

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

Day: Tuesday
Date: January 24, 2023
Time: Beginning at 1:30 pm
Location: Community Center, Robert 'Bob' Crowell Board Room
851 East William Street
Carson City, Nevada

AGENDA

NOTICE TO THE PUBLIC:

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

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

1. Call to Order

2. Roll Call

3. Public Comments and Discussion:

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

4. For Possible Action: Approval of Minutes - September 13, 2022

5. For Possible Action: Adoption of Agenda

6. Meeting Items

6.A Election of the Chair and Vice Chair for the Audit Committee for Calendar Year 2023.

Staff Summary: Current Chair Stephen Ferguson will introduce the item and take nominations for Chair and Vice Chair for Calendar Year 2023.

6.B For Possible Action: Discussion and possible action regarding the Review of the Utility Billing Process, findings and recommendations. (Sheri Russell-Benabou, srussell@carson.org)

Staff Summary: The Review of the Utility Billing Process was approved to be performed by the Carson City Internal Auditor, Eide Bailly, LLP, for the Fiscal Year (“FY”) 2023 Audit Work Program. The project was completed, and the briefing will address internal audit findings, recommendations, and staff response(s).

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

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

6.D For Possible Action: Discussion and possible action regarding the review of agreed upon procedures suggested by Eide Bailly, LLP regarding the Grants Compliance Audit selected for the FY 2023 Audit Work Program. (Sheri Russell-Benabou, SRussell@carson.org)

Staff Summary: Representatives from Eide Bailly, LLP will be discussing and taking direction from the Audit Committee regarding the Grants Compliance Audit agreed upon procedures to be performed.

6.E For Presentation Only: Discussion regarding FY 2023 Audit Work Program update and Hotline activity. (Sheri Russell-Benabou, SRussell@Carson.org)

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

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

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

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

Titles of agenda items are intended to identify specific matters. If you desire detailed information concerning any subject matter itemized within this agenda, you are encouraged to call the responsible agency or the Finance Department. You are encouraged to attend this meeting and participate by commenting on any agenda item.

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

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

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

This notice has been posted at the following locations:

www.carson.org

<http://notice.nv.gov>

CARSON CITY AUDIT COMMITTEE (AC)
Draft Minutes of the July 12, 2022 Meeting
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A regular meeting of the Carson City Audit Committee was scheduled for 1:30 p.m. on Tuesday, July 12, 2022 in the Community Center Robert “Bob” Crowell Board Room, 851 East William Street, Carson City, Nevada.

PRESENT: Chairperson Stephen Ferguson
Member Bonnie Duke
Member Lisa Schuette
Member James Wells

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

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

1 - 2. CALL TO ORDER AND ROLL CALL

(1:31:21) – Chairperson Ferguson called the meeting to order at 1:31 p.m. Roll was called, and a quorum was present.

3. PUBLIC COMMENT:

(1:31:39) – Chairperson Ferguson entertained public comments; however, none were forthcoming.

4. FOR POSSIBLE ACTION: APPROVAL OF MINUTES – MARCH 8, 2022

(1:33:28) – Chairperson Ferguson introduced the item and entertained comments, questions, and a motion.

(1:33:51) – MOTION: Member Wells moved to approve the March 8, 2022 meeting minutes as modified. Member Schuette seconded the motion. The motion carried 4-0-0.

5. FOR POSSIBLE ACTION: ADOPTION OF AGENDA

(1:34:39) – Chairperson Ferguson entertained comments or changes to the agenda; however, none were forthcoming.

(1:34:50) – MOTION: Member Schuette moved to adopt the agenda as presented. Member Wells seconded the motion. The motion carried 4-0-0.

6. MEETING ITEMS

6.A FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING A RECOMMENDATION TO THE BOARD OF SUPERVISORS ON THE APPROVAL OF THE REVIEW

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AND SELECTION COMMITTEE’S RECOMMENDATION FOR CONTRACT AWARD TO EIDE BAILLY, LLP FOR CARSON CITY INTERNAL AUDIT SERVICES FOR A NOT TO EXCEED AMOUNT OF \$110,000 ANNUALLY RETROACTIVELY FROM JULY 1, 2022 THROUGH JUNE 30, 2025 WITH TWO (2) ONE-YEAR OPTIONS TO RENEW.

(1:35:06) – Chairperson Ferguson introduced the item. Ms. Russell referenced the Staff Report and the accompanying attachments, all of which are incorporated into the record. Chairperson entertained clarifying questions, none of which were forthcoming, and a motion.

(1:38:02) – MOTION: Member Wells moved to recommend that the Board of Supervisors approve the contract with Eide Bailly, LLP for Internal Audit Services through June 30, 2025 with two one-year options to renew. Member Duke seconded the motion. The motion carried 4-0-0.

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

(1:38:25) – 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. She also responded to clarifying questions.

(1:41:43) – MOTION: Member Wells moved for the Board of Supervisors to close Social Media Study Item #13 and IT Vulnerability Audit Items #1 through #10. Member Schuette seconded the motion. The motion carried 4-0-0.

6.C FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE RETEST OF THE INTERNAL VULNERABILITY ASSESSMENT AND EXTERNAL PENETRATION INITIALLY PERFORMED ON OCTOBER 30, 2020, AND ANY ADDITIONAL RECOMMENDATIONS NOTED.

(1:42:21) – Chairperson Ferguson introduced the item. Eide Bailly Manager of Cybersecurity Business Development Alex Brown referenced the Retest of the Internal Vulnerability Assessment and External Penetration Summary Report, which is incorporated into the record. He and Ms. Russell also responded to clarifying questions. Based on Member Wells’ input regarding the Report, Ms. Russell proposed that Eide Bailly revise the Report to add generic findings so Staff have items identified for closure, and she could write those items on the Findings Tracking Report for approval during the next AC meeting.

(1:51:52) – Eide Bailly Lead Partner Kim Higgins suggested an executive session for the AC to review the details that were not outlined in the report. Ms. Neagos stated that there are sometimes closed meetings for discussing items within a confidential capacity; however, she would also need to research how to announce a

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closed session so that the meeting is open to the public while some information remains confidential. Chairperson Ferguson and Member Wells were in favor of a closed session. No formal action was taken on this item.

6.D FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE COMMUNITY DEVELOPMENT DEPARTMENT INTERNAL AUDIT AND RECOMMENDATIONS.

(1:56:36) – Chairperson Ferguson introduced the item. Eide Bailly Senior Manager Audrey Donovan referenced the Staff Report and the Community Development Department internal audit report, both of which are incorporated into the record. She and Ms. Sullivan also responded to clarifying questions.

(2:04:00) – Ms. Sullivan clarified that the Carson City Building Division began using EnerGov in November 2019, and she provided Ms. Donovan and her team with the issues pertaining to the EnerGov system over a year ago. She stated that she and Ms. Donovan’s team had discovered that the city of Henderson used EnerGov for business licenses and had experienced much of what Building Division was experiencing in terms of “the labor intensiveness” of the system. Additionally, the city of Henderson instructed a third party to prepare a report to analyze the EnerGov system for its business license system, and based on that report, Ms. Sullivan contacted approximately five other communities in Nevada and elsewhere that were using EnerGov for business licenses, all of which were experiencing the same issues that the Building Division was experiencing with EnerGov. Ms. Sullivan indicated that the report for the city of Henderson validated that the Building Division was not dealing with a user error issue, and Building Division Staff’s experience was that they were not able to get the support they needed from the EnerGov company. She was working with the IT Department to identify consultants who are familiar with the EnerGov system, and she stated that “what we found with some of the computer systems is somebody becomes a[n] expert on it, and they leave the company and hang out their own shingles so the people who are at the company who are new are not as experienced with the software.” She indicated that Building Division Staff were also trying to identify vendors, one of which is a vendor that the city of Henderson was using for EnerGov, and she asked for every division or department that was using EnerGov to articulate the challenges with the system and the objective changes needed to make the system work. Ms. Sullivan was also able to identify some funds for the consultant. She also believed that a lot of what “drove decision making on these systems” was the compatibility with the Tyler Munis system, and because that compatibility is important, the Building Division wished to give the EnerGov system a chance to be successful. Member Wells was concerned about hiring a consultant as opposed to finding another alternative due to other jurisdictions having the same problem with EnerGov, and he inquired about whether the problem was fixable.

(5:53:09) – Chairperson Ferguson entertained a motion.

(2:53:15) – MOTION: Member Schuette moved to approve the Community Development Department internal audit report and direct Staff to work on the recommendations as discussed. Member Duke seconded the motion. The motion carried 4-0-0.

6.E FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION TO IDENTIFY, DISCUSS, AND PROVIDE RECOMMENDATIONS TO THE BOARD OF SUPERVISORS ON

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PROJECTS TO BE PERFORMED BY THE INTERNAL AUDITOR FOR THE PERIOD ENDING JUNE 30, 2023.

(2:54:34) – Chairperson Ferguson introduced the item. Ms. Russell referenced the Staff Report and the Citywide Risk Assessment and Annual Audit Plan for fiscal year (FY) 2023, both of which are incorporated into the record. She and Ms. Donovan also responded to clarifying questions. Based on discussion regarding body worn video recording equipment, Chairperson Ferguson believed it would be worthwhile to complete a risk assessment, and Ms. Donovan suggested including an understanding of how body camera footage is processed and the type of data that is being stored as well as whether there is a policy and a process to dictate what is stored “and for how long and where.” Member Wells added that Nevada Revised Statute (NRS) 289.830 requires all jurisdictions to devise policies and a list of items that must be included in a policy for body worn video recording equipment, and the footage must be kept for at least 15 days. He believed that the risk assessment needed to start by evaluating the policies and if there were wide discrepancies in the policies between the different units of the City that were using the body worn video recording equipment.

(3:19:59) – In response to Ms. Russell’s question, the Members agreed with tabling the rest of the Budget until the risk assessment had been completed.

(3:21:15) – MOTION: Member Wells moved to recommend to the Board of Supervisors approval of the 2022/2023 Audit Program with the revision of the body worn video recording equipment to be an initial 40-hour risk assessment, with any of the remaining hours to be allocated on conclusion of the risk assessment. Member Schuette seconded the motion. The motion carried 4-0-0.

6.F FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE REVIEW OF AGREED UPON PROCEDURES SUGGESTED BY EIDE BAILLY REGARDING UTILITY BILLING, IF SELECTED FOR THE FISCAL YEAR 2023 AUDIT WORK PROGRAM.

(3:21:17) – Chairperson Ferguson introduced the item and entertain Member comments on the Utility Billing, which is incorporated into the record. Member Wells commented that the website for utility billing was “very vague,” and it was difficult to tell how much it costed to pay the utility bill online. He stated that he called in regards to the website and discovered that there was a 2.45 percent fee when using debit card or credit card to pay the utility bill online, and he wished to review the cost of accepting debit card and credit card transactions versus the cost of processing checks and cash, as he believed there were more costs that are associated with processing checks and cash. Ms. Donovan pointed out that the rationale for using credit card and assuming the additional fees helped mitigate the risk of cash being misappropriated or checks not clearing, and credit cards “come with a degree of assurance that, even if it’s fraud, the City will receive the full amount ... charged to that credit card.”

(3:30:47) – Chairperson Ferguson entertained a motion.

(3:30:58) – MOTION: Member Wells moved to direct Eide Bailly and Staff to proceed with the Utility Billing agreed upon procedures as discussed on the record, including the addition of the costs related to the acceptance of cash, checks, and credit cards as well as the review of FISH involvement in the URAP.

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Member Schuette seconded the motion. The motion carried 4-0-0.

6.G FOR PRESENTATION ONLY: DISCUSSION REGARDING FISCAL YEAR 2022 AUDIT WORK PROGRAM UPDATE AND HOTLINE ACTIVITY.

(3:31:33) – Chairperson Ferguson introduced the item. Ms. Donovan indicated that there was nothing to report for the Fraud, Waste, and Abuse Hotline, as the three items reported to the Hotline did not have anything to do with the City.

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

(3:33:42) – Chairperson Ferguson introduced the item, and the Members agreed with the meeting date of September 13, 2022 at 1:30 p.m.

7. PUBLIC COMMENT

(3:36:45) – Chairperson Ferguson entertained public comments; however, none were forthcoming.

8. FOR POSSIBLE ACTION: TO ADJOURN

(3:37:02) – Chairperson Ferguson adjourned the meeting at 3:37 p.m.

The Minutes of the July 12, 2022 Carson City Audit Committee meeting are so approved this day 13th of September 2022.

Audit Committee Agenda Item Report

Meeting Date: January 24, 2023

Submitted by: Sheri Russell

Submitting Department: Finance

Item Type: Formal Action / Motion

Agenda Section:

Subject:

Election of the Chair and Vice Chair for the Audit Committee for Calendar Year 2023.

Staff Summary: Current Chair Stephen Ferguson will introduce the item and take nominations for Chair and Vice Chair for Calendar Year 2023.

Suggested Action:

I move to elect _____ as Chair and _____ as Vice Chair.

Attachments:

Audit Committee Agenda Item Report

Meeting Date: January 24, 2023

Submitted by: Sheri Russell

Submitting Department: Finance

Item Type: Formal Action / Motion

Agenda Section:

Subject:

For Possible Action: Discussion and possible action regarding the Review of the Utility Billing Process, findings and recommendations. (Sheri Russell-Benabou, srussell@carson.org)

Staff Summary: The Review of the Utility Billing Process was approved to be performed by the Carson City Internal Auditor, Eide Bailly, LLP, for the Fiscal Year 2023 Audit Work Program. The project was completed, and the briefing will address internal audit findings, recommendations, and staff response(s).

Suggested Action:

I move to approve the report and direct staff to work on the recommendations as discussed. (and to continue with detailed audit procedures.)

Attachments:

[SR - Utility Billing Internal Audit Report.docx](#)

[Utility Billing Internal Audit Report - Final Report.pdf](#)



STAFF REPORT

Report To: Audit Committee

Meeting Date: January 24, 2023

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

Agenda Title: For Possible Action: Discussion and possible action regarding the Review of the Utility Billing Process, findings and recommendations. (Sheri Russell-Benabou, srussell@carson.org)

Staff Summary: The Review of the Utility Billing Process was approved to be performed by the Carson City Internal Auditor, Eide Bailly, LLP, for the Fiscal Year 2023 Audit Work Program. The project was completed, and the briefing will address internal audit findings, recommendations, and staff response(s).

Agenda Action: Formal Action/Motion

Time Requested: 20 minutes

Proposed Motion

I move to approve the report and direct staff to work on the recommendations as discussed. (and to continue with detailed audit procedures.)

Board's Strategic Goal

Efficient Government

Previous Action

N/A

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)



Review of the Utility Billing Process

December 2022

CARSON CITY UTILITY BILLING DIVISION

Submitted By:

Eide Bailly LLP

Audrey Donovan, CIA, CGAP, CRMA
Senior Manager, Risk Advisory Services

Douglas Sluyk, CIA, CISA
Manager, Risk Advisory Services

Catherine Villamar
Associate, Risk Advisory Services

Scott Lee
Associate, Risk Advisory Services

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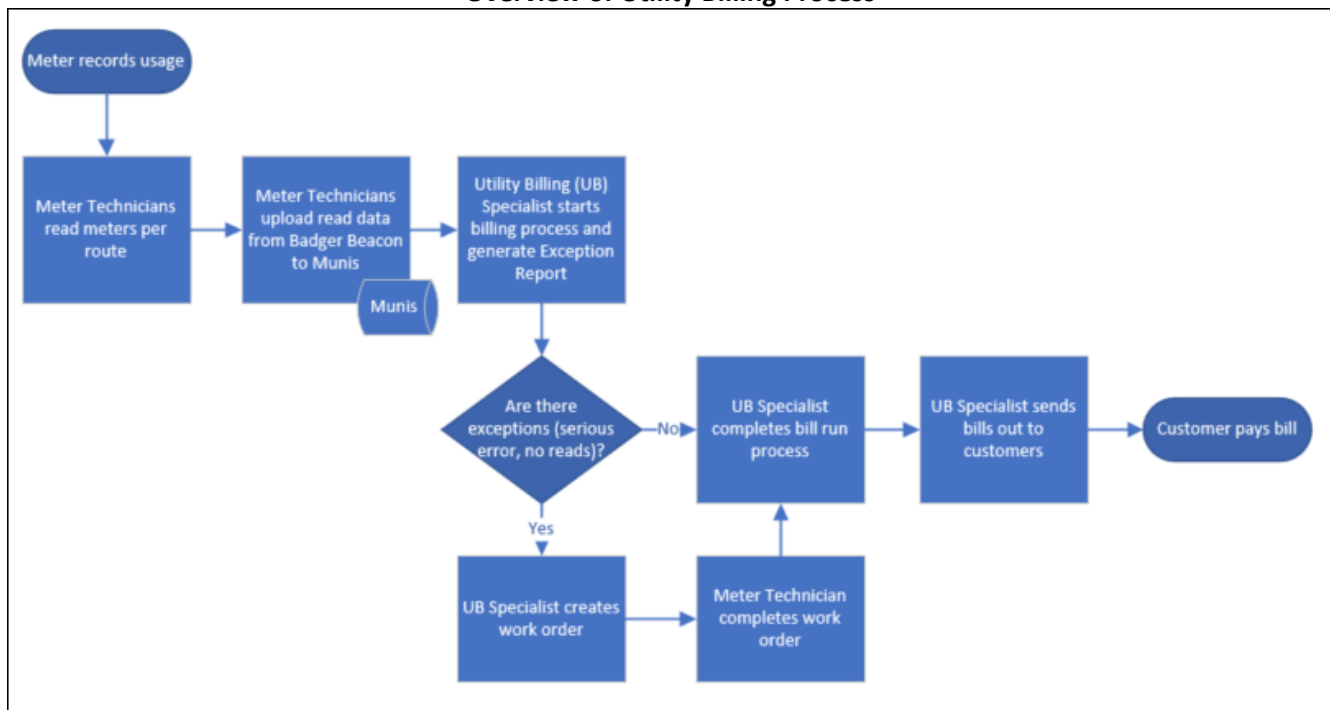
Executive Summary

Eide Bailly LLP (“We”, “Our”, or “Us”) performed an Internal Audit of Carson City (“City”) Utility Billing Division to evaluate associated process and controls. Our Internal Audit identified eight (8) findings. These findings provide opportunities for improvement to enhance the existing processes, achieve efficiency and effectiveness, and provide new ideas and opportunities to help address control gaps where necessary.

The City’s Public Works Department is comprised of multiple divisions including the Operations Divisions which include streets, water, sewer, storm water, wastewater, environmental, and landfill. It also includes the Engineering Division which oversees all capital projects, the Transportation Division which include public transportation, and the Utility Billing Division.

We performed process walkthroughs with Public Works and Utility Billing personnel to gain an understanding of the daily operations. The monthly billing process begins with Meter Technicians who drive assigned routes to obtain meter reads, which are uploaded into the Tyler Munis (Munis) system. The Utility Billing Specialists are responsible for reviewing any exceptions (misreads, no reads, high, low, or zero usage) and creating work orders for investigation, validation, re-read or manual read if necessary. The Utility Billing Specialist completes the bill run process by generating bills through Munis for usage which are sent to customers. **Exhibit 1** provides an overview of the Utility Billing process.

Exhibit 1
Overview of Utility Billing Process



Source: EB created process flowchart of Utility Billing Process

We greatly appreciate and thank the input of the City’s Public Works Department, specifically the Department Business Manager, the Utility Billing Division and the Meter Division who contributed to enhancing our understanding of the utility billing process.

Background Information

The Public Works Department is responsible for providing water, sewer and stormwater services to the City’s approximately 19,000 utility customers¹. See **Exhibit 2** for breakdown of services provided to the City’s utility customers. Utility billing activities are managed by the Utility Billing Division with meter reads managed by the Meter Division under the Water Division. Utility bills consist of usage charges based on metered usage, and water/sewer/stormwater base charges.

Exhibit 2

Breakdown of Utility Billing Customer Accounts

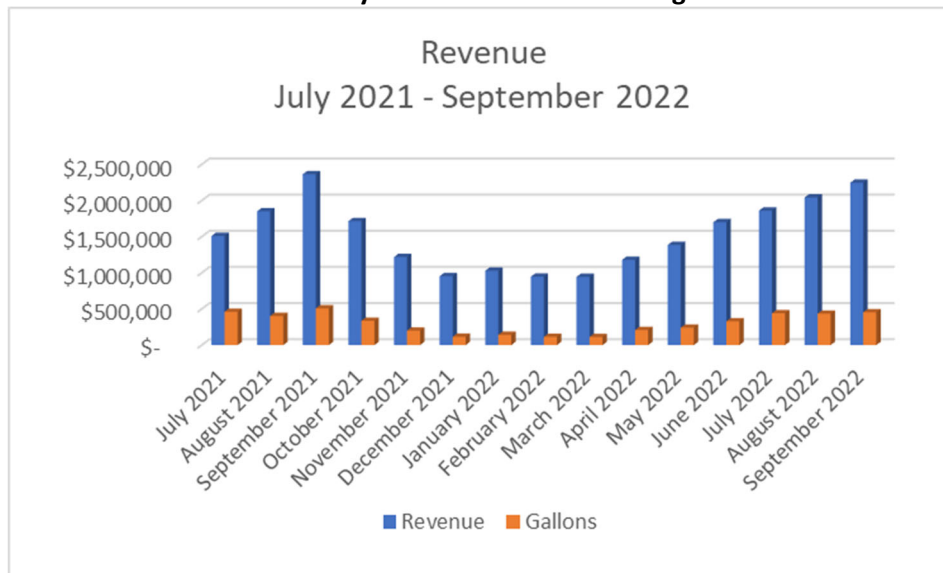
| UTILITY ACCOUNT SUMMARY | |
|----------------------------|---------------|
| Water, Sewer, & Stormwater | 15,645 |
| Water & Sewer | 891 |
| Water & Stormwater | 990 |
| Sewer & Stormwater | 230 |
| Water Only | 863 |
| Sewer Only | 268 |
| Stormwater Only | 128 |
| Total | 19,015 |

Source: EB created from the City’s Consumption Report, Utilities-Sewer Report, and Utilities-Stormwater Report

Utility Billing operates as an enterprise fund with primary source of revenue from utility rate charges. Water revenue in FY2022 was \$16,801,538 and \$6,151,723 in the first quarter of FY2023. The average water usage during the audit period is approximately 300,000 gallons per month peaking during the warmer months of May through October.

Exhibit 3

Monthly Revenue and Water Usage



Source: EB created revenue chart and usage from Water Revenue Report

¹ Number of customers as of September 2022.

In August 2021, the Utility Billing Division went live with the Munis system keeping them on par with the rest of the other departments in the City. The migration did not result in widespread service interruptions to customers, but it has presented the Utility Billing Division with challenges and opportunities for improvement in generating customers utility bills. While some of the challenges have been resolved, some have continued in one form or another.

In May 2022, Munis underwent a system upgrade from the 2018 to the 2021 module. The upgrade was expected to resolve any remaining system issues; however, it has presented new challenges to the Utility Billing Division and its customers.

Key Systems:

- **Tyler Munis** – The City’s Finance Accounting and Reporting System, also utilized by the City to manage utility billing processes
- **Badger Beacon** – The City’s automated meter reading software

Objective & Scope

The objective of our internal audit was to assess the current state of operational efficiency and effectiveness with the new utility billing program related to the following activities: billing, pricing structure, refunds, discounts, adjustments and customer outreach. Additionally, to identify opportunities for improving utility billing controls, including recommendations for addressing control gaps and ineffective control design or operation. Lastly, to determine whether improvements planned by management are sufficient to address issues, where applicable.

The scope of the engagement was for the period of August 1, 2021, through assessment completion date of September 30, 2022.

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. Our work was limited to those areas specified in the "Audit Objective, Scope, and Methodology" sections of this report.

Methodology

Based on the above objectives, we performed procedures including but not limited to the following:

1. Obtained and reviewed policies and procedures (P&Ps), workflows, financial reports, monitoring reports and staffing related to the utility billing processes for Water, Sewer, and Storm Water.
2. Performed walkthroughs and conducted 15 interviews with personnel from Utility Billing, Public Works, Information Technology, Treasurer, Finance, and the District Attorney’s Office.

CITY PERSONNEL INTERVIEWED:

- Karen Leet – Public Works Department Business Manager
- Tonya Petri – Utility Billing Specialist
- Courttney Nicholas – Public Works Fiscal Analyst
- Darren Schulz – Public Works Director
- Edmund Quaglieri – Water Utility Manager
- Tom Grundy – Water Operations Supervisor

- Shadow Kelly – Water Meter Technician
 - Charlie DeWitt – Water Meter Technician
 - Sheri Russell – Chief Financial Officer
 - Andrew Razor – City Treasurer
 - Beth Huck – Chief Deputy Treasurer
 - Frank Abella – Information Technology Director
 - Michael Swanson – IT System Administrator
 - Dan Yu – Assistant District Attorney
 - Adam Tully – Deputy District Attorney
3. Reviewed the City Ordinance and information on the City’s website regarding rates and customer classifications (e.g., commercial and residential).
 4. Performed sample testing for completeness and accuracy of new accounts, customer billing, and billing adjustments, based on AICPA statistical sample methodology.
 - We tested a sample of 25 out of 188 new accounts for the audit time frame. We reviewed work orders related to account creation, verified start dates, and all required fields to ensure new accounts are opened accurately and account information is complete and accurate.
 - Random sampling of population of just over 19,000 accounts. Based on a 95% confidence level and 5% margin of error, we sampled 93 samples. We verified billing, customer and account information, timing, services billed, and base rates charged to the customers for completeness and accuracy.
 - We recalculated usage charges based on customer’s consumption and authorized rates per the City’s rate schedule for completeness and accuracy.
 - We tested a sample of 30 out of 521 adjustments and verified for accuracy of calculation, proper approval and adequate supporting documentation.
 5. Verified systems and inputs into the Munis Billing Module for completeness and accuracy. We reconciled meter data uploaded by Meter Technicians to Munis to the actual data in the Utility Billing’s Consumption Report.
 6. Reviewed usage on vacant accounts (inactive accounts) and associated processes and controls for detecting vacant accounts in a timely manner.
 7. Reviewed proper support and timeliness of service disconnections.
 8. Reviewed billing system data for anomalies (e.g., zero consumption) and performed follow up on noted anomalies.
 9. Determined whether supervisors undertake a periodic review of accounts receivable balances and amounts due are actually being collected on a timely basis.
 10. Determined whether penalties and interest are assessed where allowable by law on delinquent accounts or late payments.
 11. Verified proper cash handling practices, such as restrictive endorsements are made on incoming checks, where applicable.
 12. Verified proper safeguarding of customer information.

13. Verified segregation of duties is appropriate and in alignment with individual user roles and responsibilities:
 - Billing responsibilities are segregated from those for collection and general ledger posting.
 - Independent oversight, control, and accounting of cash handling responsibilities.
 - Adjustments (voids and refunds) are approved and documented by someone other than the person who made them.
 - Billing invoices are independently verified for accuracy.
 - Controls are in place to prevent unauthorized interception or alteration of billing invoices.
 - Billing disputes are handled by staff who are independent of receivables record keeping.
 - Senior staff reviews collection functions, including approving write-offs or reductions of receivables prepared by a separate individual.
14. Performed data analytics to review the frequency, reason, approval, and trends of customer refunds/write-offs.
15. Assessed credit card fees charged to customers paying their utility bills.

Testing Results and Conclusion

Based on the procedures performed during this assessment, we identified areas where the Utility Billing Division could benefit from operational efficiency. While the Division appears to have overcome a number of challenges related to system migration and is functioning at a reasonable level, we noted opportunities for improvement that need to be addressed.

The Division appears to have well-designed internal controls for efficient and effective operations. As indicated earlier in the Background section. Details behind the challenges referenced here are presented in the Findings section of the report below. We provided eight (8) recommendations to address the findings noted.

We greatly appreciate and thank the input of all individuals who contributed to enhancing our understanding of the City's Utility Billing process as well as helping us identify opportunities for improvement. We believe that addressing and resolving the findings and recommendations provided in this report would directly and positively add value to the overall efficiency and effectiveness of the Utility Billing process.

FINDING #1: Tyler Munis System

Through interviews and walkthroughs, we learned of several challenges that the Utility Billing Division encountered during the Tyler Munis migration and module upgrade earlier this year.

We noted a number of areas where opportunities for improvement are present. Although the division is aware of these opportunities, they have not been fully remediated:

- a) Utility Billing Specialists are not able to attach supporting information (i.e., forms, bills, adjustment support, etc.) within Tyler Content Manager (TCM) for historical record of actions made on customer accounts. We noted 12 out of 30 adjustments tested did not have any or all supporting documents attached in Munis during our review and testing of account adjustments.
- b) Customers are not able to see their tier levels of water usage for transparency of their monthly usage.
- c) The system's email functionality is not working properly. The system does not consistently send billing emails to customers resulting in inefficiencies in the billing cycle.

RECOMMENDATION for Finding #1

The Utility Billing Division should continue tracking the occurrence of these issues and notify Tyler Munis support to resolve the ongoing issues.

Management Response:

- a) *Utility Billing staff will verify and add attachments on all adjustments done prior to TCM functioning properly by July 1, 2023.*
- b) *Initial forms did not include tier breakdown due to Tyler Munis issues. This has been corrected as of the drafting process of the report.*
- c) *Utility Billing Department will continue performing ongoing testing within Tyler Munis. As revealed in the response in Finding #8, there are several other nuances within the system that present challenges which affect the customer's ability to completely switch to an electronic billing and payment option. Both the Utility Billing Division and the Treasurer's Office are continually working with Tyler Munis support to work on these challenges and provide a better customer experience.*

FINDING #2: Approval of Customer Adjustments

Customers contact the Utility Billing Division for adjustments to their utility bill due to various reasons such as water leaks and potential billing errors. Utility Billing reviews the customer account history from the past three years to determine average use as the basis for adjusted. Water consumption is recalculated at the customer’s average tier level. Adjustments to customer accounts less than \$500 are processed by Utility Billing Specialists in accordance with authorization levels established by the Public Works Director. Adjustments in the amount of \$501 - \$1,999 require the approval of the appropriate Division Manager (Water Utility Manager or Wastewater Utility Manager) and adjustments greater than \$2,000 requires the approval of the Public Works Director.

In our review of billing adjustments exceeding \$2,000, we noted 16 of the 30 adjustments did not have Public Works Director approval. Department management confirmed that the Director approval was not set up in the Munis workflow at the time of the audit. The Director was made aware of these adjustments, however, there was no formal evidence of the approval. This increases the risk of unauthorized adjustments and increases the risk of loss of revenue to the City.

The total amount of adjustments credited to customers requiring Director approval during the time frame of our review totaled \$328,445, which is approximately 85% of the total amount credited to customers during the audit period. See **Exhibit 4** below. It is important to note that the 16 adjustments from our review totaled \$206,800, which is approximately 63% of the total adjustments. The Director approval has since been added to the workflow in Munis in October 2022.

Exhibit 4
Adjustment Totals per Approval Level

| Total Adjustment | Count | Amount |
|------------------|------------|---------------------|
| \$2000 and over | 31 | (328,445.38) |
| \$500 - \$1,999 | 30 | (29,174.26) |
| Less than \$500 | 460 | (28,263.84) |
| Total | 521 | (385,883.48) |

Source: EB Adjustments Analysis

RECOMMENDATION for Finding #2

We recommend follow-up be performed of the implemented workflow to confirm review of the approvals for adjustments greater than \$2,000 have the proper approval documented in Munis.

Management Response:

Director’s electronic approval of adjustments over \$2,000 has been set up in Munis. The Director is notified of adjustments over \$2,000 via email and he approves the adjustment in Munis before it is processed. Additionally, any adjustments over \$2,000 made prior to October 2022 have the proper documentation attached to the account file in TCM. This has been completed and is working as intended.

FINDING #3: Customer with Multiple Billing Adjustments

During our review of the entire population of customer billing adjustments, eleven (11) customer accounts had at least two recurring billing adjustments for the time frame under review. The total amount of these adjustments was approximately \$80,960. Additionally, various reason codes exist for billing adjustments that are being used inconsistently leading to different interpretations. See **Exhibit 5** for billing adjustment codes. We noted that the Utility Billing Division does not have a process in place to review for recurring adjustments, nor is there a policy around the frequency of processing customer billing adjustments.

**Exhibit 5
Munis Reason Codes for Adjustments**

| Reason Code Summary | Description | Count | Total Adj. Amount |
|---------------------|--------------------------------------|------------|---------------------|
| ADJ | For leak adjustments | 205 | (123,012.74) |
| CORR | User's mistake correction | 170 | (61,741.60) |
| CLKERR | Clerk error | 84 | (117,746.72) |
| METER | Adjustment due to meter being faulty | 12 | (77,489.96) |
| LATE | Late fee adjustment | 8 | (7.28) |
| WRTOFF | Write off | 5 | (33.44) |
| LEAK | For leak adjustments | 37 | (5,851.74) |
| MISC | Miscellaneous adjustment | 0 | - |
| Total | | 521 | (385,883.48) |

Source: EB Adjustments Analysis

RECOMMENDATION for Finding #3

We recommend that the Division establish and document a Billing Adjustment policy and procedure that includes reviewing for prior billing adjustments and establish guidelines on how many billing adjustments should be granted to a customer over a given timeframe (i.e., 12 months). Additionally, the City should require the customer provide proof that the problem has been resolved such as an invoice or receipt for leak adjustments.

Lastly, we recommend developing and implementing a clear, formal guideline on use of the adjustment reason codes, specifically the difference between ADJ and LEAK, CORR and CLKERR. A formal guideline will help avoid different interpretations and inconsistencies with billing adjustments.

Management Response:

Historically, Public Works has allowed one adjustment “per incident” on a customer account, this does allow a customer to receive more than one adjustment over any period of time. Various reason codes exist in the system and early on, there were inconsistencies in their use.

The Public Works Director and the Department Business Manager will work together to establish guidelines on number of adjustments to be given to any one customer over a given timeframe by March 1, 2023.

The customer must request on adjustment in writing and provide a receipt for repairs if available. Oftentimes, the customer’s leak is fixed by the homeowner and there are no receipts to provide. An adjustment is not given until such time the customer’s usage has returned to normal to reduce the need for an additional attachment. This process is already in place.

The Department Business Manager will create an Adjustment Reason Code guideline to assist in choosing the correct reason code for any adjustment given by March 1, 2023.

FINDING #4: Water Meter Errors

In our review and discussions with the Water Division, we noted several instances of “No Read” errors on customer accounts appearing in the system multiple times on a monthly basis. A “No Read” error in the system could indicate a misread, a meter transponder that needs to be replaced, or a newly set up meter on an account with no previous usage. When the system shows a “No Read” error, a work order is generated, which prompts a Meter Technician to go out to the field to verify and correct the error. This results in inefficiency when Meter Technicians go out repeatedly to the same location to investigate the error.

Currently the City is using Automated Meter Reading (AMR)² Technology which requires Meter Technicians to be within proximity of the various meters by walking or driving around to customers locations to obtain a meter reading. With the use of advanced technology, the City can significantly reduce or eliminate the need for Meter Technicians driving to various customer locations.

RECOMMENDATION for Finding #4

We recommend that the City perform a cost benefit analysis to determine whether implementing an Advanced Metering Infrastructure (AMI) system is more cost beneficial to the City then continuing to use the AMR system that require follow-up by the Meter Technicians at the customers locations, sometimes multiple times a month. An AMI system will remotely monitor water usage in real-time. It is an integrated system of water meters, communication networks and data management systems that enables two-way communication between meter endpoints and utilities. Unlike AMR, AMI doesn’t require utility personnel to collect the data. Instead, the system automatically transmits the data directly to the utility at predetermined intervals.³

Ultimately, cost is a major factor when considering an upgrade to AMI. New infrastructure may be required, and a cost benefit analysis will help inform whether it is economically feasible for the City to continue utilizing their current AMR technology or replacing it with an AMI system.

BENEFITS OF AMI:⁴

- Transmits real-time data for customers to monitor their usage.
- Catches potential high consumption before the customer is billed.
- Improves billing and allows customer inquiries to be resolved with real-time data. When a customer calls about a high-water bill, the representative can give a detailed description of their water use.
- Reduction in water adjustments for water leaks through earlier leak detection. This enables crews to be proactive with repairs before a small leak becomes a burst pipe.
- Decreased driving which could eliminate fuel consumption and reduce the number of vehicles in the field for strictly meter repairs and the occasional reading.
- Detects non-communication issues, meter errors, and tampering.

² The Meter Division uses Badger Beacon Automated Meter Reading (AMR) technology to collect usage data from water meters. AMR meters transmit usage data through a wireless radio frequency signal. Meter Technicians download the routes from Munis to their mobile device and drive around the City to obtain meter readings. At the time of the audit, there were approximately 74 locations waiting for a new meter transponder from September 2022 alone. There is a delay in getting dead transponders replaced due to a setback in the supply chain.

³ Source: <https://www.badgermeter.com/blog/amr-vs-ami-whats-the-difference/>

⁴ Source: <https://envocore.com/blog/amr-vs-ami-and-when-to-utilize-each/>

Management Response:

Agree. A cost-benefit analysis will be performed and if a benefit can be realized, Public Works will develop a timeline and cost of implementation. The Water Utility Manager will oversee this process and get it completed by July 1, 2023.

FINDING #5: Customer with Zero Water Consumption

We identified 152 accounts with no water consumption for at least the entire audit period or 14 consecutive months. Total base charges for those accounts was approximately \$96,451. Per discussion with the Department Business Manager, base charges are continually billed to customers despite having no monthly consumption, unless a formal termination of service is requested. Although base charges on accounts with zero usage increases revenue, maintaining water meters for accounts that have no usage could potentially be costing the City more than the revenue received.

Exhibit 6

Total Base Charges for Zero Consumption Accounts

| Type | Sum of EB Calculated Total |
|--------------------|----------------------------|
| Commercial | \$ 76,335.41 |
| Residential | \$ 20,116.42 |
| Grand Total | \$ 96,451.83 |

Source: EB created from the City’s Consumption Report

RECOMMENDATION for Finding #5

We recommend the Utility Billing Division implement a policy and procedure to monitor and review active accounts with zero consumption based on an established timeframe, such as 12 consecutive months, to determine broken meters or accounts which should be terminated.

Additionally, we recommend that the Division perform a cost-benefit analysis to determine the cost of; 1) maintaining meters, 2) Meter Technician’s time in verifying and validating that the meters are working, and 3) Utility Billing Specialist’s time in reviewing Zero Consumption reports, versus the base customer charges received for zero consumption accounts.

Management Response:

Agree. The Department Business Manager will create policy and procedure for monitoring and the Fiscal Analyst will perform a cost-benefit analysis by March 1, 2023.

FINDING #6: Account Reconciliations

We noted that a reconciliation of customer activity for services provided by the City has not occurred since the system migration to Munis. From **Exhibit 7** below, we identified a total of 4,629 accounts⁵ which are not being billed for at least one utility service. While these may not be indicative of services not being billed or billing errors, they do warrant further investigation as to why specific customers are not set up to be billed for water, sewer, or stormwater services. The following are the results of our analysis of potential customers who need further investigations:

- Number of customers billed for water and sewer, but not being billed for stormwater: 2,022 (**Exhibit 7** below: 891 + 863 + 268)
- Number of customers billed for water and stormwater, but not being billed for sewer: 1,981 (**Exhibit 7** below: 990 + 863 + 128)
- Number of customers receiving either sewer or stormwater, but not being billed for water: 626 (**Exhibit 7** below: 230 + 268 + 128)

A reconciliation of customers activities would ensure that all water, sewer and stormwater fees are properly billed, and all revenue is recognized that is owed to the City. **Exhibit 7** shows the total number of customers not receiving all utility services broken down by type of service received.

Exhibit 7

Number of Accounts Not Billed for At Least One Utility Service per Type of Service

| Accounts not billed for at least one Utility Service | | | | |
|--|-----|-------|-------|------------|
| Account Summary | | Water | Sewer | Stormwater |
| Water & Sewer | 891 | w | s | |
| Water & Stormwater | 990 | w | | sw |
| Sewer & Stormwater | 230 | | s | sw |
| Water Only | 863 | w | | |
| Sewer Only | 268 | | s | |
| Stormwater Only | 128 | | | sw |

Source: EB created reconciliation of Water, Sewage, and Stormwater Account Reports

RECOMMENDATIONS for Finding #6

We recommend that the City perform a reconciliation of customer activities and perform further investigation as to why specific customers are not set up to be billed for water, sewer, or stormwater services. Additionally, the City should evaluate the ability to implement and leverage Geographic Information System (GIS) mapping to assist with identifying utility services that are available at specific locations and where specific services are not applicable.

Management Response:

Every property is different, and the standard water/sewer/stormwater service does not apply to every account. Residential properties are treated differently than commercial properties and vacant lots are different than developed lots. Properties on well and/or septic are different as well. That being said, Carson city will hire an outside consultant to assist in the audit of the Utility Billing accounts. Completion target date is August 1, 2023.

⁵ Total number from bullet points above: 2,022 (customers not being billed for stormwater) + 1,981 (customers not being billed for sewer) + 626 (customers not being billed for water)

FINDING #7: Waste of Water Violation

We noted one instance of waste of water in April-June 2022 from a large, multinational corporation. The customer was issued a verbal and written warning and charged a total of \$150 in penalties and a \$25 reconnection fee in addition to the water used. These penalties are inconsequential for most commercial customers, where paying the fine is essentially cheaper than addressing the problem (i.e., fixing water leak).

Conserving water and reducing water waste is important for all, especially in Nevada where we are experiencing drought over the past few years with 2022 being the 8th driest year to date in the past 128 years.⁶

Exhibit 8

Section 12.01.120 of the Municipal Code

12.01.120 Waste of water prohibited.

It is unlawful for anyone connected to the city water system to waste water. For the purpose of this section, "waste" means any excessive usage which causes water to run into or along any street, alley, storm drainage system, or into or upon another's property; provided nothing in this section shall be construed as to apply to the accidental breaking of any hose, water pipe, or other irrigation device unless same is not abated within 2 hours after personal notice of such break is given the person owning, controlling or maintaining the same or having any pecuniary interest therein. If such breaks are not repaired or the water turned off within the specified time, it shall be the duty of the utilities director or his/her designee to cause the water to be shut off, and it is unlawful for any person to again turn on such water until proper repairs have been made. If personal notice is unable to be given, the water shall be immediately shut off by the public works director or his/her designee and a notice shall be placed on the front door stating the reason(s) for said shutoff. Each and every request for the water to be turned on will require the payment of \$25.00 which the city will add to the monthly bill.

Exception: Car washing by civic or philanthropic groups may receive written approval from the public works director or his/her designee when it is determined that said usage will not be detrimental to the city's water situation.

(Ord. 2008-8 § 7, 2008: Ord. 1999-14 § 5, 1999: Ord. 1991-12 § 8, 1991: Ord. 1987-18 § 1, 1987: Ord. 1982-8 § 2 (part), 1982).

Source: Carson City Municipal Code https://library.municode.com/nv/carson_city/codes/code_of_ordinances

⁶ National Integrated Drought Information System (NIDIS) website
<https://www.drought.gov/states/nevada#:~:text=people%20in%20Nevada%20are%20affected,over%20the%20past%20128%20years>

Exhibit 9

Section 12.01.270 of the Municipal Code

12.01.270 Penalties.

Any person who violates any of the provisions of Sections 12.01.120, 12.01.130, 12.01.140 or 12.01.240 shall be punished as follows:

As a condition of service:

1. For the first offense, issuance of a verbal warning;
2. For the second offense, issuance of a written warning;
3. For the third offense, a fee assessment of fifty dollars (\$50.00);
4. For the fourth offense, a fee assessment of one hundred dollars (\$100.00);
5. For the fifth offense and subsequent offenses, issuance of a misdemeanor citation with punishment as provided for misdemeanor offenses as stated in Section 1.08.010.

Fee assessments shall be added to the responsible party's monthly utility bill. Responsible parties shall be notified of the fee assessment through certified mail within seven (7) days of the observed violation. Protests shall be handled as provided for in Section 12.01.120.

The Carson City sheriff's office, the Carson City department of public works and the Carson City fire department shall be responsible for enforcing the provisions of Sections 12.01.120, 12.01.130, 12.01.140, 12.01.240 and 12.01.270. In any prosecution charging a waste of water as set forth in Section 12.01.120 or any amendment thereof, the waste of water, together with proof that such waste originated at any residence or place of business, shall constitute in evidence as prima facie presumption that the owner or occupant for the time being of such residence or place of business was responsible for such waste.

(Ord. 2005-12 § 1, 2005: Ord. 1993-44 § 11, 1993: Ord. 1991-12 § 15, 1991: Ord. 1987-18 § 3, 1987: Ord. 1982-8 § 2 (part), 1982).

Source: Carson City Municipal Code https://library.municode.com/nv/carson_city/codes/code_of_ordinances

RECOMMENDATION for Finding #7

We recommend that the City perform benchmarking of other municipalities waste of water violations and penalties. Additionally, the City should consider adopting higher penalty amounts for waste of water with additional details, such as specification and timelines for each violation level. Penalties impact residential and commercial customers differently, therefore should have different penalties for violation.

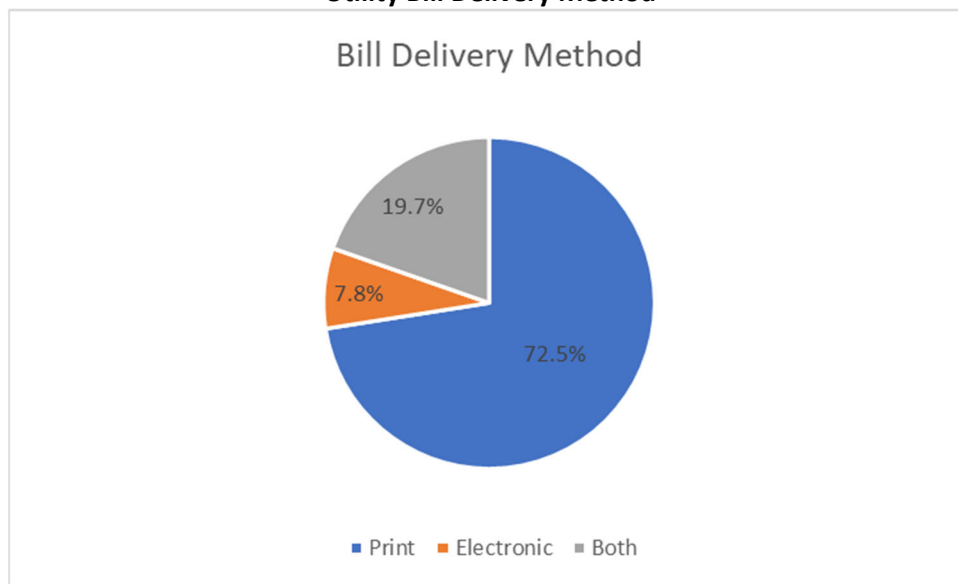
Management Response:

The Municipal Code must be reviewed and updated before new fees can be implemented. Public Works Management will work in conjunction with the Deputy Attorney to review the Municipal Code and propose changes to the Board of Supervisors by July 1, 2023.

FINDING #8: Customer Billing – Print & Electronic Bill

We noted that opportunities exist to reduce costs by increasing the number of electronic billings and decreasing the number of printed billings sent to customers. Approximately 92% of the City’s utility customers are still receiving paper bills. That is over 17,000 invoices that the Utility Billing Division is mailing out on a monthly basis. The cost of printing and mailing physical invoices is approximately \$0.66 per invoice, which equates to about \$11,200 monthly and \$134,400 annually. There is no cost for electronic utility bills and the City charges the associated credit card fees to its customers. As a whole the City pays \$6,300 a month on average in credit card fees for electronic payments and this cost is shared with the customers.⁷

Exhibit 10
Utility Bill Delivery Method



Source: EB created from Utility Billing Customer Report

RECOMMENDATION for Finding #8

We recommend the City utilize various techniques and approaches to encourage customers to opt out of paper bills (i.e., campaigns, incentives to entice customers to switch, such as a onetime credit). Additionally, for those customers that are “both” print and electronic, Utility Billing should confirm the billing method for these customers and stop sending print copies. Lastly, Utility Billing along with the Treasurer should perform a cost benefit analysis on processing customer payments via credit card, check or ACH. The analysis can be used to help inform whether the City should make a strategic decision to support moving towards more credit card payments.

Management Response:

Opting out of paper bills – Carson City agrees that it would be more efficient and cost effective to send out electronic bills but encouraging customers to sign up for electronic billing might be difficult, primarily because of a) an older population or generation of customers who prefer to receive paper bills, and b)

⁷ EB reviewed the Journal Entries sent by the Treasurer’s Office to record credit card fees that the City pays to the credit card company, however credit card fees that are charged to the customer are not tracked. The customer is charged a percentage of this cost, but not exceeding the total amount charged to the City.

current technical issues with Tyler Munis system that makes email functionality difficult as noted in Finding #1. However, the Treasurer's Office has posted a notice at its front counter asking customer to consider what they would recommend the City do with the \$134,400 in annual savings, with a note asking customers to switch their monthly utility bill from paper to email to help the City save money. Once the email functionality within Tyler Munis is working as intended, the City will focus more on encouraging its customers to convert to electronic only billing by advertising on their website, social media accounts, bill inserts, etc. The process for customers to switch from paper to electronic billing needs to take little to no effort for the customers and Carson City will work with Tyler Munis to make the customer service portal more user-friendly.

Confirm billing method for customer receiving both paper and electronic bills – Customers are given the option of how they wish to receive their bills. As mentioned in Finding #1, the Tyler Munis system's email functionality is a work in progress and customers who opt for both paper and electronic method want to ensure that they receive their monthly bill or are rental property owners who receive the paper bill and have an electronic bill sent to their tenants.

Cost benefit analysis – The Treasurer's Office will continue to review the benefits and disadvantages of processing payments via credit card, check, or ACH. Currently, customers could pay their utility bills through cash/check, automatic payments from their bank accounts, or by credit card if they have an established online account. Some customers have expressed that they would be more willing to sign up for automatic payments through credit card rather than through their bank accounts. The Treasurer is continuously working with Tyler Munis system's support team to allow the system to start accepting recurring credit card payments. On January 12, 2023, Tyler Munis support sent instructions on how to test recurring credit card payment in Munis. Additionally, the Treasurer is also working with NCR Payment Solutions, the City's credit card vendor, to install a Point of Sale (POS) device at the front counter and implement an option for one-time payment online. A test environment has been established to accept one-time credit card payments online. The NCR System is not currently connected to Tyler Munis and these payments will require a staff member from the Treasurer's Office to manually apply they payment to the customer's account in Munis. However, this will give the Treasurer's Office a better indication of the popularity of this option with the public and help inform the City whether to pursue implementing this payment option permanently.

A formal cost benefit analysis will be performed by November 2023. See the Treasurer Office's detailed response in Appendix A.

Appendix A

Response from Public Works Department Business Manager



CARSON CITY NEVADA Consolidated Municipality and State Capital PUBLIC WORKS

December 28, 2022

Catherine Villamar
Eide Bailly, LLP
5441 Kietzke Lane, Ste 150
Reno, NV 89511-2094

RE: Carson City Public Works' Response to Audit Findings

Dear Ms. Villamar:

In response to the audit findings on the draft audit report, we offer the following responses.

Finding #1 - Tyler Munis System

- a. TCM attachments for historical records - *UB Staff to verify/add attachments on all adjustments done prior to TCM functioning properly. Tonya Petri / Shelli Carewicz – by 7/1/23*
- b. Tier levels for monthly usage – initial forms did not include tier breakdown due to Tyler Munis issues; this has now been corrected and all bills going forward show the tiers. *No ability to correct earlier billings.*
- c. Email functionality – on going testing continues within Tyler Munis; *unable to identify consistencies in when system works and does not work. Tonya Petri / Shelli Carewicz / Karen Leet – TBD based off of Tyler Munis.*

Finding #2 – Approval of Customer Adjustments

Director's electronic approval of adjustments over \$2,000 has been set up in Munis. Any adjustments over \$2,000 made prior to this have the proper documentation attached to account file in TCM. *Completed*

Finding #3 – Customer with Multiple Billing Adjustments

Historically, Public Works has allowed one adjustment "per incident" on a customer account; this does allow a customer to receive more than one adjustment over any period of time. Various reason codes exist in the system and early on, there were inconsistencies in their use.

Recommendation – Billing Adjustment Policy and Procedure – *Public Works will establish guidelines on number of adjustments to be given to any one customer over a given time frame. Darren Schulz / Karen Leet – by 3/1/23*

Recommendation – City to require proof of resolution - *The customer must request an adjustment in writing and provide a receipt for repairs if available. Often times, the customer's leak is fixed by the homeowner and there are no receipts to provide. An adjustment is not given until such time the customer's usage has returned to normal to reduce the need for an additional adjustment. Process already in place.*

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Recommendation – Develop guidelines for Adjustment Reason Codes – *A cheat sheet will be created to assist in choosing the correct reason code for any adjustment given. Karen Leet – 3/1/23*

Finding #4 – Water Meter Errors

Use of advanced technology to read water meters will result in potential savings to the City.

Recommendation – perform a cost benefit analysis to determine if AMI system is more cost beneficial to the City. *If a benefit can be realized, develop a timeline and cost of implementation. Edmund Quaglieri – 7/1/23*

Finding #5 – Customer with Zero Water Consumption

A total of 152 accounts identified with no water consumption that continued to pay the base water charge for at least a 12-month period which takes time and money to monitor.

Recommendation – UB to create policy and procedure to monitor and review active accounts with zero consumption to determine if accounts can be terminated, thus saving time and money on monitoring. *Policy will be created. Karen Leet – 3/1/23*

Recommendation – Perform cost-benefit analysis to determine costs related to servicing/billing water meter with zero consumption versus base charges for water. *Cost-benefit analysis to be performed. Courtney Nicholas – 3/1/23*

Finding #6 – Account Reconciliations

A total of 4,629 accounts that are not being billed for a least one utility service.

Recommendation – perform reconciliation of customer accounts and further investigate why an account does not have a particular service.

Water & Sewer; no Stormwater (891) – stormwater is billed by parcel, not by account; e.g., there can be multiple accounts related to one parcel and only one of those accounts is billed stormwater.

Water & Stormwater; no Sewer (990) – a property can have water and stormwater and be on a septic system.

Sewer & Stormwater; no Water (230) – a property can have sewer and stormwater and be on a well for water.

Water Only (863) – many properties have irrigation meters that receive their own bill and are water only.

Sewer Only (268) – we have 107 sewer only accounts that are in Douglas County that are for tracking purposes only and are billed outside of the Utility Billing system. There are also many vacant lots that may have had both water and sewer at one time.

Stormwater Only (128) – there are 588 stormwater only accounts that are billed in their own cycle (Cycle D); these properties are likely all on well/septic systems.

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Every property is different. The standard water/sewer/stormwater does not apply to all accounts. Residential properties are treated differently than commercial properties and vacant lots are different than developed lots. Properties on a well and/or septic are different as well.

Finding #7 – Waste of Water Violation

Review of Municipal Code related to water wasting violations.

Recommendation – perform benchmarking of other municipalities' waste of water violations and penalties. Consider higher penalty amounts and different penalties based on residential or commercial. *Review/update of Municipal Code must be completed before implementing new fees; new proposed fees must go to BOS before implementation.* Darren Schulz / Edmund Quaglieri / Karen Leet / Adam Tully – 7/1/23

Finding #8 – Customer Billing – Print & Electronic Bill

Increase the number of electronic billings to reduce costs of printing/mailling. Customers have the option of print only, email only, or print and email.

Recommendation – encourage customers to opt out of paper bills; eliminate paper bills for those on both print and email; Treasurer to perform cost benefit analysis for processing payments via credit card, check or ACH to move towards more credit card payments.

Email only bills: Due to the current inconsistencies in the Tyler Munis system for our email billing functioning, we are reluctant to encourage anyone to sign up for email only but are hopeful this will be resolved soon. Once we are confident the program is working as it should, we can focus on encouraging our customers to convert to email only billing through advertising on social media, our website, bill inserts, etc. Karen Leet – 3/1/23

Email and Print bills: our customers are given the choice of how they wish to receive their bills. Many rentals have the printed bill going to the homeowner and the email copy going to the tenant so eliminating the paper copy may not be an option.

Print only bills: a large percentage of our customers are seniors and have no interest in anything email, but we will continue to encourage. When new customers sign up for service, they are given the option of choosing either email, print, or both.

It has been a pleasure working through this audit process with you and we appreciate the input you have provided.

Sincerely,

A handwritten signature in blue ink that reads "Karen Leet".

Karen Leet
Department Business Manager

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Operations: Water, Sewer, Streets, Wastewater, Landfill, Environmental
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Appendix B

Response from the Treasurer's Office



December 21, 2022

Catherine Villamar, Associate
Eide Bailly, LLP
5441 Kietzke Lane, Suite 150
Reno, Nevada 89511-2094
Sent via e-mail

Dear Ms. Villamar,

Please accept this letter as the response from the Carson City Treasurer's Office to Eide Bailly's recent report submitted as the review of the Utility Billing Process for the Carson City Utility Billing Division. As discussed and requested during our teleconference on Tuesday, 12/13/22, the Carson City Treasurer's Office is submitting its response to Recommendation #8 found on page 18 of Eide Bailly's audit report. (Please see Attachment A.)

As stated in the audit report, the average cost per each utility bill is \$0.66, which amounts to an estimated total of \$11,200 each month that Carson City Utility Billing must spend to send paper bills to its customers ($\$0.66 \times 17,000 = \$11,200$). Recommendation #8 lists three approaches for the Carson City Treasurer's Office to consider for implementation as a means to reduce the costs associated with the approximate 17,000 utility bills printed and mailed to Carson City utility customers every month. In reviewing the recommendations issued by Eide Bailly, the Carson City Treasurer's Office agrees that reducing costs associated with the printing and mailing of paper utility bills proves beneficial to both the customers and the Consolidated Municipality of Carson City, and will explore ways to see what it can do to help reduce these costs.

In our responses below, the Carson City Treasurer's Office outlines some of the challenges it recognizes in implementing some of these recommendations, to include steps that the Carson City Treasurer's Office is currently taking to address these recommendations. For ease of reading, I have separated each of the three individual recommendations listed by Eide Bailly in Finding #8 as found on page 17 of its audit report, and have placed them in italics:

RECOMMENDATION for Finding #8

We recommend the City utilize various techniques and approaches to encourage customers to opt out of paper bills (i.e., campaigns, incentives to entice customers to switch, such as a onetime credit).

The two areas which Utility Billing and the Treasurer's Office explained in our teleconference on Tuesday, 12/13/22 that will currently make encouraging customers to opt out of papers bills more difficult—but not impossible—focus on two factors:

An older population or generation of Carson City customers who prefer to have a paper bill;

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Current technical issues with the Tyler Munis system that make email functionality difficult (please refer to Finding #1(c) listed on page 8 of audit report).

As Public Works Business Manager Karen Leet noted in our teleconference on Tuesday, 12/13/22, Carson City does have an older generation/ population base who prefer to receive a monthly paper bill. Based on the regular mail volume and foot traffic that it receives at its office, the Carson City Treasurer's Office has noted the high volume of individuals who continue to pay their monthly utility bills by check, both in person at the front counter as well as through the United States Postal Service (USPS).

In processing the large volume of (USPS) mail that it receives on a regular basis, the staff from the Carson City Treasurer's Office must open each of the envelopes; sort the enclosed check(s) and utility stub(s) into the appropriate category; then scan the checks and stubs into the system Check-21 system so that the Carson City Treasurer's Office can then submit the file to Bank of America in order to receive the money from the customer's bank account. A staff member must perform this process on a daily basis, and while the Carson City Treasurer's Office definitely would benefit from having a reduction in the amount of envelopes and checks to open and process each day, it may take time for a large shift to take place for more customers to pay by credit card vs. check or cash.

Based on the amount of money which Eide Bailly noted in their audit report that Carson City is paying to print and mail a paper bill each month (\$11,200—17,000 x \$0.66) and each year (\$134,000—\$ 11,200 x 12 months), I believe that Carson City should explore ways to see what it can do to encourage customers to switch to more cost-efficient billing and payment means. For example, the Carson City has posted a notice at its front counter asking customers to consider what they would recommend Carson City do with \$134,400 in annual savings if they were the Mayor or member of the Board of Supervisors, with the final sentence of the notice acting as a prompt asking customers to switch their monthly utility bill from paper to e-mail to help Carson City save money. (Please see attachments B and C.)

However, while more cost-efficient billing and payment means may prove effective in planning, the implementation may prove more difficult given the variables affected by customer behavior and preferences as well as current issues or limitations with the Tyler system. (Please see my continued responses below for examples of these customer preferences and issues with the Tyler system.) I don't offer any of the items below to discourage Carson City from pursuing the more cost-efficient billing and payments as recommended by Eide Bailly, but rather am providing them simply to show some of the difficulties that the Carson City Treasurer's Office has experienced or seen with the current utility billing system since its implementation in August 2021. These items further include current steps that the Carson City Treasurer's has taken or is currently taking to implement more payment options for customers.

Additionally, for those customers that are "both" print and electronic, Utility Billing should confirm the billing method for these customers and stop sending print copies.

The Carson City Treasurer's Office agrees that it would prove more efficient and cost effective for two-medium bill recipients to only receive an electronic utility bill. However, as previously listed in Finding #1(c) listed on page 8 of the audit report, the email functionality in the Utility

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Billing system in Tyler still has glitches with the email functionality that are causing the two-medium bill recipients not to receive a consistent email version of their bill. To illustrate a recent example:

- On Friday, 7/29/22, an employee who works at City Hall reached out to the Treasurer's Office regarding a billing issue she noticed, and after looking into this matter, the Carson City Treasurer's Office learned from (Carson City Public Works) Utility Billing that a glitch in the utility billing system was causing an issue for those customers who received both paper and electronic bills.
- On Monday, 10/31/22, this same employee notified the Treasurer's Office that she receives both paper and electronic utility bills; however, she became concerned after she did not receive an electronic bill, and realized that she had not made a utility payment for over a month and was concerned. She did find the paper bill, and paid her bill, but her indication was that she was looking for the electronic bill.

Based on some of the conversations that I have had with some individuals who receive both paper and electronic bills, it appears to me that these customers who receive both mediums want to ensure that they don't miss a payment for their utility bill, and as I described with the City Hall employee, having a paper bill let her know that she had not received an electronic bill on at least two occasions. While this is only one individual and not representative of the entire system, it helps to explain why some customers may still prefer to receive bills in two mediums. While Carson City staff are still learning and working through the Tyler system, for the time being, billing glitches still remain an issue, which both customers and Carson City staff recognize.

While the staff of the Carson City Treasurer's Office recognize some of the current billing issues with the Tyler system, they do encourage customers who come to the front counter or call the Treasurer's Office to enroll in autopay with their checking account or to establish an account online that links their utility account with their email account. As it relates to autopay, I have noticed that while some customers will agree to have their utility bill automatically deducted from their checking account, many customers have informed me and other staff members that they don't feel comfortable in having any outside entity having access or "touching" their personal banking account, and have advised that they would prefer to make an automatic monthly payment by credit card for their utility bill if possible.

The Carson City Treasurer's Office has previously asked about the ability for Carson City to accept automatic payments for a customer's utility account with the use of a credit card in the same way that Carson City can accept automatic payments from a customer's banking account. Although some time has passed since the Carson City Treasurer's Office last asked about this, on Monday, 12/19/22, I submitted a request to Tyler Technology about this (support ticket # 9846597), and the Carson City Treasurer's Office will pursue this payment option, especially since many customers have advised that they would make pay their monthly utility bill with this credit card option.

Lastly, Utility Billing along with the Treasurer should perform a cost benefit analysis on processing customer payments via credit card, check or ACH. The analysis can be used to help inform whether the City should make a strategic decision to support moving towards more credit card payments.

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The Carson City Treasurer's Office recognizes the benefits of customers using credit card, e-check, or automatic clearing house (ACH) payment methods: the automated processing and posting of payments against a customer's utility account; fewer mail, checks, and utility stubs for a staff member to open and process; and ease of payments for customers. One area that the Carson City Treasurer's Office currently recognizes as problematic with accepting payments from customers by credit cards centers on the question as to who pays the credit card usage fees: Carson City/the Carson City Treasurer's Office or the customer? While many of the credit card payments that Carson City processes as a whole currently require the customer to pay the costs—often listed or described as a convenience fee—Carson City does have some government offices that absorb these credit card fees instead of having the customer pay them, such as the Carson City Landfill.

In previous discussions which I had with former Chief Deputy Treasurer Beth, I learned that some Carson City officials oppose the City absorbing these costs as it is the customer who enjoys the benefits and rewards for using his credit card, such as earning cash back rewards, credit card points or miles, and it is Carson City that receives little financial benefit. Similarly, the benefits of Carson City absorbing these credit card fees include less time spent by staff members in having to open and sort mail; less time spent by staff in having to process and post payments; and more automated posting of payments to a customer's accounts. Both arguments have merit, and the Carson City Treasurer's Office will continue to review the benefits and disadvantages of processing more payments by credit card, e-check, or ACH. This will include its regular discussions with NCR, one of Carson City's current credit card vendors, as well as other vendors who continue to solicit Carson City's business, such as Paymentus, with whom I have previously met this year regarding different payment options available for customers such as pay-by-text, Apple Pay, Pay Pal, and Amazon.

As it relates to credit card payments, one of the projects which the Carson City Treasurer's Office is currently and actively pursuing is the ability for customers to pay their utility bill with a credit card at the front counter at the Treasurer's Office. Currently, the Carson City Treasurer's Office can only accept cash and checks for utility payments at their front counter, and on a daily basis, the Carson City Treasurer's Office has customers who wish to pay their utility bill with a credit card at the front counter. If a customer wishes to make a payment with a credit card for their utility account, he must first establish an online account through the Tyler Citizen Self Service (CSS) portal in which the customer links his utility account to his email account.

On Tuesday, 9/20/22, I submitted a support ticket with Tyler Technology (support ticket #9665414) in which I requested information on how the Carson City Treasurer's Office can take credit card payments at its front counter. This process with Tyler Technology has been slow moving, and during several message exchanges in October and November of 2022, I learned that the installation of a credit card/ Point of Sale (POS) device will require:

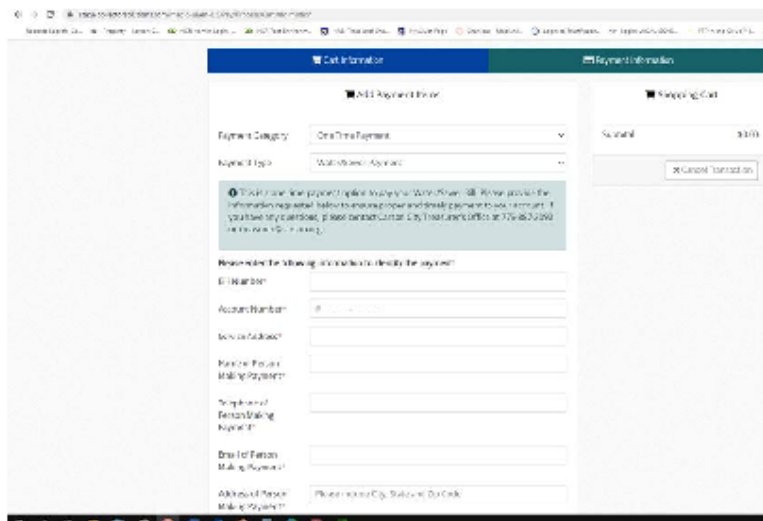
- the use of a POS device from a set list of approved devices
- the drafting of a TSM contract
- working with Payguardian/ Bridgepay to accept payments and deposit money to Carson City's bank account

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As a note, Carson City already has an account with Payguardian/ Bridgepay as this is the service currently used to accept credit card payments from those customers who have already established an online account that links their utility and email accounts. In addition, the Carson City Treasurer's Office also has an Ingenico iSC Touch 250 POS device that it somehow received years ago, that appears to be compatible with Tyler Cashiering, and the Carson City Treasurer's Office is awaiting word from Tyler Technology to see if it can use this POS device.

The Carson City Treasurer's Office is hoping to make progress with Tyler Technology with this POS device matter after the current holiday season ends. In addition, the Carson City Treasurer's Office has been working with NCR, one of its current contracted credit card payment vendors, to see about establishing a one-time payment option online for customers to pay not only their utility bill, but also other charges or invoices received from various Carson City government offices, to include Utility Billing and the Treasurer's Office. NCR has already established a test environment for one-time payments for Carson City water/ utilities (please see Item #1 below); however, the Treasurer's Office needs to see how to apply a payment using this NCR payment portal in both an online manner as well as at the front counter of the Treasurer's Office.



Item #1: screen shot of current test NCR test environment to test one-time payment method for water/utilities.

As soon as the staff from the Carson City Treasurer's Office can conduct various tests in both the NCR and Tyler Cashiering testing environments, they will know how this will work. Former Chief Deputy Treasurer Beth Huck informed me that under the previous HTE system, customers could do a one-time payment option online with their credit card, and customers liked this feature. However, under the current system with Tyler Munis, customers don't have this option

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to make a one-time payment with a credit card, and many continue to express frustration and complaints at not being able to make a one-time payment.

While customers can still make credit card payments online, they can only do so *if they have already established a user account in the Tyler Customer Self Service (CSS) portal* that is linked to their email. Several dynamics come into play with the Tyler CSS portal that vary from a standard one-time payment option:

- many customers who pay a water/utility bill are renters, and because Carson City Municipal Code (CCMC) 12.01.080 requires the City to bill the owner of the connected property, a renter/tenant will be unable to establish a utility account to pay online if the property owner doesn't provide him with the utility account number. Based on the customers I assist at the front counter of the Treasurer's Office, many of the renters who come to pay the water/utility bill have informed me that they don't receive a copy of the bill from the property owner, but rather receive a call, text, or email from the property advising them to pay the water bill. With that, the renter will provide me with the property address (and not the utility account number) and from there, I can provide them with the information and amount for them to pay.
- the Tyler CSS portal has too many steps/clicks involved for a customer to access his online account, followed by accessing the "Manage Bills" portion of the CSS portal in which to add a bill payment to the "shopping cart," make a payment, and then to finish the process. Not only have I had many customers express this frustration to me, but I have personally seen (and experienced) this many times when assisting customers in establishing an online account.¹ Because of this, staff members and I will ask customers if they have five minutes to spare as well as their smartphone available with them that can has access to their email account, and if so, we will establish an online account for them. From there, we will link

¹ In May 2022, when Tyler Munis upgraded the CSS portal system, and required customers to link their utility account to an email account, this created a problem for many as they didn't understand why they had to resubmit their online information when they had done so less than one year earlier in August 2021 when Carson City transitioned from HTE to Tyler. Even though Utility Billing had sent paper notices to customers advising them of the changes, the Carson City Treasurer's Office received much feedback from customers that the customers simply tossed the paper notification or didn't look at it. Moreover, the webpage to establish an online account or access an existing account (<https://identity.tyleroffice.com/>) tends to be confusing for most people for a few reasons:

1. if someone previously established an account, between August 2021 and May 2022, and they tried to login without having updated their account after the Memorial Day weekend in May 2022, they would receive an error notification.
2. the change to the CSS portal in May 2022 also brought a change in the website address for the login portal, and many users who had previously bookmarked the previous login portal could no longer access the new login portal as the new login portal had changed by one letter: it changed from <https://selfservice.carson.org/mss/> to <https://selfservice.carson.org/css/> (the "m" in mss changed to "c" in css—a very small but distinct change that created confusion for those who didn't review the update notice carefully).
3. most users don't see the small print at the bottom of this sign-in page that is the required area to establish (or reestablish/update) an online account for the first time, and most customers try to establish an account using any one of the social media sign-in's or the email address sign-in access portal, which are not the correct way to establish an online account for the first time.
4. once signed-in for the first time, customers have reported that the webpage to which the Tyler Access Community sends them takes too long to browse through. When staff at the Carson City Treasurer's Office assist customers in establishing their online CSS account for the first time, staff completely bypass the Tyler Access Community pages as these pages take too long to review in order to directly access the customer's utility account, link it to their email account, and then go the "Manage Bills" section in order to make an online payment.

Generally, it can take a staff member from the Carson City Treasurer's Office between 5-10 minutes to establish a new user account online, and staff members have the experience of knowing how to navigate the CSS portal website. So, for most customers, the time and difficulties experienced in establishing an online account not only prove frustrating, but many have advised that they had given up, and didn't complete the process.

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their utility account to their email account as well as show them the website to use and how to manage their bills online and make a payment. Based on the feedback that I have received in helping customers establish an online account for them, they were very appreciative as I don't believe they wanted to spend the time themselves to determine how to review the information to establish an online account.

- many customers have reported to staff at the Carson City Treasurer's Office that they have forgotten or misplaced either the user account and/or password information they initially used when they established an online account for their utility billing. While the Tyler CSS portal does allow the customer to click a link to reset their password, I have found from my experience helping customers at the front counter that it appears the Tyler CSS portal may be too overwhelming or visually confusing to pursue resetting their password based on their comments to me. Similar to the last bullet point, it may be that customers don't want to take the time with the new system to reset a password or determine what email account they previously used to establish their online account if the process takes too many steps.

Compared to a one-time payment option, such as I have seen with other online payment systems and the NCR system currently in a testing—not to mention the NCR online payment pages currently in use by other Carson City government offices such as Health and Human Services and the Carson City Courts system (<https://www.carson.org/services/pay>)—I would describe the current Tyler CSS portal in use with Carson City as not being very user-friendly. I would further say that given the simple fact of human nature, where most customers are looking for simplicity, the fewest steps or clicks possible, or the path of least resistance, once customers start to recognize the number of steps needed to make a simple online payment with the current Tyler CSS portal, they would rather not deal with it, and perhaps write a check.

If Carson City is going to encourage customers to switch their paper billing to electronic billing, the process to do so needs to take little to no effort for the customer to do, and needs to be simple. In addition, Carson City should work with Tyler Technology to see what can be done to make can make the current CSS portal more efficient or user-friendly so that customers become more encouraged to use it. Since the initial transition to the Tyler system from HTE in August 2021, to include the upgrade with the Customer Self Service portal in May 2022, the Carson City Treasurer's Office has received many in-person, telephone, email, and written complaints from the public, many of which focus on the difficulty in using or adjusting to the new system, making payments online, or the small font size on the paper bills. To emphasize the number of complaints that the Carson City Treasurer's Office was receiving at that time, staff started collecting the complaints rather than disposing of them, and began posting them on their "complaint wall." (Please see Attachment D.)

As I previously mentioned, the Carson City Treasurer's Office agrees with the need to reduce costs, such as those associated with the printing and mailing of paper utility bills, and I don't offer any of the items listed in this letter to discourage Carson City from pursuing the more cost-efficient billing and payments as recommended by Eide Bailly. Rather, I have provided this information to show some of the difficulties that the Carson City Treasurer's Office has experienced or seen with the current utility billing system since its implementation in August 2021.

I hope the information that I have listed in this letter provides you with the information which you and the team at Eide Bailly requested. If you require any additional assistance, please let me or Chief Deputy

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Treasurer Amber LaFollette know.

Sincerely,

Andrew Rasor, Treasurer
Consolidated Municipality of Carson City, Nevada

- Attachments:
- A: Copy of Finding #8 from Eide Bailly Utility Billing Internal Audit Report, December 2022 (page 18 of audit report)
 - B: Notice at front counter of Carson City Treasurer's Office asking customers to switch from paper to email billing for their water/utility account.
 - C: Photo of notice at front counter of Carson City Treasurer's Office; date taken: Tuesday, 12/20/22.
 - D: Photo of "complaint wall" at the Carson City Treasurer's Office, which staff started in August 2021.

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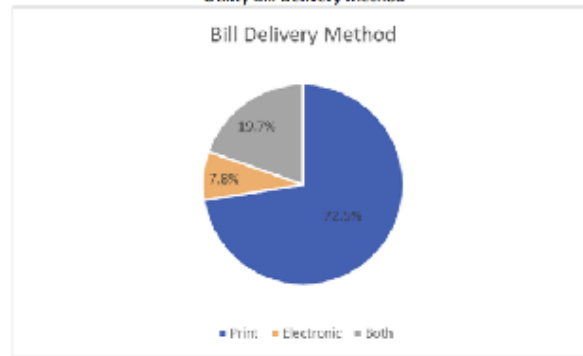
ATTACHMENT A: Copy of Finding #8 from Eide Bailly Utility Billing Internal Audit Report, December 2022.

CARSON CITY: UTILITY BILLING DIVISION

FINDING #8: Customer Billing – Print & Electronic Bill

We noted that opportunities exist to reduce costs by increasing the number of electronic billings and decreasing the number of printed billings sent to customers. Approximately 92% of the City's utility customers are still receiving paper bills. That is over 17,000 invoices that the Utility Billing Division is mailing out on a monthly basis. The cost of printing and mailing physical invoices is approximately \$0.66 per invoice, which equates to about \$11,200 monthly and \$134,400 annually. There is no cost for electronic utility bills and the City charges the associated credit card fees to its customers. As a whole the City pays \$6,300 a month on average in credit card fees for electronic payments and this cost is shared with the customers.⁷

Exhibit 10
Utility Bill Delivery Method



Source: EB created from Utility Billing Customer Report

RECOMMENDATION for Finding #8

We recommend the City utilize various techniques and approaches to encourage customers to opt out of paper bills (i.e., campaigns, incentives to entice customers to switch, such as a onetime credit). Additionally, for those customers that are "both" print and electronic, Utility Billing should confirm the billing method for these customers and stop sending print copies. Lastly, Utility Billing along with the Treasurer should perform a cost benefit analysis on processing customer payments via credit card, check or ACH. The analysis can be used to help inform whether the City should make a strategic decision to support moving towards more credit card payments.

Management Response:

What to be implemented, who is responsible and timeframe.

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ATTACHMENT B: Notice at front counter of Carson City Treasurer's Office asking customers to switch from paper to email billing for their water/utility account.

**TEST YOUR SKILLS TO HELP
CARSON CITY SAVE MONEY**

Carson City currently mails 17,000 printed water bills each month to customers.

The current price to print and mail one water bill is \$0.65.

QUESTION:
AT THIS RATE, HOW MUCH IS CARSON CITY SPENDING TO MAIL WATER BILLS TO ITS CUSTOMERS?

FACH MONTH?
EACH YEAR?

Now that you know how much money is involved with printing and mailing utility bills:

QUESTION:

IF YOU WERE THE CARSON CITY MAYOR OR A BOARD SUPERVISOR, WOULD YOU RECOMMEND CARSON CITY TO SWITCH THE MONEY IT CURRENTLY SAVES FROM NOT HAVING TO PRINT AND MAIL UTILITY BILLS?

Now that you see how much money Carson City can save in one year, please sign up to switch your monthly utility bill from paper to e-mail and help Carson City save money! It's easy—just ask us how!

**TEST YOUR SKILLS TO HELP
CARSON CITY SAVE MONEY**

Carson City currently mails 17,000 printed water bills each month to customers.

The current price to print and mail one water bill is \$0.65.

QUESTION:
AT THIS RATE, HOW MUCH IS CARSON CITY SPENDING TO MAIL WATER BILLS TO ITS CUSTOMERS?

FACH MONTH? \$11,200 (\$0.65 x 17,000 x \$0.65)
EACH YEAR? \$134,400 (\$11,200 x 12 months)

Now that you know how much money is involved with printing and mailing utility bills:

QUESTION:

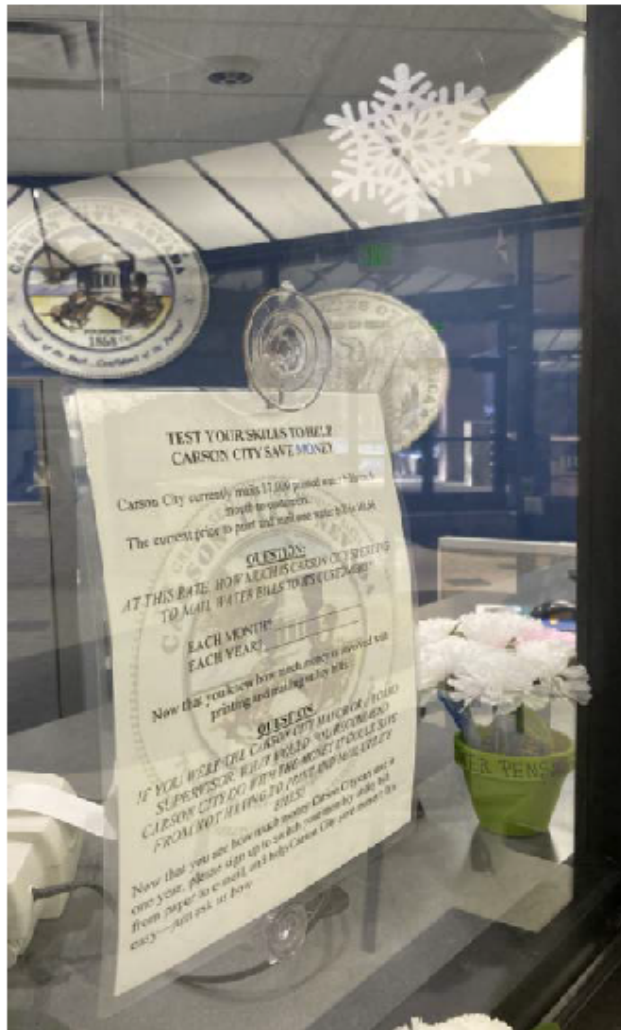
IF YOU WERE THE CARSON CITY MAYOR OR A BOARD SUPERVISOR, WOULD YOU RECOMMEND CARSON CITY TO SWITCH THE MONEY IT CURRENTLY SAVES FROM NOT HAVING TO PRINT AND MAIL UTILITY BILLS?

Now that you see how much money Carson City can save in one year, please sign up to switch your monthly utility bill from paper to e-mail and help Carson City save money! It's easy—just ask us how!

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ATTACHMENT C: Photo of notice at front counter of Carson City Treasurer's Office encouraging customers to enroll for electronic utility billing; date taken: Tuesday, 12/20/22.



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ATTACHMENT D: Photo of “complaint wall” at the Carson City Treasurer’s Office, which staff started in August 2021.



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January 13, 2023

Catherine Villamar, Associate
Eide Bailly, LLP
5441 Kietzke Lane, Suite 150
Reno, Nevada 89511-2094
Sent via e-mail: cvillamar@eidebailly.com

Dear Ms. Villamar,

During our conference call on Monday, 1/9/23, we reviewed the response submitted by the Carson City Treasurer's Office on Wednesday, 12/21/23 in regard to Eide Bailly's review of the Utility Billing Process for the Carson City Utility Billing Division. We further discussed some of the nuances and problems that the Carson City Treasurer's Office has experienced in trying to implement more convenient billing and payment options for both customers and staff members alike, namely:

- promoting the use and convenience of electronic billing (vs. paper billing) for customers
- Munis' ability for property owners and renters to both receive an electronic bill
- the use of a recurring credit card payment option for customers
- a one-time payment option with a credit card for customers

As it relates to your email dated Tuesday, 1/3/23 regarding "Public Works' Audit Report Response," in which you asked: *Would a formal cost-benefit analysis on processing customer payments be performed and what would the timeframe be?*, I believe that the Carson City Treasurer's Office can conduct a formal cost-benefit analysis. However, the Carson City Treasurer's Office will most likely not be able to start this formal analysis until November of this year. While this time frame is approximately 10 months from the date of this letter, I wish to explain the reasoning as it may also have an impact on the scope of this cost-benefit analysis.

First, the Carson City Treasurer's Office has been actively working with Tyler Technology about how to establish a recurring credit card payment option for customers as well as a credit card swiper/Point of Sale (POS) device at the front counter of the Treasurer's Office. Former Chief Deputy Treasurer Beth Huck previously informed me that HTE—the previous utility billing system in use by Carson City prior to Munis—allowed for recurring credit cards and one-time credit card payment options. Since Carson City switched to Munis in August of 2021, we have not had the recurring credit card or one-time payment options which customers previously used. With the transition of Utility Billing to Tyler Munis in August of 2021, the Treasurer's Office placed these the recurring credit card or one-time payment options on hold as we were working with Utility Billing and Tyler Technology on other issues which required more attention at the

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time. However, I recently found an email chain dated Tuesday, 4/5/22, in which Michael Swanson with Carson City's IT Department reached out to Frank Sonnett with Tyler Technology about "Recurring Credit Card Billing for CSS with a Service Fee added to the CC." In reviewing this email chain again, I noted some of the issues discussed at that time between Carson City and Tyler Technology, such as:

- validation of system settings
- issues with a customer's credit card being charged twice with a recurring charge
- ensuring that the customer pays for the service fee charge, and not Carson City

Note: in part of this email chain, former Chief Deputy Treasurer Beth Huck responded to the email chain on Wednesday, 4/13/22 that one of the original problems encountered was that Munis was not able to charge a service fee on the recurring credit card payments.

On Monday, 12/19/22, I submitted another service request/ ticket to Tyler Technology about this matter as I was reviewing this matter again against the current recommendations of Eide Bailly's audit report response. On Thursday, 1/12/23, I received a response from Jordan Bell with Tyler Technology in which he provided instructions on how to test a recurring credit card feature in Munis. I will begin reviewing this, and will attempt to test this feature with Carson City's IT Department to see if we can make this operational. If so, then this may provide a solution to many customers who wish to make a recurring/ automatic payment online by credit card, but do not want to have any payments or portion of the utility billing system directly linked to their bank account. If not, I will further review the Tyler Payments option about which Michael Swanson advised me early in 2022, to see what the functionality and costs of this module would be for credit card options.

Second, as it relates to a one-time payment option, such as making a payment online, I have had almost weekly discussions with NCR, one of Carson City's credit card vendors, to implement an online option to the existing payment portal for Carson City at <https://www.carson.org/services/pay>. Donna Kelly, the project manager currently assisting the Carson City Treasurer's Office, has established a test environment to accept one-time credit card payments online which will require the customer to provide certain information, such as the account number, address, and bill number.

Our current indications are that this process *should* work in allowing a customer to submit a payment online towards their utility bill. The downside to this solution is that the NCR system won't connect to the Munis Utility Billing system at this time, which means that it would require a staff member on the backend to manually apply the payment charge to the account of the customer who submitted the online one-time payment. This would be no different than when a customer comes to the front counter to make a cash payment towards a utility bill, and the staff

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member from the Carson City Treasurer's Office manually applies the payment to the customer's account in Tyler Cashiering, which can take about 45 seconds per transactions, depending upon how fast the Tyler Cashiering can search and load the account information. The unknown variable to this is how many one-time online payments would the Carson City Treasurer's Office receive each day that a staff member would need to process. I foresee that while the Carson City Treasurer's Office may receive a small amount of one-time online payments at first, if the convenience and popularity of this online payment option grows with customers, it may take a staff member more time each day to manually apply the credit card payment to the customer's account—providing that this option works as I previously indicated.

Although the method I described is essentially a system "work-around," if it does work—where the customer can submit a one-time online payment towards their utility bill; the money posts in the City's bank account from NCR the following day; and a staff member can then post the payment towards a customer's utility account—then this will give the Carson City Treasurer's Office a better indication of the popularity of this option with the public. As such, the Carson City Treasurer's Office can then look to see what the costs would be to implement the appropriate software or connections to allow a credit card processor such as NCR to connect to Munis Utility Billing.

Finally, as it relates to a timeframe of conducting a formal cost-benefit analysis as you requested in your email dated Tuesday, 1/3/23, I use the approximate target date of November 2023 for two important reasons:

- staff assignment transitions within the Carson City Treasurer's Office;
- November doesn't have as many legal and project deadlines as do other months.

The Carson City Treasurer's Office has only six full time employees, including myself. With Chief Deputy Treasurer Beth Huck's retirement in September 2022, this caused a significant shuffle in personnel and assignments within our office, starting with:

- the promotion of Amber LaFollette from Accountant to Chief Deputy Treasurer
- the promotion of Danielle Hoelzen from Accounting Technician to Accountant
- the transfer and promotion of Elizabeth Morelli from Carson City Public Works as Accounting Technician to fill the position vacated by Danielle Hoelzen
- the retirement of Accounting Technician Heather Mandel in January 2023, leaving her position vacant with an anticipated replacement on or about Friday, 2/3/23.

Because of the amount of personnel change taking place within the Carson City Treasurer's Office at this time, coupled with the distribution and learning of assignments amongst staff member, I want to look realistically at when staff from the Carson City Treasurer's Office can

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dedicate the time needed to do an appropriate and formal cost-benefit analysis. June, July, August, September, and October have proven to be busy times of the year as these months have numerous important processes and deadlines, especially those involving the annual real property tax bill or the preparation and submission of required reports.

I hope the information that I have presented in this letter provides you the details that you need, but if you need anything further, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Rasor".

Andrew Rasor, Treasurer
Consolidated Municipality of Carson City, Nevada

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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.

Recognizing the importance of maintaining a balance between work and home life.

Promoting positive working relationships.

And, most of all, enjoying our jobs ... and having fun!



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Audit Committee Agenda Item Report

Meeting Date: January 24, 2023

Submitted by: Sheri Russell

Submitting Department: Finance

Item Type: Formal Action / Motion

Agenda Section:

Subject:

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

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

Suggested Action:

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

Attachments:

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

[Audit Findings Summary10-6-2022.pdf](#)



STAFF REPORT

Report To: Audit Committee

Meeting Date: January 24, 2023

Staff Contact: Sheri Russell-Benabou, Chief Financial Officer

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

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

Agenda Action: Formal Action/Motion

Time Requested: 15 minutes

Proposed Motion

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

Board's Strategic Goal

Efficient Government

Previous Action

N/A

Background/Issues & Analysis

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

- IT Vulnerability Update – Items #2 through #6 are recommended for closure.
- Community Development – Items #2, #5 and #7 are recommended for closure.
- Sheriff's Body Camera – Items #2 and #4 are recommended for closure.
- Utility Billing – Item #2 is recommended for closure as it was immediately remedied.

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

Applicable Statute, Code, Policy, Rule or Regulation

N/A

Financial Information

Is there a fiscal impact? Yes No

If yes, account name/number:

Is it currently budgeted? Yes No

Explanation of Fiscal Impact:

Alternatives

N/A

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)

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

Carson City - Audit Findings Tracking Summary Report (revised 1/18/2023)

| Report Name | Report Submittal | AC/BOS Report Approval | Reporting Entity | Report Findings | Completed Findings | AC Approval | BOS Approval | Notes |
|---|------------------|------------------------|------------------|-----------------|--------------------|-------------|--------------|----------------------------------|
| Payroll Internal Controls Testing | 7/27/2016 | 12/21/2017 | Internal Auditor | 2 | 2 | 8/8/2016 | 11/15/2018 | |
| P-card Internal Controls Testing | 7/27/2016 | 12/21/2017 | Internal Auditor | 2 | 2 | 8/8/2016 | 11/15/2018 | |
| Small Works Projects Review | 2/17/2017 | 12/21/2017 | Internal Auditor | 4 | 4 | 2/14/2017 | 12/21/2017 | |
| Public Guardian Review | 5/1/2017 | 12/21/2017 | Internal Auditor | 13 | 13 | 5/9/2017 | 11/15/2018 | |
| Purchasing and AP Internal Controls Testing | 7/6/2017 | 12/21/2017 | Internal Auditor | 12 | 12 | 7/12/2017 | 11/15/2018 | |
| HTE Access Controls Testing | 9/26/2017 | 12/21/2017 | Internal Auditor | 7 | 7 | 10/3/2017 | 12/21/2017 | |
| FY 2014 CAFR | 12/18/2014 | 12/18/2014 | External Auditor | 5 | 5 | 3/22/2016 | 12/18/2014 | |
| FY 2015 CAFR | 12/17/2015 | 12/17/2015 | External Auditor | 5 | 5 | 3/22/2016 | 12/17/2015 | |
| Capital Projects Process Review | 5/3/2018 | 8/20/2020 | Internal Auditor | 8 | 8 | 6/15/2020 | 8/20/2020 | |
| Grants Audit | 6/30/2018 | 9/30/2018 | Internal Auditor | 1 | 1 | 6/15/2020 | 8/20/2020 | |
| Public Guardian Follow Up Review | 5/3/2018 | 3/7/2019 | Internal Auditor | 8 | 8 | 5/10/2018 | 3/7/2019 | |
| FY 2017 CAFR and Single Audit | 11/30/2017 | 12/21/2017 | External Auditor | 4 | 4 | 5/10/2018 | 8/20/2020 | |
| FY 2018 CAFR and Single Audit | 12/6/2018 | 12/6/2019 | External Auditor | 3 | 3 | 6/15/2020 | 8/20/2020 | |
| Temporary Staffing Audit | 5/9/2019 | 5/6/2019 | Internal Auditor | 5 | 5 | 6/22/2021 | 10/3/2019 | |
| Fire Department Overtime Audit | 5/9/2019 | 10/3/2019 | Internal Auditor | 2 | 2 | 5/9/2019 | 10/3/2019 | |
| FY2019 CAFR and Single Audit | 12/5/2019 | 12/5/2019 | External Auditor | 1 | 1 | 6/15/2020 | 8/20/2020 | |
| Cash Handling 2019 | 12/3/2019 | 1/6/2020 | Internal Auditor | 20 | 20 | 6/22/2021 | 8/20/2020 | |
| Social Media Study | 11/25/2019 | 1/6/2020 | Internal Auditor | 13 | 13 | 6/22/2021 | 10/6/2022 | |
| HR Administration - Eligible EE Group Ins. | 12/3/2019 | 1/6/2020 | Internal Auditor | 4 | 4 | 6/15/2020 | 8/20/2020 | |
| AP and P-Card Audit Program | 4/1/2020 | 3/4/2021 | Internal Auditor | 4 | 4 | 8/4/2020 | 3/4/2021 | |
| IT Vulnerability Audit | 10/30/2020 | 12/8/2020 | Internal Auditor | 10 | 10 | 3/8/2022 | 10/6/2022 | |
| Fleet Audit | 3/30/2021 | 3/30/2021 | Internal Auditor | 6 | 6 | 3/8/2022 | 7/7/2022 | |
| Revenue and Receivables Audit | 5/25/2021 | 6/22/2021 | Internal Auditor | 3 | 3 | 12/7/2021 | 7/1/2020 | |
| Payroll Internal Controls Testing | 11/22/2021 | 12/7/2021 | Internal Auditor | 3 | 3 | 3/8/2022 | 7/7/2022 | |
| Community Development Department | 6/29/2022 | 7/12/2022 | Internal Auditor | 8 | 1 | 7/12/2022 | | Recommending 3 items for closure |
| IT Vulnerability Retest Report | 7/12/2022 | 9/13/2022 | Internal Auditor | 6 | 0 | 9/13/2022 | | Recommending 5 items for closure |
| Wireless Assessment (see separate report) | 4/30/2022 | 10/6/2022 | Internal Auditor | 1 | 1 | 9/13/2022 | 10/6/2022 | |
| Endpoint Security Assessment | 4/30/2022 | 10/6/2022 | Internal Auditor | 2 | 2 | 9/13/2022 | 10/6/2022 | |
| Prelim Risk Assess. Body Worn Camera Prog. | 9/1/2022 | 9/13/2022 | Internal Auditor | 4 | 0 | 9/13/2022 | | Recommending 2 items for closure |
| Utility Billing Internal Audit | 12/1/2022 | | Internal Auditor | 8 | | | | Recommending 1 item for closure |
| Total (including archived reports) | | | | 174 | 149 | | | |

Legend:

- Report Submittal = date report submitted to City
- BOS Report Approval = date report adopted by BOS
- Reporting Entity = organization that prepared the report
- Report Findings = number of findings in the report
- Completed Findings = number of findings completed by management
- AC Approval = Audit Committee approval of completed findings
- BOS Approval = Board of Supervisors approval of completed findings
- Notes = notes about findings

Finding Corrected?

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

Carson City
Community Development Internal Audit
June 2022

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

Carson City
Community Development Internal Audit
June 2022

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

Carson City
IT Vulnerability Update Internal Audit
April 2022

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

Carson City
IT Vulnerability Update Internal Audit
April 2022

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

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

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

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

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

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

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

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

Audit Committee Agenda Item Report

Meeting Date: January 24, 2023

Submitted by: Sheri Russell

Submitting Department: Finance

Item Type: Formal Action / Motion

Agenda Section:

Subject:

For Possible Action: Discussion and possible action regarding the review of agreed upon procedures suggested by Eide Bailly, LLP regarding the Grants Compliance Audit selected for the Fiscal Year (FY) 2023 Audit Work Program. (Sheri Russell-Benabou, SRussell@carson.org)

Staff Summary: Representatives from Eide Bailly, LLP will be discussing and taking direction from the Audit Committee regarding the Grants Compliance Audit agreed upon procedures to be performed.

Suggested Action:

I move to direct Eide Bailly, LLP and staff to proceed with the Grants Compliance Audit agreed upon procedures as discussed on the record.

Attachments:

[SR - Agreed Upon Procedures - Grants FY 23.docx](#)

[Grants_Internal Audit Program.pdf](#)



STAFF REPORT

Report To: Audit Committee

Meeting Date: January 24, 2023

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

Agenda Title: For Possible Action: Discussion and possible action regarding the review of agreed upon procedures suggested by Eide Bailly, LLP regarding the Grants Compliance Audit selected for the Fiscal Year (FY) 2023 Audit Work Program. (Sheri Russell-Benabou, SRussell@carson.org)

Staff Summary: Representatives from Eide Bailly, LLP will be discussing and taking direction from the Audit Committee regarding the Grants Compliance Audit agreed upon procedures to be performed.

Agenda Action: Formal Action/Motion

Time Requested: 20 minutes

Proposed Motion

I move to direct Eide Bailly, LLP and staff to proceed with the Grants Compliance Audit agreed upon procedures as discussed on the record.

Board's Strategic Goal

Efficient Government

Previous Action

N/A

Background/Issues & Analysis

Several years ago, it was determined to be more efficient for the Audit Committee to discuss and approve the agreed upon procedures of a project before the procedures are performed. This process has worked well; and helped to reduce the number of misunderstandings, and to ensure the auditors are testing to meet the concerns of the Audit Committee. If the Grants Compliance Audit agreed upon procedures are approved, Eide Bailly, LLP will move forward with the project.

Applicable Statute, Code, Policy, Rule or Regulation

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) _____

2) _____

Aye/Nay

(Vote Recorded By)

CARSON CITY GRANTS COMPLIANCE AUDIT PROGRAM

OBJECTIVES

To evaluate the effectiveness and efficiency of the City's financial control framework and related internal controls over the management of citywide grants (i.e., FEMA, CDBG, ARPA, Cares Act, COVID 19 Relief funding) to ensure compliance with grant provisions and applicable federal, state, and local regulations. Additionally, to identify opportunities for the City to improve grant management activities.

AREAS TO CONSIDER:

- Gain an understanding of all phases of the grant lifecycle, including but not limited to the grant application process, award management, fiscal monitoring, effort reporting, accounting, closeout, etc.
- Evaluate the internal controls for the various departments managing grants in a decentralized environment to ensure completeness and accuracy of grants process. Additionally, to evaluate the effectiveness and efficiency of the City's financial control environment over grant management and administration.
- Ensure that accounting data is complete, accurate, timely, properly reported and in compliance with the City's policies and procedures, grant provisions and applicable federal, state and local laws and regulations.

METHODOLOGY

| # | Procedure |
|------------------------------------|--|
| 1. Background & Scoping | |
| a. | Request access to Grants Module in the City's ERP System, Tyler Munis, to be able to perform sample testing. |
| b. | Obtain and review policies and procedures (P&Ps), manuals, workflows, financial data and monitoring reports related to City grants. |
| c. | Obtain and review the organizational chart showing the various city departments and personnel involved with and/or responsible for city grants. |
| d. | Request and obtain a current listing of all grants from each department identified in Step 1.c. and the necessary data related to each grant. Perform Step 2.j. below. |
| e. | Request from the Accounting Department a current listing of grants and the necessary data related to each grant. Perform Step 2.j. below. |
| f. | Research federal, state and local laws & regulations specific to grants and grant administration including Uniform Grant Guidance, Title 2 of the Code of Federal Regulations (CFR), Davis-Bacon Act (DBRA), Federal Funding Accountability and Transparency Act (FFATA), etc. |
| g. | From Step 1. b. above , perform walkthroughs and interviews of grant management personnel and key staff to assess internal controls and processes over grant activities. |
| h. | Obtain and review grant related training materials used since June 2021, the list of training attendees, dates of training, individuals department and their role and responsibilities. See Step 2.k. below for test steps. |

| | |
|-----------------------------------|--|
| i. | Request grant management key performance indicators, monitoring protocols, and other metrics utilized by the City to govern the grant management process. |
| 2. Fieldwork & Testing | |
| j. | Based on information obtained in Step 1.c. & 1. d. compare the grant data with the various departments to what Accounting records show and identify any discrepancies. Research root cause for any discrepancies noted. |
| k. | <p>Select a sample of 5 grants from various departments judgmentally identified from list provided by the City and perform the following to ensure accounting data is complete, accurate, timely, properly reported and in compliance with the City's policies and procedures, grant provisions, and applicable rules and regulations:</p> <ol style="list-style-type: none"> 1). Verify that grant applications are submitted to the Grants Administrator and are approved by appropriate authority levels. 2). Verify that the signed grant paperwork is uploaded into Munis, whether grant was approved or not, and that a notification was sent to the Grants Administrator and the Treasurer's Office, in alignment with grants manual. 3). Obtain and review grant drawdown journal entries to determine that all funding due from the granting agency is received completely, accurately, and timely. Note whether the city will be over or under on grant spending and method for addressing. Identify and follow up on root cause for any over/under noted. 4). Obtain and review grant budgets, revenues, expenditures, indirect and administrative costs, subrecipient monitoring support (where applicable) and verify whether transactions comply with program requirements, grant provisions, are properly tracked, and are recorded completely, accurately and timely. Follow up on any discrepancies noted to identify root cause. 5). Obtain and review timesheets related to federal grants and verify whether time and payments are accurate, reasonable, and properly recorded. 6). Determine whether grant modifications, including transfer of grant manager, have proper support and approved by appropriate authority levels. 7). Review grant closeout procedures to ensure that projects are closed out and financial reports are issued timely and in accordance with grant requirements. |
| l. | <p>Based on information obtained in Step e. above, perform the following:</p> <ol style="list-style-type: none"> 1). Compare the list of individuals involved in the grant process to the training logs and identify those who have not received training since June 2021. Determine whether any issues noted in Step 2.k. ties to training or lack of. 2). Compare the training materials with information obtained in Step 1.h. and research performed in Step 1.f. Identify any areas where training is not complete or accurate. 3). Inquire as to the method for ensuring training materials are complete, accurate and reflect current laws and regulations. 4). Inquire as to the method, frequency and approach to providing training to individuals within the various departments involved with grants. Is there any true up with Accounting to identify a new department, change in personnel, etc. involved with grants? 5). Through research identify best practice for frequency of grant training and whether this is individual based on roles and responsibilities or group based. |
| m. | Through research identify best practice for grant management key performance indicators, monitoring protocols, and other metrics utilized to govern the grant management process. |

Audit Committee Agenda Item Report

Meeting Date: January 24, 2023

Submitted by: Sheri Russell

Submitting Department: Finance

Item Type: Other / Presentation

Agenda Section:

Subject:

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

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

Suggested Action:

N/A

Attachments:

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



STAFF REPORT

Report To: Audit Committee

Meeting Date: January 24, 2023

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

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

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

Agenda Action: Formal Action/Motion

Time Requested: 10 minutes

Proposed Motion

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)

Audit Committee Agenda Item Report

Meeting Date: January 24, 2023

Submitted by: Sheri Russell

Submitting Department: Finance

Item Type: Other / Presentation

Agenda Section:

Subject:

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

Suggested Action:

Discussion only.

Attachments: