City of Carson City
Request for Board Action

Date Submitted: 12/11/12

Agenda Date Requested: 12/20/12
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 projects to include the Fleet Management Efficiency Study and Phase 1 of the Fraud Waste and Abuse (FWA) Program Development. (Michael Bertrand)

Staff Summary: Moss Adams made recommendations to the Audit Committee at their November 20, 2012 meeting for future projects. The Committee is recommending to the Board of Supervisors that Moss Adams perform a Fleet Management Efficiency Study and Phase 1 of the Fraud Waste and Abuse (FWA) Program Development.

Type of Action Requested: (check one)

(____) Resolution (____) Ordinance
(XXX) 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 projects to include the Fleet Management Efficiency Study and Phase 1 of the Fraud Waste and Abuse (FWA) Program Development.

Explanation of Recommended Board Action: See Staff Summary.

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

Fiscal Impact: Fleet Management Study - $25,000 plus expenses, Phase 1 of FWA Program Development - $10,000

Explanation of Impact: will reduce the general fund budget by the agreed upon dollar amount of the task to be performed by Moss Adams. Currently we are estimating that there will be $62,564 available for projects for the remainder of FY 2013 before taking the above projects into consideration.

Funding Source: General Fund Internal Audit Budget

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

Supporting Material: Memo from Moss Adams

Prepared By: Nick Providenti

Reviewed By: ______________________________ Date: 12/11/12
(Department Head)

: ______________________________ Date: 12/11/12
(City Manager)

: ______________________________ Date: 12/11/12
(District Attorney)

: ______________________________ Date: 12/11/12
(Finance Director)

Board Action Taken:

Motion: ______________________________ 1) ______________ Aye/Nay

2) ______________

____
(Vote Recorded By)

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Date:	November 20, 2012
To:	Carson City Audit Committee
From:	Tom Krippaehne, Mark Steranka
Subject:	2013-2014 Performance Audit Recommendations

Listed below are projects identified through the risk assessment or subsequent discussions to improve economy, efficiency, and/or effectiveness.

1. 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
D. EXPECTED PRODUCTS	• Fleet management service delivery alternatives • Recommendations
E. COST	• $25,000, plus expenses

2. 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

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3. QUESTION 18 REVENUE APPORTIONMENT ANALYSIS	
A. AUDIT OBJECTIVE	• Evaluate alignment of Question 18 revenue apportionment with current City needs of relevant programs
B. SCOPE	• Review Question 18 language and revenue generation • Interview Question 18 sponsors and key stakeholders from relevant programs • Determine revenue needs of relevant programs • Determine gaps in revenue apportionment • Develop revenue apportionment options • Define requirements for changing revenue apportionment • Provide recommendations
C. SCHEDULE	• 12-16 weeks
D. EXPECTED PRODUCTS	• Alternative revenue apportionment models • Recommendations
E. COST	• $25,000, plus expenses

4. FRAUD, WASTE, AND ABUSE PROGRAM DEVELOPMENT	
A. AUDIT OBJECTIVE	• Develop policies and procedures for establishing a fraud, waste, and abuse program
B. SCOPE	• Interview key stakeholders • Understand current processes for handling reported instances of fraud, waste, and abuse (FWA) • Identify applicable FWA laws, rules, and regulations • Assess City's ability to management a FWA program • Draft FWA charter, policies, and procedures • Define FWA resourcing strategy • Identify options for an anonymous reporting mechanism • Establish reporting standards – law enforcement, insurance, district attorney, etc. • Provide recommendations for FWA program implementation, , leveraging report on "Managing the Business Risk of Fraud: A Practical Guide" sponsored by the AICPA, IIA, and ACFE • Define FWA prevention and detection training program
C. SCHEDULE	• 8-12 weeks
D. EXPECTED PRODUCTS	• FWA program implementation recommendations • FWA prevention and detection training program design
E. COST	• $20,000, plus expenses

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5. DISASTER PREPAREDNESS PROGRAM REVIEW	
A. AUDIT OBJECTIVE	• Evaluate adequacy of the current disaster preparedness plan
B. SCOPE	• Conduct interviews with key personnel • Review current disaster preparedness program (plan, committee structure, policies, and procedures) • Compare current program with best industry practices • Identify gaps between current program and best practices • Develop and evaluate options for addressing gaps • Provide recommendations
C. SCHEDULE	• 8-10 weeks
D. EXPECTED PRODUCTS	• Recommendations
E. COST	• $20,000, plus expenses