# STAFF REPORT

**Report To:** Board of Supervisors                **Meeting Date:** 08/18/16

**Staff Contact:** Nancy Paulson , Chief Financial Officer (npaulson@carson.org) and Michael Bertrand, Audit Committee Chairman

**Agenda Title:** For Possible Action: Presentation, discussion, acceptance and possible direction to staff regarding the Policies / Procedures Update Project performed by Moss Adams.  (Nancy Paulson, npaulson@carson.org)

**Staff Summary:** Moss Adams has been contracted by the Carson City Audit Committee and the Board of Supervisors to provide Internal Audit Services to Carson City.  The Board of Supervisors approved the Policies/ Procedures Update Project at their June 18, 2015 meeting.  Moss Adams will be presenting the report.

**Agenda Action:** Formal Action/Motion                **Time Requested:** 20 minutes

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## Proposed Motion
I move to accept the Policies/ Procedures Update Project Final Report prepared by Moss Adams and provide direction to staff based on Board of Supervisors discussion.

## Board's Strategic Goal
 Efficient Government

## Previous Action
N/A

## Background/Issues & Analysis

The Policies / Procedures Update Project Final Report was presented and accepted by the Carson City Audit Committee on March 22, 2016.

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

## Financial Information
Is there a fiscal impact?  ☐ Yes    ☒ No

If yes, account name/number:

Is it currently budgeted?  ☐ Yes    ☐ No

Explanation of Fiscal Impact:  N/A

## Alternatives
Do not accept the report.

**Board Action Taken:**

Motion: _____     1) _____     Aye/Nay
                                                2) _____     _____
                                                                         _____
                                                                         _____
                                                                         _____
                                                                         _____

_____
(Vote Recorded By)

**MOSS-ADAMS** LLP

Date:             February 19, 2016

To:               Nick Marano, Melanie Bruketta, and Nancy Paulson

From:             Moss Adams LLP

Subject:          Policy Inventory and Recommendations

## Project Summary

Moss Adams LLP conducted a review of Carson City's citywide policies as part of the Internal Audit work plan for FY15-16. This review included the collection of existing policies, comparisons to best practices, and development of a recommended table of contents for a citywide policy manual, which is attached to this memo.

The City's policy environment is largely aligned with best practices, including utilization of Policy Tech for most policy storage, updates, and compliance. There is a strong governance structure in place, with all citywide policies requiring the approval of the City Manager, as well as regular reviews by policy owners. In addition, there is a clear delegation of authority to department directors to develop and enforce policy. As many department directors are new to their positions, there are efforts in multiple departments to update policies and procedures. The recommendations provided below focus on completing citywide policies and streamlining associated processes.

## Recommendations

1. **Maximize utilization of Policy Tech**. Policy Tech is an excellent resource for policy and procedure storage, training, and compliance. In particular, the keyword search, approval requirements, user customizations, and automatic update reminders are best practices that help the City to keep its policies up to date. However, use of Policy Tech is at the discretion of department directors, and many store policies in network folders The City should migrate all citywide policies to Policy Tech, and require departments to store departmental policies and procedures in Policy Tech.

2. **Prioritize development of new policies and those requiring updates.** There are a number of policies that either do not exist or require significant updates to ensure they are aligned with relevant laws, the technology environment, and current City practices. See the attached table of contents for a recommended priority order to complete the City's policies. Prioritization is based on the following criteria:
   - Compliance with state and federal laws and regulations
   - Related audit findings
   - Strategic priorities of the City Manager

MOSS-ADAMS LLP

To update or draft new policies, the City should leverage best practice examples drafted by national organizations, such as the ICMA, GFOA, and National League of Cities.

3. **Develop easy-to-understand guidance on key functions that operate according to state law.** A significant portion of the public-facing work of the City, including the Clerk, Treasurer, Sheriff, and Assessor, is performed in accordance with State law. While staff who perform work on a regular basis are well-versed in relevant laws, other City staff and members of the public are less familiar. Legislation is not generally written in a manner that is user-friendly or accessible to a non-specialist, and the City could benefit from developing easy-to-understand guides for these functions. Developing a plain language interpretation of state laws will ensure that they are effectively understood and will improve compliance. Some departments have done this. For example, the Sheriff's Office regularly develops internal policies to provide guidance around federal and state regulations.

4. **Provide annual training on key policies and procedures**. Like many municipalities, non-essential training for most Carson City staff was eliminated post-recession, and it has been slow to be reinstated. Policies that are critical to City operations and compliance are required to be read annually by all employees. In addition, the City should identify key policies and procedures that all employees should receive regular refresher training on, such as Unacceptable Behavior, Purchasing, and Cash Handling, and determine low-cost solutions to delivering training. Policy Tech's quiz feature can be leveraged to ensure that employees have read and understood policies and procedures.

5. **Consider revising the City's Municipal Code to shift some elements to policies.** A number of elements in the City's Municipal Code are better suited for policies. For example, nearly all of the fees and charges assessed by Parks and Recreation and Community Development are in the City Code. This gives the City limited flexibility to adjust business practices to meet market demands and achieve cost recovery goals established by the Board of Supervisors. The GFOA recommends fees and charges to be updated regularly, which is cumbersome and rarely accomplished through a Code update.[1] Alternatively, the Board of Supervisors could annually approve a fee appendix to the City Code as part of the budget development and approval process.

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[1] http://www.gfoa.org/establishing-government-charges-and-fees

# Carson City Policy Review: Recommended Table of Contents

| Citywide Policy | Existing | Location | Notes | Priority |
|---|---|---|---|---|
| **ADMINISTRATION & MANAGEMENT** | | | | |
| Use of Volunteers | Y | Policy Tech | | |
| Government Performance Reporting | N | | Project in progress | 2 |
| Board of Supervisors Agenda Policy | Y | Policy Tech | | |
| Partnerships | N | | Audit findings: Community Facilities | 1 |
| **CLERK** | | | | |
| Public Records Requests | Y | NRS | NRS Ch. 239 - Public Records | |
| Records Management | N | | NRS; Recommend the City create an accessible policy for Citywide use  Audit finding: Efficiency Study 6 | 1 |
| **COMMUNICATION** | | | | |
| Customer Service | N | | Audit finding: Efficiency Study 10 | 2 |
| Public Information and Communications | N | | Audit finding: Efficiency Study 10 | 2 |
| Correspondence | N | | Audit finding: Efficiency Study 10 | 2 |
| Graphics Standards | N | | Audit finding: Efficiency Study 10 | 2 |
| Website Content | Y | Policy Tech | | |
| Government Channel Programming | Y | Code | Code of Ordinances Ch. 5.20 | |
| **ECONOMIC DEVELOPMENT** | | | | |
| Economic Development Policy | N | | | 1 |
| Incentives | N | | | 1 |
| **FACILITIES AND EQUIPMENT** | | | | |
| Use of Facilities | Y | Code | | |
| Events | Y | Code | | |
| Rental Policies | Y | Code | | |
| Naming and Dedications | Y | Code | | |
| *Fleet Management and Use* | | | | |
| Assignment of City Vehicles | Y | Policy Tech | HR: Vehicle Use Policy  Audit finding: Fleet Utilization 12 | 2 |
| Take-Home Vehicle Policy | Y | Policy Tech | HR: Vehicle Use Policy  Audit finding: Fleet Utilization 12 | 2 |
| Fleet Maintenance and Replacement | N | | In progress  Audit finding: Fleet Efficiency III.F.21 | 1 |
| Public Art | Y | Code | | |

## Carson City Policy Review: Recommended Table of Contents

| Citywide Policy | Existing | Location | Notes | Priority |
|---|---|---|---|---|
| **FINANCIAL MANAGEMENT** | | | | |
| *Financial Management* | | | *Updated 2015* | |
|   Financial Reporting | Y | Internal | Various policies | |
|   Fixed Assets | Y | Internal | Update in progress | |
|   Audits | Y | Code | | |
|   Fraud, Waste, and Abuse | Y | Internal | | |
| *Accounting* | | | *Updated 2015* | |
|   Accounts Payable | Y | Internal | | |
|   Accounts Receivable | Y | Internal | | |
|   Operating Budget | Y | Internal | | |
|   Uncollectible Accounts | N | | | 1 |
| *Revenue Sources* | | | Recommend developing revenue manual | |
|   Taxes | Y | Code | | |
|   Fees | Y | Code | | |
|   Other Revenue Sources | Y | Code | | |
| Debt Management | Y | Internal | | |
| Capital Improvement Program | N | | In progress | 1 |
| Reserve Policies | Y | Internal | Board Policy | |
| Purchasing | Y | Policy Tech | Currently updating Audit finding: Efficiency Study 14; Internal Controls B1, B4 | 1 |
|   Travel and Expenses | Y | Internal | | |
|   Purchasing and Procurement | Y | Policy Tech | | |
|   Procurement Card | N | | In progress | 1 |
|   Contracting | N | | In progress | 1 |
| Grant Administration | Y | Internal | Currently updating Audit finding: Internal Controls C3 | 1 |
|   Monitoring and Reporting | Y | Internal | | |
| Payroll | Y | Internal | | |
| Property Management | Y | Internal | | |
|   Disposition of Surplus Property | Y | Internal | | |
| **HUMAN RESOURCES** | | | | |
| *Hiring Practices* | | | | |
|   Equal Employment Opportunity Policy | Y | Policy Tech | | |
|   Authorization to Hire | Y | Policy Tech | | |
|   Nepotism | Y | Policy Tech | | |
|   Interns | Y | Policy Tech | | |
| *Employment Practices* | | | | |
|   Classification Plan & Reclassification | Y | Policy Tech | | |
|   Compensation | Y | Policy Tech | | |
|   Personnel Records | Y | Policy Tech | | |
|   Grievance | Y | CBAs | | |
|   Employee Exit | Y | Policy Tech | | |
| *Standards of Conduct and Safety* | | | | |

# Carson City Policy Review: Recommended Table of Contents

| Citywide Policy | Existing | Location | Notes | Priority |
|---|---|---|---|---|
| Unacceptable Behavior | Y | | Includes Code of Conduct, use of City property & resources, ethics, nepotism, conflict of interest | |
| Discrimination and Harassment | Y | | | |
| Drug & Alcohol Policy | Y | | | |
| Workplace Violence Policy | Y | | | |
| *Compensation* | | | | |
| Overtime | Y | Policy Tech | Audit finding: Internal Controls A3 | 2 |
| *Employee Benefits* | | | | |
| Benefits | Y | Policy Tech | | |
| Annual Leave | Y | Policy Tech | | |
| Holidays | Y | Policy Tech | | |
| Workers' Compensation | Y | Policy Tech | | |
| Retirement | Y | Policy Tech | | |
| *Leaves of Absence* | | | | |
| Leaves of Absence | Y | Policy Tech | | |
| Bereavement | Y | Policy Tech | | |
| Family and Medical Leave Act (FMLA) Policy | Y | Policy Tech | | |
| **HUMAN SERVICES** | | | | |
| Housing Programs | Y | Internal | | |
| **INFORMATION TECHNOLOGY** | | | | |
| Technology Governance | Y | Policy Tech | | |
| Acceptable Use of Technology Resources | N | | Audit finding: Internal Controls F4, F7; some in Unacceptable Behavior; Update in progress | 1 |
| Information Technology Management | N | | | 2 |
| Information Security | N | | | 2 |
| Mobile Devices | Y | Policy Tech | | |
| Remote Access | N | | | 2 |
| **LIBRARY** | | | | |
| Collection Development | Y | Website | | |
| Library Cards & Circulation | Y | Website | | |
| Library Programs and Events | Y | Website | | |
| Fees and Fines | Y | Website | | |
| **PUBLIC SAFETY** | | | | |
| Emergency Management | Y | Code | Title 6 | |
| Law Enforcement | Y | Code | Code Sec. 3.060 | |
| Fire and EMS | Y | Code | Code Ch. 2.08 | |
| **REAL PROPERTY** | | | | |
| Acquisition of Real Property | N | | In progress | 2 |
| Sale of Real Property | N | | In progress | 2 |
| Abandonment of Property | N | | In progress | 2 |
| Blighted Properties | N | | In progress | 2 |
| Recovery of Damages to City Property | N | | In progress | 2 |

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| Citywide Policy | Existing | Location | Notes | Priority |
|---|---|---|---|---|
| **RISK MANAGEMENT** | | | | |
| Risk Management | Y | Internal | Updated 2012 | |
| Insurance Waiver | Y | Policy Tech | | |
| Workplace Safety | Y | Internal | Updated 2015 | |
| **TREASURER** | | | | |
| Cash Handling | Y | Internal | Audit finding: Internal Controls D10; Needs update | 1 |
| Investment Policy | Y | Internal | | |
| Debt Collection | Y | Policy Tech | | |
| **PUBLIC HEALTH** | | | | |
| Health Insurance Portability and Account Ability Acct (HIPAA) | Y | Policy Tech | | |
| **PUBLIC WORKS** | | | | |
| Construction Contract Management | Y | Policy Tech | Contract Procedure | |
| Architectural and Engineering Contract Management | Y | Policy Tech | Contract Procedure | |
| Right-of-Way | Y | Code | Code Ch. 12.06 | |