

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

Day: Tuesday
Date: March 30, 2021
Time: Beginning at 3:30 pm
Location: Robert “Bob” Crowell Boardroom, Community Center
851 East William Street
Carson City, Nevada

REVISED

NOTICE TO THE PUBLIC:

The State of Nevada and Carson City are currently in a declared State of Emergency in response to the global pandemic caused by the coronavirus (COVID-19) infectious disease outbreak. In accordance with the Governor’s Declaration of Emergency Directive 006, which has suspended the provisions of NRS 241.020 requiring the designation of a physical location for meetings of public bodies where members of the public are permitted to attend and participate, public meetings of Carson City will NOT have a physical location open to the public until such time this Directive is removed.

- 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.
- The public may provide public comment in advance of a meeting by written submission to the following email address: mdiaz@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.
- Members of the public who wish to provide live public comment may do so during the designated public comment periods, indicated on the agenda, via telephonic appearance by dialing the numbers listed below. Please do NOT join by phone if you do not wish to make public comment.

Join by phone:
Phone Number: +1-408-418-9388
Meeting Number: 187 618 7511

AGENDA

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 - December 8, 2020

5. For Possible Action: Adoption of Agenda

6. Meeting Items

6.A For Possible Action: Discussion and possible action regarding the internal audit and recommendations to the City Fleet Maintenance Department. (Sheri Russell, srussell@carson.org)

Staff Summary: Eide Bailly, LLP completed the Vehicle Fleet Operations – Assessment of Internal Controls and Procedures internal audits from the FY21 Audit Work Program. Briefing will address internal audit findings, recommendations and agency response(s).

6.B 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, SRussell@carson.org)

Staff Summary:

6.C For Presentation Only: Discussion regarding Fiscal Year (FY) 21 audit work program update and Hotline activity. (SRussell@Carson.org)

Staff Summary: Representatives from Eide Bailey, LLP will be discussing the progress of the FY 21 audit work program as well as any items received through the Fraud, Waste & Abuse Hotline.

7. 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.

8. For Possible Action: To Adjourn

****PUBLIC COMMENT LIMITATIONS –**

The Audit Committee will provide at least two public comment periods in compliance with the minimum requirements of the Open Meeting Law prior to adjournment. Although it has been the ordinary practice of these public bodies to provide an opportunity for additional public comment during each specific item designated for possible action on the agenda, public comment will be temporarily limited to the beginning of the agenda before any action is taken and again at the end before adjournment. This policy will remain effective during the period of time the State of Nevada is under a State of Emergency as declared by the Governor due to the COVID-19 pandemic and is intended to achieve the efficient conduct of meetings while facilitating public participation via telephonic means. 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.

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 Maria Diaz at mdiaz@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.

NOTICE TO PUBLIC: In accordance with the Governor's Emergency Declaration Directive 006 suspending state law provisions requiring the posting of public meeting agendas at physical locations, this agenda was posted electronically at the following Internet websites:

www.carson.org

<http://notice.nv.gov>

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Draft Minutes of the December 8, 2020 Meeting
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A regular meeting of the Carson City Audit Committee was scheduled for 1:00 p.m. on Tuesday, December 8, 2020 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Chairperson Stephen Ferguson
Member Lori Bagwell
Member Ernie Mayhorn
Member Margie Molina
Member James Wells

STAFF: Sheri Russell, Chief Financial Officer
Mihaela Neagos, Deputy District Attorney via WebEx
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 - 2. CALL TO ORDER AND ROLL CALL

(1:04:29) – Chairperson Ferguson called the meeting to order at 1:04 p.m. Roll was called, and a quorum was present.

3. PUBLIC COMMENTS

(1:04:52) – Chairperson Ferguson entertained public comments; however, none were forthcoming.

4. POSSIBLE ACTION ON APPROVAL OF MINUTES – AUGUST 4, 2020

(1:05:41) – Chairperson Ferguson introduced the item and entertained comments and/or a motion.

(1:05:42) – Member Mayhorn moved to approve the meeting minutes of August 4, 2020. Member Bagwell seconded the motion. Motion carried 5-0-0.

5. POSSIBLE ACTION ON ADOPTION OF AGENDA

(1:06:23) – Chairperson Ferguson noted that there were no modifications to the agenda and considered the agenda adopted.

6. PUBLIC MEETING ITEMS:

6.A FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE APPROVAL OF INTERNAL AUDIT AND RECOMMENDATIONS TO THE CITY DEPARTMENTS.

(1:06:24) – Chairperson Ferguson introduced the item. Ms. Russell presented the Staff Report, which is incorporated into the record. Eide Bailly Cyber Security and Information Assurance Manager Joe Sousa reported on the External Network Penetration Assessment and the Internal Network Vulnerability Assessment referenced

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in the Eide Bailly Internal and External Vulnerability internal audits from the fiscal year (FY) 2021 Audit Work Program that is incorporated into the record.

(1:14:55) – Mr. Sousa entertained Member questions, and he, Ms. Russell, and Carson City Information Technology (CCIT) Department Chief Information Officer (CIO) James Underwood responded to clarifying questions.

(1:22:09) – In response to Member Mayhorn’s question, Mr. Sousa stated that the external network is at a higher risk than the internal network due to some of the applications that could potentially have been exposed and what people can gain access to from the outside. He added the three factors for the internal network issues were the out of date systems, systems that were missing patches, and system hardening.

(1:27:23) – Mr. Underwood called the recommendations from Eide Bailly’s report reasonable and confirmed that the CCIT Department agreed with Eide Bally’s recommendations and findings. In response to Member Bagwell’s question, Mr. Underwood believed that the items listed in the report could be accomplished by the expected completion dates.

(1:33:57) – In response to Member Molina’s question, Mr. Underwood stated that the CCIT Department had requested financial resources where possible and had been provided with support from City management. He mentioned that the Department was able to purchase new firewalls, upgrade virus software, and apply email security software. He believed that the Department had prioritized the available resources to make good use out of the available staff.

(1:37:59) – Chairperson Ferguson entertained a motion.

(1:38:04) – MOTION: Member Mayhorn moved to accept the Internal and External Network Vulnerability internal audit reports with the [addition] that the Audit Committee come back in July 2021 for a retest.

(1:38:21) – Member Bagwell proposed that the Committee wait to see if the funds left in the budget would be effective for Mr. Sousa and his team to do a retest and requested that the reference to a retest be left out of the motion. Member Mayhorn withdrew his motion. Mr. Underwood proposed a retest for August 2021 instead of July 2021. He also corrected a previous comment and clarified that the Enterprise System was running on one of the latest versions of operating systems and the CCIT Department has a regular patch process on that system.

(1:40:15) – MOTION: Member Mayhorn moved to accept the Internal and External Network Vulnerability internal audit reports. Member Bagwell seconded the motion. Motion carried 5-0-0.

6.B 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 PROVIDE A RECOMMENDATION TO THE BOARD OF SUPERVISORS TO CLOSE COMPLETED FINDINGS AND/OR RECOMMENDATIONS.

(1:40:33) – Chairperson Ferguson introduced the item. Ms. Russell referenced the Staff Report and the Audit Findings Tracking Report, both of which are incorporated into the record, and advised discussing and potentially

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closing the items in the peach-colored rows. She also entertained discussion and responded to clarifying questions.

(1:50:45) – MOTION: Member Bagwell moved to recommend to the Board of Supervisors closing Item #2 on the Temporary Staffing audit. Member Wells seconded the motion. Motion carried 5-0-0.

(1:59:24) – MOTION: Member Bagwell moved to recommend to the Board of Supervisors closing Items #10, #11, #16, and #18 of the Cash Handling audit. Member Molina seconded the motion. Motion carried 5-0-0.

(2:08:20) – Member Bagwell moved to recommend to the Board of Supervisors closing Item #7 of the Social Media audit. Member Mayhorn seconded the motion. Motion carried 5-0-0.

(2:11:12) – Member Mayhorn moved to recommend to the Board of Supervisors closing Items #1, #2, #3, and #4 of the AP and P-Cards audit. Member Wells seconded the motion. Motion carried 5-0-0.

6.C FOR PRESENTATION ONLY: DISCUSSION REGARDING FY 20 AUDIT WORK PROGRAM UPDATE AND HOTLINE ACTIVITY.

(2:11:46) – Chairperson Ferguson introduced the item. Eide Bailly Senior Manager Audrey Donovan noted that the Purchasing Card (P-Card) Items #1 through #4 will be validated in the first quarter of 2021. She stated that the hotline had not received any reports since the previous AC meeting, and there had not been any further communication in regards to the many previous reports regarding the Carson City Airport. She informed the Members that the Internal and External Vulnerability Assessment had been issued on this day, and the Vehicle Fleet Engagement had been initiated and was approximately 99 percent completed. Ms. Donovan stated that Eide Bailly would like to coordinate with Ms. Russell for an appropriate date to “kick off that engagement” for the Accounts Receivable audit, and Ms. Russell confirmed that January 2021 would likely work for her.

7. PUBLIC COMMENT

(2:18:12) – Chairperson Ferguson entertained public comments; however, none were forthcoming. Based on dates provided by Ms. Russell, the consensus among the Committee was to schedule the next AC meeting for March 30, 2021 at 1:30 p.m.

8. FOR POSSIBLE ACTION: TO ADJOURN

(2:19:40) – Chairperson Ferguson adjourned the meeting at 2:10 p.m.

The Minutes of the December 8, 2020 Carson City Audit Committee meeting are so approved this 30th day of March, 2021.

Audit Committee Agenda Item Report

Meeting Date: March 30, 2021

Submitted by: Sheri Russell

Submitting Department: Finance

Item Type: Formal Action / Motion

Agenda Section:

Subject:

For Possible Action: Discussion and possible action regarding the internal audit and recommendations to the City Fleet Maintenance Department. (Sheri Russell, srussell@carson.org)

Staff Summary: Eide Bailly, LLP completed the Vehicle Fleet Operations – Assessment of Internal Controls and Procedures internal audits from the FY21 Audit Work Program. Briefing will address internal audit findings, recommendations and agency response(s).

Suggested Action:

I move to approve the Vehicle Fleet Operations – Assessment of Internal Controls and Procedures internal audit report and direct staff to work on the recommendations as discussed.

Attachments:

[Vehicle Fleet Report 2021 - Final.pdf](#)

[SR_-_FY_21_Release_Internal_Audits_-_Vehcile_Fleet_Report_MN clean.docx](#)

Vehicle Fleet Operations – Assessment of Internal Controls and Procedures

Internal Audit Report

March 10, 2021

Carson City, Nevada

Submitted By

Eide Bailly LLP

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Executive Summary

Eide Bailly LLP (“We”, or “Our”) performed an independent assessment of the Vehicle Fleet operations on behalf of Carson City (“City”). This review was focused primarily on the operational aspects of the fleet rather than the financial reporting records. Eide Bailly’s methodology was designed to address procedures outlined in the audit program approved by the Audit Committee in order to assess the internal controls over the management of fiscal resources and evaluate maintenance costs, vehicle utilization, and general operations to determine if adequate controls were in place to ensure an efficient and cost-effective Vehicle Fleet.

The ‘Methodology’ section of the report describes procedures we performed for each functional area of fleet operations. The list of the internal controls identified during review is provided in **Appendix A**.

During the assessment, we identified 6 (six) findings that represent process improvement opportunities and developed the associated recommendations to increase overall efficiency and effectiveness of City’s Vehicle Fleet operations.

Background Information

The City’s Vehicle Fleet is administered by the Transportation Division that is overseen by the Transportation Manager, Deputy Director of Public Works (PW), the Director of PW, and the Fleet Services Supervisor. The highest level of authority is the Board of Supervisors (“BOS”) that is comprised of five (5) elected officials. The BOS reviews and approves the annual operational and financial budgets including the procurement of Vehicle Fleet assets based on the 5-year purchase plan that is updated annually. The Internal Finance Committee (IFC) has an authority delegated by the BOS to review and approve supplemental asset purchase requests from other departments of the City that may come after the annual budgets have been approved.

Vehicle Fleet Services is comprised of the following 10 staff:

- Transportation Manager
- Fleet Services Supervisor
- Fleet Services Foreman
- Fleet Technicians (6 Technicians)
- Office Specialist

In fiscal year 2020 (FY20), vehicle fleet was comprised of approximately 687 units including 535 vehicles and 152 units of equipment with an approximate total value of \$47MM.

Asset Type	Quantity*	Total Value*	Value Description
Vehicles	535	\$ 35,733,650	Actual Cash Value
Equipment	152	\$ 11,016,963	Replacement Cost
Total	687	\$ 46,750,613	

***Disclosure:** Since the fleet management software (“Ready Asset”) was not designed for financial reporting purposes, it does not show asset values, and it was designed to generate asset listing only for a point in time vs. historical records. The listing of assets and values shown above were derived from the asset listings filed with the City’s insurance company for FY20. The values were determined by the City’s Finance Department at the time of the policy renewal in the beginning of a fiscal year. Therefore, the actual values at 6/30/2020 might be slightly less because the asset listings reviewed at year-end showed approximately 50% fewer units of equipment and almost the same quantity of vehicles.

Table 1 below shows an approximate allocation of all vehicles and equipment within vehicle fleet by department as of June 30, 2020.

Department	% of Population (approx.)
Public Works	46.2%
Sheriff's Office	21.8%
Parks, Recreation, and Open Space	14.6%
Fire Department	12.0%
Health Department	2.2%
Executive office	1.3%
Community Development	0.8%
District Attorney	0.5%
Library	0.3%
Information Technology	0.3%
Grand Total	100.0%

Table 2 below shows an approximate allocation of all vehicles and equipment for the top 10 functional asset categories as they were assigned and used by the individual departments as of June 30, 2020. There were approximately 40 functional categories.

Functional Category	Department	% of Population (approx.)
Street Maintenance	Public Works	16.3%
Sheriff Operations	Sheriff's Office	13.8%
Park Maintenance	Parks, Recreation, and Open Space	12.1%
Water Maintenance	Public Works	10.3%
Wastewater Operations	Public Works	5.0%
Fire Operations	Fire Department	4.8%
Landfill	Public Works	4.3%
Facilities Management	Public Works	3.0%
Jump Around Carson (JAC)	Public Works	2.8%
Sheriff Investigation	Sheriff's Office	2.5%

Key Systems:

The Vehicle Fleet operations of the City utilize the following two independent standalone systems and are not integrated to share data electronically.

- “ReadyAsset” by Lumin Company – Fleet Management Software utilized by Fleet Services.
- “Munis” ERP system by Tyler Technologies – Financial Accounting and Reporting system implemented on 07/01/2019 and replaced the old ERP system called “HTE”.

Objective & Scope

The objective of this project was to obtain an understanding of the business processes and procedures of the City's Vehicle Fleet operations in order to identify and assess the internal controls and processes to ensure Vehicle Fleet is operating efficiently and effectively. The procedures described in this report were performed for FY20, a period from 07/01/2019 to 06/30/2020 and were completed in December 2020. In order to accomplish the objective, we designed and organized our procedures by the following five functional areas of the fleet operations for its primary process components as given below:

1. Inventory Management

- Purchase, transfer, and sale of the vehicles and equipment
- Tracking mechanism for vehicles and equipment
- Inventory observations for parts
- General accounting processes related to inventory management

2. Maintenance Services

- General internal processes and procedures
- Procedures for preventative maintenance, in-house repair services, and outsourced services including warranty work.
- Work order handling and internal billing for maintenance costs

3. Vehicle Use

- Vehicle usage monitoring and tracking
- Re-assignment of low usage vehicles
- Fuel consumption and mileage monitoring and accounting for fuel cost
- Driving safety guidelines, vehicle use standards, and fleet safety performance

4. Security

- Fleet management software – appropriate user access, roles and responsibilities
- Facility access badges
- Security measures to prevent theft and vandalism

5. Compliance

- Driver / operator license information, requirements, limitations
- Training for drivers / operators. Tracking and documentation of completed trainings
- Vehicle and equipment insurance policies, coverage requirements, and monitoring process to prevent policy lapse.

We conducted this audit in accordance with the International Standards for the Professional Practice of Internal Auditing. Those standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We limited our work to those areas specified in the "Audit Objective, Scope, and Methodology" section of this report.

Methodology

Our assessment of the business processes, identification of internal controls, observations, and the associated recommendations were developed based on the review of the City's written policies and procedures (P&Ps), interviews with key personnel over Vehicle Fleet Operations, as well as detailed testing of assets and supporting records. The key personnel interviewed included the Transportation Manager, the Fleet Services Supervisor, the Fleet Services Foreman, the Risk Management Coordinator, the City's insurance broker, IT Systems Technician, and the Fiscal Analyst of Public Works.

Our methodology was designed to gain an understanding of business processes in all the five functional areas and identify internal controls for independent evaluation as well as evaluation against the established P&Ps. As a result, we created process narratives describing the processes and procedures in each functional area including one process flowchart for the asset procurement process.

We designed and performed the following procedures specifically for each of the five functional areas:

1. Inventory Management and Maintenance Services

- Reviewed the City's Purchasing Policy and Fleet Replacement Criteria policy document, and performed walkthroughs of the processes related to procurement, tracking, and accounting for vehicles, equipment, parts, and maintenance services performed both in-house and outsourced.
- Reviewed a sample of vehicles and equipment that were purchased in FY20 and performed the following:
 - Inspected the "Staff Report" to verify BOS's valid and timely approval of the purchase prior to the approval of the associated requisitions and purchase orders (POs).
 - Inspected the quotes, POs, invoices for consistency of the PO numbers, requisition numbers, and amounts ordered verses paid.
 - Reviewed Munis ERP system workflow approvals.
 - Inspected system screen prints from ReadyAsset and Munis to verify that the assets were timely entered in the system for tracking.
 - Inspected examples of work orders for service records, repairs, and inspections to ensure they were adequately handled and completed as evidenced by work order comments, invoices, invoice account coding, and approvals.
- Reviewed a sample of vehicles and equipment that were transferred between departments in FY20 and performed the following:
 - Inquired about the transfer initiation and proper processing of the transfer in ReadyAsset for tracking.
 - Inspected samples of service records for unscheduled and scheduled work orders for preventative maintenance.
- Reviewed a sample of vehicles and equipment that were sold in FY20 and performed the following:
 - Inquired about tracking of assets sold and verified that tracking was performed for all assets sold in FY20 with appropriate management approvals on the inventory change forms.
 - Reviewed auction settlement statement and reconciled the VIN and / or asset description, and net cost of sale between the statement and the Fixed Asset Change Form for assets sold.
 - Reviewed auction settlement statement (used as check detail) and copy of the check payment received to verify that the City received the payment for the asset sold.
 - Reviewed fleet management software records to verify that the asset was marked "Retired" in the system in the same fiscal year.

- Reviewed the most recent count sheets for parts and performed the following:
 - Verified the physical inventory observation for parts was performed by the Fleet Services Department for FY20.
 - Verified discrepancies found between the physical inventory observation and ReadyAsset were accurately calculated and identified (i.e., physical count versus ReadyAsset).
 - Verified that physical inventory discrepancies were investigated and corrected in ReadyAsset.

2. Vehicle Use

- Reviewed the Safety Guidelines, Vehicle Use Policy, and Vehicle Safety and Warning Devices Policy to gain an understanding of safety guidelines and vehicle use standards.
- Reviewed vehicle usage reports to determine if low usage vehicles were reassigned as needed with the following procedures:
 - Verified that vehicles were properly identified as 'Low Usage' in the Utilization Report by recalculating the start and end mileages.
 - Verified each vehicle that was identified as 'low usage' had manager review comments on the report and performed inquiries to obtain a better understanding of the conclusions reached as a result of the review.
 - Verified that the ReadyAsset system was appropriately updated for department account numbers for assets that were marked for re-assignment if applicable.
- Reviewed fuel consumption reports for four months from four different quarters in FY20 and performed the following:
 - Verified that fuel purchases were accurately recorded by department (i.e., Fleet Services and all other departments combined).
 - Reconciled department general ledger (GL) accounts between ReadyAsset Vehicle Listing and Fuel Consumption Report to verify that monthly fuel expenses incurred by each department were allocated to the appropriate respective GL accounts.
 - Inspected Munis journal entry records to verify that monthly fuel charges were recorded in the proper accounting period.
 - Verified that fuel purchases were appropriate for locations of the fuel purchases.
 - Verified that odometer readings for each vehicle were reported by drivers at the time of fuel purchase.
- Inquired about a monitoring process to ensure overall fleet safety performance including the review of critical GPS Data (e.g., speeding, harsh breaking, harsh turning, etc.). No detail testing deemed necessary as most of the vehicles are not equipped with GPS systems.

3. Security

- Reviewed the Key and Access Control Card Policy and held discussions related to security functional area focusing on fleet management software user access, facility access badges, and security measures in place to prevent theft and vandalism.
- Inspected fleet management software user access report for the listing of all users to determine if access was granted in accordance with employees' roles and responsibilities and whether the access was disabled timely due to change in roles, terminations, or as needed, by verifying appropriate supporting documentation.
- Inspected facility access badge reports to determine if access to facility was within reasonable timeframe. The badge access is granted to access the facilities 24/7 for full time employees and with

limited hours to contractors (6:55 am to 5:15pm) due to the nature of the operations (e.g., technicians are on call). Therefore, the detailed testing of the access reports deemed unnecessary and was not applicable.

- Held discussions with key personnel to identify and verify security measures in place to prevent theft and vandalism and that the measures followed the established guidelines, where applicable.

4. **Compliance**

- Reviewed the Employee Safety Manual and Anti-drug & Alcohol Misuse Prevention Program policy document.
- Obtained a listing of all drivers and operators and performed the following:
 - Inspected copies of driver licenses for current status to ensure validity of the licenses as of 6/30/20.
 - Reconciled driver license numbers between the copies of the licenses and CDL Log maintained by the Risk Management Coordinator.
 - Examined Alcohol and Drug Testing Log maintained by the Risk Management Coordinator to ensure that Fleet Services drivers did not test positive if they were flagged for random drug and alcohol testing.
- Inquired about the internal and external trainings required for the drivers and operators, reviewed the associated documentation to verify the successful completion of on the job training to obtain Commercial Driver License (CDL) and management’s validation process of the CDLs to verify the licenses were obtained within the first 8 months of employment in compliance with job requirements for drivers and operators when applicable.
- Inquired about on-the-job trainings and other internal trainings required by Human Resources to verify that training is monitored for completion in compliance with the established P&Ps.
- Inspected insurance policies and made inquiries with the City’s Risk Management Coordinator and the insurance broker to ensure that all vehicles and equipment were adequately insured in FY20.

Testing Results

This section of the report provides a general description of the testing results and specific observations. A combination of these observations, our discussions with various stakeholders, and the inspection of various policies and procedures resulted in identifying process improvement opportunities that are summarized in 6 (six) findings and associated corresponding recommendations provided in the *'Findings and Recommendations'* section of the report as well as cross-referenced below.

- **Physical Inventory Counts:** The physical cycle counts for parts inventory was adequately performed for FY2020. The need for the quarterly cycle counts has been re-enforced by management for FY2021. Test count discrepancies have been appropriately identified and corrected when needed. However, process improvements over inventory tracking were identified. See **Finding #1**.
- **Fleet Sample:** The review of a sample of newly purchased, transferred and decommissioned vehicles and equipment indicated that the asset management was handled appropriately within the established policies and procedures. We sampled and reviewed a sample of 2 assets from each category (purchased, transferred, and sold). We identified an inappropriate segregation of duties in handling live checks received by the Fleet Services for the assets sold in auctions. See **Finding #2**.
- **Low Usage Assets:** The listing of vehicles and equipment was adequately reviewed for low usage vehicles and equipment to ensure proper and timely re-assignments in FY20. We've identified an opportunity to increase effectiveness of the associated internal control. See **Finding #3**.
- **GPS Data:** Detail testing deemed unnecessary as most of the vehicles are not equipped with GPS systems. An installation of GPS units is optional and is not required by the City. See **Finding #4**.
- **Driver License Status:** The current status of CDLs for the drivers and operators in Fleet Services have been verified for validity. No issues were noted in inspection of the CDL training logs for driver participation and completion. The review of the "Alcohol and Drug Testing Log" did not indicate any violations or instances of non-compliance. However, we found that the City has an ineffective verification process of driver licenses. See **Finding #5**.
- **Driver and Operator Training Records:** We identified a risk of non-compliance with the City's Employee Safety Manual which requires that the training records and the associated processes and procedures are forwarded to the Risk Management Coordinator. This process wasn't performed in FY20 and there is no indication that the process is currently being performed. See **Finding #6**.
- **Fleet Insurance Coverage:** The vehicles and equipment in FY20 were adequately insured as verified with the City's insurance broker and the review of the insurance policy documentation obtained from the broker.

Conclusion

Vehicle Fleet Services appears to have a good number of well-designed internal controls for efficient and effective operations of the fleet along with highly qualified and experienced staff, Supervisors, Deputy Directors, and Directors in Fleet Services, Transportation Division, and Public Works Department. We greatly appreciate and thank the input of all individuals who contributed to enhancing our understanding of the City's Vehicle Fleet operations as well as helping to identify opportunities for process improvements. We hope and believe that, at a minimum, addressing and resolving the findings and recommendations provided in this independent audit report would directly and positively contribute and add value to the overall efficiency and effectiveness of the operations of Vehicle Fleet including, but not limited to, an increase in accuracy in spend monitoring with fewer deviations from approved budgets, an appropriately designed process for inventory tracking, an increase in wrenching hours, an improved fleet utilization review with a frequent and consistent assessment of fleet utilization across all departments that use vehicles and equipment, and an improved monitoring mechanism and control over driving behavior of the drivers and operators to reduce risks associated with the safety of the drivers as well as the general public.

Findings & Recommendations

We have provided 6 (six) findings and associated recommendations in this report related to improvement opportunities or additional considerations that may be necessary to properly and adequately address risks and achieve business objectives. These recommendations were designed to strengthen current controls, improve oversight of operations, and increase overall efficiency and effectiveness of the City's Vehicle Fleet Services.

Finding #1: Inventory Security & Tracking

Risk Rating: High

The Fleet Services Division facility is secured as discussed in Control IC22 below. However, at the Fleet Services staff level, an effective and secure mechanism for tracking auto-parts inventory could be established. Additionally, there isn't one secure location within the facility to ensure safekeeping of a large portion of the inventory that is retained at fleet's facility. The inventory remains exposed for potential theft by anyone who can access the facility. As a result, there is an increased risk of missing parts, increased costs, and potential delays in service.

Recommendation #1:

Security: As a short-term solution, we recommend that the Fleet Services Supervisor improve the security of the existing inventory location at the facility by installing locks if feasible and restricting access to the Fleet Services personnel who have business needs to access the inventory including Transportation Manager, Fleet Services Supervisor, Foreman, and Fleet Mechanics. After tracking mechanism is established, the access should be limited to the designated person responsible for tracking.

Tracking: As a long-term solution, we recommend that the Transportation Manager and Fleet Services Supervisor collaborate to design and establish a tracking mechanism by implementing parts tracking sheet where Fleet Services Technicians can sign, date, and identify the parts used and taken out of the available parts inventory. Fleet Services should consider using bar code scanning technology that is currently owned by the City but is not being used. The parts inventory tracking should be managed by one designated Fleet Technician. If there is an insufficiency of internal human resources, the Transportation Manager is to determine if hiring a new employee is the best option for the Fleet Services.

Establishing a new tracking mechanism and having one designated person responsible for tracking will provide several benefits including the following:

- reduce the risk of misappropriating assets
- increase managements visibility over the parts inventory

- enable management to move the parts at the facility to a secure location where the parts can be accessed only by the designated parts person (e.g., a Technician who does not have an ability to make purchases.)
- enable the Fleet Services Foreman and the Supervisor to spend more time on managing the fleet than tracking and purchasing the parts.
- increase wrenching hours as the shop technicians would spend less time on the phone, in the computer.

Management Response:

As documented in Control IC22, 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 of parts inventory within the fleet facility and across fleet staff. Absent a dedicated employee to manage and track inventory at fleet, these responsibilities are currently shared across fleet supervisors and technicians, which continues to provide opportunity for risk. The recommendation to hire a dedicated employee for these tasks was provided during the previous (2015) operational audit, however, the position was not funded by the Board of Supervisors at the time. Management recommends funding this position and will submit a supplemental budget request for the position with the FY 2022 budget requests for consideration by the Board of Supervisors.

Finding #2: Segregation of Duties for Check Handling

Risk Rating: Medium

There is an improper segregation of duties related to live check handling. When the assets are sold at auction, the auction company sends the live check payments to Fleet Services Department. The checks received are handled by the same individual in the Fleet Services who processes the assets for sale and has an ability to put the assets in a “retired” status in the fleet management software (‘ReadyAsset’). While receiving checks by various departments is technically in compliance with the City’s Cash Handling Policy, the lack of segregation of duties, in this case, increases the risk of misappropriation of City assets.

Recommendation #2:

We recommend that the City’s Accounts Payable Department instruct the auction company to send all check payments along with settlement statements directly to Treasury, the Finance Department or the City’s lockbox, as applicable, and stop sending the check to Fleet Services. Only copies of the checks and statements should be forwarded internally to Fleet Services if such documentation is needed for internal tracking purposes.

Management Response:

Management agrees with this recommendation. Starting with the next auction (anticipated Spring 2021), live check payments will be directed to the Carson City Treasurer’s Office.

Finding #3: Asset Utilization Reviews

Risk Rating: Medium

There is a risk that Fleet Services may not be re-assigning assets as efficiently and effectively as possible due to the inconsistent *frequency* of fleet utilization reviews that results in re-assignment of assets. Currently, re-assignments are primarily performed based on a verbal request from department managers. Additionally, the Finance Department completes the asset re-assignments among departments annually at fiscal year-end as part of its “Internal Billing Transfer” process; whereas the Fleet Services reviews asset utilization for potential re-assignment, sale, or replacement every 2 to 3 years. An infrequent review of the asset utilizations may result in delayed asset re-assignments and / or result in assets available in the fleet that are not being utilized as effectively as possible.

Recommendation #3:

We recommend that the Transportation Manager and Fleet Services Supervisor review the Low Usage Asset Report at least annually prior to fiscal year-end (June 30) in order to ensure consistency with management’s review and increase effectiveness of asset utilization by identifying opportunities for asset re-assignments in addition to the ones that are completed based on random requests from department heads.

Additionally, due to ‘ReadyAsset’ system limitations, we recommend that the Transportation Manager generate and retain fleet utilization reports as of June 30 of each fiscal year to enable the Transportation Manager, Public Works Management, and / or auditors to review an asset listing as of each fiscal year-end.

Management Response:

Management agrees with this recommendation. This review will be conducted annually moving forward. Fleet utilization reports will be generated at the end of each fiscal year, as close to June 30 as it is practical.

Finding #4: Monitoring for Driving Violations**Risk Rating: Medium**

Currently, not all City vehicles are equipped with global positioning system (GPS) devices nor are the existing devices periodically rotated among the existing vehicles. In fact, they are rarely rotated. Resulting in the City not having a mechanism in place to monitor driving behavior for the vehicles that don’t have GPS systems installed. Additionally, there is a risk that driving violations may go undetected and are not properly and timely addressed due to unsafe driving that may result in increased liability to Carson City.

Estimated cost for all City vehicles to have a GPS device based on the current size of the fleet is approximately \$220k annually (\$100k for GPS devices and \$120k for cost of service).

Recommendation #4:

As a temporary solution to address the risks identified, we recommend that the Vehicle Fleet begin rotating the existing GPS systems among all high usage vehicles at least annually, to begin as soon as possible, and monitor the pattern of violations by driver(s) in accordance with the current process performed for vehicles with GPS units.

As a long-term solution to address the risks identified, we recommend that the Vehicle Fleet management perform a cost benefit analysis to determine whether the City should purchase and install GPS devices on all City vehicles or just those with high annual usage.

If it is determined to be cost prohibitive to have GPS units on all City vehicles, the cost benefit analysis should be expanded to include alternative solutions for monitoring driving behavior for all City vehicles. Additionally, if it is determined that GPS devices on all City vehicles is cost prohibitive it is recommended that the Transportation Division develop and implement a methodology and policy to define which vehicles should have GPS devices based on criteria, including but not limited to, asset risk, purpose of use, value, and usage.

Lastly, Vehicle Fleet should update Section 6 of the Vehicle Use Policy to align with the outcome of the cost benefit analyses.

Management Response:

Although there are some benefits that could be realized by installing GPS in all City vehicles, Management believes that the current approach of rotating limited GPS devices through vehicles has been a cost effective solution and does not feel that additional efforts need to be made at this time. The City currently experiences a very low instance of accident/crashes in City vehicles or known instance of violations. Additionally, all City vehicles are badged, such that if an infraction is occurring while out in the line of work, anyone would be able to recognize it being a City vehicle and report it. Therefore, when weighing added benefit versus the

significant cost to implement (purchase new GPS devices and pay monthly service fees), Management feels that addressing this recommendation does not represent the highest and best use of limited City funds at this time. We will continue to monitor accidents and violations in the future and pursue if necessary, at that time.

Finding #5: Verification of CDLs and Driver Licenses

Risk Rating: Medium

There is a risk that some of the commercial driver licenses (CDLs) and regular non-commercial drivers' licenses for Carson City employees are either not valid or expired as a result of an ineffective verification process. Currently, the Risk Management Coordinator verifies all license renewals via email without requesting and reviewing copies of the actual renewed licenses for validity.

Recommendation #5:

We recommend that the Risk Management Coordinator or the Department Supervisors perform verification of the license renewals by requesting and reviewing the copies of the actual licenses.

We also recommended that the Department Supervisors query the Department of Transportation DOT Clearinghouse for each Commercial Motor Vehicle driver at least annually as required by the new Clearinghouse rules and in accordance with the City's "Anti-Drug and Alcohol" policy. Such search was designed to enable employers to check if employees are prohibited from performing safety-sensitive functions.

Management Response:

The policy will be updated to clarify the following: (1) Individual Divisions where CDL employees are working will retain the scanned copies as required. (2) Risk Management will add a column to their tracking spreadsheet and request scanned copies of renewed driver's licenses. When received and verified, the column will be updated. (3) The City has elected to use Sinnett Consulting as our third-party administrator for the Clearinghouse, and Sinnett does the queries on the City's behalf for a fee.

Finding #6: Training Records for Drivers & Operators

Risk Rating: Medium

There is a risk of non-compliance with the City's Employee Safety Manual which states that the Department Directors and Supervisors are expected to document the records of initial and refresher trainings on all equipment, processes, and procedures and forward them to the Risk Management Coordinator. This policy requirement is not currently being performed either due to lack of communication between the City's Senior Management and the Department Directors/Supervisors or a lack of clarification on the specific procedures and expectations for tracking training records.

Recommendation #6:

We recommend that the City Manager update the Employee Safety Manual or issue an internal management memo to provide clarification and specifics on the procedures for retaining and monitoring training records to ensure expectations for individual departments and the Risk Management Coordinator are clearly communicated. The specifics may include a complete list of periodic mandatory trainings to be completed annually and type of internal trainings (formal vs. informal) that are required to be documented as practically possible. The Safety Manual should also enable the individual departments to identify the training courses they are expected to complete during any given fiscal year and ensure monitoring mechanism is in place to ensure compliance with the Employee Safety Manual.

Management Response:

The Citywide Employee Safety Manual will be reviewed and updated as necessary. All employee certifications and trainings are not meant to be tracked and maintained in one place as it would require additional FTEs to do so. Each department is responsible for ensuring that their employees have the proper

training to perform their functions. OSHA requires that we provide safety training to employees annually, and the Risk Department does ensure that classes are available during the year for employees who would like to participate.

Appendix A – Internal Controls

The following internal controls (IC) were identified within the five functional areas:

Inventory Management Controls:

- IC1.** The annual asset purchasing budget including quotes, contracts, and purchase orders for large purchases greater than \$50K are reviewed and approved by BOS. This control includes review and approval of the tentative budget and the Capital Improvement Program (CIP). The CIP contains a 5-year capital improvement plan that is updated annually.
- IC2.** Large purchases greater than \$5K require POs and are reviewed by the Purchasing and Contracts Administrator for compliance with the Procurement Policy including the review of requisitions, quotes, vendor contracts, dollar amounts, BOS approval for large purchases, and department approvals as applicable.
- IC3.** Purchase requisitions for purchases greater than \$5K are reviewed and approved by the PW Deputy Director. If he is not available, the PW Director can perform the review.
- IC4.** Small purchases including various auto-part purchases under \$5K, which are made with purchase cards (P-cards), are approved by Fleet Services Supervisor.
- IC5.** All P-card transactions are reviewed monthly by Transportation Manager for validity and accuracy of the charges.
- IC6.** Before payments are released, vendor invoices and PO support are reviewed and approved by Accounting Clerk and Accounting Manager.
- IC7.** High level review of invoice payments by the CFO and City Manager before payments are released by the Treasury.
- IC8.** All journal entries related to inventory asset movements (e.g., additions, deletions, assets that need to be capitalized) are reviewed and approved by either CFO or Deputy CFO.
- IC9.** The Fleet Services Foreman goes into Munis, accounting software, to verify that the requesting department has enough funds in the repair account before processing the work order.
- IC10.** Only for the Sherriff Office (S.O.) purchases greater than \$500, the Fleet Services obtains an approval from the S.O. Business Manager when providing a vendor quote before completing the requested purchase.
- IC11.** Monthly, the Finance Department performs a reconciliation between ReadyAsset and Munis to ensure appropriate accounting for the parts purchased during the month. The reconciliation is a part of the month-end close process.

Maintenance Services Controls:

- IC12.** When work orders are completed, the Technicians enter notes in the system describing the work performed, add direct labor hours to the associated work orders, and notify the Fleet Services Supervisor or the Foreman. To ensure mechanical issues are resolved and resolved appropriately, the Fleet Services Supervisor or Foreman inspects the completed maintenance services or repair work before closing the associated work orders in ReadyAsset.

- IC13.** When newly purchased vehicles and equipment arrive, the Fleet Services Supervisor or the Foreman verifies assets' registration, checks the existence of first aid kits and fire extinguishers, verifies there are no body damages, checks the conditions of tires and lighting system, and verifies overall functionality of the assets before the assets are placed in use.

Vehicle Use Controls:

- IC14.** The Fiscal Analyst reviews the accuracy and verifies the validity of charges on the fuel consumption reports and the associated invoices before the invoices are processed for payment.
- IC15.** Approximately every 2-3 years, the Transportation Manager and Fleet Services Supervisor review low usage vehicles and equipment to identify opportunities for potential asset re-assignments and determine whether it is cost effective to keep, reassign, or sell the vehicles.
- IC16.** The Fleet Services Supervisor randomly monitors the drivers' driving behavior for the vehicles with GPS units. Driving violations are communicated to and addressed by the related department heads. The Risk Management Coordinator is copied in the email distribution from the Fleet Services Supervisor. This control applies only to the vehicles that are equipped with GPS systems.

Security Controls:

- IC17.** EAM user access is granted and terminated by IT Department based on the review and approval by the Fleet Services Supervisor.
- IC18.** The Facilities Maintenance Manager oversees access systems and maintains access controls files for the City.
- IC19.** Department Directors, or a designee, complete the "Key & Card Request Form" that is reviewed and approved by the employee's supervisor in order to issue an access badge. An additional access to other departments is approved by the respective Department heads.
- IC20.** The Fleet Services Supervisor sends a request to the Facilities Maintenance Manager for the access badge to be deactivated the same day the staff's employment is considered terminated. In addition, on as needed basis, the Facilities Maintenance Department performs a badge screening for expiration dates and evaluate the access badges for possible extensions.
- IC21.** Security cameras are installed throughout the Fleet facilities and are monitored by Fleet Services daily.
- IC22.** Access to Fleet facilities require badge access.

Compliance Controls:

- IC23.** Quarterly, the Risk Management Coordinator tracks drug and alcohol random testing results and communicates instances of "positive" test results to an employee's supervisor for remediation.
- IC24.** As needed, the Fleet Services Supervisor verifies the completion of CDL training and drive test requirements by obtaining and reviewing copies of the CDLs for employees in Transportation Division, Fleet Services who are required to hold CDLs. This control activity is performed within the (first) 8-month grace period from the hire date.

- IC25.** Annually, the Fleet Services Supervisor verifies the accuracy of the asset listings for vehicles and equipment before the Risk Management Coordinator sends the listing to the insurance broker for the annual insurance policy renewal that occurs before the fiscal year-end. Note: the vehicle listing is updated throughout the year while the equipment listing is updated only once a year.



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Respecting our peers and their individual contributions.

Conducting ourselves with the highest level of integrity at all times.

Trusting and supporting one another.

Being accountable for the overall success of the Firm,
not just individual or office success.

Stretching ourselves to be innovative and creative, while managing the related risks.

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Promoting positive working relationships.

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STAFF REPORT

Report To: Audit Committee

Meeting Date: March 30, 2021

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

Agenda Title: For Possible Action: Discussion and possible action regarding the internal audit and recommendations to the City Fleet Maintenance Department. (Sheri Russell, srussell@carson.org)

Staff Summary: Eide Bailly, LLP completed the Vehicle Fleet Operations – Assessment of Internal Controls and Procedures internal audits from the FY21 Audit Work Program. Briefing will address internal audit findings, recommendations and agency response(s).

Agenda Action: Formal Action/Motion

Time Requested: 20 minutes

Proposed Motion

I move to approve the Vehicle Fleet Operations – Assessment of Internal Controls and Procedures internal audit report and direct staff to work on the recommendations as discussed.

Board's Strategic Goal

Efficient Government

Previous Action

Fiscal Year 2021 internal audit program was approved by the Audit Committee on August 4th, 2020.

Background/Issues & Analysis

According to Carson City Municipal Code 2.14.040 the Audit Committee will review and make recommendations to the Board of Supervisors regarding the annual financial audit, performance, compliance and efficiency audits, including specific issues of concern providing a higher level of accountability over the use of public funds and the adequacy of any city department or office performance measure for internal audit purposes.

Applicable Statute, Code, Policy, Rule or Regulation

Carson City Charter Article 3 Section 3.075, CCMC 2.14.040

Financial Information

Is there a fiscal impact? Yes No

Is it currently budgeted? Yes No

Alternatives

Do not approve or provide alternative direction to internal auditors or staff.

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)

Audit Committee Agenda Item Report

Meeting Date: March 30, 2021

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

Staff Summary:

Suggested Action:

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

Attachments:

[Audit Findings Summary 3-22-21.pdf](#)

[SR_-_Internal_Audit_Findings_Tracking_Report_clean.docx](#)

Carson City
Internal Audit Summary
Updated - 8/7/20

Carson City - Audit Findings Tracking Summary Report (revised 8-7-20)

Report Name	Report Submittal	AC/BOS Report Approval	Reporting Entity	Report Findings	Completed Findings	AC Approval	BOS Approval	Notes
Community Facility Cost Recovery Study	11/28/2012	1/17/2013	Internal Auditor	15	15			
Community Facility Cost Recovery Eagle Valley Go	10/3/2012	5/16/2013	Internal Auditor	4	4			
Fleet Management Efficiency Study	6/22/2013	7/18/2013	Internal Auditor	24	24			
Fleet Utilization Study	1/30/2014	4/3/2014	Internal Auditor	12	12			
Employee Efficiency Study	11/25/2014	12/4/2014	Internal Auditor	27	27			
Internal Controls Review	3/31/2015	6/4/2015	Internal Auditor	42	42	4/21/2015	11/15/2018	
Policy and Procedures Review	3/22/2016		Internal Auditor	5	5		12/21/2017	
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	
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	4	5/9/2019	10/3/2019	Only items 2-5
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	19	6/15/2020	8/20/2020	All except item #17 are closed
Social Media Study	11/25/2019	1/6/2020	Internal Auditor	13	4	6/15/2020	8/20/2020	Only items 1, 2 7, & 9
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 Volatility Audit	10/30/2020		Internal Auditor	10				
Fleet Audit	3/30/2021		Internal Auditor	6				
Total (including archived reports)				262	240			

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 - project closed
P	Partially Addressed items
N	Not yet addressed
Y	For Discussion today

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		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.

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
17		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.

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
3		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 be administered or monitored in accordance with the citywide policy.	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		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 the City Manager prior to creating a social media site.	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 CM approval in PolicyTech is all that we are waiting on.
5		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	P	2/28/2021			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: DA's office is in final review stages.
6		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 Resources Usage policy.	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.	P	2/28/2021			HR Director will update policy as proposed and CM will review and approve. UPDATE: DA's office is in final review stages.
8		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, archiving, and site removal.	Departments should update their social media policies to ensure they align with and refer to the Citywide Policy.	*Y*	2/28/2021	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.
10		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*	2/28/2021	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.

Carson City
Social Media Study
November 25, 2019

11		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 budget cycle. - NOTE that recent court cases have found government social media accounts to be "designated public 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 collected, stored, and managed social media sites currently display their purpose and a link to the finalized social media policy, in addition, a portion of the policy is displayed disclaiming what types of comments may authorize City intervention for removal.
12		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 the social media policy and are in practice.
13		The City does not have an Information Security Response Plan	Create a Information Security Response Plan to include procedures for responding to security incidents, communication protocol and determine system impact.	N	6/30/2021		CIO will create an Information Security response Plan.

Carson City
External Internal 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		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.	P	5/1/2021			Date changed from 2/1/2021 to 5/1/2021 due to resource constraints. 12 of 13 external vulnerabilities reported have been resolved or scheduled to be resolved by 5/1/2021. In addition, recent critical Microsoft Exchange vulnerabilities were resolved within 24 hours of being announced. Staff will update the audit committee with the actual number resolved at the meeting on 3/30/2021.
2		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.	P	6/1/2021			Staff has continuing making progress on system hardening and change management including the use of automated deployment tools and templates. Work is being conducted to update patch deployment systems.
3		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.	N	6/1/2021			Changed date from 3/1/2021 to 6/1/2021. Staff does not have the recommendation yet, but has begun to approach new vendors with this requirement.
4		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.	P	9/1/2021			Date changed from 1/1/2021 to 9/1/2021. In the December 2020 Audit Committee meeting, it was decided to re-test in August 2021.
		NOTE: 103 - Internal						
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	8/1/2021			Date changed from 2/1/2021 to 8/1/2021. The work to mitigate the 103 internal vulnerabilities has turned out to be much more than originally thought. Staff expects to be able to demonstrate significant progress at the time of the re-test in August 2021.

Carson City
External Internal IT Vulnerability Audit
October 30, 2020

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.	P	6/1/2021			Staff has continuing making progress on system hardening and change management including the use of automated deployment tools and templates. Work is being conducted to update patch deployment systems.
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.	P	8/1/2021			Date changed from 4/1/2021 to 8/1/2021. Staff expects to be able to demonstrate significant progress at the time of the re-test in August 2021.
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.	P	9/1/2021			Staff expects to be able to demonstrate significant progress at the time of the re-test in August 2021.
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 an increase the 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.	N	9/1/2021			Date changed from 7/1/2021 to 9/1/2021. In the December 2020 Audit Committee meeting, it was decided to re-test in August 2021.
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 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.	P	1/1/2022			Staff expects to be able to demonstrate progress at the time of the re-test in August 2021. A recent critical Windows Domain vulnerability was resolved within 10 hours of it being announced. Many of the critical and high vulnerabilities that were identified in the audit have to do with legacy systems that are still running and can't be updated. IT will need to work with the business users to address these, which will take significant time. The preferred way to address these would be to migrate the needed data off of the unsupported systems to supported systems.

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.

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		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.	N	7/1/2021			
2		FINDING 2 - Segregation of duties related to live check handling. RECOMMENDATION: City's Accounts Payable Department instruct the auction company to send all check payments directly to the City's Treasurer, and no longer send the check to Fleet Services.	Management agrees with this recommendation. Starting with the next auction (spring of FY21), live check payments will be directed to the Carson City Treasurer's Office.	N	4/30/2021			
3		FINDING 3 - Asset Utilizations Reviews RECOMMENDATION: We recommend that the Fleet Department review the Low Usage Asset Report at least annually prior to fiscal year end to identify opportunities for asset re-assignments on an annual basis.	Management agrees with this recommendation. This review will be conducted annually moving forward. Fleet utilization reports will be generated at the end of each fiscal year, as close to June 30 as it is practical.	N	6/31/2021			
4		FINDING 4 - Monitoring for Driving Violations RECOMMENDATION: Fleet management should perform a cost benefit analysis to determine whether the City should purchase and install GPS devices on all City vehicles or just those with high annual usage.	Management believes the current approach of rotating limited GPS devices through vehicles has been a cost effective solution and does not feel that additional efforts need to be made at this time. (New GPS devices require a monthly service fees for each device.) The City experiences a very low instance of accident/crashes in City vehicles or known instances of violations. Fleet will continue to monitor accidents and violations in the future and pursue if necessary, at that time.	N				
5		FINDING 5 - Verification of CDLs and Driver Licenses RECOMMENDATION: Risk Management Coordinator or Department Supervisors perform verification of the license renewals by requesting and reviewing the copies of the actual license. Department supervisors should also query the Department of Transportation Clearinghouse for each Commercial Motor Vehicle driver at least annually.	The policy will be updated to clarify the following: (1) Individual Division where CDL employees are working will retain the scanned copies as required. (2) Risk Management will add a column to their tracking spreadsheet and request scanned copies of renewed driver's licenses. When received and verified, the column will be updated. (3) The City has elected to use Sinnett Consulting as our third-party administrator for the Clearinghouse, and Sinnett does the queries on the City's behalf for a fee.	N				

Carson City
Fleet Management Audit
March 10, 2021

6	<p>FINDING 6 - Training Records for Drivers & Operators RECOMMENDATION: We recommend that the City Manager updated the Employee Safety Manual or issue an internal management memo to provide clarification and specifics on the procedure to retaining and monitoring training records to ensure expectation for individual departments and the Risk Management Coordinator are clearly communicated. The specifics may include a complete list of periodic mandatory trainings to be completed annually and type of internal trainings (formal vs. informal) that are required to be documented as practically as possible. The Safety Manual should also enable the individual departments to identify the training courses they are expected to complete during any given fiscal year and ensure monitoring mechanism is in place to ensure compliance with the Employee Safety Manual.</p>	<p>The Citywide Employee Safety Manual will be reviewed and updated as necessary. All employee certifications and trainings are not meant to be tracked and maintained in one place as it would require additional FTE's to do so. Each department is responsible for ensuring that their employees have the proper training to perform their functions. OSHA requires that we provide safety training to employees annually, and the Risk Department does ensure that classes are available during the year for employees who would like to participate.</p>	N				
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STAFF REPORT

Report To: Audit Committee

Meeting Date: March 30, 2021

Staff Contact: Sheri Russell, 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, 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: 20 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

On March 4, 2021, the Board of Supervisors closed all items recommended at the December 8, 2020 Audit Committee Meeting which included:

- 1) Temporary Staffing – Item 2
- 2) Cash Handling – Items 10, 11, 16 & 18.
- 3) Social Media – Item 7
- 4) AP & P-Card Audit – All items have been closed

Background/Issues & Analysis

Eide Bailey has been contracted by Carson City to provide internal auditor services starting July 1, 2018 through June 30, 2021.

Staff has addressed the recommendations and/or findings contained in the Audit Findings Tracking Summary Report with remediation plans.

Staff is recommending the following items to the Audit Committee for closure or validation, then closure:

- 1) Temporary Staffing – Item 2 (Final item)
- 2) Cash Handling – Item 17 (Final item)
- 3) Social Media – Items 3, 4, 8, 10 through 12

If any other items become appropriate for closure or validation by the time set for this meeting, those will be provided as late material and Staff will provide new recommendations.

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)

Audit Committee Agenda Item Report

Meeting Date: March 30, 2021

Submitted by: Sheri Russell

Submitting Department: Finance

Item Type: Other / Presentation

Agenda Section:

Subject:

For Presentation Only: Discussion regarding Fiscal Year (FY) 21 audit work program update and Hotline activity. (SRussell@Carson.org)

Staff Summary: Representatives from Eide Bailey, LLP will be discussing the progress of the FY 21 audit work program as well as any items received through the Fraud, Waste & Abuse Hotline.

Suggested Action:

N/A

Attachments:

[SR_-_Internal_Auditor_work_program_update_MN clean.docx](#)



STAFF REPORT

Report To: Audit Committee

Meeting Date: March 30, 2021

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

Agenda Title: For Presentation Only: Discussion regarding Fiscal Year 2021 (“FY 21”) audit work program update and Hotline activity. (SRussell@Carson.org)

Staff Summary: Representatives from Eide Bailey, LLP will be discussing the progress of the FY 21 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

N/A

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)