

**Carson City  
Request for Board Action**

**Date Submitted:** 10/29/13

**Agenda Date Requested:** 11/07/13

**Time Requested:** 20 minutes

**To:** Mayor and Supervisors

**From:** Nick Providenti, Finance Director

**Subject Title:** For Possible Action: Action to accept the Audit Committee's recommendation regarding staff progress on action being taken on past internal audits and accept the Internal Audit Findings Response Tracking Report that will be used to track all internal audits. (Nick Providenti)

**Staff Summary:** Moss Adams and City staff have combined to establish an Internal Audit Findings Response Tracking Report. The Audit Committee accepted the report and recommended it's usage to the Board of Supervisors at their October 8, 2013 meeting.

**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 recommendation for using the Internal Audit Findings Response Tracking Report that will be used to track all internal audits.

**Explanation of Recommended Board Action:** See Staff Summary.

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

**Fiscal Impact:** Minimal – staff time only

**Explanation of Impact:** n/a

**Funding Source:** n/a

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

**Supporting Material:** Internal Audit Findings Response Tracking Report.

Prepared By: Nick Providenti

Reviewed By: [Signature]  
(Department Head)

Date: 10/29/13

: [Signature]  
(City Manager)

Date: 10/29/13

: [Signature]  
(District Attorney)

Date: 10/29/13

: [Signature]  
(Finance Director)

Date: 10/29/13

**Board Action Taken:**

Motion: \_\_\_\_\_

1) \_\_\_\_\_

Aye/Nay

2) \_\_\_\_\_

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(Vote Recorded By)

Carson City  
Internal Audit Findings Response Tracking

Item No.	Report	BOS Acceptance /Approval	BOS Direction to Implement	Finding No.	Finding	Recommendation	Responsible Department	Department Owner	Remediation Plan (Course of Action & Expected Benefits)	Estimated Cost	Estimated Savings	Finding corrected? (Y, N, Partial)	Expected Completion Date	Actual Completion Date	Status Comments
1	Golf	1/17/2013*	No	*	10 findings provided in the report.	10 recommendations provided in the report, some for CCMGC action and some for City action.	City Manager's office.	City Manager.	Even though the BOS did not provide direction to City staff, the City Manager and the Director of Finance negotiated a new lease agreement with CCMGC. The new agreement provides for payment to the City based on a percentage of CCMGC revenue for as long as CCMGC is operating the golf courses.						
2	PD	1/17/2013*	No		4 findings provided in the report.	4 recommendations provided in the report.	City Manager's office.	City Manager.	Even though the BOS did not provide direction to City staff, the City Manager intends to meet with the Nevada State Public Defender (NSPD) to review costs to Carson City for services provided by NSPD.						
3	CF	1/17/2013	Yes, specify direction	IV.A.1	The Carson City School District is a major user of many community facilities at no cost.	Evaluate the cost-effectiveness of School District and other Joint Use Agreements.									
4	CF	1/17/2013	Yes, specify direction	IV.A.2	School District reservations take precedence over paying customers.	Consider reprioritizing reservations and bookings at the Community Center and Theater to better accommodate paying customers.									

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5	CF	1/17/2013	Yes, specify direction	IV.A.3	Program and facility cost recovery and discounts vary widely between Parks and Recreation activities, largely driven by Board of Supervisors resolutions.	Conduct a cost recovery and activity prioritization process with the input of the Board of Supervisors to develop an updated cost recovery model and mission for the Parks and Recreation Department.										
6	CF	1/17/2013	Yes, specify direction	IV.B.1	Most programs and activities housed at the Community Center achieve 100% or greater cost recovery.	Continue to support programs with the highest amount of cost recovery.										
7	CF	1/17/2013	Yes, specify direction	IV.B.2	The Community Center receives a 56% General Fund subsidy.	Pursue opportunities to increase revenues, particularly for the Theater.										
8	CF	1/17/2013	Yes, specify direction	IV.B.3	Theater operations, budgeting, and planning are integrated with the Community Center.	Itemize Community Center revenues and expenditures to determine the sources and uses of funds and enable more precise budgeting.										
9	CF	1/17/2013	Yes, specify direction	IV.B.4	Question 18 funds would be available to support Theater operations if planned capital improvements were made.	Determine how to leverage Question 18 funds to make capital improvements and unlock operations funding.										
10	CF	1/17/2013	Yes, specify direction	IV.B.5	The Theater does not have dedicated marketing or booking support.	Investigate the feasibility of employing a dedicated marketing and booking staff member to manage and promote Theater reservations.										

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11	CF	1/17/2013	Yes, specify direction	IV.B.6	There are currently no fundraising, sponsorship, or advertising initiatives for the Theater.	Explore opportunities for sponsorships, fundraising, and advertising for the Theater.									
12	CF	1/17/2013	Yes, specify direction	IV.B.7	Marketing, coordination, fundraising, maintenance, and management of the Theater are limited by City budget constraints.	Evaluate the opportunity for outsourcing management and operations of the Theater to a non-profit.									
13	CF	1/17/2013	Yes, specify direction	IV.C.1	The Aquatic Facility receives a 50% General Fund subsidy.	Consider raising admissions fees.									
14	CF	1/17/2013	Yes, specify direction	IV.C.2	Recreational leisure use of the Aquatic Facility is limited.	Market the outdoor pool for recreational use during the summer.									
15	CF	1/17/2013	Yes, specify direction	IV.C.3	The Aquatic Facility is not promoted on the Convention and Visitors Bureau website.	Collaborate with the Convention and Visitors Bureau to market the Aquatic Facility to residents and visitors.									
16	CF	1/17/2013	Yes, specify direction	IV.D.1	Ice Rink advertising revenues fell 47.6% from FY 10-11 to FY 11-12.	Continue to pursue advertising and sponsorship opportunities.									
17	CF	1/17/2013	Yes, specify direction	IV.D.2	The Ice Rink is not available to rent for private events.	Explore revenue generating opportunities for renting the Ice Rink for events.									
18	Fleet	7/18/2013	Yes, specify direction	III.A.1	The Fleet Services facility could be organized more efficiently.	Redesign the main shop to support better workflow, provide supervision oversight, and restrict customer access to work areas.									

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19	Fleet	7/18/2013	Yes, specify direction	III.B.2	Fleet Services' preventive maintenance program is underdeveloped.	Schedule the preventive maintenance workload for the entire year.									
20	Fleet	7/18/2013	Yes, specify direction	III.B.3	The preventive maintenance checklists used by Fleet Services are too general.	Redesign preventive maintenance checklists to reflect appropriate (manufacturer) inspections that are applicable to various classes of vehicles and equipment, as well as a progressive inspection process.									
21	Fleet	7/18/2013	Yes, specify direction	III.B.4	Most scheduled service intervals are too frequent.	Base service intervals according to vehicle manufacturer recommendations.									
22	Fleet	7/18/2013	Yes, specify direction	III.B.5	The current service request form is inadequate.	Develop a dedicated service request form that states time reported, estimated time to repair, and actual completed time.									
23	Fleet	7/18/2013	Yes, specify direction	III.B.6	Fleet Services does not have a parts person to support the needs of mechanics.	Hire a full-time Storekeeper to perform all parts-related duties.									
24	Fleet	7/18/2013	Yes, specify direction	III.B.7	Parts are procured through ongoing purchase orders with several local vendors, and expenditures are expected to exceed budget by 22% this year.	Issue a request for proposals and award contracts with vendors to provide fleet parts with set prices and delivery criteria.									

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25	Fleet	7/18/2013	Yes, specify direction	III.B.8	Parts tracking and inventory are manual processes.	Include parts tracking and inventory in the requirements for the planned enhanced fleet management system.										
26	Fleet	7/18/2013	Yes, specify direction	III.B.9	Repair services are procured on a case-by-case basis with local vendors, and expenditures are expected to exceed the budget by 66% this year.	Issue an RFP and award a contract to provide fleet repair services with local vendors with set prices, delivery criteria, and warranties.										
27	Fleet	7/18/2013	Yes, specify direction	III.B.10	Not all fuel data is being captured.	Integrate fuel data from CFN reports into the planned enhanced fleet management system in order to compute average fuel consumption (mpg) by vehicle and by class, fuel cost per mile, and average total fuel cost by class.										
28	Fleet	7/18/2013	Yes, specify direction	III.C.11	Mechanic staffing levels are not sufficient to support the number and type of vehicles that Fleet Services maintains.	Hire three additional mechanics, track and monitor non-wrenching hours, and establish a 70% performance productivity goal for mechanics.										
29	Fleet	7/18/2013	Yes, specify direction	III.C.12	Fleet Services operates only one shift per day.	Add a swing shift or overlapping shift to better accommodate the schedules of fleet customers.										
30	Fleet	7/18/2013	Yes, specify direction	III.C.13	The fleet management function is currently performed on a part-time basis.	Create a full-time Fleet Manager position.										

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31	Fleet	7/18/2013	Yes, specify direction	III.D.14	The Fleet CIP may understate the need for vehicle replacement.	Incorporate more realistic replacement intervals, as well as salvage values, auction fees, and make-ready costs, into the City's long-range replacement									
32	Fleet	7/18/2013	Yes, specify direction	III.D.15	Vehicle replacement intervals are not optimized.	Adopt a methodology to support the replacement of vehicles and equipment based on the "optimum economic life point" of a unit.									
33	Fleet	7/18/2013	Yes, specify direction	III.D.16	The decision to retain a fleet unit beyond its optimal replacement point has historically been a City department decision, not the decision of Fleet Services.	Establish a vehicle/equipment replacement fund to which customers contribute to the replacement cost of their units over time.									
34	Fleet	7/18/2013	Yes, specify direction	III.D.17	The City's fleet may be too large and underutilized.	Conduct a basic utilization review of the entire fleet, requiring departments to justify the need for each assignment, whether it be individually assigned or assigned as a sub-pool vehicle to the department.									
35	Fleet	7/18/2013	Yes, specify direction	III.E.18	The City uses two separate accounts to budget for fleet maintenance and repair and does not use a chargeback system.	Develop a comprehensive and accountable chargeback system that incorporates fleet replacement, overhead, and all operational costs.									

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36	Fleet	7/18/2013	Yes, specify direction	III.E.19	Fleet Services' hourly rate is low, and no markups are applied to parts, fuel, or commercial repair work.	Develop shop labor rates and markups/charges by appropriately allocating labor and overhead costs, including the functions of administration/asset management, maintenance/repair, fuel, parts, and commercial repair work.										
37	Fleet	7/18/2013	Yes, specify direction	III.E.20	Fleet Services performs some non-fleet work for other City departments.	Discontinue the practice of performing non-fleet work for City departments.										
38	Fleet	7/18/2013	Yes, specify direction	III.F.21	Comprehensive fleet management policies are not in place.	Establish a Vehicle and Equipment Committee to develop and oversee implementation of comprehensive administrative policies for vehicles and equipment.										
39	Fleet	7/18/2013	Yes, specify direction	III.F.22	Regular customer feedback is solicited; however, service level agreements with customers are not in place.	Develop service level agreements between Fleet Services and each of its City department customers.										
40	Fleet	7/18/2013	Yes, specify direction	III.F.23	Fleet Services performance metrics are not currently in place.	Establish performance measures and monitor them with the goal of measuring performance against industry and shop standards.										

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41	Fleet	7/18/2013	Yes, specify direction	III.F.24	Fleet Services does not generate any reports to management or its fleet customers.	Develop monthly management reports for Public Works Department, the City Manager, and all fleet customer departments.									

**Reports:**

Golf Carson City Community Facility Cost Recovery Study Eagle Valley Golf Course Final Report  
 PD Carson City Public Defender Cost and Utilization Study Final Report  
 CF Carson City Community Facility Cost Recovery Study Final Report  
 Fleet Carson City Fleet Management Efficiency Study Final Report