

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

Date Submitted: 06/9/15

Agenda Date Requested: 06/18/15

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 2015 - 2016 to include Cash/Revenue Collection Improvement, Payroll Testing, P-Card Testing, Policies/Procedures Updates, Ongoing Internal Auditor Services, Fraud Waste and Abuse (FWA) Program Coordination and a Contingency amount. (Michael Bertrand)

Staff Summary: Moss Adams made recommendations to the Audit Committee at their June 3, 2015 meeting for future projects. The Committee is recommending to the Board of Supervisors that Moss Adams perform Cash/Revenue Collection Improvement, Payroll Testing, P-Card Testing, Policies/Procedures Updates, Ongoing Internal Auditor Services and Fraud Waste and Abuse (FWA) Program Coordination. The Committee is also recommending maintaining a Contingency in the amount of \$15,000.

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 2015 - 2016 to include Cash/Revenue Collection Improvement, Payroll Testing, P-Card Testing, Policies/Procedures Updates, Ongoing Internal Auditor Services, Fraud Waste and Abuse (FWA) Program Coordination and a Contingency amount.

Explanation of Recommended Board Action: See Staff Summary.

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

Fiscal Impact: Cash/Revenue Collection Improvement - \$25,000; Payroll Testing - \$10,000; P-Card Testing - \$10,000; Policies/Procedures Updates - \$35,000; Ongoing Internal Auditor Services - \$10,000; FWA Program Coordination - \$5,000; Contingency - \$15,000

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

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:

Nick Providenti

Date:

6/9/15

(Department Head)

: *Lick Mariano*

Date:

6/9/15

(City Manager)

: *[Signature]*

Date:

6-9-15

(District Attorney)

: *Nick Providenti*

Date:

6/9/15

(Finance Director)

Board Action Taken:

Motion: _____

1) _____

Aye/Nay

2) _____

(Vote Recorded By)



Carson City

FY 15-16 Internal Audit Program
Board of Supervisors Meeting
June 18, 2015

MOSS ADAMS LLP

Certified Public Accountants | Business Consultants

Accumen. Agility. Answers.





AGENDA

- I. Introduction
- II. Internal Audit Program Review
- III. FY 15-16 Internal 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. INTERNAL AUDIT PROGRAM REVIEW

- Risk Assessment 2012
- Public Defender Study 2012
- Eagle Valley Golf Study 2012
- Community Facilities Study 2012
- Fleet Efficiency Study 2013
- Fleet Utilization Study 2013
- FWA Program Development 2013
- Performance Metrics 2013
- Employee Efficiency Study 2014
- Internal Controls Review 2014
- Strategic Planning 2014



III. FY 15-16 INTERNAL AUDIT PLAN



III. FY 15-16 INTERNAL AUDIT PLAN (CONT.)

- Cash Handling/Revenue Collection Improvement: Sample and test cash handling, assist with policy/procedure update, and provide training (12 weeks, \$25,000)
- Payroll Testing: Sample and test transactions for a three month period and establish ongoing monitoring procedures (6 weeks, \$10,000)
- P-Card Testing: Sample and test transactions for a three month period and establish ongoing monitoring procedures (6 weeks, \$10,000)
- Policies/Procedures Updates: Establish process for ongoing review and update of policies and procedures and initiate priority policy/procedure updates (16 weeks, \$35,000)



III. FY 15-16 INTERNAL AUDIT PLAN (CONT.)

- TBD: Use of budget to be determined, possibilities include additional work on performance metrics, development of policies and procedures, or conducting additional audits (\$15,000)
- Ongoing Internal Auditor Services: Attend Audit Committee and Board of Supervisors (BOS) meetings; track City responses to audit findings and recommendations (52 weeks, \$10,000)
- 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, \$5,000)

III. FY 15-16 INTERNAL AUDIT PLAN (CONT.)

#	Process	Fees	7-9/15	10-12/15	1-3/16	4-6/16
1	Cash/Revenue Collection Improvement	\$25,000		■		
2	Payroll Testing	\$10,000			■	
3	P-Card Testing	\$10,000			■	
4	Policies/Procedures Updates	\$35,000	■	■	■	■
5	TBD	\$15,000				
6	Ongoing Internal Auditor Services	\$10,000	■	■	■	■
7	FWA Program Coordination	\$5,000	■	■	■	■
	Total	\$110,000				