

**CARSON CITY CONSOLIDATED MUNICIPALITY
NOTICE OF MEETING OF THE
AUDIT COMMITTEE**

Day: Tuesday
Date: April 25, 2023
Time: Beginning at 1:30 pm
Location: Community Center, Robert 'Bob' Crowell Board Room
851 East William Street
Carson City, Nevada

AGENDA

NOTICE TO PUBLIC:

Members of the public who wish only to view the meeting but do NOT plan to make public comment may watch the livestream of the Audit Committee meeting at www.carson.org/granicus and by clicking on “In progress” next to the meeting date, or by tuning in to cable channel 191. Livestream of the meeting is provided solely as a courtesy and convenience to the public. Carson City does not give any assurance or guarantee that the livestream or cable channel access will be reliable. Although all reasonable efforts will be made to provide livestream, unanticipated technical difficulties beyond the control of City staff may delay, interrupt, or render unavailable continuous livestream capability.

The public may provide public comment in advance of a meeting by written submission to the following email address: publiccomment@carson.org. For inclusion or reference in the minutes of the meeting, your public comment must include your full name and be submitted via email by not later than 3:00 p.m. the day before the meeting. Public comment during a meeting is limited to three minutes for each speaker.

1. Call to Order

2. Roll Call

3. Public Comments and Discussion:

The public is invited at this time to comment on and discuss any topic that is relevant to, or within the authority of, the Carson City Audit Committee. In order for members of the public to participate in the Committee’s consideration of an agenda item, the Committee strongly encourages members of the public to comment on an agenda item during the item itself. No action may be taken on a matter raised under public comment unless the item has been specifically included on the agenda as an item upon which action may be taken.

4. For Possible Action: Approval of Minutes - January 24, 2023

5. Meeting Items

5.A For Possible Action: Discussion and possible action regarding the monitoring, review and closure of internal audit findings and/or recommendations included in the Audit Findings

Tracking Report and providing a recommendation to the Board of Supervisors to close completed findings and/or recommendations. (Sheri Russell-Benabou, SRussell@carson.org)

Staff Summary: Staff will discuss the monitoring, review, and closure of the previous internal auditor findings and/or recommendations included in the Audit Findings Tracking Report.

5.B For Discussion Only: Discussion regarding the draft annual risk assessment and internal audit plan for Fiscal Year (“FY”) 2024. (Sheri Russell-Benabou, SRussell@Carson.org)

Staff Summary: Carson City Internal Auditor Eide Bailly will provide an updated risk assessment and recommendations for future internal audits for the period ending June 30, 2024 and will be asking the Audit Committee for input and guidance on projects to be performed. This item will return to the Audit Committee at the next scheduled meeting for discussion and possible action before a recommendation is made to the Board of Supervisors.

5.C For Discussion Only: Discussion regarding Fiscal Year (“FY”) 2023 audit work program update and Hotline activity. (Sheri Russell-Benabou, SRussell@Carson.org)

Staff Summary: Representatives from Eide Bailey, LLP will be discussing the progress of the FY 2023 audit work program as well as any items received through the Fraud, Waste & Abuse Hotline.

5.D For Discussion Only: Discussion regarding dates for the next meeting of the Audit Committee.

6. Public Comment:

The public is invited at this time to comment on any matter that is not specifically included on the agenda as an action item. No action may be taken on a matter raised under this item of the agenda.

7. For Possible Action: To Adjourn

****PUBLIC COMMENT LIMITATIONS** - The Audit Committee as called to order, will provide at least two public comment periods in compliance with the minimum requirements of the Open Meeting Law prior to adjournment. No action may be taken on a matter raised under public comment unless the item has been specifically included on the agenda as an item upon which action may be taken. Public comment will be limited to three minutes per speaker to facilitate the efficient conduct of a meeting and to provide reasonable opportunity for comment from all members of the public who wish to speak. Testimony from a person who is directly involved with an item, such as City staff, an applicant or a party to an administrative hearing or appeal, is not considered public comment and is not subject to the three-minute time limitation.

Agenda Management Notice - Items on the agenda may be taken out of order; the public body may combine two or more agenda items for consideration; and the public body may remove an item from the agenda or delay discussion relating to an item on the agenda at any time.

Titles of agenda items are intended to identify specific matters. If you desire detailed information concerning any subject matter itemized within this agenda, you are encouraged to call the responsible

agency or the Finance Department. You are encouraged to attend this meeting and participate by commenting on any agenda item.

Notice to persons with disabilities: Members of the public who are disabled and require special assistance or accommodations at the meeting are requested to notify the Finance Department in writing at 201 North Carson Street Ste 3, Carson City, NV, 89701, or by calling (775) 887-2133 at least 24 hours in advance.

To request a copy of the supporting materials for this meeting contact Eva Simmons at esimmons@carson.org or call (775) 887-2133.

This agenda and backup information are available on the City's website at www.carson.org, and at the Finance Office - City Hall, 201 N. Carson Street, Ste 3, Carson City, Nevada (775) 887-2133.

This notice has been posted at the following locations:

www.carson.org

notice.nv.gov

CARSON CITY AUDIT COMMITTEE (AC)
Draft Minutes of the January 24, 2023 Meeting
Page 1

A regular meeting of the Carson City Audit Committee was scheduled for 1:30 p.m. on Tuesday, January 24, 2023 in the Community Center Robert “Bob” Crowell Board Room, 851 East William Street, Carson City, Nevada.

PRESENT: Chairperson Stephen Ferguson
Member Bonnie Duke
Member Lisa Schuette
Member Laura Chavez

STAFF: Sheri Russell-Benabou, Chief Financial Officer
Hope Sullivan, Community Development Director
Mihaela Neagos, Deputy District Attorney
Danielle Howard, Public Meetings Clerk

NOTE: A recording of these proceedings, the committee’s agenda materials, and any written comments or documentation provided to the Clerk, during the meeting, are part of the public record. These materials are available for review, in the Clerk’s Office, during regular business hours.

1. CALL TO ORDER

(1:34:50) – Chairperson Ferguson called the meeting to order at 1:34 p.m.

2. ROLL CALL

(1:34:58) – Roll was called, and a quorum was present. Member Mayhorn was absent during the meeting.

3. PUBLIC COMMENT AND DISCUSSION:

(1:35:18) – Chairperson Ferguson entertained public comments; however, none were forthcoming.

4. FOR POSSIBLE ACTION: APPROVAL OF MINUTES – SEPTEMBER 13, 2022

(1:35:29) – Chairperson Ferguson introduced the item and entertained comments, questions, and a motion.

(1:35:59) – MOTION: Member Schuette moved to approve the September 13, 2022 meeting minutes as presented. Member Duke seconded the motion. The motion carried 4-0-0.

5. FOR POSSIBLE ACTION: ADOPTION OF AGENDA

(1:36:12) – Ms. Russell-Benabou noted that there were no changes to the agenda.

(1:36:31) – MOTION: Member Schuette moved to adopt the agenda. Member Duke seconded the motion. The motion carried 4-0-0.

6. MEETING ITEMS

**CARSON CITY AUDIT COMMITTEE (AC)
Draft Minutes of the January 24, 2023 Meeting
Page 2**

6.A ELECTION OF THE CHAIR AND VICE CHAIR FOR THE AUDIT COMMITTEE FOR CALENDAR YEAR 2023.

(1:36:41) – Chairperson Ferguson introduced the item and entertained nominations.

(1:39:17) – Member Duke moved to nominate Stephen Ferguson to the position of AC Chair and Lisa Schuette to the position of AC Vice Chair. Member Schuette seconded the motion. The motion carried 4-0-0.

6.B FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE REVIEW OF THE UTILITY BILLING PROCESS, FINDINGS AND RECOMMENDATIONS.

(1:39:40) – Chairperson Ferguson introduced the item. Eide Bailly Senior Manager Audrey Donovan and Eide Bailly Risk Advisory Associate Cathy Villamar, both appearing via WebEx, referenced the Staff Report and the Review of the Utility Billing Process for the Carson City Utility Billing Division, both of which are incorporated into the record.

(1:50:29) – Chairperson Ferguson entertained Member questions and input, and Ms. Villamar and Ms. Donovan responded to clarifying questions. Vice Chairperson Schuette complimented the report as well as City staff.

(1:54:14) – Chairperson Ferguson pointed out that, according to the report, the main reason for the City Utility Billing Division approving billing adjustments to customers was for water leaks, and he believed that the customer would be responsible for water leaks after the meter that were not repaired. Ms. Russell-Benabou stated that she would contact Carson City Public Works Director Darren Schulz for a response on the matter. Chairperson Ferguson and Member Duke also complimented the report, and Member Duke encouraged pursuing all the recommendations outlined in the report. She believed that consistency on the fee charge should be considered for a Municipality-wide policy.

(2:01:33) – Referencing Finding #8 regarding print and electronic customer bills, Member Chavez stated that printed bills also required expending such materials as stamps and envelopes in addition to time, the personnel, and the paper. She commented that it was “really nice” to be able to review recommendations in the report. Ms. Russell-Benabou stated that Staff would “do what we can” with the electronic billing; however, she noted that the City’s older population preferred printed bills and not having to deal with computers. She indicated that she would discuss the credit card fees with Carson City Treasurer Andrew Rasor. Vice Chairperson Schuette added that the City should “streamline” the billing process by possibly including two different ways of billing for customers who only request electronic bills and for customers who only request printed bills.

(2:04:18) – MOTION: Vice Chairperson Schuette moved to approve the report and direct Staff to work on the recommendations as discussed. Member Duke seconded the motion. The motion carried 4-0-0.

6.C FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE MONITORING, REVIEW AND CLOSURE OF INTERNAL AUDIT FINDINGS AND/OR RECOMMENDATIONS INCLUDED IN THE AUDIT FINDINGS TRACKING REPORT AND

CARSON CITY AUDIT COMMITTEE (AC)
Draft Minutes of the January 24, 2023 Meeting
Page 3

PROVIDING A RECOMMENDATION TO THE BOARD OF SUPERVISORS TO CLOSE COMPLETED FINDINGS AND/OR RECOMMENDATIONS.

(2:04:49) – Chairperson Ferguson introduced the item. Ms. Russell-Benabou referenced the Staff Report and the accompanying attachments, all of which are incorporated into the record, and she responded to clarifying questions. Staff recommended closing Community Development Internal Audit Items #2, #5, and #7; IT Vulnerability Update Internal Audit Items #2 through #6; Preliminary Risk Assessment of Sheriff’s Body Worn Camera Program Items #2 and #4; and Utility Billing Internal Audit Item #2.

(2:06:06) – In response to Vice Chairperson Schuette’s inquiry regarding Item #5 of the Community Development Internal Audit, Ms. Sullivan noted that she had discussed with the Charles Abbott Associates (CAA) team about the Community Development Department’s need for a procedure for capturing the reinspection fee. She stated that she had discussed the cancelled permits with the Building Official who was in place when the internal audit was being performed, and the Building Official indicated that he could not identify examples of instances of active permits being cancelled with which inspections were performed. She believed that it was sufficient that there was an agreement that active permits that had been inspected were to not be cancelled.

(2:16:33) – MOTION: Member Duke moved to recommend to the Board of Supervisors closing the items discussed based on the correction of findings and recommendations included in the Audit Findings Tracking Report. Vice Chairperson Schuette seconded the motion. The motion carried 4-0-0.

6.D FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE REVIEW OF AGREED UPON PROCEDURES SUGGESTED BY EIDE BAILLY, LLP REGARDING THE GRANTS COMPLIANCE AUDIT SELECTED FOR THE FY 2023 AUDIT WORK PROGRAM.

(2:16:56) – Chairperson Ferguson introduced the item. Ms. Donovan referenced the Staff Report and the accompanying attachment for the Carson City Grants Compliance Audit Program, both of which are incorporated into the record. She clarified that the outlined procedures would be performed for January 1, 2022 to current management activities of citywide grants, which the Members and Staff supported. Ms. Donovan also responded to clarifying questions.

(2:23:43) – MOTION: Vice Chairperson Schuette moved to direct Eide Bailly, LLP and Staff to proceed with the Grants Compliance Audit agreed upon procedures as discussed on the record. Member Duke seconded the motion. The motion carried 4-0-0.

6.E FOR PRESENTATION ONLY: DISCUSSION REGARDING FY 2023 AUDIT WORK PROGRAM UPDATE AND HOTLINE ACTIVITY.

(2:24:05) – Chairperson Ferguson introduced the item. Ms. Donovan stated that there were two reported instances with the Carson City Public Works Department, with one of the instances being resolved while the other instance was being addressed internally.

(2:26:48) – Ms. Russell-Benabou stated that she hoped to discuss the items of concern during the next quarterly

CARSON CITY AUDIT COMMITTEE (AC)
Draft Minutes of the January 24, 2023 Meeting
Page 4

meeting of the AC, and when the risk assessment was completed, Staff could have an idea of what programs to proceed with versus those outlined in Eide Bailly’s risk assessment for the Members’ consideration. Ms. Donovan added that completing a preliminary risk assessment at this point would allow for Eide Bailly to update closer to June 2024, so a preliminary risk assessment and some internal audit topics could be presented during the next AC meeting. She noted that Staff and Eide Bailly needed to be mindful of the City’s Budget and suggested completing a full risk assessment, which would “chew up the entire Budget,” or completing a preliminary risk assessment “and do a light touch” with a list of internal audit topics based on trends that were identified within government and experience with Carson City. Ms. Russell-Benabou and Ms. Donovan also responded to clarifying questions. Member Duke supported completing a preliminary risk assessment with “a deeper dive” later, as doing so would provide the AC an opportunity to consider where it might identify risks.

6.F FOR DISCUSSION ONLY: DISCUSSION REGARDING DATES FOR THE NEXT MEETING OF THE AUDIT COMMITTEE.

(2:33:13) – Chairperson Ferguson introduced the item. Based on the dates suggested by Ms. Russell-Benabou, Members and Staff agreed to schedule the next AC meeting on April 18, 2023 at 1:30 p.m.

7. PUBLIC COMMENT

(2:35:22) – Chairperson Ferguson entertained public comments; however, none were forthcoming.

8. FOR POSSIBLE ACTION: TO ADJOURN

(2:35:30) – Chairperson Ferguson adjourned the meeting at 2:35 p.m.

The Minutes of the January 24, 2023 Carson City Audit Committee meeting are so approved this day 25th of April 2023.

Audit Committee Agenda Item Report

Meeting Date: April 25, 2023

Submitted by: Sheri Russell

Submitting Department: Finance

Item Type: Formal Action / Motion

Agenda Section:

Subject:

For Possible Action: Discussion and possible action regarding the monitoring, review and closure of internal audit findings and/or recommendations included in the Audit Findings Tracking Report and providing a recommendation to the Board of Supervisors to close completed findings and/or recommendations. (Sheri Russell-Benabou, SRussell@carson.org)

Staff Summary: Staff will discuss the monitoring, review, and closure of the previous internal auditor findings and/or recommendations included in the Audit Findings Tracking Report.

Suggested Action:

Action will depend on the discussion. I move to [continue the monitoring and review of the items as discussed or] recommend to the Board of Supervisors closing the items discussed based on the correction of findings and recommendations included in the Audit Findings Tracking Report.

Attachments:

[SR - Internal Audit Findings Tracking Report.docx](#)

[Audit Findings Summary 4-18-2023.pdf](#)



STAFF REPORT

Report To: Audit Committee

Meeting Date: April 25, 2023

Staff Contact: Sheri Russell-Benabou, Chief Financial Officer

Agenda Title: For Possible Action: Discussion and possible action regarding the monitoring, review and closure of internal audit findings and/or recommendations included in the Audit Findings Tracking Report and providing a recommendation to the Board of Supervisors to close completed findings and/or recommendations. (Sheri Russell-Benabou, SRussell@carson.org)

Staff Summary: Staff will discuss the monitoring, review, and closure of the previous internal auditor findings and/or recommendations included in the Audit Findings Tracking Report.

Agenda Action: Formal Action/Motion

Time Requested: 15 minutes

Proposed Motion

Action will depend on the discussion. I move to [continue the monitoring and review of the items as discussed or] recommend to the Board of Supervisors closing the items discussed based on the correction of findings and recommendations included in the Audit Findings Tracking Report.

Board's Strategic Goal

Efficient Government

Previous Action

N/A

Background/Issues & Analysis

Staff is recommending the following items to the Audit Committee for closure:

- Utility Billing – Items #3 and #5 are recommended for closure.

Staff will take the items that the Audit Committee recommends for closure to the Board of Supervisors for final closure.

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:

Alternatives

N/A

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)

Carson City
Internal Audit Summary
Updated - 1/18/2023

Carson City - Audit Findings Tracking Summary Report (revised 4/18/2023)

Report Name	Report Submittal	AC/BOS Report Approval	Reporting Entity	Report Findings	Completed Findings	AC Approval	BOS Approval	Notes
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	8/20/2020	Internal Auditor	8	8	6/15/2020	8/20/2020	
Grants Audit	6/30/2018	9/30/2018	Internal Auditor	1	1	6/15/2020	8/20/2020	
Public Guardian Follow Up Review	5/3/2018	3/7/2019	Internal Auditor	8	8	5/10/2018	3/7/2019	
FY 2017 CAFR and Single Audit	11/30/2017	12/21/2017	External Auditor	4	4	5/10/2018	8/20/2020	
FY 2018 CAFR and Single Audit	12/6/2018	12/6/2019	External Auditor	3	3	6/15/2020	8/20/2020	
Temporary Staffing Audit	5/9/2019	5/6/2019	Internal Auditor	5	5	6/22/2021	10/3/2019	
Fire Department Overtime Audit	5/9/2019	10/3/2019	Internal Auditor	2	2	5/9/2019	10/3/2019	
FY2019 CAFR and Single Audit	12/5/2019	12/5/2019	External Auditor	1	1	6/15/2020	8/20/2020	
Cash Handling 2019	12/3/2019	1/6/2020	Internal Auditor	20	20	6/22/2021	8/20/2020	
Social Media Study	11/25/2019	1/6/2020	Internal Auditor	13	13	6/22/2021	10/6/2022	
HR Administration - Eligible EE Group Ins.	12/3/2019	1/6/2020	Internal Auditor	4	4	6/15/2020	8/20/2020	
AP and P-Card Audit Program	4/1/2020	3/4/2021	Internal Auditor	4	4	8/4/2020	3/4/2021	
IT Vulnerability Audit	10/30/2020	12/8/2020	Internal Auditor	10	10	3/8/2022	10/6/2022	
Fleet Audit	3/30/2021	3/30/2021	Internal Auditor	6	6	3/8/2022	7/7/2022	
Revenue and Receivables Audit	5/25/2021	6/22/2021	Internal Auditor	3	3	12/7/2021	7/1/2020	
Payroll Internal Controls Testing	11/22/2021	12/7/2021	Internal Auditor	3	3	3/8/2022	7/7/2022	
Community Development Department	6/29/2022	7/12/2022	Internal Auditor	8	1	7/12/2022		Recommending 3 items for closure
IT Vulnerability Retest Report	7/12/2022	9/13/2022	Internal Auditor	6	0	9/13/2022		Recommending 5 items for closure
Wireless Assessment (see separate report)	4/30/2022	10/6/2022	Internal Auditor	1	1	9/13/2022	10/6/2022	
Endpoint Security Assessment	4/30/2022	10/6/2022	Internal Auditor	2	2	9/13/2022	10/6/2022	
Prelim Risk Assess. Body Worn Camera Prog.	9/1/2022	9/13/2022	Internal Auditor	4	0	9/13/2022		Recommending 2 items for closure
Utility Billing Internal Audit	12/1/2022		Internal Auditor	8				Recommending 3 item for closure
Total (including archived reports)				174	149			

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

Finding Corrected?

Y	Findings Addressed - Audit Committee closed
P	Partially Addressed items
N	Not yet addressed
Y	For Discussion today

Carson City
Community Development Internal Audit
June 2022

Item No.	BOS Closure	Finding	Recommendation	City - Remediation Plan (Course of Action & Expected Benefits)	Finding corrected? (Y, N, Partial)	Expected Compl. Date	Actual Compl. Date	Auditor Validation (Y,N)	Status Comments
1		Entergov has tripled the amount of data entry involved in processing a business license when compared to the legacy system. A poorly executed customer interface on the portal coupled with the inability to require payment prior to permit issuance caused the shutting down of the customer portal. Business licenses issued can be issued without payment and credits to potentially fictitious customers can go undetected, creating an opportunity for fraud and potential lost revenue for the City.	The City should continue to work with Energov to determine if the necessary updates can be made to improve efficiency, incorporate preventative controls, and features that will help effectively service customers. Alternatively, if there is no resolution with Energov, then the City should look into alternative software solutions.	Community Development has met with IT and IT is currently working with Energov to determine if resolution of the issues is feasible. If not, the staff will investigate alternative systems. Staff has underfilled a position to hire a consultant in anticipation of not being able to resolve issues. Community Development has set a date of January 1, 2023 and the Director will be the lead in working with the consultant.	N	1/1/2024			The system upgrade went live in August 2022 and there was a learning curve as staff needed to learn the capabilities of the new system. That said, there are still issues including the search function being difficult and automation that creates challenges such as the automatic creating of invoicing during a renewal. Concerns with preventative controls and customers not being able to use the portal continue and staff has not been able to work on these matters. Additionally, staff has not been able to hire a consultant as it needed to understand the function of the upgraded system and work with it so as to understand capabilities and limitations.
2		Business license fees list on the website is not complete per CCMC 4.04.020, it is missing Fictitious Filing Fees \$20 and Technology Fees of \$5.	The Director should work to provide an updated list of business fees to the customers for transparency on the website.	The fees can be added to the portion of the website that addresses business license fees as well as included on other materials associated with business license fees. Planning Manager will be responsible.	Y	1/1/2023	11/30/2022		These fees have been added to the website.
3		There is a lot of great information in the full report. This finding has to do with whether or not the City should continue to outsource with Charles Abbott (CAA). There isn't enough data regarding time CAA spends on their services to fully understand all the costs of each Building Permit.	Recommendation is that the City should use the benchmarking data as well as obtain further data on the number of hours each permit takes to process from intake, plan review, permit issuance, inspections, re-inspections, etc., in order to determine if we should continue outsourcing, move to a hybrid approach, or insource all together.	The current contract will expire in August 2024. By July 2023 the Director should provide an analysis to the City Manager/ Board of Supervisors relative to the recommendation to insource, continue outsourcing, or utilizing a hybrid approach. This will provide the City with a year to determine the preferred structure.	N	7/1/2023			
4		It was noted that there was a lack of monitoring of performance metrics as required by the City's contract with CAA. For example: permit transaction reports are attached to monthly invoices, however, the City does not monitor for timeliness of permit related activities or accuracy of the Permit fee calculations. There is also no formal customer feedback process or means of sharing unsolicited feedback with the Director.	Director should enforce the contract requirement for CAA to provide monitoring information to the City. The City and CAA should establish a customer feedback loop. Additionally the City should consider an independent audit of the consultants performance. Lastly, a quarterly or annual trend analysis of reported issues should be created and shared with the Director.	CAA typically does not have sole responsibility for a building permit's review. The delay could come from a City department. Director will work with City Manager's office on customer survey's both internal and external to the City. Reporting and surveys will be Director's responsibility.	N	7/1/2023			The Community Development Director conducts a builders round table quarterly. At the August 9, 2022 round table, the Director requested feedback from the development community regarding all aspects of development review. Input was related to ministerial permit plan check, energov, and "culture" issues including a lack of coordination. The Director is creating public / private partnerships to address these concerns. Additionally, a new Building Official began work in November 2022. This has created an opportunity to work with the consultant to identify opportunities for improvement.

Carson City
Community Development Internal Audit
June 2022

Item No.	BOS Closure	Finding	Recommendation	City - Remediation Plan (Course of Action & Expected Benefits)	Finding corrected? (Y, N, Partial)	Expected Compl. Date	Actual Compl. Date	Auditor Validation (Y,N)	Status Comments
5		Reinspection fee was not charged for FY 2021 and 2022 resulting in losses to the City of \$33,000 and \$17,000 respectively. There were many instances where the Final Inspection was performed, but the permit was canceled, and auditor was unable to determine the cause for such a late cancellation.	Director should require that re-inspection fees are charged to ensure the City receives payment for work performed. Director should also determine why there were 199 permits in 2021 and 84 permits in 2022 that a final inspection was noted, but no permit was issued.	Director will work with CAA to ensure they start charging the reinspection fee. Director also agrees to look into the canceled permits where inspections occurred by September 30, 2022 and report out to the City Manager, and Audit Committee.	Y	9/30/2022	9/30/2022		The building division has been directed to charge re-inspection fees. We were not able to identify "cancelled" permits where inspections occurred. But, we are in agreement with the consultant that should not occur.
6		Building Division has not evaluated the cost of its services in 15 years to determine if the fee fully covers the costs. There is currently no reliable data on how much in employee and CAA time it takes to issue a Permit. National Association of Home Builders has stated that construction permit fees are typically 1.7% of total project cost, but City per Permit cost only came to .48% of total project costs.	As an enterprise fund building permit fees should be designed to cover all direct costs. City should use the information contained in the report to help with a cost of service study. A review of expenses should also be done to determine that appropriate and legitimate expenses are properly reported.	Community Development staff does not have the skill set to pursue this recommendation, and we would need to outsource a consultant to pursue this task. Director is watching the fund closely to make sure that non-building related activities are not paid out of this fund.	N	1/1/2024			Existing staff does not have the skill set to pursue this recommendation. No action to contract for this task has been pursued. Director feels a determination as to whether or not to continue with Charles Abbott would need to be completed first. Then pursue a possible fee study.
7		CAA contract states that the Building Official with CAA is to provide building code enforcement. Based on interviews and discussions with Director and Building Official, CAA is not providing building code enforcement.	Director and possibly DA should enforce the contract language related to code enforcement and work to come to a resolution with CAA.	Director, DA's office and Building Official are scheduled to meet in August 2022 to further discuss.	Y	11/1/2022	11/1/2022		The consultant agrees that enforcement of the International Property Maintenance Code is part of its responsibilities and is performing in that role.
8	10/6/2022	Final Plan Review doesn't include all Department Final Sign-off, which causes plan delays when inspectors note that final reviews were not signed off.	Process workflow should be implemented to address version controls, for resubmittals of the plans to all plan reviewers to ensure a newer version of the plan is rerouted to all relevant parties for final review.	Director will request that CAA implement a workflow process that addresses the version controls and final reviews sign-off.	Y	9/1/2022	8/6/2022		Community Development has reviewed the workflow in energov to verify no one is dropped off the review and the permits techs are implementing

Carson City
IT Vulnerability Update Internal Audit
April 2022

Item No.	BOS Closure	Recommendation	Remediation Plan (Course of Action & Expected Benefits)	Finding corrected (Y, N, Partial)	Expected Compl. Date	Actual Compl. Date	Auditor Verified? (Y, N)	Status Comments
NOTE: 103 - Original Report - RETEST - 27 Remediated, 73 partially remediated, only 2 not remediated.								
1		Update all systems that are currently running on unsupported operating systems: Lack of support implies that no new security patches for the product will be released by the vendor. As a result, the unsupported operating systems are likely to contain security vulnerabilities. These systems should either be updated to run a supported operating system or shut down in order to protect the security, availability, and integrity of Carson City's infrastructure and data.	Staff is actively working on updating outdated systems and adjusting operations to be in line with industry best practices, such as automatic updates based on how critical a system is. Some legacy systems that cannot be updated will be isolated using a combination of identity based access rules and network security zones to mitigate the risk of their ongoing operation. Some of these systems may be decommissioned if our customer agency's business needs support this outcome. This will increase security, availability, and integrity of Carson City's infrastructure and data.	P	6/30/2025			Decision needs to be made by the System / Software owner for a replacement. Funding will be needed to replace systems and the infrastructure to support any new system. Some systems do not have upgrade path leading to a full replacement. Some systems have been scheduled for replacement in 2025. Example: Tiburon
2		Implement and enforce implementation of change control across all systems: Misconfiguration and insecure deployment issues were discovered across various systems. The vulnerabilities that arose can be mitigated through the use of change control processes on all systems.	Most issues identified in the external test were expected. Some sites do not use encryption as they don't warrant it with their purpose, others host apps that there are very few options for replacing/updating. Staff has implemented system hardening processes on many systems and will continue to expand on those efforts. Staff is working towards robust change management procedures that could prevent a misconfiguration from occurring as a standard risk management step. Staff's current approach requires a scope of work and review by at least two employees when performing work on critical infrastructure.	Y	12/31/2022	1/31/2022		Change Control Policy and Processes implemented January of 2022. Current records state process began in January 2022 within Manage Engine.
3		Implement a patch management program: Operating a consistent patch management program per the guidelines outlined in NIST SP 800-40 is an important component in maintaining good security posture. This will help to limit the attack surface that results from running unpatched internal services.	Staff has deployed tools such as inventory, deployment, and recently endpoint management software (EMS) to assist with this effort. Inventory and deployment systems allow staff to track and update software. EMS allows staff to scan endpoints for known security issues that require a patch and force the patch to be installed as part of network policy. Staff is continually working towards further automating and integrating these tools into our workflow. At last count our inventory of applications has more than 6251 software packages and components, which makes this an evergreen maintenance item for staff, requiring much in the way of time and resources.	Y	6/30/2025	12/16/2022		Current process is Patch, Reboot, and Scan is performed on the end units the last Thursday of each month and servers the last Wednesday of each month. There are exclusions for high risk and Public Safety units and servers. Reference recommendation #1 for High Risk Legacy systems.
4		Change default credentials upon installation: To reduce the risk of security breaches through default credentials which have been left configured on network devices, it's best to implement a process to change the passwords, and if possible, account names, when new equipment is installed.	Staff will change the identified systems with default credentials where possible. Some examples identified by the audit do not support credentials for their regular operation. For these devices, staff is working towards isolating in a similar fashion to devices that cannot be reasonably patched as a compensating control.	Y	6/30/2022	7/26/2022		SOP Created - System Hardening Process has been established which contains Peer Review. Policy is in Policy Tech.

Carson City
IT Vulnerability Update Internal Audit
April 2022

Item No.	BOS Closure	Recommendation	Remediation Plan (Course of Action & Expected Benefits)	Finding corrected (Y, N, Partial)	Expected Compl. Date	Actual Compl. Date	Auditor Verified? (Y, N)	Status Comments
5		Conduct regular vulnerability assessments: As part of an effective organizational risk management strategy, vulnerability assessments should be conducted on a regular basis. Doing so will allow the organization to determine if the installed security controls are installed properly, operating as intended, and producing the desired outcome. Consult NIST 800-30 for guidelines on operating an effective risk management program.	Staff believes that regular third party auditing of IT systems is valuable and will contribute to increased security of Carson City systems and data. Performing audits such as this one regularly would likely require additional resources to obtain the audit and then act upon the results of the audit in a timely fashion.	Y	11/1/2021	11/1/2021		SOP Created - System Hardening Process has been established which contains Peer Review. Policy is in Policy Tech.
6		Recommend remediation scanning be performed: Based on the number of issues identified we would recommend Carson City IT staff work toward remediating issues working on the most critical items first. Retesting should be performed within 6 months of this report.	Some issues identified in this report require a small effort to remediate and staff will remediate them in a timely fashion. Others are systemic issues that have already been identified by staff and require large-scale efforts to address in the long term. Additional resources would contribute towards addressing all of the identified issues in a more timely fashion.	Y	4/30/2022	4/30/2022		Comment - This is the retest - 1 year after initial report.

Note: In this audit staff gave maximum access to the auditors to simulate an attacker gaining access to a sensitive area of the network. Many of the identified issues were discovered because we bypassed our usual security controls to allow the penetration tester greater access. The findings are valuable, but do not necessarily represent vulnerabilities that could be exploited from any part of the City network. FINDINGS ARE OBFUSCATED, AS TO NOT PROVIDE A ROAD MAP TO WHERE ISSUES ARE; THEREFORE, TOTAL FINDINGS ARE NOTED, BUT SUMMARIZED HERE.

Carson City
Preliminary Risk Assessment of Body Worn Camera Program
September 2022

Item No.	BOS Closure	Recommendation	Remediation Plan (Course of Action & Expected Benefits)	Finding corrected (Y, N, Partial)	Expected Compl. Date	Actual Compl. Date	Auditor Verified? (Y, N)	Status Comments
1		The Sheriff's Office should establish a process that ensures all officers responding to 911 dispatch calls and all self-initiated activities requiring dispatch notification have a BWC video. Additionally, performance metrics and goals should be established for Body Worn Camera ("BWC") activation.	Sheriff is reviewing Axon and other performance products, and will need to build performance metrics and goals.	N	7/1/2023			
2		The Sheriff's Office should update their BWC policy to address when the video upload and categorization is to occur. Additionally, the Sheriff's Office should perform routine monitoring of the uploads and the categorization of videos for completeness and accuracy. Lastly, performance metrics and goals should be established for BWC uploads and categorization of videos.	Sheriff's office agrees and will incorporate into policy instruction when to upload and categorize video from a BWC.	Y	10/30/2022	10/20/2022		As of 10/20/2022, the BWC policy indicates that after every shift, or as soon as practical, the deputy should cause the BWC to be downloaded and charged as prescribed by the manufacturer.
3		The Sheriff's Office should continue to roll out the BWC program's Early Warning Policy to comply with NRS 289.823. Furthermore, the policy should implement a system and methodology to monitor the BWC video for compliance with the BWC program and policy, and identification of opportunities for improvement to include all uniformed personnel with BWC devices, including the Jailors. This should include an evaluation of the total reviews that need to be completed in order to be statistically significant in comparison to the total of BWC footage of each uniformed personnel with a BWC device or other means of how supervisors chose videos for review, such as utilizing the feature within the Axon software that aids in the random selection of the videos for review. Lastly, the supervisor's monitoring of the videos should also be reviewed for compliance with set methodology and intent of the program and related policies.	The Sheriff's Office has established policy to address the Early Warning Policy, as per NRS 289.823. The implementation of Performance Measures will address the recommendations above. Detention officers are not required to have BWC; however, they have been issued to provide additional audio/visual documentation and record of events. An internal work group will address and publish a policy for camera use within the jail.	N	7/1/2023			
4		Review and update the current BWC policy to reflect current operating practices and alignment with NRS 289.830. Specifically, the policy should be updated to include disciplinary actions.	BWC policy is currently in review as a natural course of implementing the in-car camera as well as the early warning policies. Although not specifically mentioned in the BWC policy, it is a violation of Standards of Conduct for an employee's, "Failure to operate a portable recording device as required by the Office and/or editing or erasing any portion of a recording". See policy 339.5.8.(J). Discipline for the violation can range from a warning up to and including termination.	Y	10/30/2022	10/30/2022		The BWC policy was reviewed based on this specific recommendation. After assessment it was decided that the current policy format is sufficient; potential discipline for any and all policy violations are covered under Policy 339 - Standards of Conduct

Carson City
Preliminary Risk Assessment Review of Utility Billing Process
December 2022

Item No.	BOS Closure	Recommendation	Remediation Plan (Course of Action & Expected Benefits)	Finding corrected (Y, N, Partial)	Expected Compl. Date	Actual Compl. Date	Auditor Verified? (Y, N)	Status Comments
1		Finding: Several Tyler Munis conversion issues such as missing information, customers are not able to see their tier level, and e-mailed bills is not working consistently have been a problem. Recommendation: The Utility Billing Division should continue tracking the occurrence of these issues and notify Tyler Munis Support to resolve the ongoing issues.	Scanning issues should be resolved with Munis by July 1, 2023. Visibility of the Tiers has been corrected as of the date of the report, and E-mail issues will be ongoing with Munis until a solution is reached.	N	7/1/2023			
2		Finding: No approval of Customer Adjustments. Recommendation: We recommend follow-up be performed of the implemented workflows to confirm review of the approvals for adjustments of \$2,000 and above have the proper approval document in Munis.	Director's electronic approval of adjustments over \$2,000 has been set up in munis. The Director is notified of adjustments over \$2,000 via e-mail and he approves the adjustment in Munis before it is processed. Additionally, ay adjustment over \$2,000 made prior to October 2022 have the proper documentation attached to the account file in TCM.	Y	1/1/2023	1/1/2023		This has been completed immediately and is working as intended.
3		Finding: Billing Adjustment codes do not have a clear policy, nor are they used consistently. Recommendation: We recommend that a Billing Adjustment Policy be established and a procedures which includes a review for prior billing adjustments, how many are allowed for a specific issue, and which code should be used in which instance. City should require the customer to provide proof that the problem has been resolved such as an invoice or receipt for leak adjustment.	Historically, Public Works has allowed 1 adjustment "per incident" on a customer account, this does allow a customer to receive more than one adjustment over a period of time. Various reason codes exist in the system and early on, there were inconsistencies in their use. The Director and Business Manager will establish a policy and an adjustment code guideline. Currently the customer requests on adjustment must be in writing and provide a receipt for repairs; however, if the homeowner fixes their own leak, Public Works will not allow the adjustment until usage returns to normal.	*Y*	3/1/2023	2/24/2023		This has been completed.
4		Finding: Water Meter no Read Errors. Recommendation: The City should perform a cost benefit analysis to determine whether implementing an Advanced Metering Infrastructure (AMI) system is more cost beneficial to the City.	Agree, a cost benefit analysis will be performed and if a benefit can be realized, Public Works will develop a timeline and a cost of implementation. The Water Utility Manager will oversee this process and get it completed by July 1, 2023.	N	7/1/2023			
5		Finding: Identified 152 accounts with no water consumption for 14 consecutive months. Recommendation: We recommend the City implement a policy and procedure to monitor and review active accounts with zero consumption annually. Cost Benefit analysis of maintaining meters, meter technician's time in verifying and validating that meters are working, and Utility Billing Specialist's time in reviewing zero consumption reports.	Agree, the department business manager will create a policy and procedure for monitoring and the Fiscal Analyst will perform a cost-benefit analysis.	*Y*	3/1/2023	3/15/2023		This has been completed.

Carson City
Preliminary Risk Assessment Review of Utility Billing Process
December 2022

Item No.	BOS Closure	Recommendation	Remediation Plan (Course of Action & Expected Benefits)	Finding corrected (Y, N, Partial)	Expected Compl. Date	Actual Compl. Date	Auditor Verified? (Y, N)	Status Comments
6		Finding - Reconciling of customer activity has not been performed since Munis went live. 4629 accounts were identified which were not billed at least one of the services, Water, Wastewater or Stormwater. Recommendation: A reconciliation of customer activity should be performed annually. GIS Mapping may help as certain areas of the City do not have access to Water, they are on their own well, etc.	Every property is different, and the standard Water/Wastewater/Stormwater Services provided. Residential Properties are treated differently from commercial and vacant lots are different that developed lots. Properties on well and/or septic are different as well. That being said, Carson City will hire an outside consultant to assist in the audit of the Utility Billing accounts.	N	8/1/2023			
7		Finding: Waste of Water Violation Recommendation: We recommend that the City perform benchmarking of other municipalities waste of water violations and penalties.	The Municipal Code must be reviewed and updated before new fees can be implement. Public Works will work with the DA's office to review surrounding municipalities and propose any changes needed.	N	7/1/2023			
8		Finding: Opportunities exist to reduce the cost of billings by sending electronic bills to customers instead of paper bills. Recommendation: Confirm and work with customers on how they want to receive their bill. Additionally, work with Treasurer on how they can increase the use of credit card payment, as opposed to processing checks.	Agreed, it would be more efficient and cost effective to send out electronic bills, but encouraging customers to sign-up may be difficult, as Carson has an older population that prefer to receive paper bills and current technical issues, such as stated in finding #1. Treasurer will perform a cost benefit analysis on credit card payments vs. checks, but again, we can not require payments be made a certain way.	N	11/1/2023			

Carson City
End Point User Internal Audit
April 2022

Item No.	BOS Closure	Recommendation	Remediation Plan (Course of Action & Expected Benefits)	Finding corrected (Y, N, Partial)	Expected Compl. Date	Actual Compl. Date	Auditor Verified? (Y, N)	Status Comments
NOTE: 11 Findings - 5 High Risk, 5 medium risk, 1 low risk.								
1	10/6/2022	Remediate the vulnerabilities identified in the City workstation and user account during the Endpoint Security Assessment to address the following high risk findings: undetected virus; security changes by users; disabled networks security controls; unquoted service paths; and unsecure ciphers.	Staff is actively working on noted recommendations, starting with High Risk areas.	*Y*	6/30/2022	8/1/2022		Hardening processes are in place. Current antivirus has been notified on virus gaps and have updated their virus signatures / definitions. Google has been locked down to meet the Security Changes within the Audit. Unsecure Ciphers removed.
2	10/6/2022	Remediate the following medium and low risk findings noted on the Endpoint Security Assessment: enforce BitLocker; implement new versions of TLS; require signing on remote services; upgrade the remote host; apply vendor recommended settings for remote host; implement best practice web browsing solution (noted in report).	Staff is actively working on noted recommendations, starting with High Risk areas.	*Y*	6/30/2022	8/1/2022		Items have been remediated.

Carson City
Social Media Study
November 25, 2019

Item No.	BOS Closure	Recommendation	Remediation Plan (Course of Action & Expected Benefits)	Finding corrected? (Y, N, Partial)	Expected Compl. Date	Actual Compl. Date	Auditor Validation (Y,N)	Status Comments
1	8/20/2020	City run social media sites created without the approval of the City Manager or the knowledge of the IT department.	Create a list of all active Social Media Accounts. Implement annual review.	*Y*	3/31/2020	3/31/2020		City Manager Office will ask that Departments provide to CIO a listing of all active social media accounts. Update: The City Manager's Office requested that City Departments provide a listing of all active social media accounts. The Digital Media Coordinator now has access to all City accounts. In addition, the Digital Media Coordinator regularly runs audits on accounts utilizing archive social software.
2	8/20/2020	Although the City has developed associated policies and procedures to address social media usage and assessed the risks of employee's access to social media sites, there does not appear to be any approval or enforcement process.	Obtain Social Media Asset forms for all existing social media sites. Enforce the use of this form going forward.	*Y*	3/31/2020	3/31/2020	SMR	City Manager will work with IT and CIO and Digital Media Coordinator shall obtain all Social Media Asset forms for all existing social media sites. Update: The Social Media Asset Form is available in Policytech. No new accounts have been requested / established since the internal audit was performed.
3	7/1/2021	We reviewed the citywide Social Media policy on PolicyTech which states, "Departments wishing to create and manage department specific social media assets,...should fill out a Social Media Asset Form (available on CCNET) and submit if for approval by the City Manager." However, this policy was not enforcement, which increases the risk to the City, as the social media site may not	Evaluate enforcement practices related to non-compliance with the City's Social media policy and document the approach.	*Y*	2/28/2021	3/5/2021		CIO and Digital Media Coordinator will evaluate enforcement practices. UPDATE: The process for enforcement is depicted in the policy, which is being reviewed by the DA's office. UPDATE: The DA's Office approved the process for enforcement. This process is currently in practice. - RS
4	7/1/2021	Social media site created without a formal request or approval obtained. We compared the current social media policy on PolicyTech to the draft version of the policy being updated and noted one area that should be included in the updated policy. The updated policy needs the method or methods for which the departments would obtain approval from	Formalize the social media request and approval process prior to creating a new site.	*Y*	2/28/2021	3/5/2021		CIO, Digital Media Coordinator, and District Attorney's Office will update Social Media Policy and provide to CM for review. UPDATE: Final Approvals done, complete.
5	7/1/2021	Risks of employee's access to social media sites while on the City's network and personal mobile devices has not been addressed in the Unacceptable Behavior policy.	Update the unacceptable behavior policy.	*Y*	4/8/2021			HR Director will update policy as proposed and CM will review and approve. NOTE: Regarding 1st Amendment rights by accepting public employment the U.S. Supreme Court has found that citizens do not surrender their rights. However, an employer can impose certain restraints so long as the restrictions are based upon the government's interest in "promoting efficiency and integrity in the discharge of official duties and maintaining proper discipline in the public service." UPDATE: Policy Final Approval completed on 4/8/2021

Carson City
Social Media Study
November 25, 2019

6	7/1/2021	Risks of employee's access to social media sites while on the City's network and personal mobile devices has not been addressed in the Computer	Update the Computer Resources Usage Policy to include Employee personal use of social media using City devices and for business purposes using personally owned devices.	*Y*	4/21/2021			HR Director will update policy as proposed and CM will review and approve. UPDATE: Policy Final Approval completed on 4/21/2021
7	3/4/2021	Individual city departments have their own social media policy that does not align with the city's Social Media policy.	Review current social media accounts for compliance with set rules add modifications if necessary.	*Y*	12/31/2020		9/30/2020	CIO and Digital Media Coordinator shall review each departments social media polies and forward recommendations to the department director. UPDATE: All departments except Health and Human Services will fall under the proposed social media policy, the Digital Media Coordinator reviewed CCHHS policy and no changes are needed.
8	7/1/2021	CCHHS department Marketing and Communications Procedures have several best practices including, content approval hierarchy, a style guide, and templates. However, the policy does not include controls over social media communications such as monitoring,	Departments should update their social media policies to ensure they align with and refer to the Citywide Policy.	*Y*	4/21/2021		3/5/2021	CIO and Digital Media Coordinator shall review each departments social media polies and forward recommendations to the department director. UPDATE: All departments fall under the scope of the final social media policy, and are enrolled in the digital media archiving and monitoring system.
9	8/20/2020	Online access to request new social media account(s) or marketing campaign would help to streamline the request and approval process.	IT department should provide tracking and timely approval of requests for new social media accounts.	*Y*	Start as soon as form is available.		3/31/2020	SMR New social media requests/Forms can be handled through current IT help Desk e-mail process. Update: The Social Media Asset Form is available in Policytech. No new accounts have been requested / established since the internal audit was performed.
10	7/1/2021	Social media archiving is likely not in compliance for those departments not actively monitored by the Digital Media Coordinator and the City's software - ArchiveSocial.	All deleted comments should be properly archived with comments.	*Y*	4/21/2021		3/5/2021	CIO, Digital Media Coordinator, and District Attorney's Office will update Social Media Policy and provide for CM for review. UPDATE: All departments fall under the scope of the final social media policy, and are enrolled in the digital media archiving and monitoring system.
11	7/1/2021	The Digital Media Coordinator is responsible for the creation of the majority of the social media content and monitoring. As the number of the City's social media accounts continue to grow so do the comments and followers. As such, the need for more moderation and department interaction also continues to rise.	Recommend the City acquire the risk management and analytics suite of the current ArchiveSocial software to assist in the use of automated monitoring, analysis and alerts to violation of City policy.	*Y*	3/31/2021		3/5/2021	CIO will provide cost estimate for risk management and analytics suite of the current ArchiveSocial Software for FY 21 budge cycle. - NOTE that recent court cases have found government social media accounts to be "designated pubic forums", meaning that individuals have a 1st amendment right to comment on government social media pages. However restrictions are permitted where they are viewpoint neutral and reasonable. To implement these restrictions, there must be an explicit policy indicating the government intent to restrict the forum to certain topics. Where the social media policy allows for departments to delete certain comments, clear guidelines will be needed. Additionally I would recommend disclaiming on the individual social media page what the purpose of the page is to limit the scope of the forum and disclaiming which types of comments will not be permitted. - UPDATE: Software for Archiving Social Media was purchased on August 30th. UPDATE: All the

Carson City
 Social Media Study
 November 25, 2019

12	7/1/2021	Currently, the communications function is handled primarily by the Digital Media Coordinator, which has one staff member who splits their time doing other IT activities. An effective public information program relies in part upon timely information from City staff about upcoming projects, programs and services. For greater effectiveness and efficiency in informing the public, more employees should be solely dedicated to communications and its practices.	Determine duties regarding who is responsible for content and monitoring of such content.	*Y*	12/30/2020	3/5/2021		CM will meet with Department Directors to discuss the possibility of partially shifting content creation down to the department level which could allow for more timely content, responses, and relevant information. Additionally, Dept. Directors' responsibility for the detailed oversight and monitoring of the department's social media accounts will be incorporated into the Social Media Policy within the timeframes Stated above. UPDATE: The full scope of the responsibilities departments have in relation to media content creation and monitoring have been expressed in
13	10/6/2022	The City does not have an Information Security Response Plan	Create an Information Security Response Plan to include procedures for responding to security incidents, communication protocol and determine system impact.	*Y*	6/30/2022	6/30/2022	N	CIO will create an Information Security response Plan. UPDATE: Plan is complete.

Carson City
IT Vulnerability Audit
October 30, 2020

Item No.	BOS Closure	Recommendation	Remediation Plan (Course of Action & Expected Benefits)	Finding corrected (Y, N, Partial)	Expected Compl. Date	Actual Compl. Date	Auditor Verified? (Y, N)	Status Comments
NOTE: 12 Findings - External								
1	10/6/2022	Update all systems that are currently running on outdated software: Lack of support implies that no new security patches for the product will be released by the vendor. As a result, the unsupported operating systems are likely to contain vulnerabilities. These systems should either be updated to run a supported operating system or shut down in order to protect the security, availability, and integrity of Carson City's perimeter network.	Staff is actively working on updating outdated systems and adjusting operations to be in line with industry best practices, such as automatic updates based on how critical a system is. Some legacy systems that cannot be updated will be isolated using a combination of identity based access rules and network security zones to mitigate the risk of their ongoing operation. Some of these systems may be decommissioned if our customer agency's business needs support this outcome. This will increase security, availability, and integrity of Carson City's infrastructure and data.	*Y*	3/31/2022	6/13/2022	Y	Staff is making progress on resolving issues. IT has been updating systems on a continuous basis. Some systems will require funding to stay current, extended support has been purchased for endpoint security to protect legacy systems. Maintenance will be performed with approval from the affected department(s). UPDATE 6/13/2022 - VALIDATED ALL FINDINGS COMPLETE, NEW REPORT WAS PRESENTED TO AUDIT COMMITTEE 7-12-2022.
2	10/6/2022	System hardening processes should be in place across all systems: Misconfiguration and insecure deployment issues were discovered across various systems. The vulnerabilities that arose can be mitigated through the use of change control processes on all systems.	Most issues identified in the external test were expected. Some sites do not use encryption as they don't warrant it with their purpose, others host apps that there are very few options for replacing/updating. Staff has implemented system hardening processes on many systems and will continue to expand on those efforts. Staff is working towards robust change management procedures that could prevent a misconfiguration from occurring as a standard risk management step. Staff's current approach requires a scope of work and review by at least two employees when performing work on critical infrastructure.	*Y*	3/31/2022	6/13/2022	Y	Staff has continued to make progress on system hardening, changing default accounts and passwords and change management including the use of automated deployment tools and templates. Work is being conducted to update patch deployment systems. UPDATE 6/13/2022 - VALIDATED ALL FINDINGS COMPLETE, NEW REPORT WAS PRESENTED TO AUDIT COMMITTEE 7-12-2022.
3	10/6/2022	Web development processes: Ensure coding of website and web applications follow OWASP standards. The OWASP Top 10 is a standard awareness document for developers and web application security. Carson City should adopt this document and start the process of ensuring that their web applications minimize these risks.	External findings that would fall under OWASP guidelines are Commercial Off The Shelf (COTS) applications under which the City has little control over development. The City can add OWASP as a procurement requirement for COTS applications, however this may limit the scope and range of options for the City as a whole when considering vendors of specialized software, such as the software from which this item stems. Staff will review this recommendation and consider how to implement it.	*Y*	3/31/2022	6/13/2022	Y	Staff does not have the recommendation yet, but has begun to approach new vendors with this requirement. Update: Staff will work with external vendors to ensure that these standards are being followed for the Carson City websites they host. UPDATE 6/13/2022 - VALIDATED ALL FINDINGS COMPLETE, NEW REPORT WAS PRESENTED TO AUDIT COMMITTEE 7-12-2022.
4	10/6/2022	Recommend remediation scanning be performed: Based on the number of issues identified we would recommend Carson City IT staff work toward remediating issues working on the most critical items first. Retesting should be performed within 6 months of this report.	Carson City systems are regularly scanned and most by MS-ISAC / CIS as part of a federal program intended to harden local government systems. Most issues identified by the external audit were also identified by the MS-ISAC / CISC scanning effort and were known/expected. Staff will either remediate or document exceptions to all findings.	*Y*	3/31/2022	6/13/2022	Y	In the December 2020 Audit Committee meeting, it was decided to re-test in August 2021. This was pushed to the last quarter of FY22, as we have a new CIO. UPDATE 6/13/2022 - VALIDATED ALL FINDINGS COMPLETE, NEW REPORT WAS PRESENTED TO AUDIT COMMITTEE 7-12-2022.
NOTE: 103 Findings - Internal								
1	10/6/2022	Update all systems that are currently running on unsupported operating systems: Lack of support implies that no new security patches for the product will be released by the vendor. As a result, the unsupported operating systems are likely to contain security vulnerabilities. These systems should either be updated to run a supported operating system or shut down in order to protect the security, availability, and integrity of Carson City's infrastructure and data.	Staff is actively working on updating outdated systems and adjusting operations to be in line with industry best practices, such as automatic updates based on how critical a system is. Some legacy systems that cannot be updated will be isolated using a combination of identity based access rules and network security zones to mitigate the risk of their ongoing operation. Some of these systems may be decommissioned if our customer agency's business needs support this outcome. This will increase security, availability, and integrity of Carson City's infrastructure and data.	*Y*	3/31/2022	6/13/2022	Y	Staff is making progress on resolving issues; Current Status 11.24.2021: IT has been updating systems on a continuous basis. Some systems will require funding to stay current, extended support has been purchased for endpoint security to protect legacy systems. Maintenance downtime will be performed with the approval from the affected department(s). UPDATE 6/13/2022 - VALIDATED ALL FINDINGS COMPLETE, NEW REPORT WAS PRESENTED TO AUDIT COMMITTEE 7-12-2022.

Carson City
IT Vulnerability Audit
October 30, 2020

2	10/6/2022	Implement and enforce implementation of change control across all systems: Misconfiguration and insecure deployment issues were discovered across various systems. The vulnerabilities that arose can be mitigated through the use of change control processes on all systems.	Most issues identified in the external test were expected. Some sites do not use encryption as they don't warrant it with their purpose, others host apps that there are very few options for replacing/updating. Staff has implemented system hardening processes on many systems and will continue to expand on those efforts. Staff is working towards robust change management procedures that could prevent a misconfiguration from occurring as a standard risk management step. Staff's current approach requires a scope of work and review by at least two employees when performing work on critical infrastructure.	*Y*	3/31/2022	6/13/2022	Y	Staff is continuing to make progress on system hardening and change management including the use of automated deployment tools and templates. Update: A new application is being setup to track all changes and approvals within the environment. UPDATE 6/13/2022 - VALIDATED ALL FINDINGS COMPLETE, NEW REPORT WAS PRESENTED TO AUDIT COMMITTEE 7-12-2022.
3	10/6/2022	Implement a patch management program: Operating a consistent patch management program per the guidelines outlined in NIST SP 800-40 is an important component in maintaining good security posture. This will help to limit the attack surface that results from running unpatched internal services.	Staff has deployed tools such as inventory, deployment, and recently endpoint management software (EMS) to assist with this effort. Inventory and deployment systems allow staff to track and update software. EMS allows staff to scan endpoints for known security issues that require a patch and force the patch to be installed as part of network policy. Staff is continually working towards further automating and integrating these tools into our workflow. At last count our inventory of applications has more than 6251 software packages and components, which makes this an evergreen maintenance item for staff, requiring much in the way of time and resources.	*Y*	3/31/2022	6/13/2022	Y	A new application is being setup to track all managed systems within the environment. These managed systems will have regular patching cycles based on the manufacturer's recommendations. Staff expects to be able to demonstrate significant progress at the time of the audit follow-up. UPDATE 6/13/2022 - VALIDATED ALL FINDINGS COMPLETE, NEW REPORT WAS PRESENTED TO AUDIT COMMITTEE 7-12-2022.
4	10/6/2022	Change default credentials upon installation: To reduce the risk of security breaches through default credentials which have been left configured on network devices, it's best to implement a process to change the passwords, and if possible, account names, when new equipment is installed.	Staff will change the identified systems with default credentials where possible. Some examples identified by the audit do not support credentials for their regular operation. For these devices, staff is working towards isolating in a similar fashion to devices that cannot be reasonably patched as a compensating control.	*Y*	3/31/2022	6/13/2022	Y	An existing application is being utilized to ensure default credentials are changed on all managed systems. Staff expects to be able to demonstrate significant progress at the time of the audit follow-up. UPDATE 6/13/2022 - VALIDATED ALL FINDINGS COMPLETE, NEW REPORT WAS PRESENTED TO AUDIT COMMITTEE 7-12-2022.
5	10/6/2022	Conduct regular vulnerability assessments: As part of an effective organizational risk management strategy, vulnerability assessments should be conducted on a regular basis. Doing so will allow the organization to determine if the installed security controls are installed properly, operating as intended, and producing the desired outcome. Consult NIST 800-30 for guidelines on operating an effective risk management program.	Staff believes that regular third party auditing of IT systems is valuable and will contribute to increased security of Carson City systems and data. Performing audits such as this one regularly would likely require additional resources to obtain the audit and then act upon the results of the audit in a timely fashion.	*Y*	3/31/2022	6/13/2022	Y	A new application is being utilized to conduct vulnerability assessments on an established cadence. Staff expects to be able to demonstrate significant progress at the time of the audit follow-up. UPDATE 6/13/2022 - VALIDATED ALL FINDINGS COMPLETE, NEW REPORT WAS PRESENTED TO AUDIT COMMITTEE 7-12-2022.
6	10/6/2022	Recommend remediation scanning be performed: Based on the number of issues identified we would recommend Carson City IT staff work toward remediating issues working on the most critical items first. Retesting should be performed within 6 months of this report.	Some issues identified in this report require a small effort to remediate and staff will remediate them in a timely fashion. Others are systemic issues that have already been identified by staff and require large-scale efforts to address in the long term. Additional resources would contribute towards addressing all of the identified issues in a more timely fashion.	*Y*	3/31/2022	6/13/2022	Y	Staff expects to be able to demonstrate progress at the time of the re-test. Update: Using the results from the new vulnerability scanning application, critical and high vulnerabilities will be able to be addressed. Legacy systems are still planned for a migration to more modern operating systems with the permission of each department. UPDATE 6/13/2022 - VALIDATED ALL FINDINGS COMPLETE, NEW REPORT WAS PRESENTED TO AUDIT COMMITTEE 7-12-2022.

Note: In this audit staff gave maximum access to the auditors to simulate an attacker gaining access to a sensitive area of the network. Many of the identified issues were discovered because we bypassed our usual security controls to allow the penetration tester greater access. The findings are valuable, but do not necessarily represent vulnerabilities that could be exploited from any part of the City network. FINDINGS ARE OBFUSCATED, AS TO NOT PROVIDE A ROAD MAP TO WHERE ISSUES ARE; THEREFORE, TOTAL FINDINGS ARE NOTED, BUT SUMMARIZED HERE.

Carson City
Fleet Management Audit
March 10, 2021

Item No.	BOS Closure	Recommendation	Remediation Plan (Course of Action & Expected Benefits)	Finding corrected? (Y, N, Partial)	Expected Compl. Date	Actual Compl. Date	Auditor Verified? (Y, N)	Status Comments
1	7/7/2022	FINDING 1 - Inventory Security and Tracking: RECOMMENDATION: Short-term solution - restrict access to Inventory to Fleet Services personnel by installing facility locks if feasible. Long-term solution - incorporate a tracking mechanism by implementing parts tracking sheet where Fleet personnel can sign, date, and identify the parts used and removed from inventory. Consider bar code technology or one designated Fleet Technician responsible for tracking fleet.	This was a recommendation in the last Internal Audit as well. The Fleet Facility is secured within the Public Works Corporate Yard and restricted to badge-only access. To date, there is no known instance of inventory loss; however, management agrees that there are opportunities to reduce risk and improve security over inventory. Management will submit a supplemental budget request for the position with the FY22 budget requests for consideration by the Board of Supervisors.	Y	1/31/2022	7/1/2021	Y	Tracking sheet has been implemented. Facilities Division is installing additional restrictions on inventory access concurrent with hiring of Fleet Warehouse Coordinator (new FY22 position). Anticipated to be completed August 2021. STATUS: Requested Internal Audit Validation once position is up and running (5-6 Months). STATUS UPDATE: Auditor has validated process in place, procedures working as intended. Recommend Closure

Carson City
Payroll
November 22, 2021

Item No.	BOS Closure	Recommendation	Remediation Plan (Course of Action & Expected Benefits)	Finding corrected ? (Y, N, Partial)	Expected Compl. Date	Actual Compl. Date	Auditor Verified? (Y, N)	Status Comments
1	7/7/2022	FINDING 1 - No formalized tracking mechanism or process for a preiodic review and assessment of payroll related statutory changes. - Intenal Auditor recommends that the City implement a tracking mechanism with appropriate documentation or payroll related regulatory changes. Including sign-off from HR Director and Chief Financial Officer.	Staff agree with the finding and plan to create an internal memo with necessary support, annually, likely in December/January when Regulatory Changes primarily occur. This memo will be routed to HR Director and CFO for signature, and retained by Finance.	Y	2/28/2022	2/28/2022	N	This is working as intended, Melanie and I signed off on the Memo that Jamie circulated regarding IRS and contract changes. Recommend Closure
3	7/7/2022	FINDING 3 - It was noted that HR employees in User Key Roles have full access to payroll related functions in Munis including the role permissions in "Pay Type Maintenance" and "proection run number Maintenance Access" functions. - Internal Auditor recommends that the City's IT department perform further review and modifications, where needed of Munis system functionality pertaining to user role and permissions granted to HR adn Finance employees to ensure proper segregation of duties.	Management agrees, IT Application Team will work with HR and Finance to test permissions for existing HR Roles in the Munis Test Environment. Role will be tested against operational and department responsibilities and updated to comply with the principle of least privilege.	Y	12/31/2021	12/31/2021	N	IT has corrected this issue and removed access that was not necessary. Recommend Closure

Carson City
 Revenue Accounts Receivable
 May 25, 2021

Item No.	BOS Closure	Recommendation	Remediation Plan (Course of Action & Expected Benefits)	Finding corrected ? (Y, N, Partial)	Expected Compl. Date	Actual Compl. Date	Auditor Verified? (Y, N)	Status Comments
1		FINDING 1 - A - During our review of the Tyler Cashiering receipts for Landfill Services, we noted that a year-end adjustment in July 2020 billing for June 2020 services, in the amount of \$422,116.11 was not recorded as a receivable and a revenue in FY 2020.	We recommend that the Finance Department develop and implement a methodology to ensure completeness and accuracy of accounts receivable and revenue recorded at year end. - Management will create a year-end Journal Entry checklist, to ensure that all year end adjustments are completed.	Y	10/30/2020	11/30/2021	Y	Staff will create a checklist during the current year closing procedures. Status: Staff created the checklist and had no findings during the FY 2021 Audit. Recommended for Closure by Audit Committee 12/7/2021.

Carson City
Cash Handling Audit 2019
December 3, 2019

Item No.	BOS Closure	Finding/Recommendation	Remediation Plan (Course of Action & Expected Benefits)	Est. Cost	Est. Savings	Finding corrected? (Y, N, Partial)	Expected Compl. Date	Actual Compl. Date	Auditor Validation (Y,N)	Status Comments
1	8/20/2020	LIBRARY: Incompatible duties where they collect cash and prepare the bank deposit.	Proper segregation of duties between cash handling and preparation of bank deposits should be put into practice to prevent individuals from handling unrecorded cash and preparing the bank deposit.	\$ -	0	*Y*	12/1/2019	12/1/2019	Y	Although the Library has limited full and part-time staff available, they will work to assign another staff person each day. The procedure will be implemented by the last day of November.
2	8/20/2020	Daily balancing of the cash transactions lacks sign-off by the Finance Clerk as evidence that the activity was preformed.	The Finance Clerk should sign-off on the cash transactions reconciliation as evidence that the activity was preformed.	\$ -	0	*Y*	11/18/2019	11/18/2019	Y	The Finance Clerk will add signing the cash transaction sheet each day it is prepared and add this step to the cash transactions process. The Business Manager will review the sheets as part of the deposit reconciliation to ensure it has been signed. This process has been put in place as of November 18, 2019.
3	8/20/2020	Controls are not in place to prevent or detect misappropriation of assets	Implement a preventative control where a second person is present in the same room while the cash is being recounted and bank deposit preparations are preformed. Alternatively, the Library should request installation of a camera as a detective control to observe the cash count and bank deposit preparation when another person is not present.	\$ -	0	*Y*	1/1/2020	1/1/2020	Y	Library will review staff availability in order to add a person to sit in the same room with the Finance Clerk while the cash recount/reconciliation occurs. Due to library open hours and staff schedules it will likely be a different person each day. Library does prefer the camera solution recommended and will request this as part of their FY21 budget process as a long-term solution. Process will be in place in Early December.
4	8/20/2020	Although there is a biweekly inventory performed the bus passes require additional safekeeping.	We recommend adding additional controls to secure the bus passes.	\$ -	0	*Y*	1/1/2020	1/1/2020	Y	Library is working with JAC to address the finding.
5	8/20/2020	Checks are endorsed the following day by the Finance Clerk which is not in compliance with the City's Cash Handling Policy.	Individuals processing the payment should endorse checks immediately upon receipt.	\$ -	0	*Y*	11/30/2019	11/30/2019	Y	The Library will purchase additional check endorsement stamps for the cash registers in November. Immediately endorsing the checks will be added to the transaction process as soon as stamps are received.
6	8/20/2020	CLERK & RECORDER: Cash handing is not in compliance with the City's Cash Handling Policy.	We recommend adding additional controls to secure cash. To note, locked cash drawers are both behind locked doors, with security cameras, and is inside the Courthouse which is secured at all entrances. At a minimum, the department should request a policy modification to the City's Cash Handling Policy.	\$ -	0	*Y*	1/31/2020	1/31/2020	Y	Clerk-Recorder will address the additional controls to secure cash.
7	8/20/2020	Safekeeping of the keys to the cash drawers require additional modification to be in compliance with the City's Cash Handling Policy.	Clerk Dept. should mirror the practice of the Recorders and keep the key to the cash drawer in their custody at all times.	\$ -	0	*Y*	1/31/2020	1/31/2020	Y	Chief Deputy Clerk will provide each staff member their individual cash drawer key that they will maintain possession of.

Carson City
Cash Handling Audit 2019
December 3, 2019

8	8/20/2020	Multiple individuals have access to perform transactions from the same cash drawer, which is not in compliance with the City's Cash Handling Policy. Each user has their own log-in code which they need to input before a transaction can be processed.	We recommend the department update the procedures cash drawer section of their department specific policy and procedure and add details on the user log-in process when performing cash transactions that allow for each user to record their transactions while sharing the same cash drawer.	\$ -	0	*Y*	1/31/2020	2/9/2020	Y	Clerk-Recorder will update the cash drawer procedures within it's department specific policy and procedure.
9	8/20/2020	Cash Handling training sessions are not conducted every two years which is not in compliance with the City's Cash Handling Policy.	Conduct cash handling refresher training every two years to ensure employees handling cash are adhering to the City's Cash Handling Policy with the first session scheduled to be conducted in January 2020	\$ -	0	*Y*	1/31/2020	1/31/2020	Y	Clerk-Recorder will request each staff member within its' departments watch the Carson City Treasurer's cash handling video as well as facilitate a department meeting to discuss cash handling procedures every two years. There will be an attendance log and agenda for each meeting held.
10	3/4/2021	COMMUNITY DEVELOPMENT: Controls are not in place to prevent or detect misappropriation of assets.	Analyze the security needs of each cash collection point and strengthen security controls whenever necessary.	\$ -	0	*Y*	6/30/2021			Community Development has current fiscal year budget available and is working with IT to get camera's installed.
11	3/4/2021	Security controls are weak and are not in compliance with the City's Cash Handling Policy.	We recommend implementing tighter security controls in compliance with the City's Policy.	\$ -	0	*Y*	1/31/2020	8/30/2020		Department purchased a locking cabinet and are very strict about keeping the cash drawer locked in the cabinet. As a side note, with Energove, they are finding that most customers are paying on-line, instead of coming to the counter.
12	8/20/2020	Multiple individuals have access to perform transactions from the same cash drawer, which is not in compliance with the City's Cash Handling Policy.	We recommend that the department use cash registers or POS system that requires each user to input a unique log-in code before a transaction can be processed. This will allow investigation of shortages, overages, or misappropriation of cash.	\$ -	0	*Y*	1/31/2020	1/31/2020	Y	The department plans to install locked cash drawers for each individual user and expect to have them in place by the end of December.
13	8/20/2020	During the evening count and reconciliation of the drawers the cash handler did not generate all required reports causing the end of the day total amounts to not balance when there should not have been an issue.	Cash handlers should ensure all necessary reports for end-of-day reconciliation are present when handing over their cash drawers to the reconciler. Cash handlers should provide the necessary reports to the reconciler daily.	\$ -	0	*Y*	11/30/2019	11/30/2019	Y	The Department management expects that all necessary reports are provided to the reconciler. The reconciler is to report to the manager whenever such reports are not provided. This process is already in place.
14	8/20/2020	Refresher cash handling training sessions are not being done every two years, which is not in compliance with the City's Cash Handling Policy.	Conduct cash handling refresher training every two years to ensure employees handling cash are adhering to the City's Cash Handling Policy.	\$ -	0	*Y*	11/30/2019	12/31/2019	Y	The Department will immediately implement a policy to refresh cash handling training for all employees at least once every year, in December of each year.
15	8/20/2020	TREASURER'S OFFICE: Incompatible duties were noted with cash handling, recording, and preparation of bank deposits.	Proper segregation of duties between cash handling, recording of transactions, and preparation of bank deposits should be put into practice to prevent individuals from handling unrecorded cash and preparing the bank deposit.	\$ -	0	*Y*	12/1/2019	12/1/2019	Y	Treasurer's has a limited number of staff so total segregation of duties is difficult. To compensate for this, cash is counted by a second employee. Additionally, the Chief Deputy Treasurer is told of any discrepancies and oversees the recording of all deposits.
16	3/4/2021	Controls are not in place to prevent or detect misappropriation of assets	The department should analyze security needs of each cash collection point and strengthen security controls whenever necessary.	\$ -	0	*Y*	6/30/2020	11/17/2020		The City's IT department is working on getting cameras for City Hall which will capture out front counter and safe. The cost of the project was included in the FY20 Budget and should be completed by November 30, 2020.

Carson City
Cash Handling Audit 2019
December 3, 2019

17	7/1/2021	Cash handlers are subject to unannounced audits by the Treasurer's Office on an annual basis in those departments/areas where they maintain petty cash and/or change funds. However, this has not occurred since 2017, which is out of compliance with the City's Cash Handling Policy.	In accordance with the City's Cash Handling Policy, the Treasurer's Office should resume the annual surprise cash audits to ensure cash handling procedures are being followed throughout the departments.	\$ -	0	*Y*	6/30/2021	3/23/2021		Treasurer's will resume the surprise cash audits in the Spring of 2021. The City has several software conversions taking place across City departments so we will resume the surprise cash audits after each Department has started using their new software and any resulting new procedures are in place. UPDATE: COVID-19 became a factor this spring, and Treasurer's thought it prudent, not to visit other departments. UPDATE: Treasurer will be performing an on site Cash Audit this week.
18	3/4/2021	Daily cash reconciliation and end-of-shift process are not in compliance with both the City's Cash Handling Policy and the City' Cash Handling training video.	We recommend cash handlers follow the City's Cash Handling Policy. Alternatively, we recommend updating the policy to address the department's current process which is effective and sufficient.	\$ -	0	*Y*	4/30/2020	11/30/2020		Morning count works better for the Treasurer's. By Spring of 2020 the Treasurer will prepare a document for approval which will outline the exceptions to the Cash Handling Policy for the Treasurer's Office. This will allow incorporation of any new procedures through the implementation of the upcoming software conversions. UPDATE: Policy has been updated.
19	8/20/2020	Daily cash counts were performed where it is visible from the customer's perspective, which is not in compliance with the City's Cash Handling Policy.	We recommend starting a few minutes earlier than 8am to allow time for the morning count before the department opens to the public. Alternatively, employees can take their cash drawers to a secure location and preform their count there, away from the view of the public.	\$ -	0	*Y*	12/1/2019	12/1/2019	Y	The Treasurer's Office will have the cashiers perform the cash counts in a secure location away from public view.
20	8/20/2020	Refresher cash handling training sessions are not being done every two years, which is not in compliance with the City's Cash Handling Policy.	Conduct cash handling refresher training every two years. Additionally, we recommend submitting a request for Policy Tech to send an annual notification which website links for other departments to access the Cash Handling Training Video.	\$ -	0	*Y*	5/31/2020	6/1/2020	Y	Policy states that various City departments are responsible for their employees receiving training. Each May, Treasurer sends an e-mail reminder to departments asking them to revisit the cash handling video. Beginning May 2020, we will update our records to reflect the names of their employees that have been trained and the dates of their initial training, and refresher training. Thereafter we will continue to follow-up with each department on an annual basis to confirm the training and keep our records updated. Treasurer's office is constantly discussing cash handling procedures, but will document this going forward. Policy tech was requested, but they were told it was not possible, therefore, it was made available on the Treasurer's web page for easy access.

Carson City
Temporary Staffing Audit
May 9, 2019

Item No.	BOS Closure	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	Auditor Validation (Y,N)	Status Comments
1	7/1/2021	We recommend the City conduct further evaluation by legal professional on the legal risks identified from this internal audit. "We noted Department of Labor considerations which may indicate an "employment relationship" between Carson and temporary employees.			Carson City District Attorney's Office is researching the any possible legal issues with hiring temporary employees through Marathon.	\$ -	0	*Y*	6/30/2021			DA has performed some research; however, the DA is still looking into the legal distinction between Temporary and Permanent employees. The DOL Fact Sheet on an "Employee Relationship" under the FLSA refers to distinguishing independent contractors and employees, which is not the same distinction here. UPDATE: The Carson City District Attorney's Office has reviewed the legal concerns elucidated in the internal audit and has not found that the concerns expressed expose Carson City to any current legal risk associated with hiring temporary employees.
2	3/4/2021	Recommend a single timesheet format be used by temporary workers and for management to implement the requirement to accurately record break periods.			Management will speak with departments on how time is reported, there may be two approved methods, one being a spreadsheet if there are multiple employees and one being the Marathon Timesheet - which is their internal form.	\$ -	0	*Y*	11/30/2020	11/30/2020		Finance is working with Departments on one City prepared timesheet when several Marathon employees are on the same timesheet. We have obtained the different lists used, and are now trying to find common ground. We are also still planning on allowing the use of the Marathon provided timesheet for smaller departments who only have one person on their staff for a very short period of time. Update: We have narrowed this down to two timesheets. Marathon standard timesheet, and one list that is used Citywide. The list contains employee signature as well as supervisor, and disclaimer.
3	10/3/2019	We recommend that city-wide policy and individual department policy involving the use of temporary employees in an overtime capacity be included to address the pre-approval needed and a specified number of hours allowed.			The City will develop a policy, which will include approvals by IFC, HR, Finance and City Manager	\$ -	0	Discussion	8/1/2019	8/1/2019		HR has developed a Policy and various forms, and several have gone through the new process at this time. The form includes necessity of the temporary staffing, how long and estimated number of hours. HR reviews all the information, Finance ensures there is funding available, and it is brought to IFC for final approval.
4	10/3/2019	We recommend that a cost analysis be performed when executive level former employees are brought on as temporary consultants. In such instances an independent contractor arrangement established directly with the employee may be more cost effective than using a temporary staffing agency.			The City will include this in the policies and procedures described in #3			Discussion	8/1/2019	8/1/2019		While this exact scenario should be very rare, we are doing a cost analysis for all Temporary staffing.
5	10/3/2019	We recommend city wide policies be drafted to include best practices in planning, budgeting, and management of temporary workers. This recommendation includes the use of training to ensure proper implementation of these policies.			The City will include this in the policies and procedures described in #3			Discussion	8/1/2019	8/1/2019		Policies were written and implemented, the form requesting temporary staffing includes who will supervise that employee and can they afford it, as well as explanation as to the need for temporary staffing. HR sent out the form and instructions to each of the directors, and everything seems to be working as designed.

Carson City
AP and P-Card Audit
April 1, 2020

Item No.	BOS Closure	Recommendation	Remediation Plan (Course of Action & Expected Benefits)	Finding corrected? (Y, N, Partial)	Expected Compl. Date	Actual Compl. Date	Auditor Verified? (Y, N)	Status Comments
1	3/4/2021	The transactional and monthly limits remain the same in the current manual, with additional verbiage which states that departments may implement more stringent limitations based on their requirements (Section 6. Cardholder Responsibilities – page 8) and another which states that Carson City will adjust limits as determined by demonstrated need (Section 15. Completing a P-Card Transaction – page 15). During P-Card transactional testing, it was noted that several transactions exceeded the \$5,000 for single transactions and \$10,000 per month, which is not reflective of a more stringent limitation.	The City should update the verbiage in the P-Card Program Manual (Section 6. Cardholder Responsibilities – Page 8) to state that the City will adjust limits as determined by demonstrated need which more accurately reflects their current allowable limits on a single transaction and on a monthly basis.	*Y*	12/31/2020	11/30/2020	Y - External Auditor asked to review	The City will update the P-Card Program Manual to reflect current cardholder responsibilities relating to adjusting current allowable limits. The Accounting Manager (Procurement Card Program Coordinator) will be responsible for updating the P-Card Program Manual, by the end of December 2020.
2	3/5/2021	Exceeding approval limits is done through an exception-based process which needs to be documented in the City's P-Card policy and flagged/noted as an exception. Another transaction had the department-level approval approved by the cardholder (Executive Director of the Carson Tourism Authority – Component Unit).	The City should document the approval for increasing approval limits for those P-Card transactions that exceed the approval limits set in the system to ensure that transactions are processed within policy guidelines. Additionally, Board approvals or City Manager approval should be attached to cardholders' purchases, where applicable going forward.	*Y*	12/31/2020	11/30/2020	Y - External Auditor asked to review	The City will update the P-Card Program Manual to reflect the process for credit limit increases. Currently the Accounting Manager increases single transaction limits and/or monthly limits as requested by the CFO or Department Directors. Going forward, the Accounting Manager will document within the P-Card module in Munis the reason for the increase and the approving authority. The Accounting Manager will update the policy by the end of calendar year 2020. The Carson City Tourism Authority (CCTA) Executive Director's p-card transactions are currently approved by their Board. In addition to attaching the CCTA Board approval signature to the p-card backup, the City Manager will approve the Executive Director's p-card in Munis as of April 2020.
3	3/6/2021	The City's current purchasing policy does not specify whether the City utilizes vendor services owned by city employees.	The City should update their existing policy to specify the City's use of employees as vendors and document how employee-vendor relationship is addressed to avoid potential issues such as conflict of interest, preferential treatment, double dipping, etc.	*Y*	12/31/2020	11/30/2020	Y - External Auditor asked to review	The City will update the Purchasing and Contracts policy to address potential risks when using vendors who are related to City employees. We are a small City and it is difficult to avoid employee-vendor relationships. However, it would require collusion from the Purchasing and Contracts Administrator, CFO, Accounting Managers and District Attorney's office as they are all responsible for reviewing and approving City Contracts and Purchase Orders. The policy will be updated by the end of December 2020.
4	3/7/2021	The City's vendor master file has several duplicate vendors with the same name and/or the same address. Most are inactive accounts however there were a number of duplicate vendors left that either need to be inactivated or re-assessed. Additionally, there does not appear to be a process in place for periodic reviews of the vendor master file.	Process should be established to manage vendor master file. This process should include the review and clean-up of duplicate vendors, validation of vendor addresses, ensuring vendor data is complete, archiving inactive vendors and employee accounts, properly documenting miscellaneous vendor accounts that are used by the City for various purposes, and all other assessments that the City deems necessary.	*Y*	6/30/2021	10/31/2020	Y - External Auditor asked to review	The Finance Department performed a yearlong vendor cleanup process, prior to going live with Munis. During the import a lot of vendors were duplicated, and Finance has been working on flagging duplicate vendors as inactive. There will be cases where duplicate vendors cannot be avoided, such as a vendor with different remittance addresses and vendors who share office space. The Accounting Clerk will verify and deactivate duplicate vendors by the end of June 2021. UPDATE: We had a new employee in the office and her first task was to go through the list and identify and clean-up duplicates. So this has been done, and we will go through the list on an annual basis to ensure this does not happen again. We have included this procedure in our Policies and procedures manual.

Carson City
 HR Administration - Eligible EE Group Insurance
 December 3, 2019

Item No.	BOS Closure	Recommendation	Remediation Plan (Course of Action & Expected Benefits)	Est. Cost	Est. Savings	Finding corrected? (Y, N, Partial)	Expected Compl. Date	Actual Compl. Date	Auditor Validation (Y,N)	Status Comments
1	8/20/2020	Employee and benefit documents are paper based with sensitive information accessible by any employee in the Finance Department. Keeping physical documentation poses risk of inefficiency, increased costs, and are more prone to being misfiled, misplaced, or damaged.	The City should adopt an on-line based data management system. NOTE: Finance is scheduled to implement the Payroll module of the ERP System for the first payroll in January. We recommend that in the interim, the employee files should be in a locked and secure location that is limited to those individuals whose job responsibilities require access.	\$ -	0	*Y*	12/1/2019	1/31/2020	Y	Most forms in the new system will be completed and maintained within the system. Over the next 6 months to a year, I have asked our new Payroll Coordinator to start scanning in the employee files, so all Finance employee files are located in Tyler. We will keep the cabinet locked until we have scanned all employee files and can shred the hard copy and remove the cabinet.
2	8/20/2020	HR benefits administration process is manual and documentation is entirely paper based. Keeping physical documentation poses risk of inefficiency, increased costs, and are more prone to being misfiled, misplaced, or damaged.	The City should adopt an on-line based data management system. NOTE: HR is scheduled to implement the Human Resources modules of the ERP System in Early January.	\$ -	0	*Y*	4/30/2020	5/31/2020		HR is exploring the possibility of moving to an online enrollment system. The program that will be vetted is the Tyler ERP System called Employee Self-Service (ESS). ESS has been implemented, but the health insurance enrollment module has not been evaluated. HR Staff is scheduled to evaluate the program and will consider security risks and make a determinations if the use of the program will in fact create more efficiency by reducing costs and saving time in Spring 2020. Update: HR went paperless with the last open enrollment during the implementation of the Munis system.
3	8/20/2020	Procedures on how to obtain and submit forms for benefit enrollment and status changes are not clearly documented and readily available for benefit participants to access on their own without additional interaction with the HR department.	The City should establish a process and written procedures allowing benefit participants a self-service approach for relevant HR benefit related forms to include new enrollment, enrollment changes, eligibility documents, etc.			*Y*	12/31/2019	1/31/2020	Y	Language has been added to the current benefit policy stating that employees have 30 days to notify Human Resources of a qualifying event. This update has been submitted to the City Manager's office and should be approved by the end of the calendar year. Relevant enrollment forms will be added to Policy Tech as well.
4	8/20/2020	There is no clear policy regarding employees simultaneously receiving City-provided benefits as an employee and a dependent of a City employee or retiree.	Verbiage should be added to the applicable HR benefit policies and the employee benefit packet that specifically states, " An employee may not be simultaneously covered by City-provided medical benefits as a City employee and as a dependent of another City employee or retiree." As a practice, HR should implement a process to identify these occurrences or work with the benefits provider to perform.			*Y*	12/31/2019	1/31/2020	Y	Suggested statement has been added to the HR policy. The update has been submitted to the City Manager's office and should be approved by the end of the calendar year.

Carson City
 FY2019 CAFR and Single Audit Findings
 December 5, 2019

Item No.	BOS Acceptance /Approval	BOS Closure	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
1	12/6/2019	8/20/2020	2019-001	The fiscal year 2018 SEFA was understated by \$215,000 as finance was misinformed as to what was reimbursable on the JAC relocation project. The inclusion of the \$215,000 would not have affected our determination of major programs in 2018, and did not affect our 2019 determination of major programs	Department level Program Managers should receive additional training on how to evaluate award terms and determine more precisely what costs are allowed under each program to ensure that reimbursable costs are captured completely and timely.			Management informed the auditor that additional training will be provided to the Transit Coordinator to improve understanding and awareness of what is and is not reimbursable, and associated timelines. Communication and coordination with finance will also be improved between public works and finance, especially with regard to expenses and projects that overlap fiscal years.	\$ -	0	*Y*	6/30/2019	6/30/2019	Staff encountered the error during our preparation of the FY19 SEFA and informed Public Works that this would result in a finding very early in the audit. The employee no longer works with the City and that position is currently vacant. However, we are confident that the Transportation Manager will work with us as we move forward to ensure expenses are properly captured, and the position is filled, the new Transit Coordinator will receive the proper training. We do not expect a repeated finding in FY20.

Carson City
FY 2018 CAFR and Single Audit Findings
December 6, 2018

Item No.	BOS Acceptance /Approval	BOS Closure	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
1	12/6/2019	8/20/2020	2018-001	Financial Statements may be materially misstated as a result of ineffective review of complicated and/or non-recurring journal entries and other similar transactions	More attention and thoughtful consideration be given to the supervision and review of complicated, individually material and/or non-recurring journal entries.			Carson City will ensure that implementations of new standards which can be challenging or non-recurring transactions are implemented and reviewed by the appropriate staff level	\$ -	0	*Y*	6/30/2019	11/12/2019	FY19 should be a much smoother process as the appropriate staff will be able to take on new GASB implementations and it will be reviewed by the CFO instead of prepared by the CFO. - Implemented Auditor Cleared Finding.
2	12/6/2019	8/20/2020	2018-002	Financial Statements may be materially misstated as a result of the failure to appropriately, and timely, communicate significant transactions and/or contractual changes between various operational departments and the Finance Department.	Finance Department attend and or review minute of various meeting and committees to ensure awareness of what is going on. As well as a greater degree of person to person communication between finance and other departments.			Management will be more involved in the meetings and committees to ensure we are aware of new agreements, in addition, the fire department is updating their SOP's to ensure Finance is aware of all new agreements within 5 days of the execution of a new agreement or amended agreement.	\$ -	0	*Y*	6/30/2019	11/12/2019	An amendment was done on a Medicare Contract which significantly increased the amount of revenue the City was going to receive. The agreement was executed on November 17th, and we issued our FY17 audit report on November 30th. The auditor maintains that we should have known and accrued the revenue as a receivable. Finance did not receive a copy of the amended contract until October 2018. We are now attending meetings and Fire is aware that Finance needs to be notified of any such contracts. Implemented Auditor Cleared Finding.
3	12/6/2019	8/20/2020	2018-003	Failure to appropriately verify entity status are not debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities prior to entering into a covered transaction.	City should verify that an entity is not debarred, suspended or otherwise excluded from or ineligible for participation in Federal assistance programs or activity before entering into a covered transaction.			Purchasing & Contracts Department will verify debarment and suspension status on the System for Award Management (SAM) website. Moving forward a pdf print screen will be saved electronically and a paper copy will be included in the contract project file as supporting documentation. The contract will not be executed until the verification is complete.	\$ -	0	*Y*	6/30/2019	11/12/2019	We have updated procedures for the purchasing and contracts position to indicate that this must be completed and documented prior to executing the contract. - Implemented Auditor Cleared Finding.

Carson City
Capital Projects Review
May 3, 2018

Item No.	BOS Acceptance /Approval	BOS Closure	Recommendation	Remediation Plan (Course of Action & Expected Benefits)	Finding corrected? (Y, N, Partial)	Expected Compl. Date	Actual Compl. Date	Auditor Validation (Y,N)	Status Comments
1	5/3/2018	8/20/2020	Develop and utilize a scorecard that establishes objective criteria to assist in the evaluation of capital projects during the capital planning selection process.	<p>Course of Action- Use current scorecard for sewer CIPs and modify and determine objective criteria to evaluate water and stromwater CIPs (Feb 2019). Scorecards will be prepared for utility project CIPs in time for each year's budget planning period (typically around January/February). We will also plan on developing a scorecard for facility projects (Feb 2020). Ultimate goal is to use data collected through asset management program (work orders, maintenance costs, condition, etc.) to feed CIP decisions</p> <p>Expected Benefits- Use of objective data/criteria will help us make effective data driven decisions and improve transparency in the CIP planning process.</p>	*Y*	Feb 2020	12/31/2019	N/A	<p>We have developed a scorecard for sewer CIP projects and are in the process of developing scorecards for water and stormwater capital projects to be ready for next FY budget planning period (Feb 2019). These scorecards evaluate projects and rank/prioritize using objective data such as age of pipe, material, condition, capacity, maintenance cost, street classification, risk of failure, consequence of failure, etc.</p> <p>January 2019 Update- On track with scorecards for sewer, water and stormwater projects to prioritize CIPs for this coming fiscal year (FY 2020). Scorecard for facility projects to be developed in Feb. 2020.</p> <p>May 2019 Update- Developed scorecards for water and sewer pipeline replacement/rehabilitation projects and small stormwater projects that consider probability of failure and consequence of failure criteria to help objectively prioritize future CIPs. These scorecards will continue to be refined and advanced in the future, particularly as our asset management program develops. Scorecard for facility projects to be developed in Feb. 2020.</p> <p>December 2019 Update- The City hired a consultant to perform a facility condition assessment of all City buildings and facilities. This project is over 50% complete. The deliverable will provide the City with a 10-year CIP list for all buildings and facilities that objectively identifies the criticality of each CIP to help prioritize projects. These reports will be used as the scorecards for facilities moving forward. The report will be received in February 2020 for use in the upcoming FY21 budgeting process</p>
2	5/3/2018	8/20/2020	Cultivate a Project Management Manual that provides standardized templates, checklists, forms, and best practice guidance.	<p>Course of Action- Create a project management checklist that guides PMs through all required steps to successfully complete a project. This checklist will reference other project management related documents that offer more detail on specific stages of project management (project initiation forms, guidelines to setting up project in Smartsheet, creating project schedules, QA/QC for projects, project closeout). The checklist will be placed in the project folder and be required to be completed for each CIP.</p>	*Y*	PM Manual (February 2020)	3/30/2020		<p>In process of developing a project management checklist for project managers to complete for each CIP. This checklist will track from project initiation to closeout. This checklist will reference to other PM documents related to different stages of the project (project initiation forms, guidelines to setting up project in Smartsheet, creating project schedules, QA/QC for projects, project closeout). A draft of checklist has been developed and is currently in circulation for comments. We anticipate checklist to be completed and in-use by Jan 2019.</p> <p>After completion of PM checklist, the checklist in combination with specific documents and forms related to project management will be located in a central site on the network and be considered the "Project Management Manual". There is no plan at this time to create an actual manual.</p>
				<p>The checklist in combination with specific documents and forms related to project management will be located in a central site on the network and be considered the "Project Management Manual". There is no plan at this time to create an actual manual.</p> <p>Expected Benefits- Lead to better management of capital projects</p>					<p>August 2019 Update- The goal of Public Works was to complete the PM Manual by July in time for the start of FY20 projects. However, due to the heightened demand from capital projects and other critical special projects, transition to the new Munis system and the impact to public works project management workflow, as well as the other daily duties required of public works personnel, this task was unfortunately unable to be fully completed by the July timeframe. Public Works will continue to move forward with competing the PM manual over the next couple months and anticipates completing by the end of the calendar year.</p> <p>December 2019 Update- The first draft version of the PM Manual is complete and circulating through Public Works for review and comment.</p> <p>January 2019 Update- The decision was made in December 2018 to create a formal project management manual. A working group, consisting of different personnel across public works that is involved with various stages of capital projects, was formed to help develop the contents of the manual. The manual is about 1/3 of the way done and will be complete in time to manage next fiscal year's capital projects (July 2019). This manual will include standardized templates, checklists, forms and best practice guidance as initially recommended by auditor. (See all PM Manual References Below)Once comments are collected and necessary revisions are made, then the first version will be complete. Public Works anticipates this occurring by the end of February 2020.</p>

Carson City
Capital Projects Review
May 3, 2018

Item No.	BOS Acceptance /Approval	BOS Closure	Recommendation	Remediation Plan (Course of Action & Expected Benefits)	Finding corrected? (Y, N, Partial)	Expected Compl. Date	Actual Compl. Date	Auditor Validation (Y,N)	Status Comments
									June 2020 Update - Public Works has completed version 1 of the PM Manual. The manual will be effective on July 1 for the start of FY21 projects. The manual outlines the Division's project delivery procedures, the authority and respective responsibilities of individual staff and other Public Works divisions and City Departments, quality control processes, quality standards, and various tools and documents used to effectively manage projects. The manual is intended to be used as a "living document" whereby new best management practices and updated procedures can be quickly incorporated and placed into practice. The nature of a "living document" is also intended to encourage all clients and Engineering staff members to constantly develop and bring forward new ideas which streamline our work, improve efficiencies, clarify practices, or improve the quality of our product. As we move forward, we hope that the process of updating and improving the manual in the future will serve as a catalyst for continuous improvement.
3	5/3/2018	8/20/2020	Subscribe to Electronic Signature Services to expedite the contract approval process.	<p>Course of Action- Public Works will have the discussion with Purchasing & Contracts to see what options are available for electronic signature implementation. Discussion will occur in Fall 2018 and then decision will be made on whether to pursue or not</p> <p>Expected Benefits- If implemented, the contract approval process would be expedited</p>	*Y*	October 2019	12/31/2019	N/A	<p>We do spend a great amount of time collecting signatures and passing documents around, so exploring electronic signature options may be beneficial. Public Works will have the discussion with Purchasing & Contracts to see what options are available. Discussion will occur in Fall 2018. - New ERP System will definitely have electronic approvals as well as some electronic signature options. We would like to wait until we are farther along in the implementation process.</p> <p>January 2019 Update- Meeting was held in Fall 2018 and decision was made to wait until new ERP system is rolled out. The ERP system will include electronic approvals as well as some electronic signature options. Implementation Team - Purchasing Admin. - Carol Akers</p> <p>December 2019 Update - We did not purchase the Contract Module of the ERP software. We would like to keep our current signature process and place and forgo electronic signatures for now.</p>
4	5/3/2018	10/3/2019	Utilize a single unique identifier for projects to ensure documentation clearly references each project.	<p>Course of Action- Modify documents internal to public works to include project number along with contract number. The Public Works Financial Analyst does currently keep a contract register which does relate all contracts back to their unique project numbers, so the current method does work for searches/tracking, but could be improved. Discuss with Finance, Purchasing & Contracts and Public Works Financial Analyst to discuss options to be consistent with our project naming and unique identifier. Review ERP system capabilities to see if new system may lead to better tracking and streamline document searches in future.</p> <p>Expected Benefits- Improve project document tracking and searches</p>	Y (Audit Committee Approved Closure)	Nov 2018	1/1/2019	N/A	<p>We currently assign single unique identifiers to projects, however these project numbers don't get referenced in all construction documents such as design or construction contracts (only contract numbers used). The Public Works Financial Analyst does keep a contract register, which links all contracts back to their associated unique project numbers. Therefore, everything can be searched and tracked with some effort.</p> <p>We are in the process of modifying public works related construction documents (i.e. project completion memos and other documents used for construction management during construction) to reference both project numbers and contract numbers. We will plan on discussing with Finance, Purchasing & Contracts and Public Works Financial Analyst to discuss options to be consistent with our project naming and unique identifier. Plan on holding these discussions in fall of 2018. This process may also be improved with the capabilities/features of the new ERP system.</p> <p>The project number assigned by Finance is supposed to be included on contracts with the account number. The new ERP system will allow for contract, payments, purchase orders, payroll and grants to be tied to specific projects. It also has the ability to store pertinent documents with the project.</p> <p>January 2019 Update- All contract documents have been modified to make reference to contract number and project number to easily help Finance, Contracts and Public Works Department clearly track public works related construction documents through life of a project. The new ERP system will help make this tracking even better.</p>

Carson City
Capital Projects Review
May 3, 2018

Item No.	BOS Acceptance /Approval	BOS Closure	Recommendation	Remediation Plan (Course of Action & Expected Benefits)	Finding corrected? (Y, N, Partial)	Expected Compl. Date	Actual Compl. Date	Auditor Validation (Y,N)	Status Comments
5	5/3/2018	8/20/2020	Explore system support for staff payroll on capital projects to enable more efficient and effective tracking of Public Works staff time.	Course of Action- Continue to learn more about the capabilities of the new ERP system. When ERP system is implemented and staff is trained, we will have the capabilities to provide more efficient and effective tracking of Public Works staff time. Anticipate ERP implementation to occur in next 12 months Expected Benefits- Enable more efficient and effective tracking of Public Works staff time.	*Y*	July 2020	12/31/2019	N/A	The new ERP system will allow time entry for projects directly in the system. This will eliminate the necessity for the current method of keeping a separate project time sheet and then doing a journal entry to do the direct billing for Public Works Staff time. Implementation Team - Accounting Manager - Jamie Stevenson In the meantime, we will work to update project timesheets more regularly to better track project costs in "real time" <u>December 2019 Update</u> - The City is now using the Executime software to track and input staff hours for capital projects in "real time"
6	5/3/2018	8/20/2020	Clearly identify and separate capital project documents to properly track contract modifications.	Course of Action- Modify or create new guidelines/policy that outline and clearly specify bid, conformed and contractual documents for each project. These guidelines will integrate with the project management checklist referred to in item #2. Expected Benefits- Improve organization of project documents	*Y*	(PM Manual) February 2020	3/30/2020		Public Works staff is currently working on modifying project management procedural documents to clearly define and distinguish between bid documents, conformed documents and contract documents and to specify the location of where each of these document types should be filed in the project folder. These procedures will integrate with the project management checklist referred to in item #2. Properly designating the contract documents will help identify and track any changes made or modified via addenda <u>January 2019 Update-</u> Public Works has completed developing specific folder locations and guidelines for project managers to follow to place bid documents, conformed documents and contract documents. This process will also be added to the PM Manual to be completed in July 2019. <u>See #2 above for December 2019 Update.</u> <u>June 2020 Update -</u> Public Works has completed version 1 of the PM Manual, which defines the various capital project documents and outlines the steps required throughout the project delivery process to develop, organize, and track these documents.
7	5/3/2018	8/20/2020	Expand capital project close-out processes to include a review of project costs, deliverables, and required documentation.	Course of Action- Create step-by-step procedure document outlining proper project close-out. These guidelines will integrate with the project management checklist referred to in item #2. Expected Benefits- Improve close-out of projects and improve organization and how we manage projects in the future	*Y*	(PM Manual) February 2020	3/30/2020		A draft step-by-step procedure document outlining proper project close-out has been created and is currently in circulation for comments. We anticipate this close-out procedure to be completed and in-use by Jan 2019. This will be added as step in the project management checklist <u>January 2019 Update-</u> Public Works has completed developing document outlining proper project close-out. This will formally be included as part of the PM Manual to be completed in time for next fiscal year projects. <u>See #2 above for December 2019 Update.</u> <u>June 2020 Update -</u> Public Works has completed version 1 of the PM Manual, which outlines the project close-out process, including project archiving, financial closure, performance measures, and project debrief.
8	5/3/2018	8/20/2020	Create a project postmortem process to continuously improve capital project efficiencies.	Course of Action- Create a standard form that addresses lessons learned related to construction issues, quality control, external department coordination (for projects where public works PMs run a project for Parks department), comparing final outcomes to scope, cost outcomes, performance measures, and project objectives (such as milestones/targets). This document will integrate with the project management checklist referred to in item #2. This postmortem form will be required to be completed by PMs before a project can be closed out. Expected Benefits- Improve future management of projects	*Y*	(PM Manual) February 2020	3/30/2020		This will be added as a step in the project management checklist and be required for PMs to complete before closing out project. A standard form will be developed that addresses lessons learned related to construction issues, quality control, external department coordination (for projects where public works PMs run a project for Parks department), comparing final outcomes to scope, cost outcomes, performance measures, and project objectives (such as milestones/targets). This postmortem form will be required to be completed by PMs before a project can be closed out <u>January 2019 Update-</u> A draft document outlining proper project debrief process has been created by Public Works. This will formally be included as part of the PM Manual to be completed in time for next fiscal year projects. <u>See #2 above for December 2019 Update.</u> <u>June 2020 Update -</u> Public Works has completed version 1 of the PM Manual, which outlines the project close-out process, including a lessons learned step within the project debrief where the PM and project team can discuss ways to continuously improve capital project efficiencies.

Carson City
Fire Department Overtime Hours Audit
May 9, 2019

Item No.	BOS Acceptance /Approval	BOS Closure	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
1	10/3/2019	10/3/2019	We recommend the Fire Department utilize a sub-category function in Telestaff to track different types of overtime, such as training and mutual aids. This will allow the department more visibility into the various overtime activities and provide for better budget oversight. Additionally, we recommend the Fire Department budget for total hours and have the finance department calculate the amounts based on the pay rate of employees. Prior year actual hours or a three-year average may be used as a starting point until sufficient historical data is built.			Carson City will work on adding appropriate coding to Telestaff in order to break out the types of Overtime. - Finance will work on the overtime budget for the FY21 Budget.	\$ -	0	Discussion	9/30/2019		FD Telestaff Codes: Budget of OT: FY20 budget is set, but we will work up a better estimate for the FY21 budget. Update 8-29-19: Telestaff Sub Categories for specific overtime types will be fully implemented when the Telestaff upgrade is complete. The upgrade should be complete by the end of September 2019.
2	10/3/2019	10/3/2019	Per discussion with Sean Slamon, Fire Chief, the department is currently operating at 51 personnel. The Fire Department determined that six (6) additional firefighters are needed to offset the increase in the number of personnel allowed off each day.			Per the Non-Bargaining Agreement with the Firefighters, if we add more than 51 firefighters, we have to allow 3 firefighters vacation at the same time, instead of 51 and under we only allow 2 firefighters off at the same time. We believe this will increase the Overtime. 6 new firefighters may reduce overtime but the cost of 6 new firefighters with Salary and Benefits is approximately \$795,000 (Average Firefighter/Paramedic or Firefighter salary is \$132,500) We currently budget \$772,646 in Overtime.	\$ -	0	Discussion	9/9/2019		Currently, we cannot guarantee that 6 new positions would reduce overtime significantly. We are working on this analysis. Chief Slamon is also looking into another option to reduce overtime which is a three year FEMA SAFER Staffing Grant. If awarded, the Grant would cover 75% of the employee(s) costs for two years, and 35% for the third year. 9-9-19 - Audit Committee Recommended Closure as City is aware of the recommendation and looking into potential ways to implement the recommendation while being fiscally responsible.

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</u> <u>Update:</u> Auditors cleared finding, none of the other entities claim to have received the same finding, and all agencies have similar procedures. The City added a procedures specifically for grants and Professional services.

Watch Audit Committee
 Meeting to determine what
 was closed

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.			P	Ongoing	3/31/2019	File cabinets with client info is locked, banker boxed for storage unit files , most have been labeled for destroy date according to state guidelines. The cost of fireproof cabinets is cost prohibitive for the PG office, cost is approximately \$3000.00 for a four drawer file. Purchasing this safe for a few years was not deemed cost effective. Alternative scanning method will be used going forward
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.

Audit Committee Agenda Item Report

Meeting Date: April 25, 2023

Submitted by: Sheri Russell

Submitting Department: Finance

Item Type: Other / Presentation

Agenda Section:

Subject:

For Discussion Only: Discussion regarding the draft annual risk assessment and internal audit plan for Fiscal Year ("FY") 2024. (Sheri Russell-Benabou, SRussell@Carson.org)

Staff Summary: Carson City Internal Auditor Eide Bailly will provide an updated risk assessment and recommendations for future internal audits for the period ending June 30, 2024 and will be asking the Audit Committee for input and guidance on projects to be performed. This item will return to the Audit Committee at the next scheduled meeting for discussion and possible action before a recommendation is made to the Board of Supervisors.

Suggested Action:

For Discussion Only.

Attachments:

[SR - FY 24 Internal Audit Program.docx](#)

[Carson City_Preliminary RA topics_4.25.23.pdf](#)



STAFF REPORT

Report To: Audit Committee

Meeting Date: April 25, 2023

Staff Contact: Sheri Russell-Benabou, Chief Financial Officer

Agenda Title: For Discussion Only: Discussion regarding the draft annual risk assessment and internal audit plan for Fiscal Year ("FY") 2024. (Sheri Russell-Benabou, SRussell@Carson.org)

Staff Summary: Carson City Internal Auditor Eide Bailly will provide an updated risk assessment and recommendations for future internal audits for the period ending June 30, 2024, and will be asking the Audit Committee for input and guidance on projects to be performed. This item will return to the Audit Committee at the next scheduled meeting for discussion and possible action before a recommendation is made to the Board of Supervisors.

Agenda Action: Formal Action/Motion

Time Requested: 20 minutes

Proposed Motion

For Discussion Only.

Board's Strategic Goal

Efficient Government

Previous Action

N/A

Background/Issues & Analysis

N/A

Applicable Statute, Code, Policy, Rule or Regulation

CCMC 2.14.040

Financial Information

Is there a fiscal impact? Yes No

If yes, account name/number: General Fund Internal Auditor / Professional Services

1010800-500309

Is it currently budgeted? Yes No

Explanation of Fiscal Impact: \$110,000 has been budgeted for FY 24.

Alternatives

N/A

Board Action Taken:

Motion: _____

- 1) _____
- 2) _____

Aye/Nay

(Vote Recorded By)



Citywide Risk Assessment & Annual Audit Plan
Fiscal Year 2023 / 2024

April 2023

CARSON CITY

DRAFT – FOR DISCUSSION

Submitted By:

Eide Bailly LLP

TABLE OF CONTENTS

RISK ASSESSMENT _____ 2

INTERNAL AUDIT TOPICS _____ 2

DRAFT



RISK ASSESSMENT

Eide Bailly recently completed our risk assessment update for Carson City. Our risk assessment uses guidance provided by the International Professional Practices Framework (IPPF, *Standards*) published by the Institute of Internal Auditors (IIA). The IIA emphasizes that organizations should fully understand that management remains responsible for risk management. Internal Auditors should provide advice, challenge or support management's decisions on risk, as opposed to making risk management decisions.

Additionally, *Standards* indicate that Internal Audit plans should be risk-based which determine the priorities of the internal audit activity, consistent with the organization's goals. The Internal Audit plan of engagements must be based on a documented risk assessment. These risk assessments should be performed annually in conjunction with preparing audit plans. The input of senior management and the Audit Committee must be considered in this process.

In our risk assessment update, we re-evaluated the major functional areas of City operations to determine if there were any significant changes what would impact the risk evaluation from the previous fiscal year. Based upon the results of this current fiscal year risk assessment, we have updated our proposed risk-based audit plan that is attached below. Our risk assessment update and corresponding recommended audit plan identifies the following areas as candidates for audit:

- Purchasing and Contracts Management
- Information Technology
- DEVNET System – Assessor's Office
- Fire Department Overtime
- Cash Handling

A summary of each recommended internal audit, the associated risk, and estimated hours are provided below.

INTERNAL AUDIT TOPICS

Internal Audits budget for FY23/24 is not to exceed \$110,000. We have structured our internal audit plan to fit within proximity to this budget. The internal audit budget also includes audit hours to administer the audit function, update the risk assessment annually, and conduct follow up audits to determine if agreed upon management actions have been satisfactorily completed.

The Audit Plan provides the City with a great deal of flexibility to address emerging issues in a timely manner, hours for specially requested audits not originally captured on the plan, and for urgent audit issues that arise throughout the year. Great care is given in the selection of these audits to ensure that there is widespread audit coverage in terms of both types of audits performed and in terms of the City's vast array of departments, service areas, activities and contracts.

The hours included for each audit are an estimate. Quarterly, the plan will be reassessed and adjusted to account for unanticipated requests and progress on current audits. The Audit Committee will be briefed quarterly on the status of work completed related to the approved Audit Plan including any adjustments that need to be made to hours and anticipated completion dates.

Based on the results of the risk assessment, professional judgment, findings from previous audit work, and information provided by city staff, the following areas are potential audit topics for FY23/24.

FY23/24 Internal Audit Related Activities	Estimated Hours	Estimated Fees
FY24-25 Risk Assessment Update – Perform citywide risk assessment update and develop the annual audit plan based on identified risks.	60	12,000
Fraud, Waste & Abuse Hotline – Monitor complaints filled through the hotline, assist the city with resolving cases where needed, and communicate results to the Audit Committee.	5	\$875
Follow-Up – Evaluate corrective action performed by city departments to determine whether identified risks from prior internal audit recommendations have been properly remediated.	20	\$3,500
Estimated Totals	85	\$16,375
FY23/24 Proposed Internal Audits	Estimated Hours	Estimated Fees
<p>1. Purchasing & Contract Management – To assess whether the City procures goods and services in compliance with established procure-to-pay policies and procedures for the following areas; bidding process, contracts management, vendor management and procurement process for two city departments; Public Works and Parks & Recreation.</p> <p><u>Potential risks to the process include:</u></p> <ul style="list-style-type: none"> • Audit last performed in 2017, new ERP system – Tyler Munis. • Decentralized contracting with monitoring of contracts on the project managers potentially resulting in: payment of invoices for goods or services not received or performed; work being performed on expired contracts. • On-Call contracts pose the following risks: contracts not in compliance with applicable labor laws and regulations to protect the rights of workers; increased labor costs, time to manage on-call schedules and tracking hours worked; ineffective work force management practices. 	200 – 225	\$35,000 - \$40,000
<p>2. Information Technology Audit – To assist the IT Department in areas of potential vulnerability related to Public Works and Clerk – Recorder. Specifically to assist with conducting security audit and vulnerability assessments to identify and address potential security weaknesses in Supervisory Control and Data Acquisition (SCADA) and city election systems.</p> <p><u>Potential risks to the process include:</u></p> <ul style="list-style-type: none"> • SCADA systems are critical to the operations of public works infrastructure, such as water and transportation systems. Securing SCADA systems is critical to ensure the integrity, confidentiality, and availability of critical systems. • Risk that SCADA Systems are not properly controlled through strong authentication methods, such as multi-factor authentication; 	225 – 250	\$40,000 - \$45,000

FY23/24 Internal Audit Related Activities	Estimated Hours	Estimated Fees
<p>potential that the SCADA network is not segregated from other networks; ineffective firewalls to restrict incoming and outgoing network traffic.</p> <ul style="list-style-type: none"> Risk that systems do not have: role-based access controls; regular updates and patches to system components, including operating systems, software applications, and firmware. 		
<p>3. DEVNET System for the Assessor’s Office – To evaluate the internal controls to ensure completeness, accuracy and timeliness of property tax bills.</p> <p><i>Potential risks to the process include:</i></p> <ul style="list-style-type: none"> System in place and operational for three years. No internal audit performed to date of DEVNET. Instances of issues with supplemental billing have occurred, i.e., solar panel information. Unknown whether data integrity issues exist and if here is a completeness of data transferred from the prior system. 	200 – 250	\$35,000 - \$45,000
<p>4. Cash Handling Internal Audit – To determine whether risks related to cash handling are being managed appropriately, that internal controls are in place to reduce the risk of misappropriation, and all cash receipts are promptly, accurately and completely reported. Internal controls include; safeguarding assets, segregation of duties, accountability, reconciliations, and monitoring.</p> <p><i>Potential risks to the process include:</i></p> <ul style="list-style-type: none"> Last performed cash handling internal audit in 2019 with 20 findings. New Deputy Treasurer and new Clerk – Recorder. 	200 – 225	\$35,000 - \$40,000
<p>5. Fire Department Overtime Assessment – To evaluate the impact of nine (9) fire fighters through grant funding and determine if intended outcomes were met, i.e., reduction in fire department overtime.</p>	100	\$14,000
<p>Estimated Totals – FY 23/24 Proposed Internal Audits</p>	905 – 1,030	\$159,000 - \$184,000
<p>Total Estimated Hours & Fees</p>	990 – 1,115	\$175,375 - \$200,375

Audit Committee Agenda Item Report

Meeting Date: April 25, 2023

Submitted by: Sheri Russell

Submitting Department: Finance

Item Type: Other / Presentation

Agenda Section:

Subject:

For Discussion Only: Discussion regarding Fiscal Year ("FY") 2023 audit work program update and Hotline activity. (Sheri Russell-Benabou, SRussell@Carson.org)

Staff Summary: Representatives from Eide Bailey, LLP will be discussing the progress of the FY 2023 audit work program as well as any items received through the Fraud, Waste & Abuse Hotline.

Suggested Action:

For Discussion Only.

Attachments:

[SR - Internal Auditor work program update.docx](#)



STAFF REPORT

Report To: Audit Committee

Meeting Date: April 25, 2023

Staff Contact: Audrey Donovan, Senior Manager, Eide Bailly, LLP

Agenda Title: For Discussion Only: Discussion regarding Fiscal Year (“FY”) 2023 audit work program update and Hotline activity. (Sheri Russell-Benabou, SRussell@Carson.org)

Staff Summary: Representatives from Eide Bailey, LLP will be discussing the progress of the FY 2023 audit work program as well as any items received through the Fraud, Waste & Abuse Hotline.

Agenda Action: Formal Action/Motion

Time Requested: 10 minutes

Proposed Motion

For Discussion Only

Board’s Strategic Goal

Efficient Government

Previous Action

N/A

Background/Issues & Analysis

Standing item for discussion and update.

Applicable Statute, Code, Policy, Rule or Regulation

Carson City Charter Chapter 3.075, CCMC 2.14.040

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

N/A

Board Action Taken:

Motion: _____

1) _____

Aye/Nay

2) _____

(Vote Recorded By)

Audit Committee Agenda Item Report

Meeting Date: April 25, 2023

Submitted by: Sheri Russell

Submitting Department: Finance

Item Type: Other / Presentation

Agenda Section:

Subject:

For Discussion Only: Discussion regarding dates for the next meeting of the Audit Committee.

Suggested Action:

Discussion only.

Attachments: