

**City of Carson City
Request for Board Action**

Date Submitted: 05/27/14

Agenda Date Requested: 06/05/14

Time Requested: 20 minutes

To: Mayor and Supervisors

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

Subject Title: For Possible Action: Action to accept the Audit Committee's recommendations for projects for FY 2014 - 2015 to include Basic Internal Auditor Services, Internal Controls Review, Strategic Planning updates, and Fraud, Waste and Abuse monitoring. (Michael Bertrand)

Staff Summary: Moss Adams made recommendations to the Audit Committee at their April 22, 2014 meeting for future projects. The Committee is recommending to the Board of Supervisors that Moss Adams perform Basic Internal Auditor Services, Internal Controls Review, Strategic Planning updates, and Fraud Waste and Abuse monitoring.

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 projects for FY 2014 - 2015 to include Basic Internal Auditor Services, Internal Controls Review, Strategic Planning updates, and Fraud, Waste and Abuse monitoring.

Explanation of Recommended Board Action: See Staff Summary.

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

Fiscal Impact: Fleet Basic Internal Auditor Services - \$10,000, Internal Controls Review - \$40,000, Strategic Planning updates - \$30,000, and Fraud, Waste and Abuse monitoring - \$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. There would be about \$20,000 available for additional projects.

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: _____

Unlabeled Signature
(Department Head)

Date: 5/27/14

: *Marena Quirk*
(City Manager)

Date: 5/27/14

: *Randy Allen*
(District Attorney)

Date: 5/27/14

: *Unlabeled Signature*
(Finance Director)

Date: 5/27/14

Board Action Taken:

Motion: _____

1) _____	Aye/Nay
2) _____	_____

(Vote Recorded By)



Carson City

FY 14-15 Internal Audit Program

June 5, 2014

MOSS ADAMS LLP

Certified Public Accountants | Business Consultants

Acumen. Agility. Answers.



AGENDA

- I. Introduction
- II. Audit Program Review
- III. FY 14-15 Audit Plan



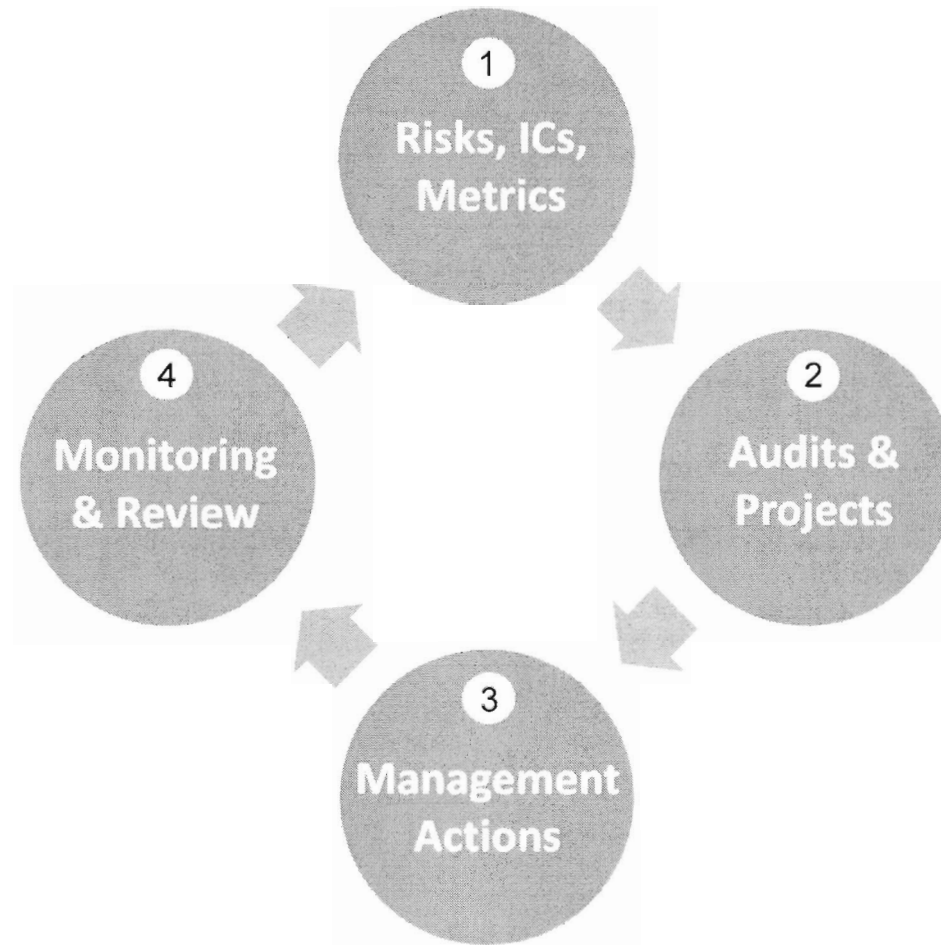
I. INTRODUCTION

- The City retained Moss Adams LLP in January 2012 to serve as the designated City Auditor and conduct projects focusing on:
 - Efficiency and effectiveness
 - Management reviews
 - Best practices
 - Compliance
- Work is being completed under the standards from the Institute of Internal Auditors (IIA) and the AICPA's consultancy standards

II. AUDIT PROGRAM REVIEW

Project	Year	Fees	Potential Savings	Potential ROI	Actual Savings	Actual ROI
Risk Assessment	2012	\$40,000	\$0	n/a		
Public Defender Study	2012	\$20,000	\$95,000 - \$369,000	5/1 to 18/1		
Eagle Valley Golf Study	2012	\$20,000	\$50,000 - \$100,000	3/1 to 5/1		
Community Facilities Study	2012	\$15,000	\$30,000 - \$60,000	2/1 to 4/1		
Fleet Efficiency Study	2013	\$55,000	\$174,000 - \$381,000	3/1 to 7/1		
Fleet Utilization Study	2013	\$30,000	\$92,000 - \$98,500	3/1		
FWA Program Dev./Coord.	2013	\$40,000	\$0			
Performance Metrics	2013	\$30,000	\$0			
Total		\$250,000	\$441,000 - \$1,009,000	2/1 to 4/1		

III. FY 14-15 AUDIT PLAN: OVERVIEW





III. FY 14-15 AUDIT PLAN: PROJECTS

• Basic Internal Auditor Services	\$10,000
• Internal Controls Review	\$40,000
• Strategic Planning (PM Dev. Phase 2)	\$30,000
• FWA Program Coordination	\$10,000
• Project TBD	<u>\$20,000</u>
• Total Budget	\$110,000



III. FY 14-15 AUDIT PLAN: PROJECTS

- Basic Internal Auditor Services: Attend Audit Committee and Board of Supervisors (BOS) meetings; track City responses to audit findings and recommendations (52 weeks, \$10,000)
- Internal Controls Review: Conduct a review of the City's internal controls framework focusing on selected key controls in areas deemed important to protecting the City's assets and resources and processing and reporting timely financial information (12-14 weeks, \$40,000)
- Strategic Planning: Work with the City Manager, Deputy City Manager, and Department Heads to update the City's strategic plan and update KPIs as required to align with priority strategies (14-16 weeks, \$30,000)
- Fraud, Waste, and Abuse (FWA) Program Coordination: Perform duties such as reviewing and investigating hotline calls, overseeing the distribution of response activities, coordinating with staff, and reporting FWA activities to the Audit Committee and BOS (52 weeks, \$10,000)
- Project TBD: For example, help the City strengthen one internal control area or conduct another project such as a management review (TBD, \$20,000)