

**City of Carson City
Agenda Report**

Date Submitted: 12/24/2012

Agenda Date Requested: 01/03/13

Time Requested: Consent Agenda

To: Mayor and Supervisors

From: Nick Providenti, Finance Director

Subject Title: For Possible Action: Action to adopt the Carson City Plan of Corrective Action for the FY 11-12 statutory violations included in the annual audit. (Nick Providenti)

Staff Summary: Within 60 days after the delivery of the annual audit to the local government, the governing body shall advise the Department of Taxation what action has been taken to prevent recurrence of each violation of law or regulation included in the annual audit.

Type of Action Requested: (check one)

Resolution

Ordinance

Formal Action/Motion

Other (Specify)

Does this action require a Business Impact Statement: () Yes (XX) No

Recommended Board Action: I move to adopt the Carson City Plan of Corrective Action for the FY 11-12 statutory violations included in the annual audit.

Explanation of Recommended Board Action: Per NRS 354.6245, within 60 days after the delivery of the annual audit to the local government, the governing body shall advise the Department of Taxation what action has been taken to prevent recurrence of each violation of law or regulation included in the annual audit. The attached proposed plan of corrective action will serve as a means to comply with State law.

Applicable Statute, Code, Policy, Rule or Regulation: Nevada Revised Statute 354.6245

Fiscal Impact: n/a

Explanation of Impact: n/a

Funding Source: n/a

Supporting Material: Plan of Corrective Action

Alternatives: Revise the Plan of Corrective Action

Prepared By: Nick Providenti

Reviewed By : Nancy Paulson Date: 12/24/12
(Department Head)
: [Signature] Date: 12-24-12
(City Manager)
: [Signature] Date: 12/24/12
(District Attorney)
: Nancy Paulson Date: 12/24/12
(Finance Director)

Board Action Taken:

Motion: _____

- 1) _____
- 2) _____

Aye/Nay

(Vote Recorded By)

MEMO TO: Board of Supervisors
Larry Werner, City Manager

FROM: Nick Providenti, Finance Director

DATE: December 18, 2012

SUBJECT: Plan of Corrective Action for FY 11-12 Statutory Violations

As presented to you by Kafoury, Armstrong and Co., there were two apparent violations of NRS 354.626 noted in the City's FY 11-12 annual audit relative to the excess of expenditures over appropriations in the Fleet Management and Stormwater Drainage Funds. The following explanation and corrective action is offered in response to the statutory violations:

- Actual expenses exceeded appropriations in the Fleet Management Internal Service Fund by \$127,565. This was the result of a non-cash loss on the disposition of a damaged ambulance. Dispositions for the fiscal year are recorded by the Finance Department as part of the year end closing which occurs after the final augmentations have been done. In the future, the Finance Department will work with the Public Works Department to more accurately estimate the loss on dispositions of assets that may have occurred during the fiscal year.
- Actual expenses exceeded appropriations in the Stormwater Drainage Enterprise Fund by \$57,520. This was the result of non-cash losses on various projects that were capitalized in prior years, but determined to be maintenance expenses and as a result deleted from the capital asset listing during the current fiscal year. Dispositions for the fiscal year are recorded by the Finance Department as part of the year end closing which occurs after the final augmentations have been done. In the future, the Finance Department will work with the Public Works Department to more accurately estimate the loss on dispositions of assets that may have occurred during the fiscal year.

If you have any questions, please do not hesitate to contact me.