

Carson City - Audit Findings Tracking Summary Report (revised 02-14-18)

Report Name	Report Submittal	BOS Report Approval	Reporting Entity	Report Findings	Completed Findings	AC Approval	BOS Approval	Notes
Internal Controls Review	3/31/2015	6/4/2015	Internal Auditor	42	42	4/21/2015		1 new finding completed
Payroll Internal Controls Testing	7/27/2016	12/21/2017	Internal Auditor	2	1	8/8/2016		
P-card Internal Controls Testing	7/27/2016	12/21/2017	Internal Auditor	2	0	8/8/2016		
Small Works Projects Review	2/17/2017	12/21/2017	Internal Auditor	4	4	2/14/2017		1 new finding completed
Public Guardian Review	5/1/2017	12/21/2017	Internal Auditor	13	12	5/9/2017		4 new findings completed
Purchasing and AP Internal Controls Testing	7/6/2017	12/21/2017	Internal Auditor	12	8	7/12/2017		2 new findings completed
HTE Access Controls Testing	9/26/2017	12/21/2017	Internal Auditor	7	7	10/3/2017		7 new findings completed
Total (including archived reports)				180	172			

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

Carson City
HTE Access Controls Testing
09-26-17

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
1			1	Complete documentation was not available for all individuals we sampled.	Improve the retention practices of system access documentation.	IT	CIO	IT will standardize processes and maintain documentnation of requests received. Periodically spot check the documentation.			Y		10/4/2017	We had the documentation just not all in compliance and done after the fact. IT has updated internal procedures and no longer allow access to anyone prior to start date and without IT approved forms filled out and signed.
2			2	Not all employees signed the network access request form prior to being granted access to the City's enterprise software system.	Increase monitoring of network access request forms for employee signature.	IT	CIO	IT will document policies and procedures and maintain documentation of access granted.			Y		10/4/2017	IT has updated internal procedures and no longer allow access to anyone prior to start date and without IT approved forms filled out and signed.
3			3	Not all access requests and changes were appropriately authorized.	Implement a prcess that access is not granted or changed without written authorization by a supervisor.	IT	CIO	IT will standardize processes and maintain documetnation of requests received. Periodically spot check the documentation.			Y		10/4/2017	IT has updated internal procedures and no longer allow access to anyone prior to start date and without IT approved forms filled out and signed.
4			4	The City may not be assigning individuals the appropriate level of system access.	Continue ongoing efforts to improve controls around the assignment of system access and document practices in policies and procedures.	IT	CIO	A new ERP system is being implemented and this will be built into the new system.			Y	December-19		This item has been incorporated into the new ERP system process. The City has selected Tyler Technologies for the new ERP system and is in contract negotiation. Anticipated contract signing in March 2018.
5			5	Periodic reviews of user access are not being performed.	Perform regular user access reviews and document the process.	IT	CIO	A new ERP system is being implemented and this will be built into the new system.			Y	December-19		see comment for item 4.
6			6	The City's current policies do not adequately address the process for provisioning, deprovisioning, and changing IT access.	Update current policies and procedures to include additional guidance relating to IT access.	IT	CIO	IT will document policies and procedures and maintain documentation of access granted.			Y		10/4/2017	IT has updated internal procedures and no longer allow access to anyone prior to start date and without IT approved forms filled out and signed. Deprovisioning access is a indiviual department issue to notify IT. We receive a weekly list from HR and validate from there.
7			7	Adequate controls may not exist around terminating access for IT staff following the termination of employment.	Develop and implement policies for terminating access for IT staff.	IT	CIO	A new ERP system is being implemented and this will be built into the new system.			Y	December-19		see comment for item 4.

Carson City
Purchasing AP Internal Controls Testing
07-06-17

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
1			1	The City's current policy does not adequately address the process for documenting when a good or service is received.	Update the current policy and procedures to include additional guidance relating to the process of documenting when goods and services are received and require documentation for receipt of good or services before payment is made.	Finance	CFO	The accounts payable invoice processing policy in policytech states "The department is responsible for verifying product has been received. After items have been verified, the accounts payable clerk processes the invoice utilizing the HTE system." The policy will be updated to add a procedure for the departments to document this procedure by initialing and dating the invoice or the packing slip to confirm receipt.			P	3/31/2018		Stamps have been purchased. Written policy needs to be updated and communication to departments on policy change will occur later this month or March.
2			2	The City's current policies and procedures do not adequately address all aspects relating to segregation of duties when receiving goods and approving payment for goods.	Update the current written policies and procedures relating to processing purchases and segregated duties to provide more comprehensive guidance.	Finance	CFO	There are always at 2 least individuals involved in an a/p transaction at the dept level and an approver would most likely never be involved in the receipt of the goods. We believe the added procedure in step 1 will address this.			P	3/31/2018		
3			3	The City's current policies and procedures do not adequately specify an appropriate process to ensure approval for payment was performed after the goods were received.	Update the current written policies and procedures to require that approval for payments should not be performed until after the documented received date.	Finance	CFO	This will be addressed with the added procedure in step 1.			P	3/31/2018		
5			5	The vendor name listed on two purchasing invoices did not match the vendor name identified on the edit list and checks.	Provide additional training to supervisors that are involved with reviewing and approving purchasing documents.	Finance	CFO	The Finance Department Accounting Technician and the Accounting Manager confirm that the vendor selected matches the vendor name on the invoice. The accounts payable policy will be updated to reflect this procedure.			P	3/31/2018		Written policy needs to be updated.
10			10	Required quotes or documentation of an exemption from the requirement were not provided for all relevant purchases.	Revise policies to provide additional clarification regarding the requirement for at least three quotes, and increase compliance through training and monitoring.	Finance	CFO	The purchasing & contracts policies and procedures will be updated to provide additional clarification regarding the requirement for quotes.			Y	12/31/2017	Feb-18	
11			11	The completeness of all vendor files could not be readily assessed.	Continue ongoing efforts to maintain complete vendor files.	Finance	CFO	This finding relates to W-9's for vendors. The City has numerous vendors that have been doing business with the City for many years. Prior to 2016, vendor W-9's were maintained in hard copy and depending on when the document was received may be stored at an offsite facility. Beginning in 2016, the Finance Department began maintaining these documents electronically so they can be easily accessed. In addition, the department is working to ensure that W-9's received in hard copy for all existing vendors are available electronically.			Y	3/31/2018	Feb-18	

Carson City
Public Guardian Review
05-01-17

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
3			3	The Public Guardian uses both electronic and paper files resulting in inefficiencies and potential difficulty locating important documents.	Develop an electronic document storage framework and process, and obtain adequate storage for paper files.	Public Guardian	Public Guardian	The Public Guardian's staff did meet with IT staff to ensure that a system is put into place to scan and store all documents going forward as well as existing files.			y		12/15/2017
4			4	Public Guardian policies and procedures do not provide comprehensive guidance for asset liquidation.	Develop policies and procedures describing the asset liquidation process and ensure proper internal controls are in place.	Public Guardian	Public Guardian	The Public Guardian is currently writing new policy to add to existing policy and procedures to address the disposition of liquid assets as recommended in the audit. There is new legislation pending that may effect this recommendation.			P	3/31/2018	
7			7	In accordance with Court orders for guardianship, appraisals were waived for all wards in the review period.	For wards under full administration, ensure sellable assets are appraised to determine their anticipated value.	Public Guardian	Public Guardian	The Public Guardian's office has compiled a list of appraisers, liquidators, antiques dealers, buyers of goods, etc in order to be consistent in obtaining fair market value and pricing for assets of protected persons. These vendors will be used to appraise items of value in the protected persons possession. This list may be added to in the future as unique items come up. There is new legislation pending that may effect this recommendation.			y		10/31/2017
8			8	With the exception of small items, the Public Guardian does not have a secure location to store assets pending sale.	Obtain a secure location to store ward assets pending sale, and ensure proper dual control entry requirements.	Public Guardian	Public Guardian	I have procured a small storage unit that is being charged to the Public Guardian's P card every month. For now that is the solution to our storage issue.			y		12/7/2017
11			11	Fair market value may not be consistent. The Public Guardian does not always ensure market value is received for the sale of ward assets, vehicles, and personal property.	Use appraisals or estimated values to support sale prices and ensure fair negotiations with potential buyers.	Public Guardian	Public Guardian	The Public Guardian's office is currently compiling a list of liquidators, antiques dealers, buyers of goods, etc in order to be consistent in obtaining fair market value and pricing for assets of protected persons. There is new legislation pending that may effect this recommendation.			y		10/31/2017

Carson City
Small Works Projects Review
02-17-17

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
3			3	System limitations impact the City's ability to comprehensively document project results.	Utilize the new work order system to include narratives supporting work orders and interdivisional decisions.	Public Works	Public Works Director	Working with tech to verify system abilities. Update: The current work order system could not be updated to allow the various programs to talk to each other. Until the City's new ERP system is implemented, Public Works is using a manual process each month to check to see if inter-divisional reimbursements need to be made. This process is working with no errors noted.			Y	12/31/2017	12/31/2017

Carson City
Payroll Internal Controls Testing
07-27-16

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
1			1	Payroll procedures were not followed with regard to the timing of time card approval.	Implement a process whereby timecard approval should only take place after the pay period is over and the hours worked can be approved and calculated accurately.	Finance	CFO	The City's payroll procedures state: i) Supervisors in each department collect bi-weekly timesheets for each employee, verify hours worked, verify that the appropriate and authorized coding is indicated on the timesheet and review the accuracy of leave taken. When an employee is not available for signature indicate N/A on the employee signature line. (The employee will be required to come to the Finance Department to sign the timesheet upon his return to work.) ii) Supervisor signs bi-weekly timesheets indicating approval of time submitted, and submits the timesheets and departmental leave or overtime documentation as required by the department to the departmental payroll clerk Friday following the end of the pay period. These procedures will be updated to address the timing of timecard approval.			P	3/31/2018		Policy changes need to be written and communicated to departments.

Carson City
P-card Internal Controls Testing
07-27-16

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
1			1	Carson City's P-Card Program Manual is unclear relative to certain P-Card processes.	Update the P-Card Program Manual to accurately reflect current allowable P-Card processes related to transaction limits and types of purchases.	Finance	CFO	The Procurement Card Program Manual will be updated to accurately reflect current allowable transaction limits and the types of purchases that can be made on a pcard.			P	3/31/2018		Policy changes need to be written and communicated to departments.
2			2	Some department use shared department or guardian P-Cards.	Update the P-Card manual to specifically address the processes and procedures for shared department and guardian P-Cards. Evaluate whether the City should continue using shared P-Cards or if each P-Card should be assigned directly to a user.	Finance	CFO	The Procurement Card Program Manual will be updated to specifically address the processes and procedures for shared department and guardian P-Cards.			P	3/31/2018		Policy changes need to be written and communicated to departments.

Carson City
Internal Controls Review
03-31-15

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
32	6/4/2015	Yes, specify direction	E2	The City lacks documented comprehensive and up-to-date processes and procedures.	Document key processes and procedures and make timely updates for changes.	City-wide	City-wide	Moss Adams is currently performing an inventory of all City policies / procedures as part of the policies / procedures update portion of the FY 15-16 Internal Audit Plan.			Y- Ongoing	6/30/2018		City Departments are in the process of updating existing and/or developing new policies and procedures to aid in the development of a citywide policy manual. Update: Policies are housed in the City's Policytech Program. This is an ongoing process as policies and procedures are constantly being updated.