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Date: May 7, 2013

To: Audit, Finance & Enterprise Committee

From: Jennifer Ruttman, City Auditor

Subject: Custodial Services Contracts – 3rd Follow-up Review

cc: Kari Kent, Deputy City Manager
Marc Heirshberg, PRCF Director

Pursuant to the Council-approved Audit Plan, the City Auditor's office has completed a 3rd follow-up review of the custodial services contracts audit. The final report is attached. Please feel free to contact me you have any questions.

3rd FOLLOW-UP REVIEW

CITY AUDITOR

Report Date:	May 7, 2013
Department:	Parks, Recreation, and Commercial Facilities (PRCF)
Subject:	Custodial Services Contracts
Lead Auditor:	Karen Newman

OBJECTIVE

The objective of this review was to determine whether the Parks, Recreation, and Commercial Facilities (PRCF) Department has effectively implemented the last remaining action plan from our 2010 audit of the City's custodial services contracts.

SCOPE & METHODOLOGY

To accomplish our objective, we questioned City staff members and reviewed ID/access card listings and correspondence documents provided by PRCF.

BACKGROUND

In May 2010, we issued a report on our audit of the City's custodial services contracts. The objectives of that audit were to verify compliance with the contracts' terms; verify compliance with federal and state immigration laws and regulations; and determine whether there are opportunities for improvement in the monitoring of custodial services contracts.

The audit report included several recommendations involving background checks for custodial contractors; changes to City policies and procedures related to background checks; AZ Legal Workers Act (ALWA) compliance monitoring; and documentation and monitoring of performance-related communication with the contractor. In response to the report, the respective departments agreed with the recommendations and presented corresponding corrective action plans.

FOLLOW-UP REVIEWS and CURRENT STATUS

In May 2011, a follow-up review was completed. At that time, we found that the majority of the corrective action plans had been implemented; however, two were still in progress.

In August 2012, a 2nd follow-up review was completed. At that time, we found that one of the corrective action plans had still not been implemented. This remaining action plan had been intended to address issues with building security, to ensure that only authorized contractor employees have access to secure areas.

The PRCF department responded with the following action plan:

Parks, Recreation and Commercial Facilities Department staff created the attached form to use for reconciliation with both Municipal Security and the contractor. Additionally, the attached form was used as a "baseline" and all staff not listed on the form were deleted from the system by Municipal Security staff.

As mentioned above, this form will be utilized and reconciled between the contractor and Municipal Security once immediately before the start of spring training; once mid-season of spring training and once at the end of the spring training season. During non-spring training season when the turnover of employees is much lower, the reconciliation will occur bi-monthly.

CONCLUSION

We verified that the reconciliation described above has been performed at regular intervals, and that ongoing communication is taking place between PRCF, Municipal Security, and the contractor. All action plans from this audit have now been implemented.