

## Information Item

**Date:** November 9, 2020

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**To:** Mayor, Mayor Pro Tempore, and Members of the City Council

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**From:** Ben Rowe, Assistant City Manager  
Scott Tesh, Performance and Accountability Director

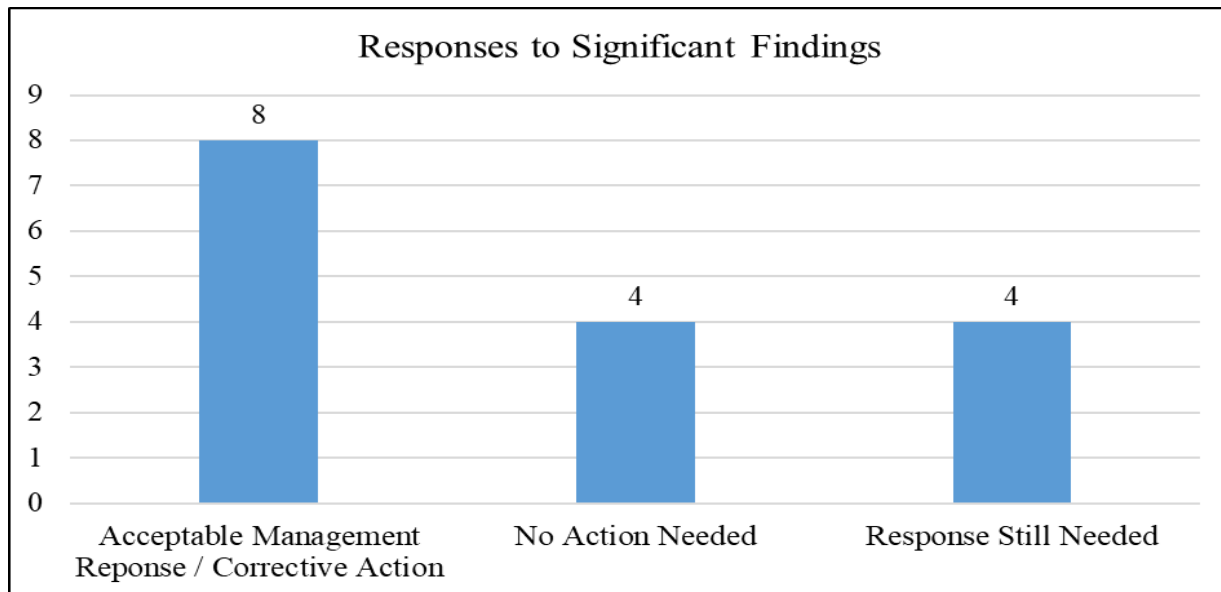
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**Subject:**  
Follow-up to Summary of Internal Audit Division FY 19-20 Audit Reports and Activities

**Strategic Focus Area:** Service Excellence  
**Strategic Objective:** Expand Policy and Oversight & Reporting Mechanisms  
**Strategic Plan Action Item:** No  
**Key Work Item:** No



In October 2020, an information item was provided to the Finance Committee summarizing work activities from the Internal Audit FY 2019-20 work plan. Council Members requested a list of corrective actions taken for significant findings noted in the report. Management responses were provided for all findings except the Employee Data Entry project, and those findings are under review by the new Human Resources Director. The table on the next page lists corrective actions taken for each noted audit report finding. A summary of those items is expressed in the graph below:



Copies of all audit reports (in PDF format) can be found here:  
<https://www.cityofws.org/208/Internal-Audit>

<b>Project</b>	<b>Finding/Observation<sup>1</sup></b>	<b>Corrective Measure<sup>2</sup></b>
Vendor Selection Compliance Audit	No significant findings	n/a
Inventory Observations	No significant findings	n/a
DOT Purchasing Practices Audit	No significant findings	n/a
Field Operations Department Purchasing Practices Audit	No significant findings	n/a
Employee Data Entry Project	Promotion with greater than 5% increase and above minimum	Under review by new HR Director
Employee Data Entry Project	Inconsistencies between pay plan and employee resolution	Under review by new HR Director
Employee Data Entry Project	Retroactive pay for temporary promotion owed	Under review by new HR Director
Employee Data Entry Project	Payment frequency not adjusted to reflect retirement status	Under review by new HR Director
Thunderbirds Food and Beverage Contract Audit	Third party net profits underreported and not paid to City	Contract re-written to reflect distribution language used in other public assembly facilities contracts; City has not recovered unpaid revenue from the audit period
Thunderbirds Food and Beverage Contract Audit	Point of sale equipment not properly used	Thunderbirds will now use point of sale machines for all transactions, not just credit/debit sales
Thunderbirds Food and Beverage Contract Audit	Daily report of sales not provided to City	Reports will now be turned in weekly as required and will include required supplementary information
Thunderbirds Food and Beverage Contract Audit	Payments submitted without proper back-up documentation	Thunderbirds will provide adequate documentation; City staff will refuse acceptance of revenue when adequate documentation is not provided
Powell Bill Expenditures Review	Initial review found insufficient backup for certain expenditures	Multiple City departments collaborated to update mapping and work order reporting format to recover allowable costs
Public Assembly Facilities Cash Receipts Compliance Audit	Late entry of revenues into the financial system	Fairgrounds Administration process reworked to meet system entry deadlines; additional staff trained to perform entry function
Parking and Traffic Safety Cash Receipts Compliance Audit	Late entry of revenues into the financial system	Reported instances related to staff leave; additional backup responsibilities assigned to appropriate staff
Parking and Traffic Safety Cash Receipts Compliance Audit	Deposit slips not signed by supervisors	Attendant and Parking Security Attendant Procedures manual updated to reflect additional staff responsibilities

<sup>1</sup>Finding/Observation verbiage summarized from full audit report language

<sup>2</sup>Corrective measures taken from management responses and other communications