



# STAFF REPORT

**Report To:** Board of Supervisors **Meeting Date:** January 2, 2020

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

**Agenda Title:** For Possible Action: Discussion and possible action regarding the adoption of the Carson City Plan of Corrective Action for the FY 18-19 statutory violations included in the annual audit. (Sheri Russell, srussell@carson.org)

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.

**Agenda Action:** Formal Action / Motion **Time Requested:** 5 Minutes

**Proposed Motion**

I move to adopt the Carson City Plan of Corrective Action for the FY 18-19 statutory violations included in the annual audit.

**Board's Strategic Goal**

Efficient Government

**Previous Action**

N/A

**Background/Issues & Analysis**

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**

NRS 354.6245

**Financial Information**

**Is there a fiscal impact?** No

**If yes, account name/number:**

**Is it currently budgeted?**

**Explanation of Fiscal Impact:** N/A

**Alternatives**

N/A

**Attachments:**

[Corrective Action Plan.doc](#)

**Board Action Taken:**

Motion: \_\_\_\_\_

1) \_\_\_\_\_

2) \_\_\_\_\_

Aye/Nay

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(Vote Recorded By)



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## CARSON CITY, NEVADA

### CONSOLIDATED MUNICIPALITY AND STATE CAPITAL

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MEMO TO: Board of Supervisors  
Nancy Paulson, City Manager

FROM: Sheri Russell, Chief Financial Officer

DATE: January 2, 2020

SUBJECT: Plan of Corrective Action for FY18-19 Statutory Violations

As presented to you by Piercy Bowler, Taylor & Kern there were two apparent violations of Nevada Revised Statutes (NRS) 354.626 noted in the City's FY18-19 annual audit relative to the excess of expenditures over appropriations in the Grant Fund Judicial Function and the Insurance Fund. The following explanation and corrective action is offered in response to the statutory violations:

- Actual expenses exceeded appropriations in the Grant Fund Judicial Function by \$2,613. This was the result of a higher than expected grant award and additional expenditures of \$2,613. The violation is exempt under NRS 354.626 Section 2(i), and NRS allows an automatic augmentation for grant revenues and expenditures, but the over-expenditure was not identified until the financial statements were complete.
- Actual expenses exceeded appropriations in the Insurance Fund by \$586,069. We review the reserves set by the insurance company each May to try and anticipate the final adjustment for liability prior to year-end, in order to incorporate it into our final budget augmentations. Unfortunately, this year an additional reserve for a large suit was added after our final analysis. The year-end liability adjustment was therefore, much higher than anticipated. Staff will continue to perform our analysis, and in addition, we will discuss with the District Attorney's office if they anticipate any changes in case status. This violation is reported for full transparency, but is excluded under NRS 354.626 Section 2(a).