Item #4-1

City of Carson City
Agenda Report

Date Submitted: 2/06/07 **Agenda Date Requested:** 2/15/07
Time Requested: Consent Agenda

To: Mayor and Supervisors

From: Sue Johnson, Director of Finance

Subject Title: Action to adopt the Carson City Plan of Corrective Action for FY 05-06 statutory violations included in the annual audit.

Staff Summary: Within 60 days after the delivery of the annual audit to the local government, the governing body shall advise the Department of Taxation what action has been taken to prevent recurrence of each violation of law or regulation included in the annual audit.

Type of Action Requested: (check one)
(____) Resolution (____) Ordinance
(XXX) Formal Action/Motion (____) Other (Specify)

Does this action require a Business Impact Statement: ( ) Yes (XX) No

Recommended Board Action: I move to adopt the Carson City Plan of Corrective Action for FY 05-06 statutory violations included in the annual audit.

Explanation of Recommended Board Action: Per NRS 354.6245, within 60 days after the delivery of the annual audit to the local government, the governing body shall advise the Department of Taxation what action has been taken to prevent recurrence of each violation of law or regulation included in the annual audit. The attached proposed plan of corrective action will serve as a means to comply with State law.

Applicable Statute, Code, Policy, Rule or Regulation: Nevada Revised Statute 354.6245

Fiscal Impact: n/a

Explanation of Impact: n/a

Funding Source: n/a

Supporting Material: Plan of Corrective Action

Alternatives: Revise the Plan of Corrective Action

Prepared By: Sue Johnson

Reviewed By : ______________________ Date: ______________
(Department Head)
: [signature] for KR Date: 2-6-07
(City Manager)
: Melanie Bukette Date: 2-6-07
(District Attorney)
: Susan Johnson Date: 2/6/7
(Finance Director)

Board Action Taken:
Motion: ______________________ 1) ____________ Aye/Nay
2) ____________ ______
______
______
______
______

____
(Vote Recorded By)

CARSON CITY, NEVADA

CONSOLIDATED MUNICIPALITY AND STATE CAPITAL

MEMO TO: Board of Supervisors
Linda Ritter, City Manager

FROM: Sue Johnson, Finance Director

DATE: February 1, 2007

SUBJECT: Plan of Corrective Action for FY 05-06 Statutory Violations

As presented to you by Kafoury, Armstrong and Co., there were five apparent violations of NRS 354.626 noted in the City's FY 05-06 annual audit relative to the excess of expenditures over appropriations in certain funds. The following explanations and corrective actions are offered in response to those statutory violations:

- Actual expenditures exceeded appropriations in the Judicial Function of the General Fund by $9,887. There were several large payoffs at year end as the result of employee terminations. In the future, the Finance Department will take more care to ensure the proper amounts get augmented.

- Actual expenditures exceeded appropriations in the Welfare Function of the Supplemental Indigent Special Revenue Fund by $26,918. This was the result of expending unanticipated property tax revenue at year end after the augmentation process. In the future, the Finance Department will take more care to ensure the proper amounts get augmented.

- Actual expenditures exceeded appropriations in the Economic Opportunity Function of the Capital Acquisition and Development Special Revenue Fund by $24,001. Appropriations for these expenditures were recorded in the General Government Function and not transferred to the Economic Opportunity Function. In the future, the Finance Department will take more care to ensure the proper amounts are augmented.

- Actual expenses exceeded appropriations in the Ambulance Enterprise Fund by $32,400. This resulted from an increase in bad debt expense, which is calculated after year end and is based on a percentage of Ambulance Fees, which also increased. In the future, the Finance Department will take more care to estimate Ambulance Fees and the corresponding bad debt expenses prior to year end.

- Actual expenses exceeded appropriations in the Cemetery Enterprise Fund by $5,070. This resulted entirely from an increase in depreciation expense due to the addition of the new cemetery office. In the future, the Finance Department will take more care to ensure depreciation amounts are budgeted correctly.

If you have any questions, please do not hesitate to contact me.