



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** March 7, 2019

Staff Contact: Sheri Russell, Chief Financial Officer (srussell@carson.org)

Agenda Title: For Possible Action: Discussion and possible action regarding acceptance of the Audit Committee's recommendation to approve the completed remediation plans and to remove the completed findings from the Audit Findings Tracking Summary Report. (Sheri Russell, srussell@carson.org)

Staff Summary: The completed remediation plans for various recommendations and findings have been presented and approved by the Carson City Audit Committee. Upon approval by the Board of Supervisors, the completed recommendations and findings for the Public Guardian Follow-up Review (conducted by Moss Adams) and 2017 Comprehensive Annual Financial Report and Single Audit findings (conducted by Eide Bailly) will be considered closed and removed from the Audit Findings Tracking Summary Report maintained by the internal auditor and City staff.

Agenda Action: Formal Action / Motion **Time Requested:** 10 Minutes

Proposed Motion

I move to accept the Audit Committee's recommendation to approve the completed remediation plans and remove the completed findings as presented from the Audit Findings Tracking Summary Report.

Board's Strategic Goal

Efficient Government

Previous Action

11-15-18 - Partial Closure of reports for remediation plan implementation on various items.

Background/Issues & Analysis

Moss Adams had been contracted by Carson City to provide Internal Audit Services for the City through June 30, 2018.

Staff has addressed the following recommendations and/or findings contained in the Audit Findings Tracking Summary Report with remediation plans and consider the findings closed:

- Public Guardian Follow-up Review - Remaining Items #2, #3 #6 and #7 remediation plans have been implemented and policies and procedures updated (other items approved at 11-15-18 Board meeting for closure); therefore, all items included in this report have been addressed.
- 2017 CAFR and Single Audit Findings - #4 remediation plan has been implemented (other items approved at 11-15-18 Board meeting for closure); therefore, all items included included in this report have been addressed.

Applicable Statute, Code, Policy, Rule or Regulation

N/A

Financial Information

Is there a fiscal impact? No

If yes, account name/number:

Is it currently budgeted?

Explanation of Fiscal Impact:

Alternatives

Do not accept the recommendation and/or make different recommendations.

Attachments:

[Audit Findings Summary 1-29-19.pdf](#)

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)

Carson City
Internal Audit Summary
January 29, 2019

Carson City - Audit Findings Tracking Summary Report (revised 11-16-18)

Report Name	Report Submittal	BOS Report Approval	Reporting Entity	Report Findings	Completed Findings	AC Approval	BOS Approval	Notes
Community Facility Cost Recovery Study	11/28/2012	1/17/2013	Internal Auditor	15	15			1 open finding
Community Facility Cost Recovery Eagle Valley Gol	10/3/2012	5/16/2013	Internal Auditor	4	4			
Fleet Management Efficiency Study	6/22/2013	7/18/2013	Internal Auditor	24	24			
Fleet Utilization Study	1/30/2014	4/3/2014	Internal Auditor	12	12			
Employee Efficiency Study	11/25/2014	12/4/2014	Internal Auditor	27	27			
Internal Controls Review	3/31/2015	6/4/2015	Internal Auditor	42	42	4/21/2015	11/15/2018	
Performance Measures Development	6/3/2015		Internal Auditor	1	0	6/7/2016		
Policy and Procedures Review	3/22/2016		Internal Auditor	5	5		12/21/2017	
Payroll Internal Controls Testing	7/27/2016	12/21/2017	Internal Auditor	2	2	8/8/2016	11/15/2018	
P-card Internal Controls Testing	7/27/2016	12/21/2017	Internal Auditor	2	2	8/8/2016	11/15/2018	
Small Works Projects Review	2/17/2017	12/21/2017	Internal Auditor	4	4	2/14/2017	12/21/2017	
Public Guardian Review	5/1/2017	12/21/2017	Internal Auditor	13	13	5/9/2017	11/15/2018	
Purchasing and AP Internal Controls Testing	7/6/2017	12/21/2017	Internal Auditor	12	12	7/12/2017	11/15/2018	
HTE Access Controls Testing	9/26/2017	12/21/2017	Internal Auditor	7	7	10/3/2017	12/21/2017	
FY 2014 CAFR	12/18/2014	12/18/2014	External Auditor	5	5	3/22/2016	12/18/2014	
FY 2015 CAFR	12/17/2015	12/17/2015	External Auditor	5	5	3/22/2016	12/17/2015	
Capital Projects Process Review	5/3/2018		Internal Auditor	8	0	5/10/2018		
Public Guardian Follow Up Review	5/3/2018		Internal Auditor	8	4	5/10/2018		
FY 2017 CAFR and Single Audit	11/30/2017	12/21/2017	External Auditor	4	3	5/10/2018		
FY 2018 CAFR and Single Audit	12/6/2018		External Auditor	3		12/6/2018		
Total (including archived reports)				203	186			

Legend:

- Report Submittal = date report submitted to City
- BOS Report Approval = date report adopted by BOS
- Reporting Entity = organization that prepared the report
- Report Findings = number of findings in the report
- Completed Findings = number of findings completed by management
- AC Approval = Audit Committee approval of completed findings
- BOS Approval = Board of Supervisors approval of completed findings
- Notes = notes about findings

Findings Addressed - project closed
Partially Addressed items
Not yet addressed

Carson City
Public Guardian Update Procedures
05-02-18

Item No.	BOS Acceptance /Approval	BOS Direction to Implement	Rec No.	Finding	Recommendation	Dept.	Owner	Remediation Plan (Course of Action & Expected Benefits)	Est. Cost	Est. Savings	Finding corrected? (Y, N, Partial)	Expected Compl. Date	Actual Compl. Date	Status Comments
2	5/3/2018		2		To ensure Public Guardian staff operate at their highest and best use, consider establishing a list of pre-qualified, on-call hourly contractors to assist with ward transportation needs.			Working on a plan to hire an on-call list of qualified persons to assist with transportation of clients.			Y	12/31/2018	1/15/2019	This is done, we are adding in our SOP binder and adding more as we can. We have two licensed, bonded and insured transport, in addition the Public Guardian or Deputy Case Mgr can act as backup if required and we continue to search for additional vendors that meet compliance and safety standards.
3	5/3/2018		3		Ensure all files are maintained in fire-proof file cabinets by destroying files of wards deceased 7 or more years.			Currently all files of deceased clients or closed files are kept for 7 years and are stored in the basement storage room in City Hall.			Y	1/29/2019	1/29/2019	File cabinets with client info is locked, banker boxed for storage unit files , most have been labeled with destroy dates according to state guidelines. The cost of fireproof cabinets is cost prohibitive for the PG office, cost is approximately \$3,000 for a four drawer file. Alternate solution is to be paperless going forward and scan all documents.
6	5/3/2018		6		Establish dual control entry requirements to the storage unit through an updated combination lock system.						Y		1/18/2019	Done. Also as an added measure City Mgr and Deputy City Mgr each have the code to one lock in a sealed envelope for emergencies.
7	5/3/2018		7		Consider developing standard contracts with approved vendors for asset liquidation.			When we next have a house to liquidate we will have a signed contract with the vendor chosen.			Y		11/1/2018	We have a bid process for selling assets with realtors as well as any part of estate clean up and liquidation, adding to SOP vendor list that is licensed and bonded.

Carson City
 FY 2017 Audit Findings
 November 30, 2017

Item No.	BOS Acceptance /Approval	BOS Direction to Implement	Finding No.	Finding	Recommendation	Dept.	Owner	Remediation Plan (Course of Action & Expected Benefits)	Est. Cost	Est. Savings	Finding corrected? (Y, N, Partial)	Expected Compl. Date	Actual Compl. Date	Status Comments
4			2017-002	The City's Finance Department did not have adequate procedures in place to ensure that all contracts entered into were in compliance with the applicable provisions.	The Transportation Division of the Carson City Public Works Department should enhance internal controls to ensure that all contracts under Federal awards follow the applicable provisions.			Eide Bailly, our new Internal Auditor has been contracted to do a special review of the Public Works Contracting procedures, relating to grants, in order to ensure the finding is corrected for future audits. Projects are no hold until these procedures are performed.	\$10,400	0	Y	12/31/18		Several entities got the same finding from Eide Bailey, so they can help clean up our procedures to ensure we don't make the same mistake going forward. UPDATE: Eide Bailly completed their procedures, we had a meeting to go over policy changes related to those recommendations on October 30th, and are now reaching out to Washoe County and other local governments to determine their response to the finding, before we make a final determination. <u>January Update:</u> Auditors cleared finding, none of the other entities claim to have received the same finding, and all agencies have similar procedures. Specific grant procedures have been added for professional services to address the finding.