries not be allowed in the live production database. Instead, a duplicate test environment should be established for testing purposes.	December 2014: The Forensic Services Director reported that the department has removed the test case data from the live environment and will do so after any future testing that must be completed in the live environment. Technical Services is developing a report for the Evidence Control Manager to be able to track these changes. June 2015: No change in status. September 2015: The Police Department Technical Services has developed a policy for maintenance and review of the history log to track the test records. This policy will be placed in the ILEADS System Admin document during the next revision, which is scheduled by October 30, 2015. March 2016: Auditors reviewed the policy that has now been placed into the Technical Services knowledge database for reference.	Implemented	<input checked="" type="checkbox"/>
3D	The Department should establish a longer retention period of video surveillance, particularly in the most sensitive storage areas.	December 2014: The Forensic Services Director indicated that past pricing estimates for equipment to allow a longer retention period was prohibitively expensive. The department has researched different funding options and weighed this against other needs, and is not requesting purchase during FY 2015/16. They will continue to review and rank this need during future budget processes. June 2015: Funding was not made available in FY 2015/16. September 2015: Due to system issues, a new system was purchased and is being installed. The new system has the ability to use motion sensors to turn on the cameras and will retain recordings of the more sensitive storage areas for an extended period of time. March 2016: Management reported these improvements will be completed within the next quarter. June 2016: Management reported the equipment has been installed that allows for a longer retention period in sensitive storage areas.	Implemented	<input checked="" type="checkbox"/>
3E	The Department should require the original checklist used while packaging drug burn items to be retained and signed, and a supervisory review for proper record retention. Further, add a certification statement on the signature pages of the forms.	December 2014: The Forensic Services Director reported that the original checklist is now being retained and contains a certification statement on the signature pages. As well, the Drug Burn procedure has been updated. Auditors reviewed the updated procedure and confirmed the certification statements on recent forms and original checklist retention.	Implemented	<input checked="" type="checkbox"/>

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1407	Communications Center Staffing	Issued:	10/11/2013	
1A	The Communications Center management should work with the Public Safety HR Unit to ensure authorized positions are staffed to minimize overtime costs.	<p>April 2014: Communications Center management indicated they have worked with PD Personnel to schedule in advance three dispatcher recruitments for 2014. However, auditors found that the second recruitment, scheduled to open in early/mid April 2014, had not yet occurred. In addition to advance scheduling, the Communications Center has increased flexibility by adding another part-time employee. The two part-time employees represent about .75 FTE. As of April 29, there were two vacancies, but another two anticipated to occur in the next one to three months. June 2014: Communications Center management indicated they will work with PD Personnel and the Assistant Chief to establish a process for initiating the recruitment process. Due to the recruitment and training time involved, it is more efficient to hire multiple dispatchers at once, so they will work to identify what that number should be for initiating the process. October 2014: Communications Center management has scheduled regular meetings with HR to address recruitment needs. Additionally, a number of changes have been made to try to reduce the recruitment workload and shorten recruitment time, including Communications Center supervisors helping to proctor the practical skills test and more background investigators being assigned.</p>	Implemented	<input checked="" type="checkbox"/>
1B	The Communications Center management should work with the Public Safety HR Unit to look for ways of shortening the recruitment and hiring time. For example, the department should consider opening the practical skills test to allow interested persons to qualify before applying for the position.	<p>April 2014: The Communications Center management and PD Personnel do not see a benefit to opening the practical skills test earlier. At this time, they plan to continue the process of reviewing all applications prior to skill testing. However, once PD Personnel is fully staffed, background investigations can be completed more timely. June 2014: Communications Center management will work with PD Personnel to determine if there is an alternative way to decrease this recruitment lag time. October 2014: Communications Center supervisors are helping to proctor the practical skills testing, which will free up HR time and allow more flexible test scheduling such as evenings and weekends. Applicants are also now allowed to check their application status and schedule their testing online. These changes are in addition to scheduling oral boards for out-of-state applicants on the day after their onsite practical skills testing. As well, additional software licenses were purchased to allow more applicants to be tested at one time.</p>	Implemented	<input checked="" type="checkbox"/>

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1C	The Communications Center management should plan recruitments to fill anticipated vacancies based on the department's typical turnover rates.	<p>April 2014: Communications Center management indicated they request recruitments based on anticipated vacancies; however, they find that City policy prevents them from hiring prior to an actual vacancy. Due to the lengthy training process, this results in a trained replacement being ready 6 to 9 months after the vacancy.</p> <p>June 2014: Communications Center management indicated they will work with PD Personnel to establish a process for initiating a recruitment. Because it is more efficient to hire and train multiple dispatchers at one time, they will work to determine what that number should be.</p> <p>October 2014: Communications Center management is working with HR to monitor vacancies and schedule recruitments when 3 vacancies exist.</p>	Part Impl'd	<input checked="" type="checkbox"/>
2A	The Communications Center management should further evaluate its methodology for determining staffing needs, including testing assumptions such as call processing times, agent occupancy rates and available work hours.	<p>April 2014: Communications Center management indicated they are reviewing staffing and activity reports. However, auditor review of the reports found they have not yet tested the assumptions that underly staffing need calculations.</p> <p>June 2014: Communications Center management indicated they will research how other dispatch centers are developing the performance data needed for the staffing model.</p> <p>October 2014: Communications Center management has contacted other agencies and inquired through professional forums regarding staffing models and ways to evaluate dispatcher workload measures. At this time, they have not learned of specific methods for improving the measures.</p>	Part Impl'd	<input checked="" type="checkbox"/>
2B	The Communications Center management should document the methodology, assumptions and supporting data used in its staffing model to minimize loss of knowledge with staff turnover.	<p>April 2014: Communications Center staff created a monthly report to document trends and notes regarding staffing needs and changes so that the methodology is documented. The documentation does not yet include key assumptions and identify any supporting data.</p> <p>June 2014: Communications Center management stated they will research how other dispatch centers are developing data for the staffing model.</p> <p>October 2014: This remains in process.</p>	In Progress	<input checked="" type="checkbox"/>

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2C	The Communications Center management should regularly review detailed reports on call statistics to monitor the department's performance and ensure data collected is accurate.	April 2014: Auditors reviewed the monthly statistical reports that Communications Center management provided. The percentage of calls answered has been added to the monthly reports. At our request, a significant drop in call volumes in June 2013 was researched and explained as caused by a radio system upgrade resulting in only half that month's data being recorded. Anomalies such as these need to be documented in the monthly reports for future reference. June 2014: Communication Center management indicated when possible, they are documenting an explanation of the abnormalities on the report. October 2014: Auditors reviewed a recent monthly report which Communications Center management is using to monitor trends and variances. No anomalies were noted.	Implemented	<input checked="" type="checkbox"/>
3A	The Communications Center management should periodically review call volumes and minimum staffing levels to ensure they are aligned to control overtime costs.	April 2014: Communications Center management provided an example of staffing being reduced for 6 am to 10 am on Monday to Saturday mornings. However, auditors observed that only the "open" overtime hours were removed; the already staffed overtime hours during this period were left on the schedule. June 2014: Auditor reviewed a May 2014 staffing schedule and confirmed staffing was reduced during this time period.	Implemented	<input checked="" type="checkbox"/>
3B	The Communications Center management should track the use of call takers for radio dispatch to aid in determining optimal dispatch staffing needed, particularly at peak times.	April 2014: Communications Center management reported that optimal dispatch staffing is analyzed at the twice monthly supervisor meetings. However, documentation was not provided to show that radio dispatch needs have yet been specifically tracked and analyzed. June 2014: Communications Center management agreed tracking times when call takers perform radio dispatch functions would be useful and this can be done manually by the supervisors. October 2014: Communications Center management is monitoring monthly radio reports for significant radio coverage at positions other than those typically handling radio communications. This would indicate a call taker working as a dispatcher.	Implemented	<input checked="" type="checkbox"/>
1408	Selected Application Controls over the City's iNovah System		Issued:	6/17/2014
1A	The Financial Services Technology Director should require the semiannual user review be documented and retained. In addition, emphasize the importance of timely notification to the iNovah System Administrator when user access is no longer required.	January 2015: The Financial Services Technology Director provided the updated Security Access Policy that requires documentation of the user access reviews.	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1B	The Financial Services Technology Director should limit the number of iNovah system administrators. Further, system administrators should not have access in incompatible systems.	December 2014: The Financial Services Director stated the City Treasurer's Office is reviewing the various platforms that staff support in conjunction with iNovah. They believe there are compensating controls in place that Accounting staff monitor to detect inappropriate transactional activity. June 2015: The Financial Services Technology Director stated there are sufficient controls in place and that the risk level has been determined by management as low or tolerable.	Part Impl'd	<input checked="" type="checkbox"/>
1C	The Financial Services Technology Director should require that iNovah approvers not have cashiering ability, or if that is not considered feasible, establish a system report to alert management if an employee approves transactions that he/she cashiered.	December 2014: The Financial Services Technology Director stated approvers with cashiering access have secondary user accounts that enable them to segregate approvals and cashiering work. In addition, an automated report now runs each day to show anyone approving their own batch. Although this happened three times before the audit, the new report shows it has not happened since.	Implemented	<input checked="" type="checkbox"/>
2A	The Financial Services Technology Director should require that the failed log-in attempts report is reviewed frequently to allow timely follow up on incidents when a user has more than five unsuccessful log-in attempts. Further, the new iNovah version should be thoroughly tested to ensure this programming error has been successfully repaired by the vendor.	December 2014: The Financial Services Technology Director stated the system integrators now review on a daily basis the failed login reports to detect any login issues. The new iNovah platform implementation is slated to begin in the first quarter of 2015, and the vendor indicates these issues are resolved. Significant testing will take place during implementation. The revised completion date is March 2015. June 2015: The Financial Services Technology Director stated the new iNovah platform is in the final implementation stages. The new system authenticates users at startup and does not allow unauthorized users to log into the system. September 2015: Auditor confirmed the new iNovah version has been implemented using the single sign-on model. Through this model, network level security, rather than application security, monitors any log-in failures.	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2B	The Financial Services Technology Director should ensure the system access exception reporting continues to be monitored, and any improvements allowed by the new iNovah version are incorporated.	December 2014: The Financial Services Technology Director stated the system integrators now review on a daily basis the failed login reports to detect any login issues. The new iNovah platform implementation is slated to begin in the first quarter of 2015, and the vendor indicates these issues are resolved. Significant testing will take place during implementation. The revised completion date is March 2015. June 2015: The Financial Services Technology Director stated the new iNovah platform is in the final implementation stages. The new system authenticates users at startup and does not allow unauthorized users to log into the system. December 2015: The Financial Services Technology Director reported that all new security measures from the vendor are implemented and exception reports are reviewed frequently.	Implemented	<input checked="" type="checkbox"/>
2C	The Financial Services Technology Director should create an inventory of all systems, including iNovah, that are used to create the City's general ledger and assess the systems for incompatible duties.	December 2014: The Financial Services Technology Director stated a systems catalog has been developed. In addition, as several upgrades are implemented, controls and platform interfaces are being reviewed to ensure compensating controls are in place. The revised completion date is June 2015. June 2015: The Financial Services Technology Director supplied a copy of the systems catalog and noted that he has reviewed the platform interfaces and other system resources and determined that there are sufficient controls in place to prevent or detect improper transactions in the iNovah system.	Implemented	<input checked="" type="checkbox"/>
1409	Job Order Contracting	Issued:	6/6/2014	
1A	The Public Works Division Director should require CPM to negotiate contractor fees and prices during the JOC contract procurement process. This may be accomplished by adopting a price book and documenting negotiations or using an RFP process. Further, CPM should establish policies and procedures for the evaluation and negotiation of job order prices.	December 2014: The City Engineer stated that CPM currently complies with ARS Title 34 statutory requirements, which allows the flexibility of either including specific fees and pricing in the base contract or allowing negotiated fees and pricing when the City executes individual job orders. Contract costs and fees are now being better documented in the project folder. Auditors will test this documentation during a future status review. June 2015: CPM has not changed its procurement processes to negotiate fees and prices before awarding JOC contracts. However, CPM has established policies and procedures requiring specific price evaluation and negotiation before approval during the job order phase. Auditors confirmed that documentation is being completed and kept in project folders.	Part Impl'd	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1B	The Public Works Division Director should require CPM to document a thorough review of JOC cost proposals to eliminate unnecessary costs.	December 2014: Proposed prices are now also reviewed by the client department and by the new CPM estimator using RS Means Data cost index.	Implemented	<input checked="" type="checkbox"/>
1C	The Public Works Division Director should require CPM to obtain specific scope of work and task descriptions, along with material quantities, subcontractor tasks, if any, and other details applicable to each project before approving cost proposals and initiation of work.	December 2014: CPM is now obtaining more specific scopes of work and task descriptions that CPM from departments so that the client department, construction administrative staff, the Project Manager, and the CPM estimator can better review subcontractor tasks, material quantities and cost proposals. Auditors reviewed examples of these changes.	Implemented	<input checked="" type="checkbox"/>
1D	The Public Works Division Director should require CPM to develop procedures for client department participation in JOC scope of work development, cost negotiations and other decision making.	December 2014: The City Engineer stated that the departments are now included in the development of the scope of work, field visits, scope refinement, review of cost proposals, and final decision making regarding their project outcome. Auditors reviewed examples of CPM's monthly meetings with departments and project-related emails shared with departments regarding scope of work, cost proposals, and other matters.	Implemented	<input checked="" type="checkbox"/>
2A	The Public Works Division Director should ensure policies and procedures are developed for the JOC and on-call engineering programs. Specifically the policies and procedures should require CPM to evaluate and approve JOC cost proposals, and any adjustments, before contractor work is performed. The cause for any exceptions to this requirement should be documented. Further, consider establishing policies and procedures regarding client department approval of scope and cost changes.	December 2014: The City Engineer stated procedures have been developed for evaluation and approval of individual job orders and adjustments with any exceptions to be documented in the files. A draft procedure addendum for the Project Management manual is currently being circulated for review. June 2015: Auditors verified that JOC procedures have been completed and distributed.	Implemented	<input checked="" type="checkbox"/>
2B	The Public Works Division Director should ensure policies and procedures are developed for the JOC and on-call engineering programs. Specifically the policies and procedures should provide documentation minimum requirements to include the level of detail for contractor cost proposals and pay requests and staff documentation of project monitoring to validate costs and provide progress and quality assurance before payments are made.	December 2014: The City Engineer stated procedures have been developed for the construction administration staff and the public works inspector to validate the level of effort and costs for individual job order pay requests. Contractor daily work efforts are documented on daily inspection forms. Additional documentation of subcontractor invoices and materials are required prior to payment. A draft procedure addendum to the Project Management manual is currently being circulated for review. June 2015: Auditors verified that JOC procedures have been completed and distributed.	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2C	The Public Works Division Director should ensure policies and procedures are developed for the JOC and on-call engineering programs. Specifically the policies and procedures should provide a process for evaluating the best suited procurement/delivery method for a given project, and evaluating project assignments.	December 2014: The City Engineer stated that the selected procurement method is to be approved by the Project Manager, Construction Administration Supervisor, and City Engineer based on the nature of the project, schedule and budget and other specific issues identified during the design phase, with the decision rationale documented in the files.	Implemented	<input checked="" type="checkbox"/>
3A	The Public Works Division Director should ensure CPM is adhering to contract terms, such as requiring preconstruction conferences, progress meetings, and contractor daily reports or document exceptions.	December 2014: Auditors reviewed the project checklist incorporated into the JOC Procedures Manual and in several project files. This checklist includes requirements such as subcontractor approvals, preconstruction meeting, progress meetings, daily inspection reports, final acceptance and settlement of claims forms.	Implemented	<input checked="" type="checkbox"/>
3B	The Public Works Division Director should require CPM to review subcontractor selections and document any necessary changes or approval.	December 2014: The City Engineer stated that subcontractor selections are being reviewed/approved during the cost proposal approval process. CPM staff indicated at least one proposed subcontractor has been rejected due to past performance.	Implemented	<input checked="" type="checkbox"/>
3C	The Public Works Division Director should require CPM to complete the project close out procedures to document substantial completion, final acceptance and settlement of claims prior to final payment.	December 2014: The City Engineer stated project closeout procedures, including final acceptance and settlement of claims forms, are now documented at the time of final payment. Auditors reviewed several closeout forms for previously completed projects that are now being obtained.	Implemented	<input checked="" type="checkbox"/>
1410	Accounts Receivable Management	Issued:	6/19/2014	
1A	The City Treasurer should evaluate whether Library accounts receivable should be managed by Accounting and Business Services staff, including revenue recovery services. Otherwise, the City Treasurer's office should require Library to submit its collection policies, processes and documentation of collection activity for accounts submitted for write-off. Further, the City Treasurer's office should evaluate whether additional collection efforts are appropriate for these bad debt accounts.	December 2014: The City Treasurer's Office reported that this has been discussed, but a process has not been finalized. The revised completion date is March/April 2015. June 2015: As also stated in management's response to Audit No. 1506, Library management will continue to work with its third-party vendor for collection services. Community Services staff will work with the City Treasurer's Office to improve processes for Library collection and write-off. September 2015: The City Treasurer's Office reported the Library submitted its policy for bad debt write-off and allowance for doubtful accounts, which is satisfactory and has been approved.	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1B	The City Treasurer should establish or require more specific written waiver guidelines, particularly requiring appropriate customer or supervisory documentation.	December 2014: The City Treasurer's Office reported that this has been discussed, but a process has not been finalized. The revised completion date is March/April 2015. June 2015: Library staff is working with the new Library Director to determine specific criteria for fine and fee waivers by Library staff. These criteria will be reviewed by the City Treasurer's Office and submitted to the Library Board for approval in July 2015. September 2015: The City Treasurer's Office reported that the Library submitted its guidelines for fee waivers, which are satisfactory and have been approved.	Implemented	<input checked="" type="checkbox"/>
1C	The City Treasurer should ensure sufficient support for uncollectable account estimates.	December 2014: Auditors verified that the supporting documentation that Library provided to the City Treasurer's Office for the FY 2013/14 uncollectable account estimates was more complete, including the Library's documented assumptions.	Implemented	<input checked="" type="checkbox"/>
2A-C	The City Treasurer should establish an Administrative Regulation or other authoritative requirements to guide City staff in establishing appropriate controls, recordkeeping, and collection efforts for amounts owed to the City.	December 2014: The City Treasurer's Office provided a revised completion date for a policy or administrative regulation by April 30, 2015. In the interim, City Treasurer's Office staff are meeting with various departments to discuss billing and receivable processes. June 2015: Auditors verified that a new AR incorporating internal control procedures was implemented in May 2015.	Implemented	<input checked="" type="checkbox"/>
2D	The City Treasurer should establish a practice of comparing accounts payable with receivables for potential recoveries of amounts owed the City before making payments.	December 2014: The City Treasurer's Office stated that this comparison may be considered at fiscal year-end for accounts referred to revenue recovery or for write-off; however, the data in the audit report represented active receivable accounts with current contractual agreements that the City could not legally off-set. The City Treasurer's staff met with the contract administrator for these agreements to discuss the past-due balances. To-date, all are current with the exception of one that the contract administrator is actively working on. June 2015: No change in status reported. September 2015: No change in status.	Not Impl'd	<input checked="" type="checkbox"/>
3A	The City Treasurer should ensure that a segregation of duties analysis is performed for receivables-related accounting functions and that system access rights are used to establish appropriate segregation of duties.	December 2014: The City Treasurer's Office provided a segregation of duties analysis showing the different processes and authorized staff with a brief description of related controls. The City Treasurer has decided to continue relying on manual review controls.	Part Impl'd	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
3B	The City Treasurer should ensure that the number of System Administrators is reduced to the minimum number feasible.	December 2014: The City Treasurer's Office reported that the City Treasurer believes the current number of System Administrators is the minimum number feasible. The Accounting technology support team consists of three members, each charged with supporting all of the modules on a day-to-day basis.	Implemented	<input checked="" type="checkbox"/>
1411	Claims Management	Issued:	1/8/2014	
1A	The Risk Director should ensure complete policies and procedures are developed and documented to provide reasonable assurance of efficient and effective claims management.	<p>April 2014: The Risk Management Director stated claims handling policy manuals are being developed, to include time frames, documentation, and reserve practices. Completion is expected by June 2014. She also noted physical files are now being set up on all claims.</p> <p>June 2014: Due to staff turnover, this project remains in process.</p> <p>October 2014: The Risk Management director reported that progress is being made and a December 31 completion is currently expected.</p> <p>December 2014: The Risk Management Director reported that monitoring reports have been designed and put in place for timely claim set up and activity. Procedure manual updates are approximately 75% complete; the revised completion date for this is March 2015.</p> <p>June 2015: Auditors verified that procedure manuals have been completed and implemented.</p>	Implemented	<input checked="" type="checkbox"/>
1B	The Risk Director should ensure periodic quality reviews of claims management are performed and documented to ensure timely processing, ongoing monitoring and necessary follow up.	April 2014: Auditor review of a claims lag report indicates, since January 2014, all types of claims are generally being entered into the system within 3 business days. The new Risk Management Director stated she reviews the claims lag report on a quarterly basis to verify the standards are being met.	Implemented	<input checked="" type="checkbox"/>
1C	The Risk Director should ensure AR billing accounts are established for all subrogated claims and criteria is established for monitoring AR billings and collections.	April 2014: The Risk Management Director is working with Accounting and Revenue Recovery to develop procedures to ensure accounts receivable are processed appropriately. She anticipates completion by July 2014. October 2014: The Risk Management Director reported that the new process is currently in a test phase and will be documented once testing is completed. This is currently expected to be complete in November 2014. December 2014: Auditors reviewed the subrogation process that has been documented and put into practice. This includes subrogation file set up and creating necessary documents for the insurance company, accounting and remittance processing.	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1D	The Risk Director should ensure procedures are developed for Riskmaster user authorization, change management and documentation standards.	<p>April 2014: Risk Management's System Integrator has developed a spreadsheet to track user access authorizations and changes. Policies and procedures for change management and documentation standards are being developed as part of the claims policies and procedures manual; completion is expected by June 2014. June 2014: Due to staff turnover, this remains in process. October 2014: The Risk Management Director reported that this process is in place and will be documented in the procedures manual by December 2014. December 2014: While the procedures manual is still in process, auditors reviewed the Riskmaster Security Access document that the Risk Management Director and System Integrator have developed. June 2015: Auditors determined that Riskmaster procedures have been implemented.</p>	Implemented	<input checked="" type="checkbox"/>
2A	The Risk Director should ensure compliance with the state Industrial Commission reporting requirements.	<p>April 2014: Auditors reviewed the claims lag report, which shows since January 2014, injury reports are generally being entered within 2 business days. Further, one of Risk Management's FY 2014/15 performance objectives is to report to the state Industrial Commission within 2 days of receiving the injury report. October 2014: The Risk Management Director monitors a quarterly report to verify all claims are being set up and reported within 2 days.</p>	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2B	The Risk Director should provide management training and ongoing communication citywide about the use and filing requirements of SRAs.	<p>April 2014: The Risk Management Director reported that the incident reporting form has been redesigned and is being programmed by IT for online use. Upon completion, which is estimated to be early June, a full supervisors training will be provided. In the interim, training is available on an as-needed basis either in person or through computer-based training. June 2014: Due to staff turnover, this remains in process.</p> <p>October 2014: The Risk Management Director reported that the incident reporting form had to be modified. New online training is expected to be completed by December 15. December 2014: The Risk Management Director reported that online training is available in Scottsdale University. However, revisions to the Administrative Regulation will be incorporated into the supervisory reporting forms and the training. The new revised completion date is March 2015. June 2015: The Risk Management Director determined that it was not time efficient to require mandatory training for all existing supervisors through Scottsdale University, but rather to work directly with individual departments as needed. Training is provided during New Employee Orientation and with the New Employee Safety Handbook. The incident reporting form is available on the Risk Management website and Risk Management staff and department safety liaisons are available for assistance.</p>	Implemented	<input checked="" type="checkbox"/>
2C	The Risk Director should revise AR 225 to reflect appropriate practices for accident investigation, with approval of the City Treasurer and City Manager.	<p>April 2014: The Risk Management Director is working with the City Manager's Office to revise AR 225. This should be completed by early June. She indicated department managers have been fairly positive about having supervisors document accident information when applicable rather than requiring adjusters to respond to all calls. The incident form (SRA) has been modified to capture all investigative information. June 2014: Due to staff turnover, this remains in process.</p> <p>October 2014: The Risk Management Director reported that this is in the review phase and should be completed in November 2014.</p> <p>December 2014: The Risk Management Director reported that the Administrative Regulation is being updated regarding the risk adjuster's role in minor accidents and to incorporate other recent changes. June 2015: The Risk Management Director has submitted the revised AR to the City Manager for review. September 2015: The applicable AR has been updated.</p>	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
3	The Risk Director should review and develop stronger performance measures to ensure that they are effective indicators of departmental activities and outcomes. Also, evaluate whether the available data is used to its best advantage in identifying claim trends and improving risk management citywide.	April 2014: For the FY 2014/15 budget, the Risk Management Director has identified two effectiveness performance measures, and has eliminated the 1-to-1 Ratio as a measure. Once the new subrogation process has been fully implemented, a performance goal can be developed for that as well. June 2014: due to staff turnover, this remains in process. October 2014: The Risk Management Director reported this has been completed during the budget process and with individual goal setting in the new performance evaluation system.	Implemented	<input checked="" type="checkbox"/>
1412	Procurement Card Use & Controls	Issued:	3/6/2014	
1A	The Purchasing Department should establish consequence for noncompliance with pro-card requirements, such as reassigning the card to another employee in the workgroup or canceling the card.	December 2014: Management reported that a draft AR 220 revision is in progress. The new target date for completion, after review and approvals, is March 31, 2015. June 2015: Auditors verified that an AR 220 revision was approved and effective on February 12, 2015.	Implemented	<input checked="" type="checkbox"/>
1B	The Purchasing Department should establish more specific documentation guidelines that allow management to verify the validity of the purchase.	December 2014: Management indicated that guidelines are being created and the new target completion date is to distribute the guidelines to procard holders by February 2015. June 2015: Auditors verified that new guidelines were distributed to card holders on January 28, 2015.	Implemented	<input checked="" type="checkbox"/>
1C	The Purchasing Department should require annual refresher training for all cardholders and supervisors.	December 2014: Management indicated the new cardholder computer based training (CBT) has been completed and they are working with Human Resources and Information Technology to set up annual refresher notices and tracking in Scottsdale University. The new target completion date is June 30, 2015. June 2015: Management indicated that an annual refresher training is on track to be completed by June 30, 2015. September 2015: This refresher training was implemented in July.	Implemented	<input checked="" type="checkbox"/>
2A	The Purchasing Department should consider requiring cardholder supervisors to be the online reviewers and more closely monitor any approved exceptions.	December 2014: Auditors reviewed the online system's group membership reports and confirmed that, with limited exceptions, supervisors are now set up as online reviewers.	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2B	The Purchasing Department should annually compare cardholder spending patterns to card limits and recommend appropriate limit adjustments. To support the recommended limits, include cardholder spending data in the annual pro-card reviews provided to the cardholder departments.	December 2014: Management reported that June 30 is still the targeted implementation date to review cardholder spending patterns. June 2015: Management indicated that they still expect to complete review of cardholder spending patterns by June 30, 2015. September 2015: Purchasing provided its tracking sheet for adjustments to spending limit changes.	Implemented	<input checked="" type="checkbox"/>
2C	The Purchasing Department should direct all Bank rebate checks to the City's Remittance Processing mailing address.	December 2014: Auditors reviewed the Purchasing Department's June 2014 notice to the Bank to send the City's future rebate checks to remittance processing.	Implemented	<input checked="" type="checkbox"/>
2D	The Purchasing Department should reassign some of the Pro-Card Administrator's responsibilities to ensure adequate segregation of duties. In addition, reduce the number of employees with administrator access and ensure documentation is retained for spending limit and designated supervisor changes.	December 2014: Auditors reviewed the updated segregation of duties and compensating control changes made during July and August 2014. Documentation retention will be tested during the coming months. June 2015: Staff is considering how to retain documentation of account changes. September 2015: Purchasing staff is maintaining a tracking sheet for spending limit changes along with supervisor names. Designated supervisor changes will be included as well.	Implemented	<input checked="" type="checkbox"/>
2E	Establish consequences for late notification of cardholder termination dates or work with HR to establish procedures for prompt notification to the Pro-Card Administrator of impending cardholder terminations.	December 2014: Human Resources is now including Purchasing on the Resignations email notice that is generally 2 weeks in advance of the termination date. As well, HR has added a reminder on the resignation form for the supervisor to collect the employee's procard as part of the resignation process.	Implemented	<input checked="" type="checkbox"/>
3	The City Manager should require City departments to maintain inventory records of gift cards purchased, stored and given and to minimize the amount of cards kept on hand.	December 2014: Auditors reviewed the gift card guidelines that were added to AR 268. The guidelines include safeguarding gift cards as cash equivalents, logging their purchase and distribution, and keeping the inventory to a minimum. As well, the Accounting Director indicated this topic was included in cash handling training sessions beginning in October 2014.	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1413	Fire Department Staffing Model	Issued:	1/8/2014	
1A	The Fire Department should update the SOC report periodically to ensure it contains up-to-date information to aid in operational decisions.	June 2014: The Department plans to use an outside consultant to update the Standards of Coverage. They are working with Purchasing to develop a Request for Proposals, which is anticipated to be put out in June. September 2014: The Department has selected a contractor and anticipates having the first contract deliverable in November 2014. June 2015: The contractor has submitted the final draft of the Standards of Coverage to Fire and City management for review. It is scheduled for a Council work study in June 2015. September 2015: The department presented its updated Standards of Coverage at the City Council work study session on June 23, 2015. The Council did not formally adopt the performance goals, but directed the department to develop a methodology to analyze performance against scientific data and report to the Council on a semiannual basis.	Implemented	<input checked="" type="checkbox"/>
1B	The Fire Department should present the updated SOC for Council consideration and adoption. In addition, annually evaluate and report on department performance as stated in the SOC.	June 2014: The Department plans to use an outside consultant to update the Standards of Coverage. They are working with Purchasing to develop a Request for Proposals, which is anticipated to be put out in June. September 2014: The Department has selected a contractor and anticipates having the first contract deliverable in November 2014, with the updated Standards of Coverage going to Council in February 2015. June 2015: The final draft has been submitted to Fire and City management for review. It is scheduled for a Council work study later this month. September 2015: The department presented its updated Standards of Coverage at a City Council work study session on June 23, 2015. The Council did not formally adopt the performance goals, but directed the department to develop a methodology to analyze performance against scientific data and report to the Council on a semiannual basis.	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1C	The Fire Department should evaluate the current response time goals against past performance, including the effectiveness of the City's automatic sprinkler requirement, and develop response time goals that are meaningful and attainable.	June 2014: The Department plans to use an outside consultant to update the Standards of Coverage. They are working with Purchasing to develop a Request for Proposals, which is anticipated to be put out in June. September 2014: The Department plans to address response time goals in the updated Standards of Coverage. June 2015: The Standards of Coverage is scheduled for Council work study later in June. September 2015: The Standards of Coverage was presented to Council with updated response time goals that were even more aggressive than the previous goals. The Council did not formally adopt the performance goals, but directed the department to develop a methodology to analyze performance against scientific data and report to the Council on a semiannual basis.	Part Impl'd	<input checked="" type="checkbox"/>
1D	The Fire Department should explore the potential for referring animal, snake and bee removal and similar calls to private providers or specialty organizations. Include in the SOC how the Department will handle such calls.	June 2014: The Department plans to use an outside consultant to update the Standards of Coverage. They are working with Purchasing to develop a Request for Proposals, which is anticipated to be put out in June. September 2014: The Department is providing information on its website for contacting the herpetological society for snake removal. However, in addition, the policy of responding to animal removal calls will be continued.	Part Impl'd	<input checked="" type="checkbox"/>
2A	The Fire Department should enhance the staffing calculator to determine rover need using historical leave information and to also estimate unscheduled overtime based on historical turnover and any significant trends that develop.	June 2014: The Department has adopted the enhanced staffing calculator proposed in the audit report. They are working with Budget to use this tool when making budget projections.	Implemented	<input checked="" type="checkbox"/>
2B	The Fire Department should determine the cause of the dropped data so that the data import issue can be fixed. In addition, establish a method to validate the data import to enhance data integrity on an ongoing basis.	June 2014: The Department has hired a Systems Integrator who will be tasked with reviewing current software platforms to improve and enhance data integrity. June 2015: An inaccuracy in the Unit Table, which has now been corrected, was causing the dropped data. Data is now validated monthly by a manual check before and after it is uploaded to the RMS system.	Implemented	<input checked="" type="checkbox"/>
2C	The Fire Department should develop written guidance and provide system access based on employee's job duties and the "least privilege" principle. In addition, Fire Department management should revoke former employees' access upon termination and regularly review access authority for any needed changes.	June 2014: The Department has developed a draft guideline for implemetning the least privilege principle for system access. The Policy Team will complete the guideline's final processing. September 2014: The Department has established a new policy that restricts access based on least privilege and requires the Deputy Chief of Professional Services to conduct an annual review of access rights.	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
3	<p>The Department should discontinue or seek approval of its practice of paying overtime for day assignment/40-hour staff whose hourly pay is already based on 56 hours of work. Alternatively, the Department could continue to pay their regular hourly rate plus overtime for each additional hour worked.</p>	<p>June 2014: Fire Department management indicated the Department is developing a comprehensive pay and classification plan that will be vetted through Human Resources and the City Manager. This plan would have a direct impact to Scottsdale Revised Code, thus requiring an ordinance change. The Department's intent, upon approval of the City Manager, is to bring the proposed ordinance change to City Council for consideration. September 2014: The Department indicated this plan is pending completion of the City's comprehensive compensation plan. June 2015: No change in status was reported. September 2015: The Department has reviewed its practice with the City Manager and is awaiting completion of a compensation study that HR is conducting. In the meantime, the Department will continue to pay these 56-hour firefighters on 40-hour assignments overtime after 40 hours worked. March 2016: The Department and HR indicated this practice was not reviewed during the compensation study. The practice has not been discontinued nor approved.</p>	Not Impl'd	<input checked="" type="checkbox"/>
4A	<p>The Department should periodically review its online job descriptions to ensure they are accurate.</p>	<p>June 2014: Fire Department management indicated a yearly recurring reminder has been placed on the department's Master Activity Calendar to review the job descriptions for accuracy. As well, reminders of the review have been placed on the Executive Assistant Chief and an Assistant Chief's calendars. The first reminder is scheduled for October 1, 2014. June 2015: The Executive Assistant Chief reported that the Professional Standards staff and the Public Safety Human Resources staff completed this review.</p>	Implemented	<input checked="" type="checkbox"/>
4B	<p>The Department should work with Human Resources to develop a trade time policy recommendation for adoption into City Code.</p>	<p>June 2014: Fire Department management indicated the Department is developing a comprehensive pay and classification plan that will be vetted through Human Resources and the City Manager. This plan would have a direct impact to Scottsdale Revised Code, thus requiring an ordinance change. The Department's intent, upon approval of the City Manager, is to bring the proposed ordinance change to City Council for consideration. September 2014: The Department developed a draft policy that is being reviewed by the department's policy team with assistance from assigned staff of the City Attorney's office and Human Resources Division. June 2015: The City Attorney's Office has recommended the trade time policy be kept as a formal policy but not adopted as City ordinance because an ordinance is less flexible and would take longer to amend or repeal.</p>	Not Impl'd	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1414	Control & Use of Key Water Treatment Supplies	Issued:	10/8/2013	
1	The Water Resources Division should work with the Purchasing department to ensure the City procures water treatment chemicals at the lowest possible cost, including purchasing from other government entities' contracts when they are advantageous.	April 2014: Auditors reviewed the Division's analysis of its recent bid solicitation through the Purchasing department. This analysis included comparison to the multi-agency contract prices and assured the Division was procuring water treatment chemicals at the best prices.	Implemented	<input checked="" type="checkbox"/>
2	The Water Resources Division should work with the Finance & Accounting Division to verify which chemicals qualify for a transaction privilege/use tax exemption and ensure the applicable taxes are paid.	April 2014: The Division is currently working with the City Treasurer's office to verify which chemicals qualify for the exemption. They anticipate this review's completion by May 2014. July 2014: Auditors reviewed the Division's detailed analysis of the purpose and taxability of 44 chemicals. The analysis team included Water Resources staff and the Accounting Director.	Implemented	<input checked="" type="checkbox"/>
3A	The Water Resources Division should ensure that daily operations and storage/inventory reports are developed, complete and up-to-date for all facilities.	April 2014: The Division reported that the Chaparral facility's Operations reports have been created and are in use. However, staff noted that they will continue to review these reports for completeness and usefulness. The CAP and CGTF Operations reports are also being updated to be more applicable to current operations. July 2014: The Division reported that Operations reports are in place for all facilities. The Division's standard practice is to revise processes and procedures as improvements, refinements and efficiencies are identified. Auditors reviewed recent reports for each facility.	Implemented	<input checked="" type="checkbox"/>
3B	The Water Resources Division should ensure that plant records of chemical orders and deliveries are consistently maintained along with required delivery documents to provide support for payment of vendor invoices.	April 2014: The Division implemented a Standard Operating Procedure for handling chemical order and delivery. This SOP includes procedures for ordering, receiving, invoicing, storing, records management, chemical safety, and employee training. As well, the SOP includes a standard chemical ordering and receiving forms.	Implemented	<input checked="" type="checkbox"/>
3C	The Water Resources Division should ensure that the Electronic Operations Manual is updated to reflect accurate, complete and current guidance and procedures.	April 2014: Auditors reviewed the updated Electronic Operations Manual. Division staff demonstrated how information can be located by site, chemical or process. As well, the new chemicals and processes have been added to the EOM.	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1503	Police Overtime	Issued:	12/9/2014	
1A	The Police Chief should direct staff to include overtime accrued as compensatory time in the department's analysis of overtime usage and costs.	June 2015: The Police Department reported that it has worked with the City Treasurer's Office to include compensatory hours earned and will review at fiscal year end. January 2016: The department reported that as of December 2015, the total number of compensatory hours earned is included on the monthly overtime analysis report for command staff monitoring. Auditors reviewed the December 2015 report to confirm comp time earned is on the monitoring report.	Implemented	<input checked="" type="checkbox"/>
1B	The Police Chief should direct staff to establish review procedures to ensure that premium pay is used according to approved policies.	June 2015: The department reported that a Chief's memo was issued containing premium pay guidelines and this is included in new officer training. Auditors will review progress during coming months. January 2016: Auditors confirmed with the department's trainer that the premium pay guidelines are being included in new officer and sergeant training.	Implemented	<input checked="" type="checkbox"/>
1C	The Police Chief should direct staff to periodically confirm court attendance time entries.	June 2015: The Police Department reported that supervisors have been directed to periodically review court attendance. Auditors will verify this process at a future date. January 2016: As previously reported, sergeants, lieutenants and commanders were instructed to randomly check officers' court attendance. Additionally, Internal Affairs is notified when an officer fails to appear in court, and the notice is forwarded to the officer's chain of command to determine the reason and ensure it was not reported on the timesheet. Auditors will verify these processes during a future review. March 2016: Auditors reviewed documentation of this process being used.	Implemented	<input checked="" type="checkbox"/>
1D	The Police Chief should direct staff to evaluate more efficient methods of monitoring overtime usage and ensuring accurate reporting.	June 2015: The department stated monthly overtime reports are sent to Commanders and Lieutenants for review and analysis. Auditors will review progress during a future update. January 2016: In addition to the monthly monitoring, PD staff have investigated using the Fire Department's TeleStaff software but it does not have the necessary capabilities. The City's planned payroll software purchase in FY 2016/17 may provide additional capabilities. Auditors will verify monitoring efforts during a future review. March 2016: The Financial Services Technology Director reported the planned payroll system will not address timekeeping, but there may be ways for the timekeeping system to provide the needed reports and approval paths.	In Progress	<input type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1E	<p>The Police Chief should direct staff to investigate technology options that will allow the requesting management-level employee to review and/or approve time sheet entries. If there is not a feasible technology option, supervisors should periodically follow-up on a number of entries to ensure time is being accurately reported.</p>	<p>June 2015: The Police Department is continuing to look at technology options to assist with scheduling and approving time, including the scheduling software currently used by the Fire Department. However, the department stated its current budget does not allow such a purchase, but it will continue to review funding sources. January 2016: The department has not found a feasible technology solution. Instead, supervisory staff will periodically follow up on some overtime entries where the overtime was requested by another supervisor. March 2016: As well as requiring direct supervisors to review overtime entries, the department requires lieutenant's review when an employee accumulates more than 20 hours of overtime in a pay period and commander's review for more than 30 hours.</p>	Implemented	<input checked="" type="checkbox"/>
2	<p>The Police Chief should direct the department's management and supervisory staff to review all overtime worked including City-paid overtime, compensatory time earned, and City-managed special event/off-duty hours. Further, reviews should include monitoring compliance with maximum daily, weekly and annual work hour limits, and the overtime-related General Orders should be reviewed for consistency and completeness.</p>	<p>June 2015: The Police Department reports that it has updated its General Orders to ensure consistency on maximum work hour limits and is working on providing off-duty reports to supervisors on a monthly basis. The department estimates implementation by December 31. January 2016: In addition to the updated General Orders, the department's Special Events Unit has created an off-duty tracking report that is available on the network at any time to Sergeants, Lieutenants, Commanders and Assistant Chiefs. An email to these supervisory staff explained the report's information and that it should be used to monitor total hours worked.</p>	Implemented	<input checked="" type="checkbox"/>
1504	Network Security Assessment	Issued:	6/11/2015	
1a	<p>The Information Technology Department should ensure its information security administrative controls, policies and awareness training promote information security consistency throughout all departments. Specifically: Ensure a cohesive citywide network security policy is in place, and that related policies and procedures are maintained and tested periodically. This should also include ensuring departmental policies align with citywide policies and that written policies address human resource-related information security mandates.</p>	<p>December 2015: The Chief Information Officer reported that all IT policies and Administrative Regulations have been reviewed and updated. The City has mandatory computer based security awareness training that all employees are required to take annually. IT is submitting a decision package as part of this year's budget process to contract with a specialized company for IT security awareness training for end users and system administrators that have access to sensitive information. March 2016: The Chief Information Officer indicated this is pending the budget request decision. June 2016: Due to the overall cost, the training is targeted at end users rather than system administrators or users of systems with sensitive information. Those needs will be addressed through in-house developed training.</p>	Part Impl'd	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1b	<p>The Information Technology Department should ensure its information security administrative controls, policies and awareness training promote information security consistency throughout all departments. Specifically: Enforce separation of duties for programmers/code development staff and document compensating controls where separation of duties is not feasible.</p>	<p>December 2015: The Chief Information Officer reported that a new citywide IT policy has been created for Application Development - Separation of Duties, and it has been reviewed with staff who have a programmer/code developer role.</p>	Implemented	<input checked="" type="checkbox"/>
1c	<p>The Information Technology Department should ensure its information security administrative controls, policies and awareness training promote information security consistency throughout all departments. Specifically: Implement data classification, labeling and disposal policies and procedures, and then provide regular training and require employees to attest to their understanding of these policies.</p>	<p>December 2015: The Chief Information Officer reported that the IT Service Management System has been modified to track applications containing credit card, healthcare, criminal history and/or personally identifiable information. Training will be developed and tracked to ensure staff understands their role in managing the data in those systems. March 2016: The Chief Information Officer reported that the content and general framework for the training has been developed and the training is being written as a computer based training. Once complete, the training module will be posted to Scottsdale University so employee training can be tracked. June 2016: The Chief Information Officer reported the training module will be completed and ready to deploy in 30 days. Sept 2016: The Chief Information Officer reported that new tools have been or are being purchased that will facilitate training employees on certain security risks, such as phishing emails and requirements of PII, PCI and HIPAA data protection.</p>	In Progress	<input type="checkbox"/>
1d	<p>The Information Technology Department should ensure its information security administrative controls, policies and awareness training promote information security consistency throughout all departments. Specifically: Complete incident response policies and procedures. When complete, perform a desk review of the procedures and test them at least annually or whenever response mechanisms change.</p>	<p>December 2015: The Chief Information Officer reported that a draft incident response plan is being developed using NIST Publication 800-61, "Computer Security Incident Handling Guide." Completion has been delayed to give priority attention to other identified issues. March 2016: The Chief Information Officer reported that he is currently reviewing the draft, then the document will be circulated to and discussed with key stakeholders. June 2016: The draft is being clarified with flowcharts of key processes. Sept 2016: The City's cybersecurity insurance provider also makes available an independent third party review of the security plan. IT is currently working to schedule the review.</p>	In Progress	<input type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1e	The Information Technology Department should ensure its information security administrative controls, policies and awareness training promote information security consistency throughout all departments. Specifically: Work with other departments as appropriate to implement periodic reviews of facilities, environments and technology implementations to ensure compliance with administrative and technical controls as well as compliance with City of Scottsdale policies.	December 2015: The Chief Information Officer reported that facilities outside of the four datacenters are being identified. Once complete, each will be visited annually to ensure proper controls are in place. March 2016: The Chief Information Officer reported that site visits are being scheduled and a checklist has been developed to ensure a consistent review. June 2016: The facility reviews are scheduled at the beginning of next fiscal year. Sept 2016: The responsible director recently retired. Completion is now planned during the current fiscal year (2016/17).	In Progress	<input type="checkbox"/>
1f	The Information Technology Department should ensure its information security administrative controls, policies and awareness training promote information security consistency throughout all departments. Specifically: Implement formal plans, tests, and risk/impact analysis for third-party IT providers and new technologies.	December 2015: The Chief Information Officer indicated that this relates to an existing City Auditor audit, and IT will partner with the Emergency Management Coordinator to incorporate this into that business continuity risk/impact assessment. March 2016: The Chief Information Officer provided an application listing that will provide the basis for the business continuity risk/impact assessment to be coordinated with Emergency Management. June 2016: No additional progress. Sept 2016: The Chief Information Officer plans to attend the October 4 emergency management meeting to discuss assessing IT needs during the business continuity planning.	In Progress	<input type="checkbox"/>
1g	The Information Technology Department should ensure its information security administrative controls, policies and awareness training promote information security consistency throughout all departments. Specifically: Ensure standard language for contracts with outside contractors and third-party service providers addresses regulatory or compliance terms.	December 2015: The Chief Information Officer reported that standard language has been developed and reviewed by the City's legal and purchasing departments. Because of the wide variety of industry standards and frameworks, the City has chosen not to restrict vendors and service providers to a single set of standards. Most contracts are negotiated on a case by case basis as vendors and service providers are no longer willing to agree to the City's standard contract terms. The City's Chief Information Security Officer also reviews technology contracts for acceptable terms and conditions prior to the purchase. March 2016: Auditors reviewed documentation of the Chief Information Security Officer's involvement in recent application procurements.	Implemented	<input checked="" type="checkbox"/>
1h	The Information Technology Department should ensure its information security administrative controls, policies and awareness training promote information security consistency throughout all departments. Specifically: Perform or obtain regular information system reviews to ensure configurations are within authorized parameters.	December 2015: The Chief Information Officer reported that the City has performed four internal vulnerability scans, and this will be ongoing. March 2016: The Chief Information Officer reported that 6 additional internal scans of the SCADA system have been performed. The internal scans will be an ongoing process.	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2	The City Manager should require departments to work with Municipal Security to appropriately address the identified physical security areas. Further, the City's physical security policy and procedures and employee training should be reviewed to ensure they define expectations and provide procedures for maintaining necessary facility and information security while providing the expected level of customer service.	December 2015: The Acting City Manager reported that Municipal Security has worked with the audited departments to review the findings and improve security. Many departments have added CIP requests to improve camera and access controls. Departments have issued directives for their employees to ensure confidential documents are disposed of properly. The Municipal Security Manager will continue to work with departments to review and test evacuation plans and other employee safety training. Sept 2016: The Acting City Manager has directed the Police Department to work to provide physical security training to city employees, in worksite and/or group settings. Given the number of worksites and employees, this training will take place over an extended period of time in the coming year.	In Progress	<input checked="" type="checkbox"/>
3	Confidential recommendations provided separately to the department. This finding is incorporated into the follow-up tracking so that we can report on the department's progress.	January 2016: Auditors, the contractor and IT management are currently analyzing the recently completed retesting results. March 2016: Based on retesting results, the department is continuing to address necessary patches. Also, as noted in response to Finding 1h, the department has instituted periodic internal network scans to proactively identify any issues.	In Progress	<input checked="" type="checkbox"/>
1505	Fairmont Scottsdale Princess Lease Agreement	Issued:	6/9/2015	
1	The Public Works Division Director should ensure that any rent calculations not made in accordance with the Council-approved agreement are presented to the City Council for approval.	January 2016: There have been no recent changes in the rent calculations, but the current Contract Administrator will report any requests to division management for presentation to Council for approval.	In Progress	<input checked="" type="checkbox"/>
2A	The Public Works Division Director should ensure management formally designates a Contract Administrator for this ground lease agreement and associated amendments. Additionally management should develop a succession plan to ensure continuity of contract administration for long-term lease agreements.	January 2016: Currently the assigned Contract Administrators for real estate-related contracts are being tracked in the real estate contracts database. If a contract administrator is reassigned to other duties or leave City employment, the Real Estate Manager will designate a new contract administrator.	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2B	The Contract Administrator should monitor monthly rent payments to: 1. Ensure the rent payments comply with the agreement terms. Further, the Contract Administrator should review sufficient gross sales documentation to ensure the monthly rent payments are calculated as required by terms of the agreement. 2. Ensure the rent payments are timely received as specified in the lease agreement and subsequent amendments.	January 2016: Auditors reviewed documentation of monthly monitoring and follow up on discrepancies. However, most recent payments are still being received a few days later than the established due date. March 2016: The Contract Administrator has instructed the Lessee to submit payments earlier to ensure receipt by the due date. June 2016: The Contract Administrator continues to monitor and work to get more timely payment, but without a penalty in the agreement it is difficult to enforce.	Implemented	<input checked="" type="checkbox"/>
2C	The Contract Administrator should instruct the Princess to mail all payments to Remittance Processing to maintain appropriate segregation of duties.	January 2016: The Contract Administrator confirmed she did this and she has not received any payments since then. In addition, the contractor is working to make payments via wire transfer rather than by check.	Implemented	<input checked="" type="checkbox"/>
2D	The Contract Administrator should monitor performance of the Princess to the agreement terms, including: 1. Requiring the annual sinking fund accounting with documentation of sinking fund deposits and expenditures. 2. Ensuring the insurance certificates are complete and include all types of required coverage.	January 2016: The Contract Administrator has reviewed these requirements. However, as sinking fund documentation and updated insurance certificates are not due until March and July, auditors will again review the status of this recommendation at that time. March 2016: The Contract Administrator reported that the insurance certificates are currently up-to-date. The annual sinking fund is expected to be submitted with the year-end audit report within the next few weeks. June 2016: Auditors reviewed the sinking fund accounting and the Contract Administrator's documented review.	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1506	Library Business Operations	Issued:	5/7/2015	
1A	<p>Library Services management should ensure staff performs periodic physical inventories of the Library collection to ensure the accuracy of its catalog system and to identify any loss trends. Further, records for lost or missing items should not be deleted from the catalog system without additional efforts to locate the items. Library management should also ensure all branches use a reasonable effort to protect materials, including securing the door between the Palomino branch and its Library Shop and using media security devices.</p>	<p>March 2016: The Library Director reported that staff has started weekly inventories of the popular items collection. Other collections will be inventoried once the new Polaris inventory module has been tested at one of the smaller branches. The "missing" criteria has been adjusted so that automatic deletion does not occur as frequently. Also, a list is being generated for branch staff or volunteers to search for missing items and record the time spent searching. Further, as part of the inventory module pilot project, staff and volunteers will use a hand held scanner to check the inventory of selected collections and then develop a list of procedures for use systemwide. The Library Director also reported that installing security gates at the Palomino Library Shop door was not feasible from a budgetary or practicality standpoint. Based on Library staff analysis, Palomino finds 100% of its missing items on the shelf. June 2016: The pilot inventory program looking for missing books is still underway and expected to be completed around July. Also, additional DVD security cases were purchased. Sept 2016: The Library Director reported the pilot inventory program located 239 missing books, 9% of the total, and is being evaluated. Branch staff are being trained on the Polaris Inventory Management tool to inventory the collection by subsection and additional security cases were purchased for Most Wanted materials. These efforts will be ongoing.</p>	In Progress	<input checked="" type="checkbox"/>
1B	<p>Library Services management should evaluate staffing using a performance or service oriented allocation method. Also, Library management should set expectations for how much time librarians and library assistants should spend providing direct patron services, working on library programs and special projects, and administrative tasks. Specifically, Library management should: 1. Develop and implement a consistent approach for allocating staffing hours to branch locations and for scheduling daily operations. 2. Ensure efficient use of staff resources for the Eureka Loft area. For example, Library management should consider increasing the use of volunteers, securing the Eureka Loft when not scheduled for use or having Library staff periodically observe the area rather than provide constant staffing when programs are not scheduled. 3. More closely align the Sunday public use hours and staff schedules at the Civic Center branch.</p>	<p>March 2016: The Library Director reported in December 2015 the When to Work software has been installed so that managers and supervisors can determine the staffing for each public service hour by location. Further, Library staff also addressed workload distribution equity so that resources are used more effectively. The Eureka Loft is considered an active public access point, but will be staffed with volunteers as necessary under Library staff supervision. Sept 2016: The Library Director reported management is analyzing hours of operation and staffing levels in preparation for the upcoming 2017/18 budget development.</p>	In Progress	<input type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1C	Library Services management should re-establish general public access to the computers in the public computer rooms/training labs when the area is not being used for staff classes or training.	March 2016: The Library Director reported in December 2015 that some public computer rooms/training labs have been disassembled and the computers repurposed in the branches or elsewhere in the City and the rooms made available for public use. Alternatively, some of the rooms have been made available to the public with fewer computers.	Implemented	<input checked="" type="checkbox"/>
2A	Library Services management should establish effective cash reconciliation processes, including: 1. Ensuring cash receipts are reconciled to patron account payments recorded in the Polaris system and overages/shortages are reported to Accounting as required by AR 268, Cash Handling. Further, Library management should evaluate options for integrating a point-of-sale system with the Polaris system to minimize duplication of effort and increase cash receipt and patron account accuracy. 2. Directing staff to complete a timely reconciliation and deposit for each day's activity, including each separate weekend day. 3. Ensuring dual custody of cash is maintained and documented.	March 2016: The Library Director reported that staff submitted exception requests for review by the City Treasurer's Office. The exceptions were not approved, so Library managers began developing an implementation plan to comply, including drafting revised cash handling procedures and training additional staff. Further, Library staff is investigating possible integration of the Division's point of sale system and Polaris. During the January/February 2016 Cash Handling audit work, auditors found that the Library's dual custody practices have improved while other areas remain to be addressed. Sept 2016: The Library Director reported that staff work schedules are being adjusted to meet the cash handling AR requirements. The Library found the Polaris and ActiveNet systems are not compatible for integration. All branches are now maintaining dual control of receipts, preparing a timely reconciliation as staffing allows and preparing a deposit each night. Auditors will test these controls in a future follow up.	In Progress	<input type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2B	<p>Library Services management should implement sound cash handling procedures at Library branches that are in accordance with AR 268 by: 1. Requiring individual staff to be held accountable for their cash transactions, including maintaining separate register drawers or money bags and balancing cash receipts at the end of each cash-handling shift. As well, cash handling employees should not be able to waive fines and fees or delete patron accounts in the Polaris system. 2. Ensuring all voided transactions are appropriately documented with an explanation, customer signature, and staff and supervisor sign-offs. 3. Monitoring the frequency of no-sale transactions and evaluating alternatives for providing change for Library patrons. 4. Requiring that mail donation records be provided for the deposit reconciliation. For donations received at the register, a log of donations should be created and provided to an independent staff for reconciliation. Further, Library management should work with the Accounting Department to create receivable accounts for recurring donations and direct payments to Remittance Processing. Also, require all sensitive information to be redacted from check copies.</p>	<p>March 2016: The Library Director reported that staff submitted exception requests for review by the City Treasurer's Office. The exceptions were not approved, so Library managers began developing an implementation plan to comply, including drafting revised cash handling procedures and training additional staff. During the January/February 2016 Cash Handling audit work, auditors found that the Library's dual custody practices have improved while other areas remain to be addressed. Sept 2016: The Library is completing its cash handling implementation plan, which is scheduled to be effective January 1, 2017. The Library Director further reported that account deletion limits, waiver procedures, void documentation, and donation handling procedures have been developed. For providing change for patrons, an affordable alternative has not been identified. Sensitive information is being redacted from check copies. Auditors will test these controls in a future follow up.</p>	In Progress	<input type="checkbox"/>
2C	<p>Library Services management should strengthen the physical controls to safeguard cash by ensuring staff stores deposits in the dual custody safe, limiting access to the dual custody safe keys, reducing the number of key copies, and ensuring staff counts and removes excess cash from the registers during the day and appropriately secures it in the safe.</p>	<p>March 2016: The Library Director reported that physical controls have been strengthened including securing deposits and any excess cash in the dual custody safe and securing key copies. Sept 2016: Auditors tested two branch locations in August and found improved physical controls have been implemented.</p>	Implemented	<input checked="" type="checkbox"/>
2D	<p>Library Services management should consider re-implementing payment acceptance at all Library branches, rather than just the Civic Center and the Mustang branches, and eliminating the Library Shop honor boxes.</p>	<p>March 2016: The Library Director reported that the honor boxes will be retained as there is not sufficient staffing to cover reintroducing cash registers. Library staff submitted exception requests for review by the City Treasurer's Office. The exceptions were not approved, so Library managers began developing an implementation plan to comply, including drafting revised cash handling procedures and training additional staff. Receipts will be given for the Library shop merchandise sales and a spreadsheet created to track purchases and sales of inventory. Sept 2016: Auditors confirmed that honor boxes are being counted in dual custody and deposits prepared daily. As well, a Library shop inventory tracking tool has been established and is compared to sales receipts.</p>	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
3A	<p>Library Services management should ensure policies and procedures related to the Library's Council-approved fines and fees are consistently applied by: 1. Eliminating the one-day grace period or incorporating it into the fines and fees submitted to Council and including the one-day grace period in the published fines and fees schedules. 2. Applying the \$5.00 processing fee and applicable fines in a consistent manner. 3. Allowing fines to post to all patron account types and then waiving them when appropriate. Alternatively, extended checkout periods could be established for some account types such as for books for classroom use.</p>	<p>March 2016: The Library Director reported the one-day grace period was eliminated in May 2015. The processing fee will be applied consistently. Waiver guidelines have been established with a patron-generated waiver request form and the level of authority to grant waivers. As there are 6 renewals allowed with 3 weeks per renewal, a new account type is not needed. Consistency in applying fines is being emphasized. Sept 2016: Auditors confirmed that the grace period has been removed from the system and reviewed the new waiver guidelines.</p>	Implemented	<input checked="" type="checkbox"/>
3B	<p>Library Services management should address recommendations made in Accounts Receivable Management, Audit No. 1410 and Cash Handling Controls and Accountability, Fiscal Year 2013/14, Audit No. 1404by: 1. Developing, in conjunction with the City Treasurer's Office, formal policy and procedures for accounts receivable, including fine and fee waivers, collections and write-offs, and integrate the policy and procedures into the Scottsdale Public Library Policy Manual. 2. Establishing and implementing adequate controls over the waiver of Library fines and fees, including appropriate segregation of duties, documentation requirements and regular supervisory review. 3. Ensuring printer/copier use is reconciled to cash collected and deposited, and that an independent supervisor reviews the cash balancing document.</p>	<p>March 2016: The Library Director reported that formal policy and procedures for accounts receivable, fine/fee waivers, collections and write-offs were developed and submitted to the City Treasurer's Office in September 2015. Also printer/copier use is being reconciled with monies deposited and an independent reviewer checks the cash balancing documentation for accuracy. Staff has recently been reminded to continue using the forms and following these procedures. Sept 2016: The Library Director reported that the Treasurer's Office granted a partial cash handling exception for the change fund. The Library also developed procedures for printer/copier cash balancing and supervisory reviews. Auditors observed the change fund controls being followed.</p>	Implemented	<input checked="" type="checkbox"/>
4A	<p>The Community Services Director should require Library Services management to ensure that staff issue unique user logins and passwords for staff using the Library network, the Polaris system and other Library applications to help ensure accountability. Management should conduct a segregation of duties analysis to properly establish categories of system access rights and assign the appropriate category for each individual user. Further, management should require that passwords to the Library's network and applications be changed at least every 90 days and prohibit user credentials from being posted.</p>	<p>March 2016: The Library Director reported that staff is working with City IT on network configuration and options for staff logins in public service areas. For the Library network, staff have individual logins that expire every 90 days. Polaris logins are being implemented. Sept 2016: Auditors confirmed that unique Polaris logins have been issued.</p>	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
4B	The Community Services Director should require Library Services management to ensure that staff immediately discontinue the practice of permanently deleting patron accounts prior to the period legally required for financial-related and library-related records retention. Further, Library management should restrict to an appropriate management staff level the ability to permanently delete patron accounts.	March 2016: The Library Director reported that permission for front-line staff to delete accounts was removed in April 2015. Now only the system administrator and systems staff have the ability to delete patron accounts. September 2016: Auditors confirmed the access limitation for deleting patron accounts.	Implemented	<input checked="" type="checkbox"/>
4C	The City Manager should consider requiring Community Services management and Information Technology management to transfer the Library's network and information technology support to the Information Technology Department. Otherwise, Community Services Management should require the Library to work closely with the Information Technology Department to ensure its practices are adequate in areas such as network security, infrastructure, web development and application support.	March 2016: The Library Director reported that Library technology staff is working closely with City IT on network security, network configuration, infrastructure and web development. Application support must remain with the Library technology staff as the IT department does not have the required expertise. Sept 2016: The Library Director reported that Library technology staff has continued working closely with City IT on security and technology projects such as workstation imaging and server virtualization.	Implemented	<input checked="" type="checkbox"/>
1507	Procurement Policies and Practices	Issued:	12/9/2014	
1A1	The City Manager should consider having the Purchasing Director incorporate the NIGP Values and Guiding Principles of Public Procurement and Principles and Practices of Public Procurement into written departmental policies and procedures, documenting departures from the recommended best practices. As well, the Purchasing Director should implement a spend analysis process, which may be accomplished by implementing NIGP commodity/services coding for procurements.	June 2015: The Purchasing Director stated no further action is required at this time. July 2015: The Purchasing Director stated he is not making any changes to department policies or procedures. The department submitted alternative performance measures during the FY 2015/16 budget process, and will try to include other recommendations in the purchasing software requirements if the financial system is replaced. March 2016: No further action taken at this time.	Part Impl'd	<input checked="" type="checkbox"/>
1A2	The Purchasing Director should track dollar amount and percentage changes to contracts as part of the spend analysis process.	June 2015: The Purchasing Director stated no further action is required at this time. July 2015: The Purchasing Director stated he is not going to perform a spend analysis. March 2016: No further action taken.	In Progress	<input type="checkbox"/>
1A3	The Purchasing Director should develop and report on performance measures that assess the effectiveness and the efficiency of Purchasing's operations, such as Purchasing's cost per transaction and procurement processing times.	June 2015: The Purchasing Director stated alternative performance measures will be submitted for the FY 2015/16 budget book. July 2015: Auditors reviewed the new performance measures that were provided for the FY 2015/16 budget process. These included average requisition processing days, inventory stock average turnover, and similar. Further, purchase orders per FTE, an efficiency measure, was included in the final budget book.	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1A4	The Purchasing Director should ensure supplier evaluations are conducted, documented and provided to the Purchasing Department for reference.	June 2015: The Purchasing Director stated no further action is required at this time. March 2016: The Purchasing Director has taken no action to require written supplier evaluations. He reported staff has not identified any specific issues with suppliers that have required them.	In Progress	<input type="checkbox"/>
1B	The City Manager should consider having the Purchasing Director maintain compliance with the ABA Model Procurement Code for State and Local Governments, documenting any departures. As well, the Purchasing Director should allow public review of documents submitted by bidders and proposers after bid opening, except any information marked as confidential or proprietary. Further, the Procurement Code should refer bid protests to the City Manager or a designated person independent of the Purchasing Department.	June 2015: The Purchasing Director stated the protest process was reviewed by the City Manager and no changes are planned at this time.	In Progress	<input type="checkbox"/>
2A	The City Manager should consider requiring the Purchasing Director to annually adjust the formal and informal procurement limits as set forth in City Code or recommend a Code revision to remove this requirement. Additionally, the Purchasing Director should ensure the department's rules and procedures are not in conflict with City Code requirements.	June 2015: The Purchasing Director stated Procurement Code amendments are on target for December 2015. March 2016: The Purchasing Director reported that a Procurement Code amendment, which included deleting the annual bid limit adjustment and the specified price index, was approved on the Council's December 2, 2015, consent agenda.	Implemented	<input checked="" type="checkbox"/>
2B	The City Manager should consider requiring the Purchasing Director to limit use of sole source procurement to instances where there is only one source, in accordance with City Code. Additionally, the Purchasing Director should participate in negotiations with sole source suppliers after the sole source designation is determined. Further, Purchasing Department procedures should require Contract Administrators to submit their review of the market need for the sole source designation at least annually.	June 2015: The Purchasing Director stated Procurement Code amendments are on target for December 2015. March 2016: The Purchasing Director reported that a Procurement Code amendment, which included expanding the use of sole source procurement and other changes, was approved on the Council's December 2, 2015, consent agenda.	Part Impl'd	<input checked="" type="checkbox"/>
2C	The City Manager should consider requiring the Purchasing Director to ensure complete information, including dollar value of contracts, is provided on the posted award notices on its website.	June 2015: The Purchasing Department is working with the Information Technology Department to add the award value to notices posted the City's website by December 2015. March 2016: Auditor review confirmed the dollar value of contracts has been added to the City's website notices.	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2D	The City Manager should consider requiring the Purchasing Director to conduct regular reviews of delegations to ensure the delegations continue to promote efficiency and maintain accountability, including ensuring relevant procurements are entered into the Purchasing Department's information system. Also, the Purchasing Director should ensure staff with delegated authority are properly trained and comply with City Code and procurement policies and procedures.	June 2015: The Purchasing Director stated that he created a delegation review schedule and has recently completed the first review. Auditors will review this process and documentation for a future update. March 2016: The Purchasing Director has completed 4 delegation review meetings and has another scheduled in April 2016.	Implemented	<input checked="" type="checkbox"/>
2E	The City Manager should consider requiring the Purchasing Director to monitor unauthorized purchases by area and provide regular reporting to Division management. Also, the Purchasing Director should provide formal training to familiarize staff with proper procurement procedures to reduce the occurrences of unauthorized purchases.	June 2015: The Purchasing Director stated he started providing quarterly feedback in March 2015. Auditors will review this process and documentation for a future update. July 2015: Auditors reviewed one of the quarterly reports.	Implemented	<input checked="" type="checkbox"/>
2F	The City Manager should consider requiring the Purchasing Director to establish a control to ensure micro-purchases do not exceed the \$10,000 threshold and that purchases are not split to avoid more competitive procurements.	June 2015: The Purchasing Director stated no action is required. July 2015: The Purchasing Director stated he is not going to implement any new controls. March 2016: The Purchasing Director stated he is not aware of any further instances so no action has been taken. Auditors will conduct further data analysis.	In Progress	<input type="checkbox"/>
3A	The Purchasing Director should develop and implement an action plan to improve internal customer service and satisfaction with the overall quality and timeliness of purchasing services.	June 2015: The Purchasing Director stated no action is required. March 2016: The Purchasing Director stated the 2015 NES survey showed increased ratings on both quality and timeliness. Further, Purchasing reported conducting its own internal and external customer surveys in November 2015 and improving its webpages and processes based on feedback.	Implemented	<input checked="" type="checkbox"/>
3B	The Purchasing Director should implement the NIGP-identified best practices in procurement technology that are cost-effective and operationally feasible.	June 2015: The Purchasing Director stated no action is required. July 2015: The department noted that the age of current systems and cost to implement NIGP technology best practices is not practical due to resource and financial constraints. The department will try to include such requirements into the next generation purchasing software system.	Not Impl'd	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
3C	The Purchasing Director should consult with the City Manager regarding whether to recommend to City Council that the formal procurement limit be increased.	June 2015: The Purchasing Director indicated discussions related to increasing the formal limit are on track for December 2015. March 2016: The Purchasing Director stated that such a change would require a substantial Code rewrite and process changes. The Acting City Manager concurred with a recommendation to retain the current \$25,000 formal threshold.	Implemented	<input checked="" type="checkbox"/>
3D	The Purchasing Director should ensure reasonable turnaround times are communicated and procurements are generally completed within the times communicated to department staff. In addition, the Purchasing Director should ensure sufficient, relevant and accurate procurement data is collected to improve the Department's ability to monitor and evaluate the effectiveness and efficiency of the procurement process. To the greatest extent possible, automated system reports should be developed to ensure efficient and accurate data compilation.	June 2015: The Purchasing Director stated no action is required. March 2016: The Purchasing Director responded that the department has advised City staff of realistic timeframes in training and on the website. He will continue to work to ensure sufficient data and reports are available to track progress. Auditor review confirmed the timeframes are more reflective of historical processing data.	Implemented	<input checked="" type="checkbox"/>
3E	The Purchasing Director should properly separate duties so that Purchasing staff do not have the ability to create requisitions and approve purchase orders, and particularly not also have the ability to create or modify vendor information in SmartStream.	June 2015: The Purchasing Director stated he has reassigned the primary responsibility for vendor code issuance to a Financial Service Technician with no procurement responsibility. Auditors will verify this access control at a later date. July 2015: Auditor reviewed documentation of revised staff duties.	Implemented	<input checked="" type="checkbox"/>
3F	The Purchasing Director should work to simplify the Procurement Code by grouping similar procurement variations into logical types to ease understanding and compliance.	June 2015: The Purchasing Director indicated Procurement Code simplification is contingent on other amendments that are on track for December 2015. March 2016: The Purchasing Director reported that the formal threshold was not changed, a Code rewrite is not being undertaken at this time. Code simplification will be addressed during any future significant rewrites.	Not Impl'd	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1508	Boys & Girls Clubs Lease Agreements	Issued:	9/4/2014	
1	Community Services management should work with the City Treasurer's Office to ensure the Eldorado Community Center and the Thompson Peak Park assets are recorded as appropriate in the City's capital asset records.	December 2014: The Parks & Recreation Manager indicated the City Treasurer's office and Asset Management are working on valuations to update the capital asset records. The revised completion date is March 2015. Auditors provided copies of the Council Report, Lease Agreement, Assignment and Special Warranty Deed and City/County valuation documents to Accounting staff at their request in January 2015. June 2015: A Parks & Recreation Manager continues to work with Accounting and Real Estate staff and expects the capital asset records to be updated in June 2015. September 2015: In August 2015, the City Treasurer's Office recorded the Thompson Peak Park land and building improvements valued at \$6.4 million and the Eldorado Community Center building improvements valued at \$2.75 million.	Implemented	<input checked="" type="checkbox"/>
2A	Community Services management should ensure the Contract Administrator documents changes to room use at the Eldorado Community Center/Barker Branch facility as required by the lease agreement.	December 2014: Auditors reviewed the Parks & Recreation Manager's documentation of October and December 2014 lease monitoring meetings and correspondence to resolve any identified concerns related to facility use.	Implemented	<input checked="" type="checkbox"/>
2B	Community Services management should ensure the Contract Administrator notifies the Clubs in writing if facility modifications are made by the Clubs without the City's required advance approval that the City may bill for the cost of returning the facility to its original condition if necessary.	December 2014: Changes are being monitored. For example, the Parks & Recreation Manager reported that the City's approval was sought to name the Gym Sports Office, and this request was submitted for Council consideration and approval on the January 6, 2015, meeting agenda. Auditors confirmed this request was submitted and approved by Council.	Implemented	<input checked="" type="checkbox"/>
3A	Community Services management should designate a contract administrator for the Scottsdale Ranch Park and the Thompson Peak Park lease agreements. Additionally, Community Services management should consider developing a contract administrator succession plan to ensure continuity of contract administration for long-term lease agreements.	December 2014: Contract administration has been assigned to the Parks & Recreation Manager. Management is continuing to work on succession planning for the long-term lease agreements' contract administration. June 2015: A Parks & Recreation Manager stated that succession planning to ensure continuity of contract administration is a high priority in current departmental restructuring. September 2015: A Parks & Recreation Manager reported the department is creating a database of its long-term agreements; this will facilitate contract administration and transitions. March 2016: The database is still underway and, once completed, will be reviewed annually by department management. June 2016: The Parks & Recreation Manager has the dates on her calendar for the management team to conduct twice a year reviews of contracts and requirements.	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
3B	Community Services management should ensure the Contract Administrator provides sufficient notice to the Clubs when capital equipment replacement is needed.	December 2014: The Parks & Recreation Manager reported that the parties have been regularly communicating, but there have been no recent capital replacements needed. Further, the City's Facilities Management staff are invited to the annual meeting with the Clubs where capital projects are reviewed.	Implemented	<input checked="" type="checkbox"/>
3C	Community Services management should ensure the Contract Administrator sends accounts receivable billings for the Clubs' proportional share of capital expenses on a timely basis.	December 2014: Auditors verified that the Parks & Recreation Manager has put this process into practice. Within 10 days of receiving the contractor's invoice, information was sent to Accounting so that the Clubs could be billed for recent gym floor maintenance; the Clubs paid the City within two weeks.	Implemented	<input checked="" type="checkbox"/>
3D	Community Services management should ensure the Contract Administrator maintains organized, complete contract administration files including records of all correspondence, conversations and other activities pertinent to the contract.	December 2014: Auditors reviewed the Parks & Recreation Manager's new file system that tracks key factors related to the lease, such as meetings, safety audits, room usage, etc. The system includes a schedule of annual items to complete, incident logs and records of correspondence, communications and activities pertinent to the lease.	Implemented	<input checked="" type="checkbox"/>
3E	Community Services management should seek to clarify the City's and the Clubs' responsibilities for various types of maintenance in the draft second amendment if the responsibilities and costs are to be shared.	December 2014: The Parks & Recreation Manager provided the lease's second amendment effective 9/9/2014, which addresses facility maintenance and identifies the party responsible for the cost of services.	Implemented	<input checked="" type="checkbox"/>
3F	Community Services management should ensure the Contract Administrator monitors compliance with the Scottsdale Ranch Park and Thompson Peak Park lease terms for shared facility use.	December 2014: The Parks & Recreation Manager reported that she is meeting with the Clubs designees for these agreements to monitor compliance with the lease terms. Minutes will be prepared to document the January 9, 2015, meeting. June 2015: The Contract Administrator reported that due to recent management changes at the Boys and Girls Clubs, documentation of shared facility use remains pending. September 2015: The Contract Administrator is now monitoring compliance with the agreements. As well, the department plans to update the language on shared use to better reflect rights of use rather than a minimum number of hours.	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1509	Scottsdale Road Improvements, Phase 1	Issued:	10/30/2015	
1A	The Public Works Division Director should establish procedures for tracking contract changes.	March 2016: CPM reported staff is working to update the Project Management Manual. June 2016: CPM reported that field staff has implemented more detailed quantity tracking tools, which will be included in the 2016/17 Project Management manual update. Sept 2016: Based on review of the PM manual, this guidance has not been updated. CPM reported the audit findings have been reiterated to staff and CMAR training will be provided in late September.	In Progress	<input type="checkbox"/>
1B	The Public Works Division Director should require CPM to more closely review cost proposals for changes, ensuring that proposed amounts are supported by detailed cost estimates, time and materials reports, or invoices.	March 2016: CPM reported this is in progress. CPM staff is continuing to work with the CMAR to resolve the identified overpayments. June 2016: CPM reported this remains in progress. Sept 2016: Based on review of the PM manual, this guidance has not been updated yet. CPM reported the audit findings have been reiterated to staff and CMAR contract training will be provided in late September.	In Progress	<input type="checkbox"/>
1C	The Public Works Division Director should establish procedures for verifying contractor calculations in pay requests and cost proposals.	March 2016: CPM reported staff is working to revise the CMAR contract template to correctly calculate insurance, bonds and taxes based on the required amounts. Other procedures to verify pay requests are pending the Project Management Manual revision. June 2016: CPM reported that legal staff has updated the contract template to make the calculations clear and concise. Auditors confirmed the template has been updated for the calculation and definition of bonds and insurance. Verification procedures will be reviewed when completed. Sept 2016: While policies and procedures do not appear to have been updated yet, auditor review of recent inspection reports found they included dates and measurements for comparison to contractor billings.	Implemented	<input checked="" type="checkbox"/>
1D	The Public Works Division Director should require CPM to seek reimbursements for costs incurred, where applicable.	March 2016: CPM reported staff has requested reimbursement of the telecommunications work cost. June 2016: The telecommunications reimbursement request was denied. CPM's discussions with the CMAR are continuing. Sept 2016: CPM reported that a settlement has been negotiated with the CMAR and payment is expected shortly.	In Progress	<input type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2A	The Public Works Division Director should require CPM to establish written procedures for evaluating subcontractor selection plans and monitoring subcontractor costs.	March 2016: CPM reported that a consultant will be providing CPM staff training on CMAR contracts and contract management. This training is tentatively scheduled for May 2016. June 2016: CPM reported they are still in process for scheduling the training. Sept 2016: CPM reported that its CMAR contract training is scheduled for late September. Any identified changes to the CPM manual will be made after this training.	In Progress	<input type="checkbox"/>
2B	The Public Works Division Director should, when contract terms apply, require contractors to submit a list of selected subcontractors and final subcontract costs.	March 2016: CPM reported staff is working with the City Attorney's Office to modify CMAR contracts to be more specific regarding subcontractor costs and documentation. CPM staff is continuing to work to resolve the questioned costs, but the CMAR believes this was a fixed unit price contract. June 2016: This is still in process. Sept 2016: Auditor review of PM manual found financial close-out procedures have been updated to include verification of final subcontractor costs.	Implemented	<input checked="" type="checkbox"/>
3A	The Public Works Division Director should establish procedures to ensure that cost proposals are reviewed by a City estimator and reconciled to engineering estimates when applicable and GMP negotiations are documented.	March 2016: CPM reported that staff has been directed to compare contractor estimates to an internal estimate or engineer's estimate prior to acceptance. This will be included in the Project Management Manual update. June 2016: This will be incorporated into the 2016/17 manual update. Sept 2016: CPM plans to update the PM manual after the CMAR contract training in late September.	In Progress	<input type="checkbox"/>
3B	The Public Works Division Director should ensure that project managers and contractors comply with policies requiring an executed change order prior to commencing work. In addition, CPM policies and procedures should require complete documentation for change requests and uses of owner's contingency, such as which party initiated the change, a specific description of the change or added scope of work, and scheduled completion date.	March 2016: CPM reported staff is working to update the Project Management Manual. June 2016: CPM reported the new procedures for more detailed quantity tracking, daily reports and verifying contractor pay applications will be incorporated into the 2016/17 manual update. Sept 2016: CPM plans to update the PM manual after the CMAR contract training in late September.	In Progress	<input type="checkbox"/>
3C	The Public Works Division Director should establish procedures for documenting the inspectors' quantity measurements.	March 2016: CPM reported that it has developed new field tracking techniques to ensure only placed quantities are paid. Auditors reviewed a recent inspection log, which documented quantities and measurements.	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
3D	The Public Works Division Director should require documentation of project delays and ensure Certificates of Substantial Completion are issued.	March 2016: CPM reported staff is working to update the Project Management Manual. June 2016: Field staff have been given the substantial completion form to use for projects. The manual update is scheduled to be completed during 2016/17. Sept 2016: CPM reported that inspectors have been directed to document delays in the daily inspection log and the CMAR contract template will be updated to include additional procedures for time extensions and delays. Auditors reviewed the inspection log and contract templates. Certificates of Substantial Completion were already required and audit findings have been reiterated to staff.	Implemented	<input checked="" type="checkbox"/>
3E	The Public Works Division Director should establish policies and procedures to ensure sufficient documentation is retained to demonstrate that applicable procurement requirements were followed.	March 2016: CPM reported staff is working to update the Project Management Manual. June 2016: The City Attorney's office has provided training on what is required to be retained for a solicitation, and it will be incorporated during the 2016/17 manual update. Sept 2016: CPM plans to update the PM manual after the CMAR contract training in late September.	In Progress	<input type="checkbox"/>
1510	Photo Enforcement Contract	Issued:	6/11/2015	
1A	The Police Chief should require the Contract Administrator to ensure the vendor begins retaining the applicable violation images and videos for the contract-required one-year period.	December 2015: The vendor has indicated rejected violation images will be retained for the required one-year period, and the new Photo Enforcement Manager will monitor monthly to ensure compliance. June 2016: The Contract Administrator is reviewing that rejected violation images are destroyed and will also be reviewing that those applicable are retained for one year. Sept 2016: Auditors reviewed the Contract Administrator's documentation of monthly reviews of images, including the required retention period.	Implemented	<input checked="" type="checkbox"/>
1B	The Police Chief should require the Contract Administrator to conduct a periodic review of vendor-rejected violations to ensure compliance with contract terms and established procedures.	December 2015: The new Photo Enforcement Manager is now conducting monthly reviews with a random sample of rejected violations to ensure they were justified and are retained. Auditors reviewed the supporting documentation.	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1C	The Police Chief should require the Contract Administrator to require the vendor to comply with the contract-required processing timeframe and request additional reporting to help assess vendor compliance on an ongoing basis.	December 2015: The new Photo Enforcement Manager is working on a contract amendment to the processing time requirements to 10 days, which the department and vendor consider more reasonable. However, the vendor has also decreased its processing time since the audit. Year-over-year revenues increased by about \$300,000 in the first half of FY 2015/16 as Police staff are also processing the photo enforcement citations more quickly. June 2016: The proposed contract amendment to extend the processing time to 10 days is planned to go to Council in August. In the meantime, the contractor has improved processing times and the Contract Administrator is monitoring daily. Sept 2016: The contract amendment was approved by Council on August 30, 2016 extending the processing time to 10 days. However, the contractor has also improved its processing time performance.	Implemented	<input checked="" type="checkbox"/>
2A	The Police Chief should require the Contract Administrator to maintain a listing of all identified and reported equipment malfunctions including related outages. This information should be reviewed while performing the monthly bill reconciliation to ensure credits are applied correctly. In addition, the Contract Administrator should periodically request and review the equipment maintenance and repair logs from the vendor.	December 2015: The new Photo Enforcement Manager is maintaining a list of identified and reported equipment malfunctions. The vendor is also providing equipment validation reports, which are retained. The Photo Enforcement Manager has also recently requested the vendor's repair logs to compare to the monthly bills. June 2016: The Contract Administrator maintains a list of identified and reported equipment malfunctions and now receives the vendor's equipment repair logs quarterly.	Implemented	<input checked="" type="checkbox"/>
2B	The Police Chief should require the Contract Administrator to gather and retain all other pertinent documentation for at least six years past the contract period as required by AR 215.	December 2015: The new Photo Enforcement Manager is now maintaining a digital contract administrator file where she keeps emails and documents related to the contract. Auditors reviewed the file.	Implemented	<input checked="" type="checkbox"/>
2C	The Police Chief should require the Contract Administrator to seek corroborating information to support amounts billed, such as requesting City Court reports for successful dispositions of photo enforcement citations and process service reports.	December 2015: Auditors reviewed the most recent monthly vendor billing and the Photo Enforcement Manager's documented review. The billing was reconciled to available information, but a Court report of successful dispositions is not yet in place. June 2016: The Contract Administrator receives from City Court a report of successful dispositions and process service monthly. She provides the list to the vendor to reconcile to its records and she compares it to the vendor's monthly billings.	Implemented	<input checked="" type="checkbox"/>
2D	The Police Chief should require the Contract Administrator to correct outdated photo enforcement information on the City's website and periodically review the website to ensure the information remains correct.	December 2015: Auditors reviewed the photo enforcement webpage and verified outdated information has been removed.	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
3A	The Police Chief should require the Contract Administrator to work with the vendor to identify methods for categorizing and retaining actionable violations that are not issued civil traffic citations.	December 2015: The new Photo Enforcement Manager reported that they no longer store violations in the supervisor queue. Instead, the queue is completed weekly, including handling any violations requiring further work or review. However, the vendor is also retaining images for the contract-required period.	Implemented	<input checked="" type="checkbox"/>
3B	The Police Chief should require the Contract Administrator to monitor repeat offenders or recurring traffic violations that cannot be cited through the photo enforcement process and determine whether the issue can be addressed by another police unit or should be reviewed by Traffic Engineering.	December 2015: The new Photo Enforcement Manager has been actively monitoring and working the Top Violators report. Various sources are used to locate these violators and many of them have been contacted by SPD motor officers. Auditors reviewed the related documentation.	Implemented	<input checked="" type="checkbox"/>
1511	Disaster Recovery/Business Continuity	Issued:	3/6/2015	
1A	The City Manager should require Emergency Management and Information Technology staff to complete the City's business continuity and disaster recovery plans to address the remaining recommendations in Table 2. Further, once completed, staff should be required to ensure the plans are updated regularly.	August 2015: The new Emergency Manager hired in August stated his first task will be updating the City's Emergency Operations Plan prior to working on business continuity plans. Maricopa County received a grant to purchase new emergency planning and recovery software, which the City has access to use. Once the software is available, he will determine the timeline and milestones for the EOP and business continuity (COOP/COG) projects. December 2015: The Emergency Manager reported that progress has been made on the EOP, which is approximately 50% complete. The goal is completion by April 2016. The County has purchased the software and is customizing it for use. Once made available to the City, the Emergency Manager will develop an implementation project timeline. March 2016: The Emergency Manager reported continued progress on the EOP, which is about 80% complete. He has received access to the County's planning system, with training scheduled for March and April. June 2016: The draft Emergency Operations Plan is scheduled for Council action on July 5. Once this is completed, phase 2 will begin on the COOP/BC planning with each City division or department, as applicable.	In Progress	<input type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1B	<p>The City Manager should require Emergency Management and Information Technology staff to complete the City's business continuity and disaster recovery plans to address the remaining recommendations in Table 2. Further, once completed, staff should be required to ensure the plans are updated regularly.</p>	<p>August 2015: The new Emergency Manager stated the County's new emergency planning and recovery software that he will be using includes alerts that can be programmed to help ensure annual reviews are completed by department heads. December 2015: The IT Communications Director indicated there have been no significant issues to warrant a meeting, but a performance goal has been added to ensure all staff adheres to the IT change management process, including recovery plans. IT interviewed responsible staff in each department to assess each application's criticality, and a consultant was hired to review the results and recommend prioritizations for the essential applications to be restored within 48 hours. In addition, the consultant provided financial analysis and roadmap for third-party alternate site development. All data is backed up off-site, however, new equipment would need to be purchased and a temporary facility needed in the event of a disaster.</p>	Implemented	<input checked="" type="checkbox"/>
2	<p>The City Manager should require the Emergency Management staff to ensure City departments review and update their BCPs annually or whenever there has been a significant organizational change. Also, Emergency Management staff should review them to ensure the departmental plans are based on risk assessment and business impact analysis. After review, Emergency Management staff should incorporate the departmental BCPs into the citywide BCP and ensure they are periodically tested.</p>	<p>December 2015: The Emergency Manager indicated that implementation of the County-purchased software will include steps to address the audit recommendation, including pertinent staff within each department, training those staff on Business Continuity Planning, working with the departments through the process of creating milestones and a project deadline for completion, developing exercises to assess the plan for gaps and process improvement, and developing update schedules and reminders in the software. March 2016: The Emergency Manager reported he has access to the County's planning system and training is scheduled for March and April. Once implemented, the previously identified steps will get underway. June 2016: The Water Resources plan has been reviewed and aspects of the IT plan. The remaining BC plans will get underway after approval of the Emergency Operations Plan.</p>	In Progress	<input type="checkbox"/>
1513	FY 2014/15 Report on the City Auditor's Integrity Line	Issued:	6/15/2015	
1	<p>The City Manager review the applicable Administrative Regulation to clarify appropriate use of City vehicles and tax reporting requirements. In addition, the appropriateness of this specific situation should be reviewed, along with its tax implications.</p>	<p>December 2015: The Acting City Manager has assigned a working group to review the vehicle-related Administrative Regulations. Further, the specific situation, including any tax implications, has been addressed and personal commuting use discontinued. March 2016: The vehicle-related Administrative Regulations were updated and reissued in March 2016, with requirements related to use of a City vehicle being clarified and separated into a new AR.</p>	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1513.01	Controls Over Surplus Property Dispositions	Issued:	5/15/2015	
1A	The City Manager should require the Purchasing Director to ensure that Warehouse staff work with the Police Department to ensure valuable items are properly secured and auctioned to obtain the highest return possible. Ensure high-value items are professionally appraised. Further, because the current online auction service does not physically store the items, we further recommend that high-value items remain in the Property & Evidence Unit's secured storage until a buyer provides a sales receipt to pick up the item.	January 2016: The Assistant City Manager reported that the Warehouse has worked with the Police Department on procedures, including ensuring information is provided for all items with perceived value. Also, items perceived as valuable are appraised. He also reported that the Police Department does not have space to retain items for buyer pick-up so the Warehouse now stores all items in a secured area. Auditor review of a recent auction determined that item or lot descriptions are still vague and not clearly matched to those received for disposition. Further, although the policy for surplus IT items (dated 11/30/15) states that Toughbook laptops will be sold individually due to higher sales value, 5 were sold in 2 lots in December 2015. March 2016: The inventory forms are now being completed with the associated auction number to document disposition. For the tested property transfer date, none of the items were disposed by the other methods (destruction, city department, etc.). The policy related to Toughbook laptops has been clarified to state they are grouped into their own lots to be auctioned.	Implemented	<input checked="" type="checkbox"/>
1B	The City Manager should require the Purchasing Director to ensure that Warehouse staff record the disposition of surplus items to maintain accountability for all proceeds.	January 2016: Auditor review found that, while transfer and security procedures have improved, items are still not clearly tracked in Warehouse records to their final sale or other disposition. March 2016: Based on auditor review of a recent inventory form, auction numbers are now being tracked. The form reviewed did not list any of the other possible disposition methods as having been used.	Implemented	<input checked="" type="checkbox"/>
1C	The City Manager should require the Purchasing Director to ensure that Warehouse staff discontinue the practice of securing items in personal safes in individual work areas.	January 2016: Auditor review confirmed that the safes and stored items have been moved out of staff offices to the secured area.	Implemented	<input checked="" type="checkbox"/>
1D	The City Manager should require the Purchasing Director to ensure that Warehouse staff specifically document the disposition of any items removed from auction, including having a witness when items are destroyed.	January 2016: Auditor review found that a new procedure has been developed for item destruction. A destruction report was available for one item, but the Warehouse Manager reported the "fake" Rolex watches that were on hand during the audit were destroyed without a witness. March 2016: A photo of watches with smashed faces was provided. Auditors will test destruction records again for a future status update. Sept 2016: Auditors and staff met to clarify control concerns and possible resolutions.	In Progress	<input type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1E	The City Manager should require the Purchasing Director to ensure that Warehouse staff notify the Property & Evidence manager when items on the auction list are not on the transfer pallet.	January 2016: A new procedure has been put into place for Property & Evidence staff and Warehouse staff to verify and sign off on the listing before the items are moved to the Warehouse.	Implemented	<input checked="" type="checkbox"/>
1F	The City Manager should require the Purchasing Director to ensure that Warehouse staff request the Information Technology department to provide a listing with the items transferred for surplus disposal.	January 2016: Auditors reviewed the new procedures for handling IT surplus items as well as a recent transfer and the related auctions.	Implemented	<input checked="" type="checkbox"/>
2A	The City Manager should require the Purchasing Director to ensure Warehouse staff ensure proper and timely disposition of surplus items. In particular, we recommend the motorcycle title be resolved as soon as possible so that the item can be auctioned.	January 2016: New procedures state all items will be posted for sale on the auction website in a timely manner. Auditors reviewed documentation showing that the motorcycle title was obtained and the motorcycle was auctioned and sold for \$8,800 in June 2015.	Implemented	<input checked="" type="checkbox"/>
2B	An appropriate method should be identified for disposing of stolen cell phones and other electronics rather than stockpiling them. As well, Warehouse staff should research Property & Evidence listings and their auctions to account for the remaining items.	January 2016: The Warehouse and Police Department developed a procedure for PD to directly dispose of previously stolen electronics that cannot be returned to their owners and cannot be sold. Auditors reviewed documentation that the Warehouse destroyed the existing inventory of such items in October 2015 through a recycling company.	Part Impl'd	<input checked="" type="checkbox"/>
3	The City Manager should require the Purchasing Director to ensure Warehouse staff put into place proper physical controls, online access controls, and written procedures to safeguard the assets that are stored in the Warehouse.	January 2016: Procedures have been developed to improve surplus property handling. Auditors observed that physical access controls have improved although a security camera is not pointed at the area. Little improvement has been made in access controls for the auction website. March 2016: Physical security has improved. As procedures are being refined, they need to clarify the required documentation and approvals of the various disposition methods and provide online access control for better separation of duties. Sept 2016: Auditors and staff met to clarify the control concerns and possible resolutions.	In Progress	<input type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1515	Review of Super Bowl/Open Overtime	Issued:	6/19/2015	
1A	The Police Department should use a more complete cost methodology for forecasting its costs associated with supporting special events.	January 2016: The department reported that it reviews prior year event costs when applicable, current contract requirements, plus an anticipated related safety costs to forecast special event support costs. Auditors will review the department's forecasting after the 2016 special event season. March 2016: The department does not prepare cost forecasting for the recurring special events. In its post-event review of this year's Open, the department determined that City-paid overtime costs increased from \$215,000 to \$289,000.	In Progress	<input type="checkbox"/>
1B	The Police Department should ensure supervisory staff is managing the amount of individual hours being worked, including on-duty and off-duty assignments, to minimize the risk from officer fatigue.	January 2016: Auditors reviewed the report developed by the department's Special Events Unit that tracks officers working off-duty. This report is available on the department's network to all supervisory staff, including Sergeants, Lieutenants, Commanders and Assistant Chiefs.	Implemented	<input checked="" type="checkbox"/>
1C	The Police Department should carefully evaluate and manage the cost to the City of allowing officers to use leave hours during peak staffing events.	January 2016: The department reported that it reviews squad minimums prior to approving any time off, especially during event season. Further, the department stated allowing officers time off to work a special event, when staffing allows, reduces the cost to the City. Auditors will review this after the 2016 special events season. March 2016: The department reported that sergeants review squad minimums prior to approving any time off, especially during event season. For this year's Open, 15 officers used 370 hours of vacation or compensatory time off to work Open off-duty assignments. During this same time, the City paid \$289,000 for about 3,800 hours in overtime for officers working the Open. June 2016: The department reported that, while leave time is managed at the squad level, the sergeants, lieutenants and commanders know that an officer cannot take vacation to work an off-duty job that would then require overtime to backfill their position for minimum staffing.	Part Impl'd	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1D	The Police Department should ensure time tracking codes are communicated to officers and supervisors so that hours worked are properly classified for management purposes.	January 2016: The department reported that each special event is given a tracking number, and when final rosters and instructions are sent to the applicable officers, the event's tracking number is included in the instructions. Further, incorrect time code use is highlighted during the monthly overtime analysis and Assistant Chiefs hold the entire chain responsible. Auditors will review this again after the 2016 special events season. March 2016: Based on auditor review of timesheet codes used for reported Open hours, it appears officers consistently used the assigned code.	Implemented	<input checked="" type="checkbox"/>
2	The Police Department should develop a thorough documented cost analysis for estimating City paid and off-duty overtime hours involved in supporting special events.	January 2016: The department reported that it reviews prior year event costs when applicable, current contract requirements, plus anticipated related safety costs to forecast special event support costs. Auditors will review the department's forecasting after the 2016 special event season. March 2016: The department does not yet perform a cost analysis to estimate City paid and off-duty overtime prior to the recurring special events, such as the Open.	In Progress	<input type="checkbox"/>
3	The Fire Department should include an independent review process prior to invoices being mailed. Also, the department should review its billing rates to ensure they more closely align with actual costs.	December 2015: The department reported that it repaid the overbilled event sponsor. In addition, the department implemented an independent invoice review process right away, with the Senior Management Analyst comparing the draft billings to expenditure reports prior to billing. The department also reported that it will be recommending increasing the rate and adding a command staff rate during the FY 2016/17 budget process. Auditors reviewed a recent special event billing and confirmed the verification processes used. March 2016: In this year's Rates and Fees submittal, the Fire Department has included a separate command staff fee and an increased rate for special events billing.	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1603	Bed Tax-Funded Special Event Contracts	Issued:	10/7/2015	
1	The Tourism and Events Department should develop additional criteria for measuring an event's potential return on the Special Event funding investment. The criteria should then be presented for advice from the Tourism Development Commission and approval of the City Council.	March 2016: The Tourism Director reported that Tourism staff held a work study session with the Tourism Development Commission on March 15 regarding program eligibility and evaluation. Tourism staff will bring draft criteria to the April 19 TDC meeting and the proposed criteria to the City Council for review and approval in May. June 2016: Tourism staff reported that the proposed program criteria were presented at the April 19 and May 17, 2016, TDC meetings. The Council will be requested to approve the recommended program criteria on July 6. Sept 2016: The FY 2016/17 MEAF and Event Venue Fee proposed programs did not include additional or alternative criteria to using room nights. The Tourism Director stated this will be considered for next fiscal year's proposed program changes.	In Progress	<input type="checkbox"/>
2A	The Tourism and Events Director should consult with the City Attorney's Office regarding addition of the terms to contract template documents.	March 2016: The Tourism Director reported that Tourism staff and their assigned attorney began reviewing the contract templates in November 2015. Tourism staff will present the revised templates to the TDC in April 2016 and to the City Council in May 2016. Sept 2016: An audit clause and requirement for room night documentation were included in appropriate contract templates that were approved in July and August 2016. The Event Venue and MEAF contracts now state the payment will be reduced on a prorata basis if room nights generated are less than the goal. However, an Event Development contract did not require proof of the stated attendance number, and the Community Events contract did not require invoices and canceled checks to document funding uses. The Tourism Director indicated these improvements will be considered for next fiscal year's contract changes.	In Progress	<input type="checkbox"/>
2B	The Tourism and Events Director should ensure contract requirements are being fulfilled or if requirements are no longer necessary, they should no longer be included in contracts.	March 2016: The Tourism Director reported Tourism staff and their attorney began reviewing the contract templates in November 2015. They removed terms that were no longer necessary and enhanced others for clarity to improve program compliance. The revised contract templates will be presented to the TDC in April and to the City Council in May. Sept 2016: Auditors reviewed a few event files for documentation of contract compliance and noted some missing information.	In Progress	<input type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
3A	The Tourism and Events Director should consult with the Tourism Development Commission about updating the Event Development guidelines to clarify allowable uses of funding.	March 2016: Tourism Director reported that Tourism staff held a work study session with the Tourism Development Commission on March 15 regarding program eligibility and evaluation. Tourism staff will bring back draft program guidelines to the May 17 TDC meeting and to the City Council in June. June 2016: Tourism staff brought the draft guidelines to the TDC at its May 17 meeting and scheduled the final criteria for the Council on July 6. Sept 2016: Event Development guidelines were not updated as recommended. The Tourism Director indicated the improvements will be considered for next fiscal year.	In Progress	<input type="checkbox"/>
3B	The Tourism and Events Director should submit events that are outside program guidelines for specific Council approval or update the program requirements so that they encompass the funded community events.	March 2016: The Tourism Director reported Tourism staff held a work study with the Tourism Development Commission on March 15 regarding program eligibility and evaluation. Tourism staff will bring draft program guidelines to the May 17 TDC meeting and will provide recommendations to the City Council in June. June 2016: The recommendations are now planned for a July Council meeting. Sept 2016: Community Event guidelines no longer have a specific attendance requirement, and the contract template states the event or portion of the event must be held in Scottsdale.	Implemented	<input checked="" type="checkbox"/>
1605	Preserve Operations	Issued:	2/12/2016	
1A	The Community Services Division Director should ensure all direct staffing costs are budgeted and recorded in the Preserve Management cost center to facilitate analytical and information uses.	Sept 2016: The Community Services Director reported that they will work on establishing one Preserve Management cost center as the FY 2017/18 budget development begins.	In Progress	<input type="checkbox"/>
1B	The Community Services Division Director should ensure staff includes additional operating costs of new and expanded trailheads in cost projections, and develop workload statistics to evaluate the need for additional staff.	Sept 2016: Auditors confirmed that cost projections for the City Council in May 2016 included future operating costs of new trailheads. The Community Services Director reported that staff will continue to evaluate and update the cost model as workload statistics are refined during the budget process.	In Progress	<input type="checkbox"/>
2	The Community Services Division Director should assign a Contract Administrator for the agreement between the City and the Conservancy to maintain documentation of related activities and ensure the annual report is received.	Sept 2016: The Community Services Director reported that he is now the Contract Administrator. Initial discussions related to potentially amending the current agreement are beginning with the Conservancy.	In Progress	<input type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
3A	The Community Services Division Director should ensure the Preserve staff provides the City Treasurer's Office details of donated parcels within the Preserve so that they can be recorded appropriately in the City's capital asset records.	Sept 2016: Auditors confirmed there is now a process to coordinate with and provide documentation to Financial Services for recording acquisitions and donations.	Implemented	<input checked="" type="checkbox"/>
3B	The Community Services Division Director should propose an amendment to the Preserve Ordinance to establish a method for appeals, including having the appeals heard by an independent person or group, such as the City Manager or the McDowell Sonoran Preserve Commission.	Sept 2016: The Community Services Director reported that any conflicts with Preserve use decisions will be brought to the McDowell Sonoran Preserve Commission. Upcoming review of the Preserve Ordinance in 2017 will include an option for the Commission and Council to consider adding an appeal process.	In Progress	<input type="checkbox"/>
1606	Human Resources Compliance Programs	Issued:	6/9/2016	
1A	The Human Resources Director should ensure the applicable report contains complete and accurate information to 1) monitor CDL and medical certificate expiration dates and renewals and 2) identify employees subject to FMCSA-required random alcohol and controlled substance testing.		Not Due	<input type="checkbox"/>
1B	The Human Resources Director should collaborate with Risk Management to determine responsibilities related to FMCSA-required educational materials and supervisory training and the responsible department should ensure they are provided and documented.		Not Due	<input type="checkbox"/>
1C	The Human Resources Director should ensure employees in CDL-required positions receive the required drug screening prior to performing their safety sensitive duties.		Not Due	<input type="checkbox"/>
2A	The Human Resources Director should ensure job descriptions and the related documents are accurate and up to date.		Not Due	<input type="checkbox"/>
2B	The Human Resources Director should develop criteria for requesting pre-employment screenings of temporary agency contract workers. If pre-employment screenings are requested, require the results to be provided for assurance the placement is appropriate.		Not Due	<input type="checkbox"/>
2C	The Human Resources Director should develop criteria and provide guidance for requesting pre-employment screenings of contract instructors to ensure consistency.		Not Due	<input type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2D	The Human Resources Director should develop criteria for requesting pre-employment credit checks as well as the applicable policy and procedures to ensure consistency.		Not Due	<input type="checkbox"/>
3A	The Human Resources Director should ensure comprehensive policies and procedures are developed for the CDL and pre-employment screening programs.		Not Due	<input type="checkbox"/>
3B	The Human Resources Director should ensure written policies and procedures governing the background screening system access are developed. These should include limiting access based on regular job duties and the "least privilege" principle.		Not Due	<input type="checkbox"/>
3C	The Human Resources Director should ensure a centralized volunteer database is developed or procured to assist with program oversight, such as facilitating background checks as applicable. Further, HR management should finalize the standard operating procedures referenced in AR 308 Citywide Volunteer Program and make them available to the various departments using volunteers.		Not Due	<input type="checkbox"/>
3D	The Human Resources Director should work with the Information Technology Department to ensure applicable email accounts contain appropriate security features to protect sensitive PII sent or received.		Not Due	<input type="checkbox"/>
3E	The Human Resources Director should implement quality control procedures to ensure records are retained in accordance with record retention requirements.		Not Due	<input type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1607	McCormick-Stillman Railroad Park Operations	Issued:	10/9/2015	
1A	Parks & Recreation Department management should ensure that the Contract Administrator monitors extension and renewal timelines to ensure that agreements remain current and are meeting the needs of the City.	March 2016: The Park's Operations Supervisor reported that staff is working with the City Attorney's office and the Scottsdale Railroad & Mechanical Society to draft an updated agreement. Updated license agreements with the model railroad clubs are in effect through June 2016. When these licenses expire, staff plans to have in place new 3-year agreements with two 1-year renewal options. Sept 2016: Auditors confirmed that new agreements with the model railroad clubs and the society were executed in July 2016. The club agreements include initial 3-year terms with additional 1-year optional extensions. The society agreement includes a 10-year term with additional 5-year optional extensions.	Implemented	<input checked="" type="checkbox"/>
1B	Parks & Recreation Department management should require that Contract Administrators not participate directly in the management of the third parties whose agreements they are administering, in accordance with AR 215 Contract Administration.	March 2016: The Park's Operations Supervisor reported that current park staff do not serve on the Society's Board. Auditors confirmed this by reviewing the Society's current Board roster.	Implemented	<input checked="" type="checkbox"/>
1C	Parks & Recreation Department management should limit the number of key cards provided to third-party organizations to control access to the City building to those organization members with a need to access the building. Further, consider setting a maximum number of key cards per third-party organization in the next agreement.	March 2016: The Park's Operations Supervisor reported that staff intends to address club member access in the new longer term license agreements that are planned when the current licenses expire in June. Sept 2016: Auditors confirmed that the new longer term license agreements include language requiring the licensees to minimize the number of individuals with key access and to provide their names and report any changes to the Contract Administrator.	Implemented	<input checked="" type="checkbox"/>
1D	Parks & Recreation Department management should ensure the Contract Administrator maintains organized, complete contract administration files including records of all correspondence and other activities pertinent to the agreements.	March 2016: The Park's Operations Supervisor serves as Contract Administrator for the license agreements and will be for the Society agreement when completed. Auditors reviewed the electronic contract administration files that have been set up.	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2A	Parks & Recreation Department management should ensure the City Treasurer's Office is informed on a timely basis of capital assets donated to the McCormick-Stillman Railroad Park so that they can be recorded in the City's capital asset records.	March 2016: The Park's Operations Supervisor reported that staff has provided to the City Treasurer's Office a detailed list of donated assets for past years. The Society will report to Park staff annually and the information will be reported to the City Treasurer's Office. Auditors will follow up on the status of getting these assets recorded in the City's financial records. June 2016: Still in process. Sept 2016: Auditors reviewed emails and the City's fixed asset listing to confirm the Park has reported the required information to Accounting.	Implemented	<input checked="" type="checkbox"/>
2B	Parks & Recreation Department management should ensure Park staff develops and maintains a listing of historically significant or high risk items located at the Park, including identifying whether the item is owned by the City or loaned by a third party. Also, ensure staff performs periodic physical inventories to ensure the accuracy of the listing and to identify any losses.	March 2016: The Park's Operations Supervisor reported that staff has a draft asset management inventory form for historically significant assets. Auditors reviewed the draft inventory list. June 2016: The inventory list is still in process. Sept 2016: Auditors reviewed the museum inventory list. Park staff also reported the museum staff will check on certain items as part of their daily closing routine.	Implemented	<input checked="" type="checkbox"/>
3A	Parks & Recreation Department management should prepare a comprehensive cost analysis, including direct and indirect costs to determine the total cost to operate the Park. Additionally, rates and fees should be set based on a cost recovery strategy or at the market-acceptable rate to ensure the City receives reasonable compensation for the services it provides.	March 2016: The Park's Operations Supervisor reported that the Community Services budget staff will prepare a comprehensive cost analysis during the next fiscal year.	In Progress	<input type="checkbox"/>
3B	Parks & Recreation Department management should ensure all rates and fees are provided to Council for review and approval and then implement Council-approved rates and fees at the Park. Specifically, Parks & Recreation Department management should: *Determine if the 40% school group discount rate is appropriate and then submit to Council for approval as part of the annual rates and fees process. *Ensure rate and fee changes are accurately presented for Council approval and implemented in the point-of-sale system. * Work with Park staff to clarify how to apply the Commercial rate criteria. * Direct Park staff to clearly display all rates and fees on the Park's website and at the Park.	March 2016: The Park's Operations Supervisor reported that the discount will be included in staff's presentation to the Parks & Recreation Commission and Council during the rates and fees review process. Staff is working to ensure accuracy of rates and fees in the point of sale system, on the website, and at the park. They are also working to properly charge Commercial rates when applicable. June 2016: On May 17, the rates and fees presented to Council for approval included the fee discount and ramada rate correction.	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
3C	Parks & Recreation Department management should ensure Park staff includes all carousel-related staff hours and payroll costs in calculating the carousel staffing cost deduction.	March 2016: The Park's Operations Supervisor reported that staff has been using current hourly rates and appropriate fringe benefit costs in the recent Society carousel reimbursement calculations. Auditors will review the calculations for the June update. June 2016: still in process. Sept 2016: The Park's new agreement with the Society changed the revenue sharing arrangement to pay the Society 17% of ticket revenues from the carousel, train, arboretum train and museum in return for the Society providing the Park certain equipment and attractions, park promotion and financial assistance.	Not Applicable	<input checked="" type="checkbox"/>
3D	Require proper accountability over transactions handled on the Society's behalf. Monies received on behalf of the Society should be recorded separately from City monies and deposited into the Society's account rather than the City's account. The number of Society membership cards issued should be reconciled to the related cash receipts. Voids or corrections should be documented and the cards retained, a witness should be present for any card destructions and cash donations should always be handled in dual custody.	March 2016: The Park's Operations Supervisor reported that the Society is collecting the donated monies. For customer convenience, memberships will still be collected onsite, deposited and paid to the Society through the quarterly carousel reimbursement. The Park and Society are developing a process to allow online purchase and renewal of Society memberships to minimize the amount collected by Park staff. June 2016: Improvements to reconciliations and controls are still in process. Sept 2016: The online membership module is being tested before it is implemented on the Park's website, and onsite kiosk will provide an additional alternative for customers to renew at the Park without City staff handling the payment.	In Progress	<input type="checkbox"/>
3E	Parks & Recreation Department management should ensure that Park staff includes the associated payroll fringe costs in the Model Railroad Building staffing reimbursement calculations and prepares the reimbursement information timely. Further, Park staff should work with the City's Accounting staff to establish a receivables account for the Society's staffing reimbursements, including requesting that the payments be made payable to the City of Scottsdale and directed to the City's Remittance Processing address.	March 2016: The Park's Operations Supervisor reported that the associated payroll fringe was included in the most recent staffing reimbursement calculation. Staff worked with Accounting to establish an accounts receivable for the reimbursement, including that the payment be sent to the City's Remittance Processing address. Auditors will review the calculation and reimbursement for the June update. June 2016: This is still in process and will be reviewed for the next quarterly update. Sept 2016: Auditors reviewed the 4th quarter invoice for FY 2015/16 and confirmed these changes have been made.	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
3F	<p>Parks & Recreation Department management should evaluate how Park staff can maintain reliable perpetual inventory records, whether that is through obtaining trained support for the current system or using another method. In addition, require Park staff to periodically perform physical inventory counts so that variances can be investigated and resolved.</p>	<p>March 2016: The Park's Operations Supervisor reported that staff will be conducting the comprehensive physical inventory three times annually with the next inventory scheduled this month. Park staff is working with the Community Services technology team to identify a new point of sale system that will meet the Park's operational needs, including inventory management and efficient credit card processing. In the meantime, he reported they are working with the existing system to track and manage inventory as effectively as possible. June 2016: The resolution of identified March 30 inventory variances was not documented. Auditor selected 5 items to test count; small variances existed for 3 of these. Oct 2016: The new point of sale system was implemented in early October and it is expected to improve inventory management. Auditors will review progress in a future update.</p>	In Progress	<input type="checkbox"/>
4A	<p>Parks & Recreation Department management should require Park staff to work with the Community Services Division information technology staff and the City's IT Department to properly maintain the current point-of-sale system, including regular off-site backups of the park's accounting records and hardware and software support, documented system access policies and procedures, and change management policies and procedures.</p>	<p>March 2016: The Park's Operations Supervisor reported that staff is working with the Community Services technology team to identify a new point of sale system that will meet the Park's operational needs, including inventory management and efficient credit card processing. Staff intends to then connect the point of sale system with the City's accounting system to ensure offsite records backup and retention. June 2016: Park staff continues to work with IT staff to identify a POS that will meet the park's needs. They have reviewed demos over the past few weeks and plan to get a system in place this summer. Oct 2016: The new point of sale system was implemented in early October, and auditors will review this for a future update.</p>	In Progress	<input type="checkbox"/>
4B	<p>Parks & Recreation Department management should request concurrence from the Information Technology Department and the Office of Communications if third-party website services are to be continued. Further, if concurrence is granted, City staff should ensure the website identifies the Park as City-owned and operated and that other content complied with City web standards.</p>	<p>March 2016: The Park's Operations Supervisor provided documentation of both IT and Communications concurrence for the separate park website. Further, he reported that Park staff is working with the Society on the launch of a new website, which will identify the park as City-owned and include the City logo. As well, Park staff has been working with City IT staff regarding the new website meeting City standards related to network security, website requirements, and site access and maintenance. June 2016: This is still in process as Park staff work with IT staff to ensure the new website will meet City standards. Sept 2016: Auditors reviewed the new website (therailroadpark.com) and observed the City logos and acknowledgement that the park is operated by the City.</p>	Implemented	<input checked="" type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
5	Parks & Recreation Department management should ensure Park staff completes the operations manual, including written procedures for Park maintenance inspections and documented management approval for staff discounts.	March 2016: The Park's Operations Supervisor reported that staff has drafted an operations manual, which is currently being reviewed and edited. Also, the Park is no longer providing staff discounts. June 2016: Auditors reviewed the updated operations manual. It provides direction on major job functions and references the City's AR 268 for cash handling requirements.	Implemented	<input checked="" type="checkbox"/>
1609	Transit Service Contracts	Issued:	6/10/2016	
1	The Transportation Director should work with staff to complete program cost analyses with sound methodology and assumptions as the basis for transit-related business decisions. The up-to-date analyses should be provided to City Council to support decision making.		Not Due	<input type="checkbox"/>
2A	The Transportation Director should require future transit contract changes have a fully executed change order prior to allowing service changes. Further, all contract changes that result in a price change should be formalized and signed by both the vendor and the Contract Administrator. In addition, future contract change orders should be reviewed for accuracy prior to submitting them for City Council approval.		Not Due	<input type="checkbox"/>
2B	The Transportation Director should ensure program staff timely request reimbursement for grants. Future grant contracts with Valley Metro should include the grant effective period to clarify the reimbursement eligibility period.		Not Due	<input type="checkbox"/>
2C	The Transportation Director should ensure that future contracts include deliverable dates and penalties for non-performance. In addition, ensure contract changes orders are completed prior to payment being made.		Not Due	<input type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2D	The Transportation Director should ensure staff maintains a centralized contract administration file that is kept on the City's shared network drive where both contract administrators have access to the files and the information will be backed up nightly. Further ensure that the contract administrator is maintaining a complete file, requesting and maintaining all deliverables required in the transit contracts, and documenting relevant email and verbal discussions.		Not Due	<input type="checkbox"/>
2E	The Transportation Director should ensure that reimbursement for ADA-certified Cab Connection trips is included in future Valley Metro contracts, when applicable.		Not Due	<input type="checkbox"/>
1610	Human Services Information Controls	Issued:	1/14/2016	
1A	Human Services Department management should ensure comprehensive policies and procedures are developed for securing PII collected, used, stored, shared and disposed.	Sept 2016: The Human Services Director reported that the managers have a performance goal to complete a PII policy manual for each center by April 2017.	In Progress	<input type="checkbox"/>
1B	Human Services Department management should require Human Services staff to evaluate the personally identifiable information being collected to ensure that only necessary information is collected and that collected information is protected. Further, consider developing a Human Services privacy statement along with relevant disclosures and security measures.	Sept 2016: The Human Services Director reported that the managers have identified all PII and are collaborating to define what is necessary for the various human services programs and services. Additionally, they will develop a uniform release of information statement. This project is expected to be completed by December 2016.	In Progress	<input type="checkbox"/>
1C	Human Services Department management should develop a program to provide awareness of PII protection requirements, an annual confidentiality statement and periodic training for all staff with access to PII.	Sept 2016: The Human Services Director reported that the training supervisor is developing PII awareness training that will be presented at monthly staff meetings of each center. Training is expected to be completed by December 2016.	In Progress	<input type="checkbox"/>
1D	Human Services Department management should ensure each Human Services area designates a records coordinator to assist with records management. Then require the records coordinators to (1) include all relevant Human Services records on the Records Inventory and Essential Records lists and (2) dispose of records in accordance with the established retention period, and document the destruction on a Certificate of Records Destruction to be filed with the City Clerk's Office.	Sept 2016: Auditors confirmed that each Human Services center now has a records coordinator and the Records Inventory has been updated. The Essential Records list remains to be updated.	In Progress	<input type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2	Human Services Department management should develop policies and procedures and employee training to appropriately address its physical security controls.	Sept 2016: The Human Services Director reported that access controls, protection of network assets and key inventories have been implemented. Policies and procedures will be completed by June 2017. Remodeling work underway at one center will improve the physical access controls over PII.	In Progress	<input type="checkbox"/>
3A	Human Services management should ensure that the Department, with the assistance of Community Services technology staff, (1) develops written guidance for granting and reviewing user system access, including maintaining records of the user access approvals and regular access reviews and (2) obtains security group access details from the CAMS vendor and reviews the user access rights to ensure appropriate segregation of duties and access based on the least privilege principle. Further, the Department should request staff access to CAMS be removed immediately upon their separation from the City or transfer to another department, and ensure the number of System Administrators for all Department systems is reduced to the minimum number feasible.	Sept 2016: The division's technology support staff has established a sharepoint work order system to formalize access changes, although they reported some are still requested by email. User group rights have been defined for CAMS. Due to system support needs, other systems' access rights still need to be reviewed.	In Progress	<input type="checkbox"/>
3B	Human Services management should ensure that the Department ensures access to network folders containing PII is limited to staff with a business need to access the information for their day-to-day job duties.	Sept 2016: The technology support staff reported that due to staff being crosstrained to work at different facilities, frequently changing folder access rights would be cumbersome. Technology support staff will be reviewing how to better organize and secure the shared network folders.	In Progress	<input type="checkbox"/>
3C	Human Services management should ensure that the Department, for any future system implementations, timely implements systems to ensure the City does not pay subscription and licensing fees for software that is not being used. Further, ensure technology staff develops a written implementation plan and documents related correspondence with the vendor, system testing results, system acceptance and other necessary system implementation activities.	Sept 2016: The Human Services Director stated technology support staff will ensure that future implementations of new systems are used in a timely manner. Technology staff indicated the CAMS implementation plans and related correspondence were primarily via email or on the vendor's shared folder. Further review is needed.	In Progress	<input type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1611	Cash Handling Controls and Accountability, FY 2015/16		Issued:	4/8/2016
1A	<p>Division management should require compliance with AR 268 Cash Handling or request an exception from the Accounting Department. Specifically: (1) division management should require that employees perform cash balancing at the beginning and end of each shift and that dual custody is maintained and documented during cash handling processes. Further, limit cash drawer access to one employee at a time; (2) division management should ensure deposits are prepared daily before the start of the next business day and sent to the City's bank in accordance with the location's armored car schedule; (3) division management should require documented supervisory review of cash balancing documents and related void, refund and other unusual transactions; (4) division management should require staff to use dual-control safes properly, change combinations periodically or when authorized staff change, and limit the number of employees with safe access to the minimum that is operationally feasible; and (5) division management should require that all transactions are immediately recorded and monies are immediately placed in the register. Also, the cash handling locations without direct access to the City's cashiering systems should work with the City Treasurer's Office to get access or redirect customer payments to Remittance Processing when feasible.</p>	<p>Sept 2016: Auditors found several locations have improved their cash handling processes and AR compliance. Other sites continue to work on establishing improved controls and accountability.</p>	In Progress	<input type="checkbox"/>
1B	<p>Division management should establish effective controls over cash handling, including (1) proper segregation of duties for receiving, reconciling and depositing cash transactions, (2) dual custody of mail and honor box receipts, (3) consistency in cash handling procedures and related forms and (4) record retention requirements for the related financial records.</p>	<p>Sept 2016: Auditors found several locations have improved their cash handling processes, while other sites continue to work on establishing improved controls and accountability.</p>	In Progress	<input type="checkbox"/>
2A	<p>The City Treasurer should ensure Accounting staff provides regular cash handling training to enhance City staff understanding of and compliance with the requirements.</p>	<p>Sept 2016: Accounting reported staff has a performance goal to provide cash handling training in the second and fourth quarters of FY 2016/17 and is tasked with creating a computer based training module by January 2017.</p>	In Progress	<input type="checkbox"/>

Detail Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2B	The City Treasurer should ensure Accounting staff removes the requirement for unannounced verifications from AR 268 or ensures they are performed on a recurring basis.	Sept 2016: Accounting reported that AR 268 is scheduled for review and update this fiscal year and this requirement may be removed at that time.	In Progress	<input type="checkbox"/>
2C	The City Treasurer should ensure Accounting staff communicates to the affected area when an AR exception is revoked and works with the area to develop effective controls and procedures to ensure compliance.	Sept 2016: Accounting reported that all approved and revoked FY 2016/17 exceptions were communicated to the departments by June 30, 2016. Auditors confirmed that the site notification date is now tracked for each exception request. As well, the cash handling sites provided justification and their compensating controls for the requested exceptions.	Implemented	<input checked="" type="checkbox"/>
1614	SkySong Residential Rent	Issued:	2/11/2016	
1	Public Works staff should work with ASUF to obtain a revised Residential Rent calculation and associated payment that complies with Ground Lease definitions of Net Revenue.	June 2016: Real Estate staff is working with the City Attorney's Office to resolve with ASUF the issues identified by the audit. Sept 2016: Public Works reported that staff worked with ASUF to prepare revised Residential Rent calculations based on ASUF's additional revenue and expense explanations. Public Works and City Attorney staff concluded that no additional rent payments are required from ASUF.	Implemented	<input checked="" type="checkbox"/>
2	Public Works staff should work with ASUF to resolve these questioned costs and obtain a revised Residential Rent calculation and associated payment that complies with Ground Lease definitions of Net Revenue.	June 2016: Real Estate staff is working with the City Attorney's Office to resolve with ASUF the issues identified by the audit. Sept 2016: Public Works reported that staff worked with ASUF to prepare revised Residential Rent calculations based on ASUF's additional revenue and expense explanations. Public Works and City Attorney staff concluded that no additional rent payments are required from ASUF.	Implemented	<input checked="" type="checkbox"/>