

City Auditor

Presentation to the Audit, Finance, and Enterprise Committee

May 6, 2021

Joseph Lisitano, City Auditor

Reports Issued Dec 2020-Apr 2021



Police – Photo Safety Program



MFMD – Transport Services & Billing



Engineering – CMAR Projects



Engineering – JOC Projects



Follow-up Review – Police – Jail Services Contract



Follow-up Review – Other

Police – Photo Safety Program

Report Date: 12/3/2020

An audit to analyze the financial impact of the program, determine how the associated revenues are used, and determine whether the established goals and objectives are being met.

Photo Safety Program

Background

- Supplement Traffic Enforcement
- Intersections or School Zones
- Administered by Mesa Police Department
- Transportation and Municipal Court role
- Safety Analysis and Speed Studies

Photo Safety Program

What did we audit?

- Interviewed MPD, Court, and Transportation personnel.
- Reviewed costs with photo enforcement vendor.
- Reviewed revenues and operating expenses for the program.
- Reviewed Transportation department traffic studies analyzing the effects of the program.
- Researched independent traffic studies analyzing the effects of photo enforcement programs.

Photo Safety Program

What did
we find/
recommend?

Program goals and objectives documentation and review need improvement.

Police Department Recommendations:

- Establish goals and objectives and clearly define department roles for the program.
- Report financial safety projects, citation information, and financial results on a quarterly basis.
- Conduct Traffic Safety Committee meetings at least biannually.

Photo Safety Program

What did
we find/
recommend?

Program goals and objectives documentation and review need improvement.

Municipal Court Recommendations:

- Provide photo safety revenue data monthly.

Transportation Recommendations:

- Conduct follow-up speed reviews on a consistent schedule and/or conduct an independent photo enforcement study.
- Provide traffic review data and analysis directly to the Police Department.

Photo Safety Program

Response & Follow-up

- Management agrees with the recommendations and is implementing corrective action plans.
- We will remain engaged with the departments throughout the process to help ensure successful implementation.
- We will perform a follow-up review in approximately 1 year.

Emergency Medical Transportation Services and Billing

Report Date: 3/9/2021

An audit to determine whether effective controls are in place to ensure all eligible costs are recovered, billing services provided by the vendor meet contract terms, and other financial risks are mitigated.

Emergency Medical Transportation Services and Billing

What did we audit and why?

- Interviewed MFMD and vendor staff and reviewed procedures to identify and determine the effectiveness of internal controls.
- Reviewed contract documents, state statutes, federal regulations, and CMS manuals for compliance requirements.
- Tested transportation claims, payment amounts, and write-offs.
- Why? To verify effective controls are in place to ensure costs are recovered, the vendor meets contract terms, and other financial risks are mitigated.

Emergency Medical Transportation Services and Billing

What did we find?

Lack of review of claims led to uncorrected errors.

Recommendations:

- Review sampled claims for accuracy and completeness and review results with management and the vendor for correction.
- Ensure all rates in the billing system are entered accurately when rate changes take place.

Emergency Medical Transportation Services and Billing

What did we find?

Write-off guidance is limited, resulting in inconsistent requests made of patients.

Recommendations:

- Annually assess the write-off strategy to ensure it considers common causes and the current volume and dollar amount written-off.
- Develop and communicate a comprehensive write-off guidance document that supports the write-off strategy.
- Conduct oversight regularly to ensure compliance.

Emergency Medical Transportation Services and Billing

What did
we find?

Reconciliation between dispatch system and patient records needs improvement.

Recommendations:

- Ensure the reconciliation is designed to identify all MFMD transports and address data collection issues.
- Review reconciliation results to be aware of any obstacles and verify that it is performed.

Emergency Medical Transportation Services and Billing

Response & Follow-up

- Management agrees with the recommendations and is implementing corrective action plans.
- All changes should be completed by 7/1/2021.
- We will remain engaged with the department throughout the process to help ensure successful implementation.
- We will perform a follow-up review in approximately 1 year.

Engineering – CMAR Projects

Report Date: 3/10/2021

An audit to determine whether CMAR projects are administered in accordance with established criteria and internal controls are in place and operating effectively to monitor projects.

Engineering – CMAR Projects

What did we audit and why?

- Evaluated department procedures to ensure compliance with State, City, and department directives.
- Interviewed staff regarding procedures, training, supervision, and internal controls for project delivery.
- Tested a construction project's records to determine if controls were in place to ensure deliverables were received, timelines met, supervisor approved, and completed within budget.
- Why? To ensure projects follow established criteria and controls are in place to monitor projects.

Engineering – CMAR Projects

What did
we find?

Contract-related document retention is not consistent.

Recommendation:

- Develop processes to ensure contract-related documents are consistently retained.

Engineering – CMAR Projects

Response & Follow-up

- Management agrees with the recommendation and is implementing the corrective action plan.
- All changes should be completed by July 2022.
- We will remain engaged with the department throughout the process to help ensure successful implementation.
- We will perform a follow-up review in approximately 1 year.

Engineering – JOC Projects

Report Date: 4/13/2021

An audit to determine whether JOC projects are administered in accordance with established criteria; and whether there are effective internal controls to prevent or detect errors, fraud, waste, or abuse.

Engineering – JOC Projects

What did we audit and why?

- Evaluated department procedures to ensure compliance with State, City, and department directives.
- Interviewed staff regarding procedures, training, supervision, and internal controls for project delivery.
- Tested a sample of JOC projects to determine if controls were in place to ensure deliverables were received, timelines met, supervisor approved, and completed within budget.
- Why? To ensure projects follow established criteria and controls are in place to monitor projects.

Engineering – JOC Projects

What did
we find?

Supervisor review of JOC cost proposals was not documented.

Recommendation:

- Ensure all supervisors are trained to document their review of project documents.

Response & Follow-up

- Management agrees with the recommendation and is implementing the corrective action plan.
- All changes should be completed by October 2021.
- We will remain engaged with the department throughout the process to help ensure successful implementation.
- We will perform a follow-up review in approximately 1 year.

Engineering – CIP Mesa

CIP Mesa

- System used by Engineering to manage projects.
- Concern about consistent use among project managers.
- As part of our testwork during the JOC and CMAR audits, we found that use was consistent among project managers, except for issues noted in those reports.
- No separate audit report issued.

Jail Services Contract

Report Date: 12/7/2020

A follow-up review to ensure action plans were successfully implemented.

Jail Services Contract Follow-up Review

What did
we find?

✓ Implemented

Status of recommendations from February 2020 report:

- ✓ Develop more detailed inspection procedures, with clearly defined criteria and include all relevant performance aspects in the inspection process.
- ✓ Implement a more structured and consistent process for documenting, addressing, and tracking issues identified during inspections (and on prisoner surveys), to ensure they are completely resolved.
- ✓ Ensure all prisoners are asked to complete a survey, as required by MPD policy. All issues raised, and follow up actions taken, should be documented.

Other Follow-up Reviews

Provide a status on outstanding follow-up reviews.

Other Follow-up Reviews

Convention Center Revenues:

- New procedures and processes in place to address issues in our audit have been implemented.
- Due to COVID-19, events have not been held at the Convention Center or Amphitheatre.
- As a result, we have been unable to perform audit testwork.

Employee Benefits – Claims Administration Contract:

- New procedures and processes in place to address issues in our audit have been implemented.
- One issue could not be addressed due to COVID-19 and another is pending until the next contract renewal.

Conduct these 2 follow-up reviews in FY 2022.

Questions?