



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** January 6, 2022

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 Fiscal Year 2020-2021 statutory violations included in the annual audit. (Sheri Russell srussell@carson.org)

Staff Summary: Pursuant to NRS 354.6245, within 60 days after the delivery of the annual audit to Carson City, the Board of Supervisors is required to 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:** Consent

Proposed Motion

I move to adopt the Carson City Plan of Corrective Action.

Board's Strategic Goal

Efficient Government

Previous Action

N/A

Background/Issues & Analysis

NRS 354.6245 requires that within 60 days after the delivery of the annual audit to Carson City, the Board of Supervisors must 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: N/A

Is it currently budgeted? No

Explanation of Fiscal Impact: N/A

Alternatives

N/A

Attachments:

[Corrective Action Plan.pdf](#)

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)



CARSON CITY, NEVADA

CONSOLIDATED MUNICIPALITY AND STATE CAPITAL

MEMO TO: Board of Supervisors
Nancy Paulson, City Manager

FROM: Sheri Russell, Chief Financial Officer

DATE: November 29, 2021

SUBJECT: Plan of Corrective Action for FY 2020-2021 Statutory Violations

As presented to you by HintonBurdick CPAs & Advisors, there were two apparent violations of Nevada Revised Statutes (NRS) 354.626 noted in the City's FY 2020-2021 annual audit relative to the excess of expenditures over appropriations in the Stormwater Fund and the Workers Compensation Fund. The following explanation and corrective action are offered in response to the statutory violations:

- Actual expenses exceeded appropriations in the Stormwater Fund by \$12,385. This was the result of a higher-than-expected depreciation adjustment at year-end, which is a non-cash entry. The Finance Department ("Finance") does project and anticipate what the expected depreciation will be for the upcoming year and it is easy to over-estimate or under-estimate the actual adjustment. Going forward Finance will add 10% to the estimate, to ensure the fund will not be in an over-budget situation.
- Actual expenses exceeded appropriations in the Workers Compensation Fund by \$171,930. Finance reviews the reserves set by the insurance company each May to try to anticipate the final adjustment for liability prior to year-end, in order to incorporate it into the final budget augmentations. The year-end liability adjustment was unfortunately higher than anticipated. Staff will continue to perform the analysis, and in addition, Staff 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 (2)(a).