

**Carson City
Agenda Report**

Date Submitted: 5/8/12

Agenda Date Requested: 5/17/12

Time Requested: 15 Minutes

To: Mayor and Supervisors

From: Nick Providenti, Finance Director
Michael Bertrand, Audit Committee Chairman

Subject Title: For Possible Action: Discussion and possible action to consider the Audit Committee's recommendations for internal audits to include the Public Defender Cost and Utilization Study and the Community Facility Cost Recovery Analysis. (Michael Bertrand)

Staff Summary: Based on the presentation of the Enterprise Risk Assessment for Carson City, and discussion by the Audit Committee at their May 8 meeting, Moss Adams came up with four preliminary recommendations for Performance Audits. The Audit Committee is recommending that Moss Adams perform items 1 and 3 on the list of recommendations for Performance Audits. These include the Public Defender Cost and Utilization Study and the Community Facility Cost Recovery Analysis.

Type of Action Requested: (check one)

☐ Resolution

☐ Ordinance

☒ Formal Action/Motion

☐ Other (Specify)

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

Recommended Board Action: I move to accept the Audit Committee's recommendations for internal audits to include the Public Defender Cost and Utilization Study and the Community Facility Cost Recovery Analysis.

Explanation for Recommended Board Action: See Staff Summary.

Applicable Statute, Code, Policy, Rule or Regulation: N/A

Fiscal Impact: \$45,000 plus expenses.

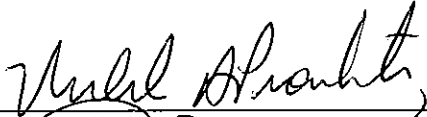
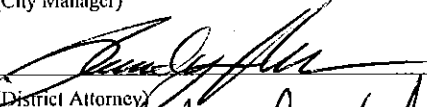
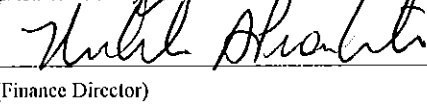
Explanation of Impact: will reduce the general fund budget by the agreed upon dollar amount of the task to be performed by Moss Adams.

Funding Source: General Fund Internal Audit Budget

Alternatives: Do not accept the recommendations and/or make different recommendations

Supporting Material: Memo on recommended internal audits

Prepared by: Nick Providenti

Reviewed by: 
(Department Head)
: 
(City Manager)
: 
(District Attorney)
: 
(Finance Director)

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Board Action Taken:

Motion: _____

1) _____ Aye/Nay
2) _____

(Vote Recorded By)

Date:	May 1, 2012
To:	Carson City Audit Committee
From:	Tom Krippaehne, Mark Steranka
Subject:	Enterprise Risk Assessment: Preliminary Recommendations for Performance Audits

Listed below are projects identified through the risk assessment process as addressing the target areas for efficiency, effectiveness, revenue enhancement, and expenditure reduction.

TIER1: SHORT-TERM PROJECTS

1. PUBLIC DEFENDER COST AND UTILIZATION STUDY	
A. AUDIT OBJECTIVE	• Evaluate the utilization and cost of public defenders to the City to determine the most cost-efficient method of delivering public defender services
B. SCOPE	• Conduct interviews with key personnel • Obtain and review historical cost data for the City's use of State and contracted public defense attorneys • Obtain and review historical State and contracted public defense attorney utilization data, including "conflict out" incidents • Evaluate alternatives, including estimated cost savings • Provide recommendations
C. SCHEDULE	• 6-8 weeks
D. EXPECTED PRODUCTS	• Public defender cost and utilization alternatives analysis • Recommendations
E. COST	• \$20,000, plus expenses

2. FLEET MANAGEMENT EFFICIENCY STUDY	
A. AUDIT OBJECTIVE	• Determine whether the fleet management group could operate more efficiently
B. SCOPE	• Conduct interviews with key personnel • Obtain and review fleet replacement schedule, maintenance budget and expenditures, workload, etc. • Research and benchmark City against best practices, including fleet composition, maintenance management practices, organization structure and functions • Evaluate alternatives, including estimated cost savings • Provide recommendations
C. SCHEDULE	• 10-12 weeks

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2. FLEET MANAGEMENT EFFICIENCY STUDY	
D. EXPECTED PRODUCTS	• Fleet management service delivery alternatives • Recommendations
E. COST	• \$25,000, plus expenses

3. COMMUNITY FACILITY COST RECOVERY ANALYSIS	
A. AUDIT OBJECTIVE	• Review fees, business model, and utilization of community assets, including community center, aquatics center, ice rink, and golf course • Identify opportunities to reduce General Fund subsidies to facilities
B. SCOPE	• Conduct interviews with key personnel • Obtain and review utilization, fee structure, revenues, and expenditures for each facility • Conduct industry benchmarking • Evaluate cost recovery alternatives • Provide recommendations
C. SCHEDULE	• 8-10 weeks
D. EXPECTED PRODUCTS	• Community facility fee structure alternatives • Recommendations
E. COST	• \$25,000, plus expenses

4. SHARED SERVICES GROUP FEASIBILITY ANALYSIS	
A. AUDIT OBJECTIVE	• Evaluate the cost savings potential of a shared services group
B. SCOPE	• Conduct interviews with key personnel • Define shared services positions and responsibilities to review • Conduct walkthroughs of all departments and document shared services responsibilities and workload • Examine aggregate staff capacity • Assess workflow requirements • Evaluate shared services alternatives and potential cost savings • Provide recommendations
C. SCHEDULE	• 8-12 weeks
D. EXPECTED PRODUCTS	• Alternatives for shared service scenarios • Recommendations
E. COST	• \$25,000, plus expenses

TIER 2: LONGER-TERM PROJECTS

1. Question 18 revenue apportionment analysis
2. Ambulance cost recovery analysis
3. Water and sewer capital project cost analysis