



SURPRISE

ARIZONA

City of Surprise

Implementation of Internal Audit Recommendations

Annual Report

June 28, 2018

Table of Contents

EXECUTIVE SUMMARY	1
Scope and Purpose	1
Methodology	1
Summary of Audit Recommendations.....	2
Conclusion	3
EXHIBITS.....	4

EXECUTIVE SUMMARY

Scope and Purpose

Enclosed is the FY2017-2018 Audit Follow-up report. The purpose of this report is to keep the Audit Committee informed about the implementation status of audit recommendations made by City of Surprise (City) Staff. It encompasses audit projects performed from November 2015 to February 2018 that provided City departments with recommendations to improve internal controls over City assets and operations. The recommendations referenced in each audit report were designed to decrease the risk to City assets and improve efficiency and effectiveness of operations.

The purpose of performing an audit follow-up review is to determine the status of corrective actions. The need for audit follow-up procedures are referenced in *Governmental Auditing Standards* and the *International Standards for the Professional Practice of Internal Auditing*:

Governmental Auditing Standards:

GAGAS 6.36 – “Auditors should evaluate whether the audited entity has taken appropriate corrective action to address findings and recommendations from previous engagements that are significant within the context of the audit objectives.”

International Standards for the Professional Practice of Internal Auditing:

2500 – Monitoring Progress

“The chief audit executive must establish and maintain a system to monitor the disposition of results communicated to management.”

2500.A1 – “The chief audit executive must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.”

Methodology

After the completion of each audit, audit observations and recommendations are tracked in an Excel spreadsheet by the Internal Auditor (IA). The status of audit recommendations is annually followed-up on with the appropriate City departments and responsible individuals. Departments self-report the status of their corrective actions. Testimonial or documentary evidence is obtained and reviewed by the IA. In some cases, the IA will go beyond the standard process and perform a more in-depth verification of the extent to which certain audit recommendations have been implemented, and issue a separate report on this work. All recommendations reviewed were placed in the following status categories:

On Going City staff provided some evidence, however either elements of the audit recommendation were not addressed, or the department reported it has begun to implement the audit recommendation and has not yet completed the implementation **(See Exhibit A)**.

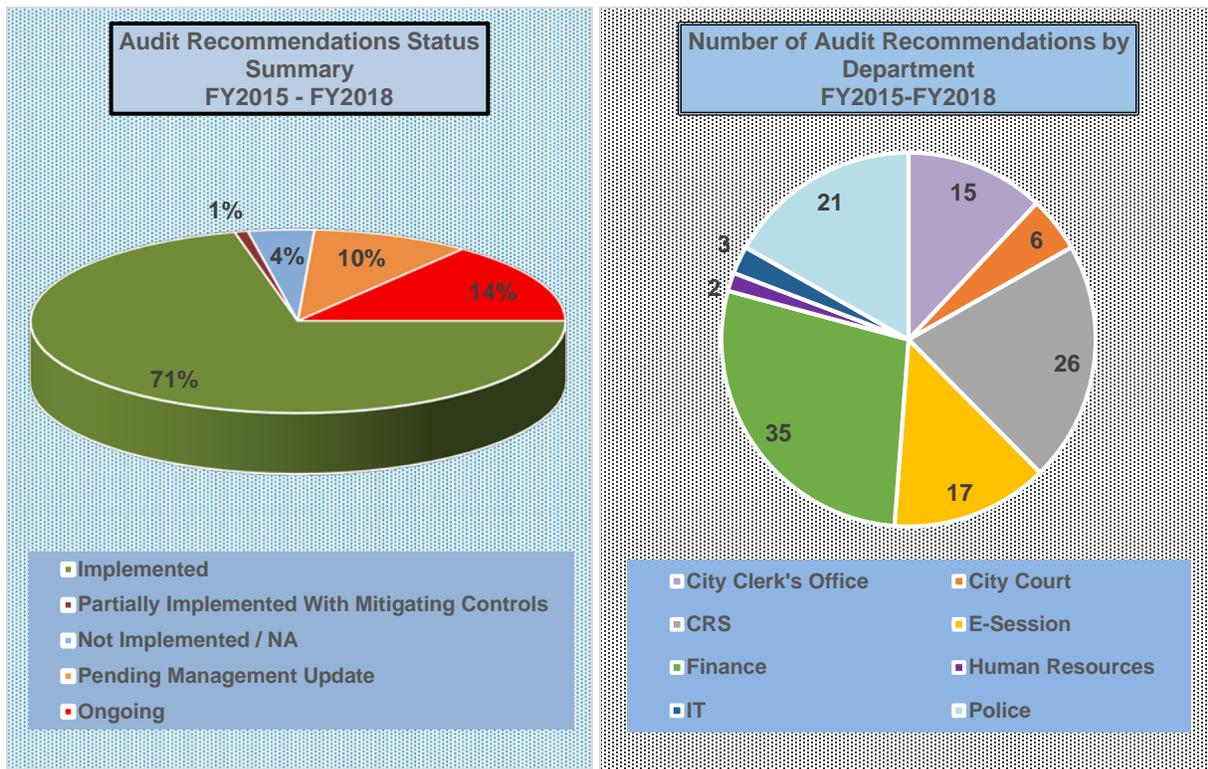
Implemented City staff provided sufficient and appropriate evidence to support elements of implementing the audit recommendation **(See Exhibits B and C)**.

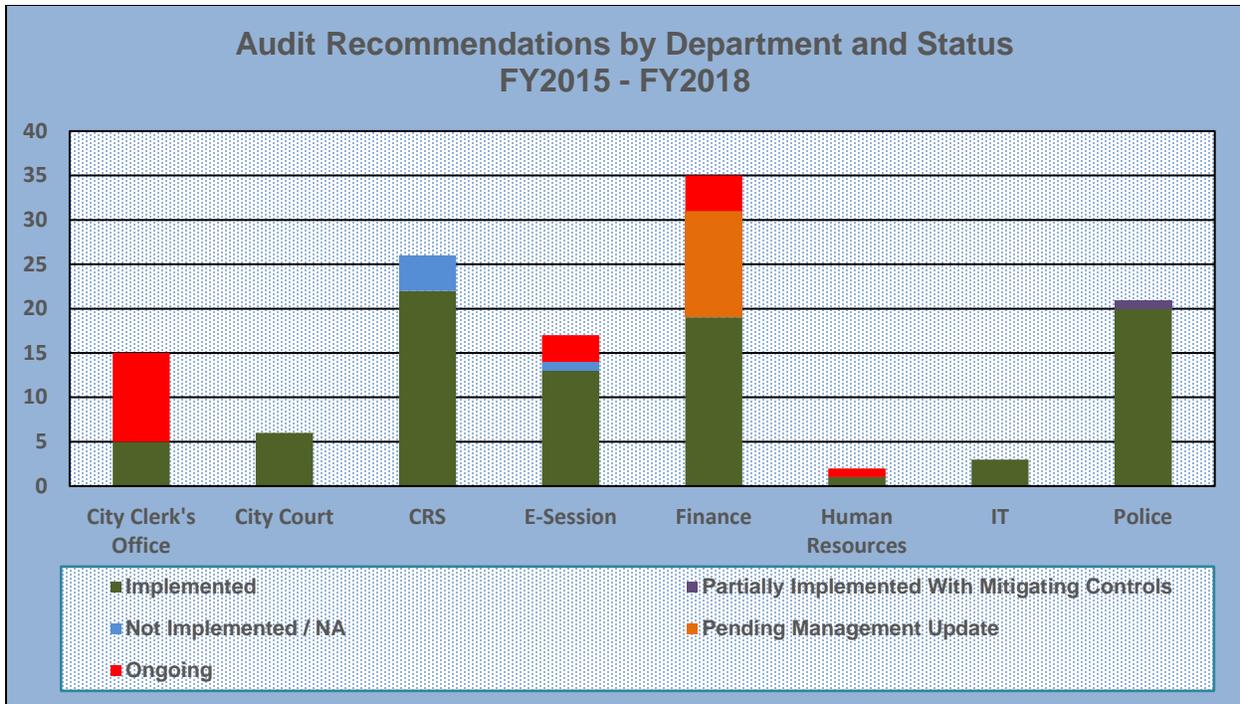
Will Not Implement/Not Implemented N/A The audited department and/or associated vendor disagreed with the referenced audit recommendation, do not intend to implement, and no further action will be reported, or circumstances changed to make the recommendation not applicable **(See Exhibit D)**.

Pending Status Update City staff in the process of providing an updated status on implementation progress **(See Exhibit E)**.

Summary of Audit Recommendations

The FY2017-2018 Audit Follow-up report covers eight projects which contained 125 recommendations to reduce risk to City assets and personnel. Of the 125 recommendations, 89 (71%) were fully implemented to reduce or eliminate the identified risk, 1 (1%) was partially implemented with mitigating controls, 18 (14%) remain open, 5 (4%) were not implemented, and 12 (10%) are pending management status update.





Thirty audit recommendations from Exhibits “A” and “E” are carried forward for future monitoring by the IA.

Conclusion

The IA commend City Staff for their efforts in implementing 71% of audit recommendations. The implementations included reducing risk to City assets and personnel by limiting access to City assets, such as cash and property; enhancing contract administration controls; updating information technology system security controls related to standalone systems; automating manual processes; and creating and updating departmental policies and procedures.

EXHIBITS
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Exhibit "A"
Ongoing Audit Recommendations

Count	Division/Department	Report Title	Report Date	Recommendation	Status as of April 6, 2018	2018 Management Update Comments
1	Finance	Citywide Procurement Card	6/30/2016	Analyze the current A/P processes and payment statistics for small dollar purchases. The analysis should include, but not be limited to:	Ongoing	This analysis is in process and expected to be completed by February 2, 2018. Departments are encouraged to utilize procurement cards for small dollar purchases. Vendors are regularly monitored by the accounts payable team on an annual basis as part of the Form 1099 completion process.
				Percentage of payments that are less than \$5,000		
				Identifying the traditional procure-to-pay processes and their associated costs		
				Identifying the number of infrequently used suppliers in the A/P master vendor file		
				Estimating the percentage of potential vendor payments to move to P-Cards, the estimated savings, and its associated workload		
2	Finance	Citywide Procurement Card	6/30/2016	Request periodic employee termination and transfer reports from Human Resources and reconcile current cardholders to the report to ensure all P-Cards are timely deactivated	Ongoing	Finance is working on developing an automated process through MUNIS with Human Resources has not been established at this time. Until this process is complete Finance will continue to rely on communications with departments and our annual P-Card usage analysis.
3	Finance	Citywide Procurement Card	6/30/2016	Work with the City Attorney's Office to clarify the City policy on awarding non-monetary agreements and agreements that may not require a purchase order. Update policies and procedures, as applicable.	Ongoing	Request for Legal Services number 5829 was submitted on August 22, 2017. Will follow up with Legal.
4	Finance	Citywide Procurement Card	6/30/2016	Review Guideline 501 of the Procurement Guideline Manual. Assess the usefulness and effectiveness of the Monthly Purchasing Violation report. If the report continues to provide useful information, assign staff to complete and distribute the report	Ongoing	Guidelines have been updated and are in the process of being reviewed and approved. The target date for completion is Spring 2018.
5	Human Resources	Stadium Concession Contract	2/22/2016	Work in conjunction with the IT Department to review and update the EPM to include a comprehensive data security policy that address industry standard best practices. The updated security policies should be developed and presented citywide as a required periodic training.	Ongoing	EPM, 8.4 Security, is still pending and in development. The majority of chapter 8 of the EPM relies heavily on other departments to assist in the development.
6-8	Executive Session Discussion	E-Session	4/20/2017	3 Audit Opportunity from Executive Session Discussion Open	Ongoing	3 Audit Opportunity from Executive Session Discussion Open
9	City Clerk's Office	City Clerk's Public Records Request	8/14/2017	Develop a comprehensive automated training program using Target Solutions to educate City staff on public records requests procedures. The training should incorporate updated records management policies and procedures.	Ongoing	This is still a work in progress, will finalize once we have an automated system in place. Original estimated completion date: August/September 2018

Exhibit "A"
Ongoing Audit Recommendations

Count	Division/Department	Report Title	Report Date	Recommendation	Status as of April 6, 2018	2018 Management Update Comments
10	City Clerk's Office	City Clerk's Public Records Request	8/14/2017	Work with the City Attorney's Office to establish a precise retention period for City emails. If an extended period is required, initiate the process to obtain approval from the State to update the City's retention schedule. Communicate any changes in the retention period to the IT Department and City staff.	Ongoing	We have coordinated two separate meetings with the Legal Department, and IT Department to discuss a solution. Meetings were held with Legal, Clerk & IT on: Monday, October 20, 2017 Monday, February 26, 2018 No definite resolution at this time.
11	City Clerk's Office	City Clerk's Public Records Request	8/14/2017	Establish a time limit policy for holding completed public records requests. The policy should include, but not limited to:	Ongoing	Extension of completion date to August/September 2018.
				<ul style="list-style-type: none"> ✦ The number of days completed documents are held for pickup before they are destroyed ✦ Requiring the completion of new public records request if pickup attempts are made after documents are destroyed ✦ Fees collected for documents destroyed after holding period should not be refunded, as service was performed ✦ Updating the Form to reflect the new policy 		
12	City Clerk's Office	City Clerk's Public Records Request	8/14/2017	Develop and implement controls to enhance current procedures for managing the public records requests Excel spreadsheet. The controls should include, but not limited to:	Ongoing	This is still a work in progress. Right now, staff is reviewing the spreadsheet every other week to follow up with requestors and to balance the amounts due and received. Once implemented, the automated request tracking program will have monitoring capability, therefore the Excel spreadsheet will be eliminated. The automated system will also eliminate the issue of duplications between departments. Extend completion date to December 2018.
				<ul style="list-style-type: none"> ✦ Periodically reviewing the spreadsheet for accuracy, completeness, and training opportunities ✦ Reconciling the fees column of the spreadsheet to the general ledger to ensure all fees assessed were correctly deposited promptly ✦ Coordinate efforts with other departments when working on the same public records requests to eliminate duplicate efforts ✦ Use Excel Data Validation function to format spreadsheet and eliminate keying errors 		

Exhibit "A"
Ongoing Audit Recommendations

Count	Division/Department	Report Title	Report Date	Recommendation	Status as of April 6, 2018	2018 Management Update Comments
13	City Clerk's Office	City Clerk's Public Records Request	8/14/2017	Continue to work with the IT Department to assess the potential of automating tracking public records request utilizing current City applications, such as SharePoint, Council agenda software, or legal software. The selected software should allow applicable City staff view privileges to check the status of requests in an attempt to eliminate duplication of staff efforts.	Ongoing	<p>This has been a work in progress in conjunction with IT staff. We visited the City of Phoenix March 9, 2018 to view the SharePoint Program. They shared their coding with us.</p> <p>In the meantime we found out that through Civic Plus, the City's Website, their may be a program already in place that is called Citizens Request Tracker. We are scheduled for a Demo on Tuesday, May 8th with IT staff.</p> <p>If this is adequate, we will work immediately to tailor to our needs and implement as soon as possible.</p>
14	City Clerk's Office	City Clerk's Public Records Request	8/14/2017	Ensure that cash handling and A/R billing duties are correctly segregate to prevent the opportunity for fraud or misappropriation of assets. Controls should include, but not limited to:	Ongoing	<p>We have made changes internally for the collection of records request fees but have not finalized the written policy.</p> <p>Changes includes:</p> <p>The Records Technician responsible for processing the request, notifies the requestor and defines the payment amount through an invoice or email. The request is not finalized until we receive payment through the mail, or the customer stops by City Hall.</p> <p>The Records Technician does not open the mail, this task has been given to the Deputy Clerk and Administrative Assistant to open mail, and hand-deliver checks to the cashier for deposit and receipts.</p> <p>Once the receipts are issued from Finance, they are given to the Records Technician for finalizing request and notifying the customer.</p>
				<ul style="list-style-type: none"> ✦ Prohibiting access to funds, including original checks, by the individual creating A/R invoices 		
				<ul style="list-style-type: none"> ✦ Developing a process for tracking, monitoring, and balancing A/R invoices 		
				<ul style="list-style-type: none"> ✦ Transferring and centralizing A/R billings through the Finance Department. Work with the Revenue Manager to transition the A/R billing process to the Finance Department. A/R invoicing should be recorded and managed in MUNIS, the citywide financial management system. 		
				<ul style="list-style-type: none"> ✦ Prohibiting one person from having control over creating a transaction, managing the supporting documentation for the transaction, and processing the associated payment. 		
15	City Clerk's Office	City Clerk's Public Records Request	8/14/2017	Formalized and document revenue policies and procedures to include, but not limited to:	Ongoing	<p>The original Records Request Policy was created in the Attorney's Office. I met with the City Attorney on this issue, once we have established an automated system, we will update the policy to include this information.</p> <p>I have not received a legal opinion on the authority to waive fees at this time. I also discussed this issue with the Finance Department to create language in the policy for collecting fees.</p>
				<ul style="list-style-type: none"> ✦ Establishing when to assess fees 		
				<ul style="list-style-type: none"> ✦ Identifying when and who can authorize fee waivers 		

Exhibit "A"
Ongoing Audit Recommendations

Count	Division/Department	Report Title	Report Date	Recommendation	Status as of April 6, 2018	2018 Management Update Comments
				Identify documentation required to waive fees		
16	City Clerk's Office	City Clerk's Public Records Request	8/14/2017	Ensure staff complies with fee collection policy or update policy to reflect actual collection practice.	Ongoing	Currently in progress. Extend completion date to September 2018.
17	City Clerk's Office	City Clerk's Public Records Request	8/14/2017	Review the copy fee schedule rates and make adjustments as necessary. The review should include, but not limited to establishing a minimum service level at which fees will be assessed.	Ongoing	I met with Finance in December 2017 on the fee schedule for records requests. Finance is currently reviewing records request fee structure for the City Clerk's Office. Finance will be conducting a 60 day tracking for Clerk, PD, Fire, CD and Engineering records requests. Extend completion date - December 2018 per Finance Dept.
18	City Clerk's Office	City Clerk's Public Records Request	8/14/2017	Work in conjunction with the Finance Department to: Submit a complete public records requests fee schedule to City Council for review and approval by resolution Replace the current copy fees statement on the bottom of the City Clerk Form with "Copy fees will be assessed in accordance with the adopted Citywide Fee Schedule"		Auditor's Note: Ongoing. An email was received on May 8, 2018 from the Finance Process and Policy Analyst discussing record request fees.

Exhibit "B"
Implemented Audit Recommendations

Count	Division/Department	Report Title	Report Date	Recommendation	Status as of April 6, 2018	2018 Management Update Comments
1	Finance	Citywide Procurement Card	6/30/2016	Promptly pay P-Card statements upon receipt to ensure the City receives all available rebate incentives.	Implemented	This process was completed and updated in September 2016 with payment to Bank of America being entered as soon as reasonably possible after receipt of the prior month's statement and the completion of the approval process. The new BBVA procurement cards(P-Cards) were implemented in October 2016 and the rebate is no longer contingent on when payment is made by the City. The BBVA rebate is strictly based on the dollar amount spent per month and for the calendar year. However, the monthly payment to BBVA is being made timely on the 14th of each month.
2	Finance	Citywide Procurement Card	6/30/2016	Increase staff knowledge and understanding of agreement terms and conditions.	Implemented	The BBVA contract was executed in May of 2016 and is available for review in MUNIS by all users. Finance will perform a periodic review of all terms and conditions to ensure staff is knowledgeable.
3	Finance	Citywide Procurement Card	6/30/2016	Obtain a COI for the P-Card Agreement.	Implemented	The City has received the COI for both B of A and BBVA.
4	Finance			Assign an administrator to manage and monitor the P-Card Agreement to ensure compliance with all terms and conditions.	Implemented	The P-Card manual defines the roles and responsibilities for admiration of the program. The Accounting Manager, Assistant Finance Director - Accounting, Revenue Manager, and the Accounting Specialist Lead all are responsible for administration and monitoring of the BBVA P-Card agreement.
5	Finance	Citywide Procurement Card	6/30/2016	Develop a process and procedure for addressing emergency credit limit increases.	Implemented	The process for an emergency credit limit increase is defined in the P-Card manual. All emergency requests and approvals are maintained in the P-Card folder on the Finance department shared drive.
6	Finance	Citywide Procurement Card	6/30/2016	Because of rebate incentives and the lower cost of processing, encourage departments to maximize the use of P-Cards as a method of payment for all small dollar purchases. If necessary, update the P-Card Manual.	Implemented	Departments are encouraged to use their P-Cards for small dollar purchases as documented in the P-Card Manual updated on October 14, 2016.
7	Finance	Citywide Procurement Card	6/30/2016	Develop a system to monitor high volume P-Card vendors that may warrant the award of a contract or purchase order.	Implemented	Procurement and Accounts Payable are monitoring high volume P-Card vendors through MUNIS reports and establishing contracts where necessary. As a result of this process contracts have been established with Home Depot, Amazon, and Office Depot.
8	Finance	Citywide Procurement Card	6/30/2016	Develop a periodic mandatory training program to enhance participants' understanding of program requirements.	Implemented	P-Card users are required to re-review the P-Card manual and sign the user agreement form and annually. Forms must be submitted to accounts payable by November 30 to continue use of their card. Forms not received by deadline will result in the immediate suspension of the P-Card.
9	Finance	Citywide Procurement Card	6/30/2016	Perform a comprehensive review of the P-Card Manual and update the policy to help encourage best practices and to reduce the City's potential exposure to misuse of the P-Card Program.	Implemented	This was completed on October 14, 2016 and sent to City staff on October 17, 2016. Finance continues to review the manual and will update as updates are identified.
10	Finance	Citywide Procurement Card	6/30/2016	Enhance Section 17 in the P-Card Manual to provide additional guidance to staff and to reduce the potential for unauthorized purchases and identity theft by:	Implemented	This was included in the P-Card manual update completed on October 14, 2016.
				Identifying the earliest date and method that the supervisor must notify the P-Card Administrator to close P-Card accounts		
				Incorporating procedures for employees transferring to different departments and positions		

Exhibit "B"
Implemented Audit Recommendations

Count	Division/Department	Report Title	Report Date	Recommendation	Status as of April 6, 2018	2018 Management Update Comments
11	Finance	Citywide Procurement Card	6/30/2016	Develop and document procedures for periodically evaluating low or no P-Card activity at least annually to ensure there is a continued business need for a P-Card. Cardholders should annually confirm in writing with the P-Card Administrator that their assigned P-Card is safeguarded when not in use.	Implemented	Finance performed the P-Card usage analysis and provided evaluation and recommendations to department directors on October 27, 2017 for their review and consideration. Department responses are due on November 30, 2017.
12	Finance	Citywide Procurement Card	6/30/2016	Contact inactive P-Card holders and deactivate applicable P-Cards.	Implemented	Finance performed the P-Card usage analysis and provided evaluation and recommendations to department directors on October 27, 2017 for their review and consideration. Department responses are due on November 30, 2017.
13	Finance	Citywide Procurement Card	6/30/2016	Obtain signed Procurement Card User Agreements for all cardholders.	Implemented	All new P-Card holders must read and sign the P-Card user agreements before a card is issued. Existing cardholders are required to receive an update by reading and signing the agreement annually. All forms are included in MUNIS.
14	Finance	Citywide Procurement Card	6/30/2016	Periodically reconcile signed copies of Procurement Card User Agreements against a list of active cardholders from the WORKS system.	Implemented	Munis has replaced The Works system. All P-Card user agreements are attached to user/card profiles in MUNIS and reconciled on a monthly basis by the Accounting Specialist -Lead when a new P-Card is issued and when existing cards are used.
15	Finance	Citywide Procurement Card	6/30/2016	Review cardholder credit limit (CL) and when utilized 50% or less annually, consider reducing the CL.	Implemented	Finance performed the P-Card usage analysis and provided evaluation and recommendations to department directors on October 27, 2017 for their review and consideration. Department responses are due on November 30, 2017.
16	Finance	Citywide Procurement Card	6/30/2016	Develop a policy to review CLs periodically, at least once annually.	Implemented	This policy is included in the October 14, 2016 P-Card Manual update.
17	Finance	Citywide Procurement Card	6/30/2016	Work in conjunction with the City Clerk's Office to develop a record management policy for P-Card documentation that includes, but not limited to: <ul style="list-style-type: none"> • Identifying who retains P-Card documents (individual departments or the Finance Department) • Establishing an approved retention period 	Implemented	This process has been established and implemented with MUNIS being the official holder of records related to the P-Card program of the City of Surprise.
18	Finance	Citywide Procurement Card	6/30/2016	Work in conjunction with the City Clerk's Office to notify all City departments regarding the need to comply with the State retention policy related to P-Card documentation.	Implemented	This was included in the October 14, 2016 P-Card Manual update.
19	Finance	Citywide Procurement Card	6/30/2016	Work with the City Attorney's Office to update the Service Agreement short form.	Implemented	Updated form was posted on August 9, 2016.
20	City Clerk's Office	Citywide Procurement Card	6/30/2016	In accordance with Procedure #6 in P-Card Manual, obtain preauthorization from the IT Manager for all computer software or hardware purchases.	Implemented	There has not been an instance since this audit was conducted to obtain IT Manager authorization. If the need arises, we will follow #6 process in P-Card Manual as written.
21	Community Recreation Services	Citywide Procurement Card	6/30/2016	Update Material Data Safety Sheets per Occupational Safety & Health Administration regulations and Risk Management policies and procedures.	Implemented	MSDS sheets are printed and up to date.

Exhibit "B"
Implemented Audit Recommendations

Count	Division/Department	Report Title	Report Date	Recommendation	Status as of April 6, 2018	2018 Management Update Comments
22	Community Recreation Services	Citywide Procurement Card	6/30/2016	Dispute inaccurate charges with B of A in a timely manner to prevent payment for goods or services not received.	Implemented	The CRS P-Card procedures have been updated with information on disputing inaccurate charges in a timely manner. Two staff did have fraudulent charges over the past year, the charges were disputed and resolved in a timely manner.
23	Community Recreation Services	Stadium Concession Contract	2/22/2016	Enhance controls over cash handing to safeguard cash and personnel by addressing the opportunities identified during the audit, to include but not limited to:	Implemented	CRS has continued to enhance controls for safe cash handling. Full-time staff have completed cash handling training and most applicable part-time staff have completed training. CRS created its own Cash Handling training presentation while HR is in the process of completing a Citywide training. Once HR completes their training, all full-time and part-time applicable staff will complete that training as well. Cameras have been installed in the cashiering areas and a separate office with cameras has been created for daily reconciling. The Department complies with the Cash Handling Policy on segregation of duties.
				* Complying with all citywide Cash Handling Policies and Procedures		
				* Adequately segregating duties to prohibit one individual from having control over an asset and its related documentation		
				* Implementing compensating controls over processes when limited by resources, such as reconciling daily cash registers at the end of the day in dual custody and management periodically reconciling daily deposits to bank statements and financial records		
				* Providing the necessary cash handling training to staff handling cash		
				* Adding adequate video surveillance cameras in areas where cash is handled and processed		
				* Implementing procedures to secure forms, mail, keys, and cash at all times		
				* Developing adequate procedures to report and monitor cash variances		
24	Community Recreation Services	Stadium Concession Contract	2/22/2016	Assess the feasibility of adding an electronic key pad to control and monitor access to the safe closet or develop compensating controls, such as a manual log, to monitor access to the safe closet.	Implemented	The electronic key pad is still installed and used effectively.
25	Community Recreation Services	Stadium Concession Contract	2/22/2016	Establish and communicate deadline times for completing daily deposits to make sure that deposits reach the bank in a timely manner. The policy should include:	Implemented	Two staff are now assigned daily to pick up all the deposits from the remote locations. The staff prioritize this task first thing in the morning so that generally all deposits are delivered by 9am. This allows the deposits to be completed before Armored Car arrives unless there is an issue that warrants a delay in processing.
				* Identifying a deadline time for remote sites to deliver funds and supporting paperwork to the Customer Service Specialist		
				* Requiring the Customer Service Specialist to complete the prior days deposit consolidation prior to the arrival of the armored guard service		
				* Ensuring that a daily deposit is made when funds are received		

Exhibit "B"
Implemented Audit Recommendations

Count	Division/Department	Report Title	Report Date	Recommendation	Status as of April 6, 2018	2018 Management Update Comments
26	Finance	Stadium Concession Contract	2/22/2016	Considered including a provisional right-to-audit clause in revenue-based contracts. The provision should include, but not limited to:	Implemented	A more comprehensive clause was developed: Audit of Records. Contractor shall retain, and shall contractually require each and every subcontractor that performs any work under this Contract, all books, accounts, reports, files and any and all other records relating to the contract (hereinafter referred to as "Contract Documents") for six (6) years after completion of the Contract. City, upon written request and at reasonable times, shall have the right to review, inspect, audit and copy all Contract Documents of the Contractor and any subcontractors. Contractor shall produce the original Contract Documents at City Hall, currently located at 16000 N. Civic Center Plaza, Surprise, Arizona, or at such other City facility within the City as designated by the City in writing. If approved by City Attorney in writing, photographs, microphotographs, or other authentic reproductions may be maintained instead of original Contract Documents. Audit/Billing and Expenses. The City reserves the right to request supporting documentation for all hourly amounts or reimbursable expenses charged to the City. Such records will be subject to audit at any time during the term of this Contract and for a period not to exceed two (2) years after any amount is billed. Within thirty (30) days of receiving a request, the Contractor will furnish to the City original invoices to support all charges and complete payroll records to support such hourly labor charges. The City reserves the right to audit any other supporting evidence necessary to substantiate charges related to this Contract, both direct and indirect costs, including overhead allocations if they apply to hourly costs associated with this Contract. If requested by the City, the Contractor will provide supporting records electronically in addition to a hard copy. a. If the audit reveals overcharge, the Contractor will reimburse the City upon demand for the amount of such overcharges plus interest thereon from the date paid by the City through the date of reimbursement. If the overcharges exceed 5% of Contractor's compensation, then Contractor shall also reimburse the City for the cost of the audit.
				* Maintaining financial and related records for a specified number of years		
				* Making sales records readily available to the City upon request		
				* Requiring contractors to provide timely audited documentation that support revenue payments to the City.		
27	Community Recreation Services	Stadium Concession Contract	2/22/2016	Clarify with the Vendor the application of the annual CPI adjustment. A contract amendment should be executed to effectively document the resolution and to protect the City's interest.	Implemented	An amendment has been completed and executed on January 26, 2018 clarifying the application of the annual CPI adjustment. Per the amendment, the CPI adjustment will not be applied unless the City does not agree to a proposed pricing increase of menu items after a reasonable review. Procurement reviewed the amendment prior to execution.
28	Community Recreation Services	Stadium Concession Contract	2/22/2016	Ensure that contract terms explicitly address how CPI adjustments are calculated.	Implemented	RFLS 5828 was issued on August 22, 2017 for review of the contract amendment that specifies the how CPI rate is applied. A contract amendment was drafted by Legal and executed on January 26, 2018.
29	Community Recreation Services	Stadium Concession Contract	2/22/2016	Work with the Vendor to ensure that payments are received in a timely manner and in compliance with the contract.	Implemented	CRS met with the vendor. The vendor is generally processing the checks within 10 days of the end of the month.
30	Community Recreation Services	Stadium Concession Contract	2/22/2016	Develop procedures to enhance password security and to decrease the potential of unauthorized access to data. The procedures should include, but not limited to:	Implemented	Password best practices were added to the Cash handling training and procedures. The Department purchased new software in May 2017 and was implemented in November 2017. The ability to force password changes every 90 days is incorporated into the software.
				* Providing staff with industry best practice password security training		
				* Prohibiting the use of generic passwords beyond the first initial login		
				* Researching the feasibility of implementing CLASS controls to force first time users to create a unique and confidential password		

Exhibit "B"
Implemented Audit Recommendations

Count	Division/Department	Report Title	Report Date	Recommendation	Status as of April 6, 2018	2018 Management Update Comments
				* Prohibiting storing userid and passwords in an easily accessible location		
31	Community Recreation Services	Stadium Concession Contract	2/22/2016	CRS should work with the IT Department to develop an effective IT Asset Management program to ensure uninterrupted business service and to decrease the exposure of security vulnerabilities through the timely replacement of IT assets. The program should include addressing:	Implemented	The CRS software was approved in the FY17 budget. The new software will address current security concerns. The Department will work with IT to determine on a future replacement schedule.
				* What systems and equipment exist		
				* The expiry date of equipment and applications		
32	Community Recreation Services	Stadium Concession Contract	2/22/2016	Reduce the City's potential exposure to liability by ensuring compliance with observations identified in the above table.	Implemented	The vendor supplied an updated insurance certificate with the correct coverages.
33	Human Resources	Stadium Concession Contract	2/22/2016	Review and update the citywide COI policies and procedures to include, but not limited to:	Implemented	New contracts with the City are submitted through Procurement and ultimately are assigned for Request for Legal Services (RFLS). To satisfy the need for review of insurance levels, the RFLS process includes a review of both insurance coverage limits and indemnification language. Additionally, Procurement published a short document detailing where Certificates of Insurance must be sent and what thresholds are required for each line of coverage, based on the contract/agreement activity. Procurement has experienced employee turnover in the past year; therefore, the EPM has not been revised to date. However, the additional step of submitting contracts through RFLS will prevent identified deficiencies.
				* Accessing the adequacy of the current insurance matrix limits utilized by City departments to ensure sufficient coverage is provided		
				* Ensuring coverage limits are based upon amount, services provided, and other applicable risk indicators, as necessary		
				* Ensuring that all COI that do not meet the minimum requirements are forwarded to the Risk Management Division for review and approval		
				* Inclusion of applicable and required insurance language to guarantee the City is adequately covered		
				* Referencing the applicable City address		
				* Providing periodic training on policies and procedures to ensure compliance		
34-46	Executive Session Discussion	E-Session	4/20/2017	13 audit recommendations from Executive Session Discussion implemented	Implemented	13 audit recommendations from Executive Session Discussion implemented
47	Information Technology	City Clerk's Public Records Request	8/14/2017	Request authorization from the City Attorney's Office to release the legal hold on emails. Emails that exceed the approved retention period should be deleted.	Implemented	Staff disseminated a citywide notice that any individual either sending/or receiving emails requiring a retention longer than one year must archive same. Information Technology will purge all emails on a rolling basis of two years.

Exhibit "B"
Implemented Audit Recommendations

Count	Division/Department	Report Title	Report Date	Recommendation	Status as of April 6, 2018	2018 Management Update Comments
48	City Clerk's Office	City Clerk's Public Records Request	8/14/2017	Periodically perform quality review checks on completed forms. The results of the reviews should be used as a training tool for staff. The reviews should include, but limited to, ensuring all requests are identified as commercial or non-commercial. All commercial requests should include a statement identifying the commercial purpose for the requested documents.	Implemented	<p>Effective March 2018 - Before a request is logged in for distribution, the Deputy Clerk or City Clerk determines that the form is complete and ready to assign departments to distribute to. This also includes verification with the requestor if it is commercial or non-commercial.</p> <p>Effective March 2018, the Records Technician and Deputy City Clerk review outstanding records requests on a monthly basis. Each request is followed up with an email, phone call, etc., to remind the requestor that their records request has been filled.</p> <p>If the request has not been completed by the assigned department, the Records Technician follows up by email then this information is recorded on the excel spreadsheet until the request is complete.</p> <p>We do have several finalized requests that were not paid for/picked up due to the requestor decided that the information was no long needed, or that the City replied to the requestor that there is no informational available. All of this information is recorded on the spreadsheet.</p>
49	City Clerk's Office	City Clerk's Public Records Request	8/14/2017	Reconcile manual A/R balances to include:	Implemented	<p>Added 06/25/2018 - MUNIS Invoicing is now being used for records request payments as well as City passport fees and History Books. The breakdown of fees is assigned by category and department authorized through Finance. This has streamlined our invoicing process tremendously, and allows for correct account coding. The invoices are created at the time the requestor is picking up the request.</p> <p>Staff does a monthly review for outstanding records requests and reports their findings to City Clerk for direction.</p>
				* Researching outstanding A/R billings		<p>Staff is currently researching outstanding A/R invoices on a monthly basis. They are following up via e-mail, phone and USPS when necessary.</p> <p>When the need occurs staff will work with the Revenue Manager in the Finance Department regarding reclassing payments that were posted incorrectly.</p> <p>Staff will coordinate and discuss any write off of invoices with the Revenue Manager, in the Finance Department.</p>
				*Reclassing any payments that were incorrectly posted to the miscellaneous revenue account, if incurred in the current fiscal year		
				*Obtaining appropriate management review and approval to write off any invoices deemed uncollectible		
50	City Clerk's Office	City Clerk's Public Records Request	8/14/2017	Ensure applicable staff reviews the Finance Department Cash Handling Policies and Procedures and periodically receive refresher cash handling training.	Implemented	<p>All staff in the Clerk's Office have completed the online Cash Handling Training through Target Solutions by the end of March 2018.</p> <p>COMPLETED</p>
51	City Clerk's Office	City Clerk's Public Records Request	8/14/2017	Work with the Revenue Manager to implement online payments and establishing credit card acceptance as an option to improve customer service time, reduce the potential need for A/R billing, and limit the amount of cash and check handling.	Implemented	<p>Effective March 15, 2018, the City Clerk's Office went live with creating on the spot invoicing through MUNIS for Passports and History Books. We are now working on invoicing for records requests.</p> <p>After meeting with the Revenue Manager, the City Clerk's Office would be responsible for covering the costs of customers paying by credit card through PayPal and this is not justifiable with the minimal amount per each records requests received.</p>
52	Information Technology	City Clerk's Public Records Request	8/14/2017	Request authorization from the City Attorney's Office to release the legal hold on emails. Emails that exceed the approved retention period should be deleted.	Implemented	<p>Authorization was received on June 18, 2018 to establish a City retention period to purge emails on a rolling basis of two years.</p>
53	Information Technology	City Clerk's Public Records Request	8/14/2017	Include instructions on how to access archived data stored on CDs provided to the City Clerk's Office as part of records requests response.	Implemented	<p>Effective October 31, 2017, data recovery instructions will be included in a separate file titled README.TXT with all responses provided on digital media.</p>

Exhibit "B"
Implemented Audit Recommendations

Count	Division/Department	Report Title	Report Date	Recommendation	Status as of April 6, 2018	2018 Management Update Comments
54	City Court	Cash Handling	3/13/2017	Reduce the potential for misappropriation of funds by requiring dual custody when accessing the safe. In lieu of dual custody, install video surveillance cameras to monitor safe access.	Implemented	On April 10, 2017, the City Court (Court) installed video surveillance cameras to monitor safe access and ensure compliance with cash handling policies and procedures.
55	City Court	Cash Handling	3/13/2017	Discontinue the practice of storing keys that provide access to cash in unsecured locations. Keys should remain in physical possession of the individual they are assigned to or stored in a secured location with limited access when not being used.	Implemented	Effective March 2017, keys that provide access to cash are stored in a safe at all times to ensure compliance with cash handling policies and procedures. The safe is monitored by video surveillance cameras.
56	City Court	Cash Handling	3/13/2017	Cashiers should lower the blind at their window before counting and reconciling their cash register.	Implemented	Effective February 27, 2017, Court Clerks are required to lower the blinds before counting and reconciling their respective cash drawer.
57	City Court	Cash Handling	3/13/2017	Discontinue the practice of preparing daily deposits in sole custody out of the view of video surveillance cameras. Deposits should remain in dual custody at all times until the deposit is sealed in a bank deposit bag. In lieu of dual custody, deposit preparation should occur under the view of video surveillance cameras.	Implemented	On April 10, 2017, the Court installed video surveillance cameras which monitor the deposit preparation to ensure compliance with cash handling policies and procedures.
58	City Court	Cash Handling	3/13/2017	Reassess the current positioning and location of video surveillance cameras and make the necessary adjustments or additions to ensure areas processing cash or cash equivalent transactions are adequately covered to limit is appropriate of funds and to enhance staff safety.	Implemented	On April 10, 2017, the Court installed video surveillance cameras which provide optimum view of all cash handling areas.
59	City Court	Cash Handling	3/13/2017	Enhance staff safety and decrease the potential of misappropriation or loss documents by requiring two staff members to retrieve mail. Loose mail should be transported in a seal container or pouch.	Implemented	Effective January 13, 2017, Court procedures require two Court Clerks to retrieve the mail from both the U.S. postal mailbox and the Court's drop box. Court Clerks are to place the mail in a tote bag that has a zipper enclosure when transporting the mail inside the court building.
60	Community Recreation Services	Cash Handling	6/29/2017	Staff should ensure that doors are always secured. Doors leading to cashiering areas should never be left ajar when not in use.	Implemented	Staff has been instructed to ensure that doors leading to cashier areas should always be closed and secured and never propped open.
61	Community Recreation Services	Cash Handling	6/29/2017	Install a security peephole on office doors to enhance the safety of staff handling cash. Staff should utilize the security peephole to verify an individual's identity before opening doors that provide access to the cashiering area.	Implemented	A security viewing hole was installed on the west door of the concession room at the Aquatic Center summer 2017.
62	Community Recreation Services	Cash Handling	6/29/2017	Mount a sign on the interior of applicable doors stating doors must be locked at all times.	Implemented	Signs stating DOORS MUST REMAIN LOCKED AT ALL TIMES were installed on July 10, 2017 on the interior of areas where staff may handle cash, where applicable.

Exhibit "B"
Implemented Audit Recommendations

Count	Division/Department	Report Title	Report Date	Recommendation	Status as of April 6, 2018	2018 Management Update Comments
63	Community Recreation Services	Cash Handling	6/29/2017	Ensure staff review Policy #6 and access the online Secret Service internet page to identify the correct procedures for processing counterfeit bills. Staff should periodically review the information as part of the required annual cashier training.	Implemented	Cash Handling Training was conducted internally between June-July, 2017. The City's Cash Handling training was rolled out in March 2018 and full-time staff completed the training. Training for part-time staff is being incorporated into New Employee Orientation and will be conducted as an annual refresher course as well. Counterfeit bill detection has been posted in employee areas.
64	Community Recreation Services	Cash Handling	6/29/2017	Create a log to track the release of daily deposit to ensure accountability of funds is maintained at all times.	Implemented	Deposit logs have been implemented .
65	Community Recreation Services	Cash Handling	6/29/2017	Ensure that safe combinations are changed twice a year and when staff turnover occurs.	Implemented	The CRS Cash Handling Policies and Procedures require combinations to be changed in January and July. All combos were changed in January of 2018. Staff have been instructed not to post or share combinations.
66	Community Recreation Services	Cash Handling	6/29/2017	Discontinue the practice of leaving the safe combination in an unsecured location. The safe combination should be changed and access to the new combination should be limited based upon job duties.	Implemented	Staff have been instructed not to post or share combinations.
67	Community Recreation Services	Cash Handling	6/29/2017	Discontinue the practice of granting the general public access to the office phone. The general public should not have access to the general cashiering areas. Consider installing a public or courtesy phone in the lobby for customer use.	Implemented	A courtesy phone was installed on May 8, 2018.
68	Community Recreation Services	Cash Handling	6/29/2017	Discontinue the practice of counting daily deposits in view of the general public. Insert blinders or objects in the windows to block the view of the public when counting funds or move funds out of the view of the general public when reconciling. If funds are relocated for the reconciliation process, ensure dual custody is maintained, or funds remain in view of the video surveillance cameras.	Implemented	Curtains were hung at the Aquatic Center concessions stand as of April 10, 2018.
69	Community Recreation Services	Cash Handling	6/29/2017	Ensure that all cash register funds are maintained in a locking cash drawer. Access to the keys should be limited to the cashier .	Implemented	A lock was installed on April 10, 2018.
70	Police	Cash Handling	1/15/2017	Voiding transactions can provide the opportunity for fraud or misappropriation of funds. The supervisor should utilize the Tyler "Void Report" to monitor and review voided transactions. Supporting documentation for all voids should be maintained.	Implemented	Completed, a memo explaining void written by technician and signed by the supervisor the day of transaction. The void memo is included in the daily deposit documentation. Voids are monitored and maintained.

Exhibit "B"
Implemented Audit Recommendations

Count	Division/Department	Report Title	Report Date	Recommendation	Status as of April 6, 2018	2018 Management Update Comments
71	Police	Cash Handling	1/15/2017	In absence of adequate separation of duties, mitigating controls are required to reduce the opportunity for error, fraud, or misappropriation of City assets. The supervisor should monitor, review, and reconcile the billing activity prepared by the staff member. If feasible, the billing portion should be relinquished to the Finance Department.	Implemented	Completed, Staff currently enters invoices which require approval by Commander.
72	Police	Cash Handling	1/15/2017	The Unit should review the positioning of the surveillance cameras to ensure optimum coverage of the cashiering area, to include the safe and a less restrictive view of the cash register.	Implemented	Completed June 2017, second camera installed and positioned to ensure optimum coverage.
73	Police	Cash Handling	1/15/2017	Discontinue the practice of leaving the \$100 fund in the cash register after business hours. All change funds should be counted and signed for before they are relinquished to a different staff member.	Implemented	Completed, \$100 cash register change fund is now secured at the end of shift in the safe located in Records. All change funds and deposits are verified daily in dual custody.
74	Police	Cash Handling	1/15/2017	The Unit should change the safe combination. The Unit should develop a process to ensure the safe combination is changed twice a year or when staff turnover occurs.	Implemented	Completed, combination changed on February 13, 2018.
75	Police	Cash Handling	1/15/2017	Staff should open the safe in dual custody to limit the potential of error, fraud, or misappropriation of cash. In absence of dual custody, mitigating procedures, such as video surveillance of the safe is necessary to limit the risk to cash.	Implemented	Completed, two cameras are installed to minimize risk.
76	Police	Cash Handling	1/15/2017	Reduce the number of individuals with access to the safe combination to the supervisor and two backup staff members. If feasible, the backup staff should not have other cash handling duties.	Implemented	Completed As two cameras are located in the area, the risk is minimal. The camera recordings are periodically reviewed.
77	Police	Cash Handling	1/15/2017	To prevent the potential of unauthorized access to petty cash, the petty cash custodian should secure petty cash keys in a location separate from the petty cashbox. Access to the keys should be limited to the custodian and the backup custodian.	Implemented	Petty Cash funds are kept in a safe in the Office of the Chief's area and access is limited to the Administrative Specialist and the Administrative Specialist Senior. The override key has been placed in the Key Box in the Office of the Chief. The Administrative Division Commander retains the Key Box key. The safe combination will be changed in August 2018.
78	Police	Cash Handling	1/15/2017	Include the petty cash keys in the PD key inventory to increase accountability over the control of the keys.	Implemented	The override key for the Petty Cash Safe is included in the PD Key Box in the Office of the Chief. The key for the petty cash box is kept in the safe. The safe combination will be changed in August 2018.

Exhibit "B"
Implemented Audit Recommendations

Count	Division/Department	Report Title	Report Date	Recommendation	Status as of April 6, 2018	2018 Management Update Comments
79	Police	Cash Handling	1/15/2017	Cash registers should not be shared. Mitigating controls should be implemented when cashiers must share registers. The supervisor should discontinue the practice of functioning as a cashier. Daily cashiering records should be reviewed and monitored for trends, irregularities, and training opportunities.	Implemented	Completed on 4/30/18.
80	Police	Cash Handling	1/15/2017	To enhance the safety of personnel and cash, the Unit should discontinue the practice of staff transporting funds to the bank. The Unit should implement procedures to use the banking delivery service to obtain change. The Unit should use a change request form to track and monitor the currency flow to and from the safe.	Implemented	Completed, change is ordered via jpmorganchase.com.
81	Police	Cash Handling	1/15/2017	The Unit should review and update policies and procedures.	Implemented	Updates to ADM-26 3.d.1; 3.d.2; 3.f.2.b; 3.f.2.f; 3.f.2.h; 3.f.2.i have been forwarded to the Policy Management Analyst.
82	Police	Cash Handling	1/15/2017	The custodian's accountability for cash funds should be demonstrated through the formalized signature documentation maintained by the Finance Department. The documentation should be updated with each change in custodian.	Implemented	The Administrative Specialist disburses petty cash and the Administrative Specialist Senior prepares the quarterly petty cash reconciliation. Documentation is provided to Finance when petty cash replenishment is requested.
83	Police	Cash Handling	1/15/2017	Clearly written policies and procedures provide guidelines on what staff can and cannot do, what activities are appropriate, and how policies are enforced. Staff should develop and document a procedure for reviewing cash variances.	Implemented	Petty cash variances are noted on the petty cash reconciliation. When requesting petty cash replenishment, petty cash disbursements are entered in MUNIS along with the associated invoice number and any overages/shortages are noted and charged to the appropriate account code. The Department does not have a cash variance policy other than the policy established by the Finance Department Standard Operating Procedure (page 6 - Over/Shorts) on 9/25/2017.
84	Police	Cash Handling	1/15/2017	The Unit should review Resolution 2015-108 and bill customers at the approved rates.	Implemented	Completed 01/01/2017, off-duty contract and fees updated.
85	Police	Cash Handling	1/15/2017	The Unit should review Resolution 2015-108 and update the off duty service contracts to reflect the approved rates.	Implemented	Completed 01/01/2017, fees reflect Resolution 2015-108.
86	Police	Cash Handling	1/15/2017	To ensure the accuracy of daily deposits, the verifier should physically recount funds. The verifier should sign and date the deposit forms as evidence of the process.	Implemented	Completed, daily deposits are completed and verified in dual custody. This is completed under video surveillance.

Exhibit "B"
Implemented Audit Recommendations

Count	Division/Department	Report Title	Report Date	Recommendation	Status as of April 6, 2018	2018 Management Update Comments
87	Police	Cash Handling	1/15/2017	The Unit should reiterate to staff the importance of inspecting and agreeing credit cards to government photo identification in order to decrease the potential of identity theft.	Implemented	Completed, on 28-3511 transactions verification is completed by tow hearing officer as those documents are required for release.
88	Police	Cash Handling	1/15/2017	The Unit should work with the Finance Department to ensure that the required quarterly audits and reports are prepared and distributed accordingly.	Implemented	Updates to ADM-26 have been forwarded to the Policy Management Analyst.
89	Police	Cash Handling	1/15/2017	The Unit supervisor should work with the Finance Department to obtain additional Tyler cashiering report training. The supervisor should use Tyler cashiering reports to monitor trends for irregularities and opportunities for cashier training.	Implemented	Completed, I will continue to seek guidance from the Finance Department as needed. Reports are utilized for daily deposits and quarterly.

Exhibit "C"
Partially Implemented Audit Recommendations

Count	Division/Department	Report Title	Report Date	Recommendation	Status as of	2018 Management Update Comments
1	Police	Cash Handling	1/15/2017	To prevent errors, fraud, or misappropriation of funds, one individual should not have authority over an asset, the documentation, and reconciliation. When inappropriate segregation of cash handling duties exists, mitigating controls are required to decrease the risk. Mitigating controls may include:	Partially Implemented with Mitigating Controls	Daily deposits are prepared in dual custody. Daily deposits are reviewed by Finance and Records Supervisor for irregularities. Auditor's Note: Cashiers continue to have access to safe. An additional security camera covering the safe was installed to mitigate the risk.
				<ul style="list-style-type: none"> • Prohibiting access to the safe by the cashier • Preparing deposits in dual custody 		
				<ul style="list-style-type: none"> • Supervisory periodic review of supporting deposit documentation for trends and irregularities 		

Exhibit "D"
Not Implemented/NA Audit Recommendations

Count	Division/Department	Report Title	Report Date	Recommendation	Status as of April 6, 2018	2018 Management Update Comments
1	Community Recreation Services	Stadium Concession Contract	2/22/2016	Ensure that the Vendor provides annual sales reports that are certified by a public accountant.	Not Implement - No Additional Monitoring	CRS met with the vendor. The vendor responded that sales reports certified by a public accountant were not a requirement of the RFP. The vendor however is providing a client report generated through their software in addition to the spreadsheet. Auditor's Note: <i>The RFP reference "audited" sales reports. No reference as to by whom. Sales reports received by CRS are not verified or validated by an independent source. Supporting documentation is not available to CRS staff to confirm/validate sales report totals.</i>
2	Community Recreation Services	Stadium Concession Contract	2/22/2016	Reconcile monthly commission payments to the annual certified audited sales reports to ensure all commission revenue is received.	Not Implemented - No Additional Monitoring	CRS met with the vendor. The vendor responded that sales reports certified by a public accountant were not a requirement of the RFP. The vendor started providing monthly client reports from their software on July 1, 2017. At the end of the fiscal year, we will request an annual summary report to verify the monthly reconciliations were accurate. Auditor's Note: <i>The RFP reference "audited" sales reports. No reference as to by whom. Sales reports received by CRS are not verified or validated by an independent source. Supporting documentation is not available to CRS staff to confirm/validate sales report totals.</i>
3	Community Recreation Services	Stadium Concession Contract	2/22/2016	Work in conjunction with the Finance Department to ensure that all future CRS revenue RFPs include a penalty clause to deter vendors from making late payments.	No Additional Monitoring	CRS hasn't completed any revenue based RFP's since the audit was completed. Should the situation arise for a revenue based RFP, CRS will work with Procurement to ensure the RFP includes a penalty clause. Prior to releasing an RFP that includes revenue, Procurement will consult with Legal to draft a penalty clause.
4	Community Recreation Services	Cash Handling	6/29/2017	Ensure staff correctly validates credit cards presented for payment in compliance with the Policy.	Not Implemented-N/A Change in policy	Per the revised Cash Handling Policy issued on 09/05/17, credit card validation is no longer required. All CRS cash handling locations installed credit card swipers on the customer side of the reception areas. The customers now swipe their own card rather than staff handling the card.
5	Executive Session Discussion	E-Session	4/20/2017	1 Audit Opportunity from Executive Session Discussion Not Implement - No Additional Monitoring	Not Implement - No Additional Monitoring	1 Audit Opportunity from Executive Session Discussion Not Implement - No Additional Monitoring Auditor's Note: <i>Informal policy was formalized with mitigating controls including installation of security cameras.</i>

Exhibit "E"
Pending Management Status Update

Count	Division/Department	Report Title	Report Date	Recommendation	Status as of April 6, 2018	2018 Management Update Comments
1	Finance	Asset Disposal - Follow Up	12/2/2013 2/1/2016	The Chief Financial Officer should take steps to ensure that the Purchasing Manager work with the City Attorney's Office and other interested parties in reviewing the portions of the Code that address asset dispositions, with the intent of clarifying intent and eliminating ambiguity.	Pending	Pending Management status update
2	Finance	Asset Disposal - Follow Up	2/1/2016	Request for Authorization to Dispose of Obsolete Property (Disposal) forms without the required management signatures	Pending	Pending Management status update
3	Finance	Asset Disposal - Follow Up	2/1/2016	RICO auction proceeds deposited incorrectly into the General Fund	Pending	Pending Management status update
4	Finance	Asset Disposal - Follow Up	2/1/2016	Lack of documentation supporting public notice of asset disposal as required by Arizona Revised Statute	Pending	<i>Pending Management status update</i>
5	Finance	Asset Disposal - Follow Up	2/1/2016	Public notice advertisements posted after the proceed date	Pending	Pending Management status update
6	Finance	Asset Disposal - Follow Up	2/1/2016	Public notice advertisements that did not agree in totality with the assets listed on the Disposal form	Pending	Pending Management status update
7	Finance	Asset Disposal - Follow Up	2/1/2016	Lack of adequate controls to track the status of unsold assets sent to auction	Pending	Pending Management status update
8	Finance	Asset Disposal - Follow Up	2/1/2016	Incomplete documentation maintained in the Annual Master Surplus Personal Property Disposal files to evidence compliance with City Code and ARS asset disposal requirements	Pending	Pending Management status update
9	Finance	Asset Disposal - Follow Up	2/1/2016	Use of a department developed donation form that may not include adequate indemnity language to protect the City against potential liability associated with donated assets	Pending	Pending Management status update
10	Finance	Asset Disposal - Follow Up	2/1/2016	Lack of adequate documentation demonstrating the sanitization of stored memory on electronic devices prior to forwarding the assets to auction	Pending	Pending Management status update
11	Finance	Asset Disposal - Follow Up	2/1/2016	Lack of effective procedures to track and monitor surplus assets in the current decentralized environment	Pending	Pending Management status update
12	Finance	Asset Disposal - Follow Up	2/1/2016	Applicable staff was unaware of the newly established holding account for unclaimed personal property proceeds	Pending	Pending Management status update