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STATE OF NEVADA
COUNTY OF WASHOE

ss. Tana Ciccotti

being first duly sworn, deposes and says:
That as the legal clerk of the RENO GAZETTE-
JOURNAL, a daily newspaper published in Reno,
Washoe County, State of Nevada, that the notice:

Ordinance 1071

PLEASE STAMP & SIGN FOR PAYMENT

of which a copy is hereto attached, has been
published in each regular and entire issue of said
newspaper on the following dates to wit:

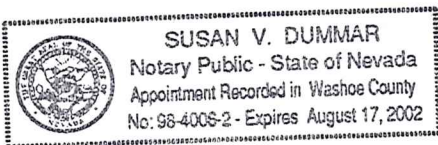
July 23, 30, 1999

Signed Tana Ciccotti

Subscribed and sworn to before me this

July 30, 1999

Susan V. Dummar
Notary Public



PROOF OF PUBLICATION

NOTICE OF ADOPTION
WASHOE COUNTY ORDINANCE
No. 1071

NOTICE IS HEREBY GIVEN THAT: Bill
No. 1247 Ordinance No. 1071 entitled

AN ORDINANCE AMENDING THE
WASHOE COUNTY CODE BY
REPEALING SECTION 5.024
(MANAGEMENT ANALYSIS PRO-
GRAM), A SECTION CREATING THE
MANAGEMENT ANALYSIS PRO-
GRAM, AND BY ADDING PROVI-
SIONS CREATING AN INTERNAL
AUDIT PROGRAM WITHIN THE
COUNTY MANAGER'S OFFICE, PRO-
VIDING FOR THE CREATION OF
INTERNAL AUDIT POSITIONS AND
THE APPOINTMENT THEREOF, SET-
TING FORTH THE DUTIES AND
RESPONSIBILITIES OF THE INTER-
NAL AUDITOR, AND OTHER MAT-
TERS PROPERLY RELATING
THERE TO

was adopted on July 13, 1999, by Com-
missioners Joanne Bond, Jim Galloway,
Pete Sterrazza, Jim Shaw, and Ted Short
and will become effective on Monday,
August 2, 1999.

Typewritten copies of the ordinance are
available for inspection by all interested
persons at the office of the County Clerk,
75 Court Street, Reno, Nevada.

AMY HARVEY,
Washoe County Clerk

No.3007 July 23,30, 1999

SUMMARY An ordinance amending Washoe County Code by creating an internal auditor program.

BILL NO. 1247

ORDINANCE NO. 1071

AN ORDINANCE AMENDING THE WASHOE COUNTY CODE BY REPEALING SECTION 5.024 (MANAGEMENT ANALYSIS PROGRAM), A SECTION CREATING THE MANAGEMENT ANALYSIS PROGRAM, AND BY ADDING PROVISIONS CREATING AN INTERNAL AUDIT PROGRAM WITHIN THE COUNTY MANAGER'S OFFICE, PROVIDING FOR THE CREATION OF INTERNAL AUDIT POSITIONS AND THE APPOINTMENT THEREOF, SETTING FORTH THE DUTIES AND RESPONSIBILITIES OF THE INTERNAL AUDITOR, AND OTHER MATTERS PROPERLY RELATING THERETO.

THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF WASHOE DO ORDAIN:

SECTION 1. Section 5.024 of the Washoe County Code is hereby repealed.

SECTION 2. Chapter 5 of the Washoe County Code is hereby amended by adding thereto the provisions set forth as sections 3 and 4 inclusive of this ordinance.

SECTION 3.

5.0242 Internal auditor: Position created; appointment.

The office of the Washoe County internal auditor is hereby established. The internal auditor shall be appointed by and serve at the pleasure of the county manager and is in the unclassified service of the county.

SECTION 4.

5.0243 Duties of auditor and scope of audits.

1. The internal auditor's work shall be performed in accordance with government auditing standards applicable to financial and performance audits.

2. The internal auditor has the authority to conduct performance and financial audits of all departments, offices, boards, activities, and agencies of Washoe County. These audits shall include but not be limited to determining the extent to which:

(a) Activities and programs being implemented have been authorized by the board of county commissioners, state law, or applicable federal law or regulations;

(b) Activities and programs are being conducted in a manner consistent with the intended objectives, the Washoe County Code, state law, or applicable federal law or regulations;

(c) Activities and programs efficiently and effectively serve the purpose intended by the board of county commissioners, the

Washoe County Code, state law, or applicable federal law or regulations;

(d) Revenues are being properly collected, deposited, and accounted for;

(e) Resources; including funds, property and personnel, are adequately safeguarded, controlled and used in a faithful, effective, and efficient manner;

(f) Financial and other reports are being provided that disclose fairly and fully all information that is required by law, that is necessary to ascertain the nature and scope or programs and activities and that is necessary to establish a proper basis for evaluating the programs and activities;

(g) There are adequate operating and administrative procedures and practices, systems or accounting internal control systems and internal management controls which have been established by management; or

(h) There are indications of fraud, abuse or illegal acts.

3. The internal auditor shall perform other duties as assigned by the county manager.

SECTION 5. Chapter 15 of the Washoe County Code is hereby amended by adding thereto the provisions set forth as sections 6 through 11 inclusive of this ordinance.

SECTION 6.

15.560 Audit schedule.

1. At the beginning of each fiscal year, the internal auditor shall submit a three year audit schedule to the board of county commissioners for review and comment. The schedule shall include the departments, offices, boards, activities, subcontractors and agencies subject to audit for the period. This schedule may be amended during the period after review with the board of county commissioners. The internal auditor may initiate audits not included in the audit schedule, upon approval by the county manager.

2. In the selection of audit areas, the determination of the priority of the departments, offices, boards, activities, subcontractors and agencies to be audited shall be based upon but not limited to the potential for savings or service improvements, interest of the county commission or county manager, evidence of or substantive allegations of problems or wrongdoing, or exposure to loss of county resources due to large expenditures or inherent program risk.

SECTION 7.

15.562 Special audits and studies.

The county manager may direct the internal auditor to perform special audits or studies that are not included in the annual audit schedule. After approval by the board of county commissioners, a special audit requested by the county manager may become an amendment to the annual audit schedule.

SECTION 8.15.564 Reports and records.

1. Each audit will result in a written report.
2. The internal auditor shall submit each audit report to the board of county commissioners and shall retain a copy in his office as a permanent record. A copy shall be filed with the county clerk.
3. The internal auditor shall retain for at least three years, a complete file of each audit report and each report of other examinations, investigations, surveys and reviews made under the authority of the board of county commissioners. The file shall include audit work-papers and other supportive material directly pertaining to the audit report.
4. The internal auditor shall submit an annual report to the board of county commissioners within thirty calendar days after the fiscal year is completed indicating audits completed, major findings, corrective actions taken, and significant findings which have not been fully addressed.

SECTION 9.15.566 Access to records and property.

All officers and employees of Washoe County shall furnish the internal auditor with requested information and records within their custody regarding powers, duties, activities, organization, property, financial transactions, contracts and methods of business required to conduct an audit or otherwise perform audit duties and permit the auditor to inspect all property or assets under their control.

SECTION 10.15.568 Agency response and auditor review of compliance.

1. A final draft of the audit report will be forwarded to the audited department, office, board, activity, subcontractor or agency and the county manager for review and comment regarding factual content before it is released. The audited department, office, board, activity, subcontractor or agency must respond in writing specifying agreement with audit findings and recommendations or reasons for disagreement with findings or recommendations, plans for implementing solutions to identified problems and a time table to complete such activities. The response must be forwarded to the auditor within thirty calendar days. The internal auditor will include the full text of the response in the report. If no response is received, the internal auditor will note that fact in the transmittal letter and will release the audit report. In the case of contracted audits, audits, audits may be released without inclusion of a response. Any subsequent responses shall be distributed to those who received the audit report.
2. The internal auditor shall follow-up on audit recommendations insofar as practical to determine if corrective action has

been implemented.

3. The internal auditor may request periodic reports from audited entities regarding actions taken to address reported deficiencies and the status of the audit recommendations.

SECTION 11.

15.570 Report of irregularities.

If during an audit, the internal auditor becomes aware of abuse or illegal acts or indications of such acts, the internal auditor shall report the illegal acts or irregularities to the county manager and the district attorney.

SECTION 12.

15.572 Contract auditors, consultants and experts.

Upon approval of the board of county commissioners, the internal auditor may obtain the services of public accountants, qualified management consultants, or other professional experts necessary to assist the internal auditor in the discharge of his responsibilities. An audit that is performed by contract must be conducted by persons who have no financial interests in the affairs of the governmental unit or its offices. The internal auditor will coordinate and monitor auditing performed under contract.

Proposed on the 15th day of June 1999.
Proposed by Commissioner Joanne Bond:
Passed on the 13th day of July 1999.

Vote:

Ayes: Joanne Bond, Jim Galloway, Pete Sferrazza,
Jim Shaw, Ted Short

Nays: None.

Absent: None.

Jim Galloway
Chairman
Washoe County Commission

ATTEST:

Amy Harvey
County Clerk

This ordinance shall be in force and effect from and after the 2nd day of August, 1999.