



State of Nevada
Governor's Finance Office
Division of Internal Audits

Audit Report

**Department of Conservation
and Natural Resources
Division of Forestry**

Report No. 19-02
October 17, 2018

EXECUTIVE SUMMARY

Nevada Division of Forestry

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Objective: Improve the Efficiency and Effectiveness of Wildland Fire Administration

Automate the Wildland Fire Billing Process..... page 2

Automating the wildland billing process would ensure timely reimbursement of the division's costs from federal, state, and local agencies that have cooperative firefighting agreements with the division. Automating the billing process would also result in annual savings of \$15,000 by eliminating the need to hire seasonal billing staff.

The fire billing process is time consuming and requires manual entry of large amounts of data by the division's fiscal staff. Entering large amounts of data increases the billing time and the risk of data entry errors. We sampled 16 out of 363 fire billings in fiscal year 2018 and noted 88 percent were not billed within the 180 day requirement of the Master Wildland Fire Cooperative Agreement.

The division has taken steps to improve the billing process by filling vacant positions, revising the billing process, requesting two new positions, and pursuing a technology investment notification to automate the fire billing process.

Other states such as Colorado and Utah use automated billing software. Utah stated it saved at least \$100,000 in seasonal staff expenses, reduced approval time on bills, expedited reimbursement from cooperators, and eliminated redundant manual data entries.

Collaborate with NDOC to Expedite Billing Process..... page 9

Collaborating with NDOC to expedite the process for billing the costs of conservation camp crew correctional officer expenses would allow the division to bill cooperators more timely and receive reimbursements sooner. Additionally, the division would have timely cost estimates and could more accurately encumber funds for anticipated NDOC bills.

The NDOC billing process is time consuming and costly. NDOC bills the division using hourly rates for the costs of correctional officer (CO) pay. NDOC must compile and review CO's timesheets to determine the proper amount to bill for hours worked. This can be time consuming as fiscal staff must contact the COs for any questionable entries on timesheets.

The division cannot bill cooperators until it receives the NDOC bill for CO expenses. NDOC's time consuming billing process delays the division from billing cooperators. In addition, the division does not encumber funds timely for CO costs on fires. Not encumbering funds earlier in the fiscal year can result in the division having insufficient funds to pay NDOC bills.

The division represents it has developed procedures to simplify its review process, which could help NDOC expedite its billing process. Additionally, using daily rates, which incorporate costs associated with COs would expedite NDOC's billing process by eliminating the time consuming process required using hourly costs. This could result in freed up NDOC resources of up to \$129,000 annually.

Other states (Colorado, Idaho and Oregon) use daily rates that incorporate hourly costs for conservation camp crew correctional officer expenses.

Develop a Strategic Plan for Wildland Fire Protection Program..... page 12

Developing a strategic plan for the Wildland Fire Protection Program (WFPP) would allow the division to determine the amount of program costs to be covered by participant contributions and assist the division in preparing its budget.

The WFPP pays firefighting costs for counties and fire districts (participants) of the program. Each participant pays a quarterly premium (contribution) to help cover the costs. The division has not established a plan to determine the amount of WFPP costs to be covered by participant contributions. The division does not track wildland firefighting costs by participant, which makes determining the amount of costs to be covered by participant contributions difficult.

The Budget Planning Manual prepared by the Governor's Finance Office, Budget Division recommends agencies develop strategic plans in the budget process.

Seek Authority to Require Participation in WFPP..... page 14

The division should seek authority to require participation in the WFPP. This would allow the division to offset costs when non-participants are unable to pay their wildland firefighting bills. There is no mandatory requirement for counties and fire districts to join the WFPP, and the division lacks authority to compel participation. A major wildland fire in any of the non-participating jurisdictions may exceed their budget and require the state to bail out the county or fire district.

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INTRODUCTION

At the request of the Director of the Governor's Finance Office, we conducted an audit of the Department of Conservation and Natural Resources (department), Division of Forestry. Our audit focused on the division's wildland fire administration. The audit's scope and methodology, background, and acknowledgements are included in Appendix A.

Our audit objective was to develop recommendations to:

- ✓ Improve the Efficiency and Effectiveness of Wildland Fire Administration.

Division of Forestry Response and Implementation Plan

We provided draft copies of this report to the Division of Forestry (division) for its review and comments. The division's comments have been considered in the preparation of this report and are included in Appendix D. In its response, the division accepted our recommendations. Appendix E includes a timetable to implement our recommendations.

NRS 353A.090 requires within six months after the final report is issued to the Executive Branch Audit Committee, the Administrator of the Division of Internal Audits shall evaluate the steps the division has taken to implement the recommendations and shall determine whether the steps are achieving the desired results. The administrator shall report the six month follow-up results to the committee, department, and division officials.

The following report contains our findings, conclusions, and recommendations.

Improve the Efficiency and Effectiveness of Wildland Fire Administration

The Division of Forestry (division) can improve the efficiency and effectiveness of wildland fire administration by:

- Automating the wildland fire billing process;
- Collaborating with the Nevada Department of Corrections to expedite the process for billing the costs of conservation camp crew correctional officer expenses;
- Developing a strategic plan for the Wildland Fire Protection Program; and
- Seeking authority to require participation in the Wildland Fire Protection Program.

This could benefit the state by about \$144,000 annually.

Automate the Wildland Fire Billing Process

The division should automate the wildland fire billing process. Automating the billing process would ensure timely reimbursement of the division's costs from federal, state, and local agencies that have cooperative firefighting agreements with the division (cooperators).¹ Automating the billing process would also result in annual savings of \$15,000 by eliminating the need to hire seasonal billing staff.

Fire Billing is Time Consuming Manual Process

The fire billing process is a time consuming process, which requires manual entry of large amounts of data by the division's fiscal staff. Entering large amounts of data increases the billing time and the risk of data entry errors. See Exhibit I.

¹ Cooperators are federal, state, and local agencies that have cooperative firefighting agreements with the division.

Exhibit I

Wildland Fire Billing Process Flowchart

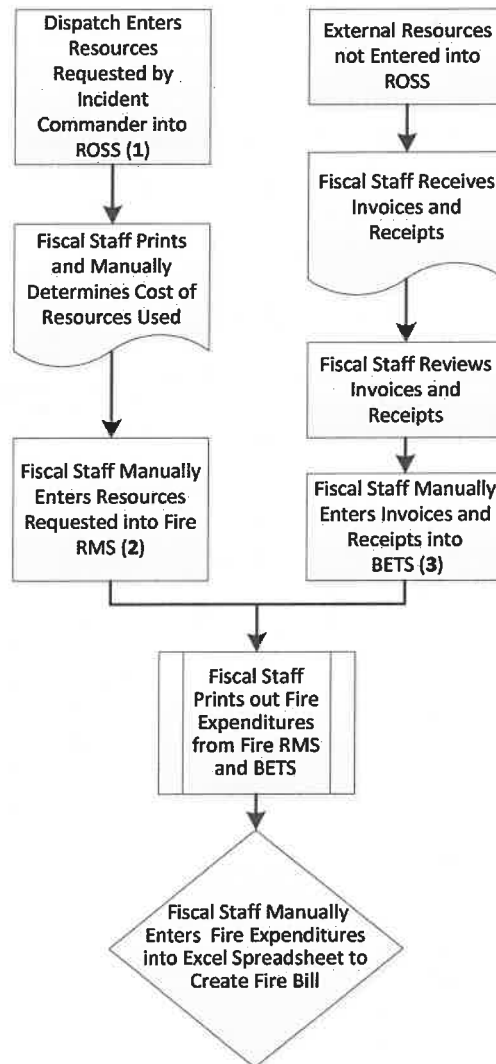


Table notes:

- (1) ROSS – The Resource Ordering and Status System is used to track resource orders entered through the dispatch system, such as fire crews, heavy equipment, and air resources.
- (2) Fire RMS – The Fire Resource Management System is used by the division to track the cost of resources ordered through ROSS.
- (3) BETS – The Budget Entry and Tracking System is used to track the cost of resources not ordered through ROSS.
- (4) External resources include Nevada Department of Corrections inmate fire crews, catering, and miscellaneous supplies.

Exhibit I shows the billing process requires the following manual entries by fiscal staff:

- Resources requested into Fire RMS;
- Vendor invoices and receipts into BETS; and
- Fire expenditures into an Excel spreadsheet to create a fire bill.

Cooperators Not Billed Timely

The division has not billed cooperators timely in accordance with the Master Cooperative Wildland Fire Management Agreement (agreement).² The agreement requires bills to cooperators be completed as soon as possible, but no later than 180 days after the fire is declared out. We sampled 16 fire bills out of 363 fires in fiscal year 2018 and determined bills were issued on average 284 days after the fire was declared out. Fourteen of the 16 (88 percent) fire bills reviewed were not billed within 180 days as required by the agreement. Consequently, the division was not reimbursed timely for costs from cooperators. See Exhibit II.

Exhibit II

Fire Billings

Incident Name	Amount	Start Date	End Date	Bill Date	Days between End		Cooperators
					Date/Bill Date	Days (Under) or Over 180 Days	
Soberanes	\$ 36,971.92	9/11/2016	9/25/2016	10/10/2017	380	200	CA Dept. of Forestry
Pole Creek	\$ 94,969.85	8/4/2017	9/4/2017	4/28/2018	236	56	USFS
Onaqui Mountain Complex	\$ 3,776.54	7/18/2017	7/22/2017	4/30/2018	282	102	BLM
Diamond Creek	\$ 12,137.61	7/23/2017	8/16/2017	4/30/2018	257	77	USFS
CSR Prado Mob Center	\$ 27,595.13	12/5/2017	12/9/2017	4/30/2018	142	(38)	CA Dept. of Forestry
Can Helicopters	\$ 320,705.96	10/12/2017	10/19/2017	5/2/2018	195	15	CA Dept. of Forestry
Mackie Fire	\$ 16,019.73	9/7/2017	9/8/2017	5/4/2018	238	58	BLM
Thomas Fire	\$ 991,607.10	12/4/2017	12/23/2017	5/14/2018	142	(38)	CA Dept. of Forestry
Chetco Bar Fire	\$ 145,953.83	7/11/2017	9/28/2017	5/16/2018	230	50	USFS
Wally Fire	\$ 164,686.20	7/16/2016	7/21/2016	5/23/2018	671	491	BLM
Micro	\$ 34,927.73	8/22/2017	8/24/2017	5/29/2018	278	98	BLM
Hatchery	\$ 4,656.06	7/4/2017	7/7/2017	6/5/2018	333	153	BLM
Farad	\$ 69,351.70	7/10/2017	7/22/2017	6/5/2018	318	138	USFS
Indian Fire	\$ 441.08	8/5/2017	8/6/2017	6/5/2018	303	123	USFS
2017 CCD National Severity	\$ 29,304.75	7/1/2017	8/12/2017	6/14/2018	306	126	BLM
Warm Springs	\$ 33,950.84	10/10/2017	10/19/2017	6/14/2018	288	58	BLM
				Average:	284	104	

Source: Division of Forestry Incident Reconciliation Sheet.

Other Factors Contributed to Delays in Billings

Other factors contributed to delays in billing such as inefficient billing procedures and multiple fiscal staff vacancies.

Inefficient Billing Procedures

The division represents fire billing procedures were inefficient. Administrative bottlenecks occurred due to supervisory reviews occurring for every data entry step in the process. Multiple reviews may have been unnecessary because supervisors can perform one review by reconciling the Excel spreadsheet to the source documents to ensure the final bill is accurate.

² The agreement was signed in 2015 and is effective through 2020. The purpose of the agreement is to document the commitment of agencies to improve efficiency by facilitating the coordination and exchange of personnel, equipment, supplies, services, and funds among the agencies. Cooperators include: Nevada Department of Conservation and Natural Resources - Division of Forestry, Bureau of Land Management (BLM), National Park Service, Bureau of Indian Affairs, and the United States Forest Service (USFS).

Multiple Vacancies
in FY 2018

The division had multiple fiscal staff vacancies during fiscal year 2018. Five of the six positions directly involved with the billing process remained vacant for approximately three months on average. These vacancies contributed to delays in the fire billing process in fiscal year 2018.

**NDF Took Steps
to Improve Billing Process**

The division has taken steps to improve the billing process by filling vacant positions, revising the billing process, requesting two new positions, and pursuing a technology investment notification.

Filling Vacancies
Reduced Billing Time

As of May 2018, all vacant fiscal staff positions had been filled. Once the positions were filled, the division revised the billing process to create efficiencies and increase the accuracy and speed of billing.

Based on a review of fires billed in fiscal year 2019 after the vacant positions were filled, the division has made significant progress in billing cooperators timely. Three of the four bills were issued within, or close to, the 180 day requirement. See Exhibit III.

Exhibit III

Fires Billed in FY19

Incident Name	Amount	Start Date	End Date	Bill Date	Days between End Date/Bill Date	Days (Under) or Over 180 Days	Cooperators
Holiday Fire	\$ 28,028.29	12/28/2017	12/31/2017	7/2/2018	183	3	BLM
2018 MOCC-Support	\$ 11,684.32	1/29/2018	3/24/2018	7/2/2018	100	(80)	USFS
Black Mountain	\$ 13,832.67	7/26/2017	7/27/2017	7/17/2018	355	175	BLM
CCFDI Wetlands	\$ 2,165.35	2/21/2018	2/21/2018	7/17/2018	146	(34)	Clark County Fire Dept.
Average:					196	16	

Source: Division of Forestry Incident Reconciliation Sheet.

Two New Positions Requested

The division is requesting an Administrative Services Officer I whose duties include: providing day-to-day supervision of the incident business unit, monitoring expenditure projections, tracking costs and auditing fire bills before submission for payments and assisting program managers with expenditure management and planning.

The division is also requesting a Forestry Incident Business Specialist whose duties include: representing the division during wildland fires and other emergencies, negotiating and approving transactions and agreements, ensuring all agreements are in place, determining mutual aid and incident billing status, and representing the division in meetings with cooperators.

Technology Investment
Notification Pursued

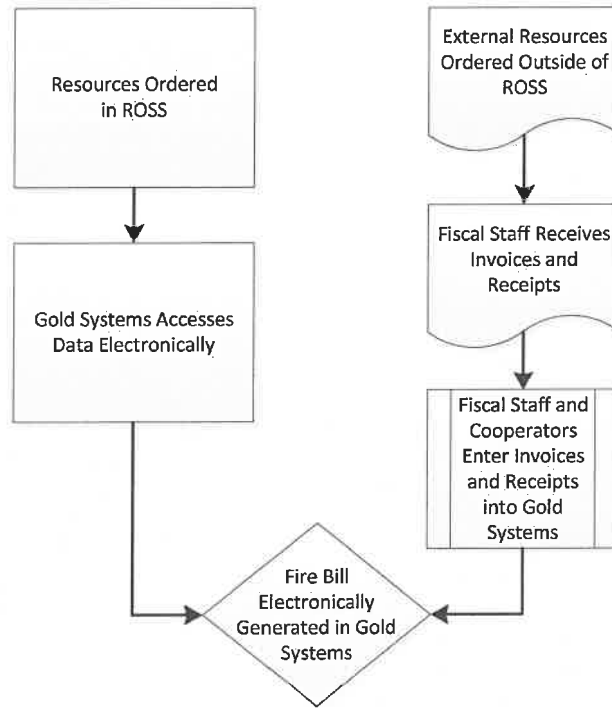
The division is currently pursuing a technology investment notification in order to automate its billing process. An automated fire billing software solution would save the division about \$15,000 per year by eliminating the need to hire seasonal billing staff.³ Additionally, automated fire billing software would eliminate most of the manual data entry, reduce billing time, and risk of data entry errors.

The technology investment notification was prepared in anticipation of purchasing the Gold Systems Fire Business Systems (Gold Systems) software. Using the Gold Systems software would eliminate manual data entry of resources into Fire RMS and fire expenditures into an Excel spreadsheet. Additionally, some of the manual data entries into BETS would be eliminated as cooperators could enter their information directly into Gold Systems without requiring additional entries from the division's fiscal staff. See Exhibit IV.

³ The division hires a seasonal billing staff for an average cost of \$1,275 per pay period for a total of 12 pay periods during fire season.

Exhibit IV

Proposed Automated Fire Billing Process



Other States Use Gold Systems

Colorado and Utah have implemented Gold Systems. Cooperators enter invoices, receipts, and other information into the system.

While Colorado could not provide benefit information as the system is still new, Utah stated it saved at least \$100,000 in seasonal staff expenses, reduced approval time on bills, expedited reimbursement from cooperators, eliminated redundant data entry, and the use of Excel spreadsheets.

Conclusion

The wildland fire billing process is a time consuming, manual process that may not allow the division to bill cooperators timely. Automating the billing process would ensure timely reimbursement of the division's costs from federal, state, and local agencies that have cooperative firefighting agreements with the division (cooperators). Automating the billing process would also result in annual savings of \$15,000 by eliminating the need to hire seasonal billing staff.

Recommendation

1. Automate the wildland fire billing process.

Collaborate with NDOC to Expedite Billing Process

The division should collaborate with the Nevada Department of Corrections (NDOC) to expedite the process for billing the costs of conservation camp crew correctional officer expenses. Expediting NDOC's billing process would allow the division to bill cooperators more timely and receive reimbursements sooner. Additionally, the division would have timely cost estimates and could more accurately encumber funds for anticipated NDOC bills.

NDOC Billing Process is Time Consuming and Costly

The NDOC billing process is time consuming and costly. NDOC bills the division using hourly rates for the costs of correctional officer (CO) pay. NDOC must compile and review CO's timesheets to determine the proper amount to bill for hours worked.

NDOC uses hourly rates to calculate CO labor expenses and multiplies those rates by the amount of time worked in order to bill the division. NDOC's fiscal staff must review every CO's timesheet to ensure they are only billing for hours worked on fires and must determine whether the hours worked represent backfill or overtime. Reviewing timesheets may be time consuming if COs do not adequately differentiate between hours spent on fires and other hours worked. Fiscal staff must contact the COs for an accurate differentiation.

Division Unable to Bill Cooperators Timely

The division cannot bill cooperators until it receives the NDOC bill for CO expenses. The time consuming NDOC billing process delays the division from billing cooperators, which inevitably delays payments to or reimbursement from cooperators.

Division Does Not Encumber Funds

The division does not encumber funds or estimate CO costs on fires. The division pays CO costs when NDOC submits bills, which usually occurs near the end of the fiscal year. Not encumbering funds earlier in the fiscal year can result in the division having insufficient funds to pay NDOC bills.

Division's Processes May Benefit NDOC

The division's processes may benefit NDOC with expediting its billing process. The division experiences similar issues when billing for staff labor expenses regarding employee timesheet reviews. The division represents it has developed procedures to simplify these reviews.

Using Daily Rates Could Expedite NDOC's Process and Free-Up Resources

Using daily rates that incorporate hourly costs for conservation camp crew correctional officer expenses when billing the division for conservation camp crew correctional officer expenses could expedite the billing process.⁴ Using daily rates could also result in freed up NDOC resources.

Multiple and Partial Day Rates Preferable

Daily rates are estimates and should be as representative as possible to actual costs. Multiple daily rates would be preferable to reflect the various compensation levels of different CO's. Compensation levels for COs deployed on fires can vary greatly; consequently, one daily rate may not be an accurate reflection of related costs. Multiple rates would need to be established and used to account for COs deployed based on their compensation levels. Additionally, partial day rates should be considered for COs not spending full days on fires.

Rates Cannot Exceed Actual Costs

Discussions with Bureau of Land Management staff disclosed rates cannot exceed actual costs, as cooperating agencies are not permitted to profit from reimbursements. Rates would need to be established using conservative estimates of actual costs.

Using Daily Rates Results in Freed Up Resources

Using daily rates would allow NDOC to simply apply the rate to the number of days CO's work and free up fiscal staff from the time consuming compilation of hourly costs. Based on estimates obtained from NDOC, this could result in freed up resources for NDOC up to \$129,000 annually. See Appendix C.

⁴ The division compensates inmates \$1.00 per hour and bills cooperators \$1.19 per hour per inmate for firefighting.

Other States Use Daily Rates

We noted three other states (Colorado, Idaho and Oregon) use daily rates when billing cooperators for CO fire expenses.

Conclusion

NDOC's process for billing the division for CO expenses is time consuming and costly. Collaborating with NDOC to expedite the process for billing the costs of conservation camp crew correctional officer expenses would allow the division to bill cooperators more timely and receive reimbursements sooner. Additionally, the division would have timely cost estimates and could more accurately encumber funds for anticipated NDOC bills.

Recommendation

2. Collaborate with NDOC to expedite the billing process.

Develop a Strategic Plan for Wildland Fire Protection Program

The division should develop a strategic plan for the Wildland Fire Protection Program (WFPP). The plan would allow the division to determine the amount of WFPP costs covered by participant contributions. Additionally, the plan would assist the division in preparing its budget.

Wildland Fire Protection Program Spreads Costs Among Participants

The WFPP was established by the division in fiscal year 2014 in part because the federal government discontinued banking the cost of most fires in many states including Nevada. When the federal government banked the costs, it paid for all costs up-front and subsequently requested reimbursement from the counties and fire districts for their share of costs.

After the federal government's discontinuation of banking costs, counties and fire districts began receiving large bills for the total up-front costs which they could not afford. Moreover, some counties and fire districts could not afford their share of costs.

The division used the WFPP to spread firefighting costs among counties and fire districts (participants). Each participant pays a quarterly premium (contribution) to help cover the costs.⁵ The WFPP is voluntary; not all counties and fire districts are members of the program.⁶ Appendix B shows the current WFPP participants and their annual contributions.

No Strategic Plan for Wildland Fire Protection Program

The division has no strategic plan for the WFPP. The division has not established a plan to determine the amount of WFPP costs covered by participant contributions.

No Plan for WFPP Cost Coverage

There is no plan addressing the amount of costs to be covered by participant contributions. Firefighting costs can vary greatly each year due to the number and severity of fires. Not having a plan addressing the costs to be covered by contributions can complicate the division's budget process.

⁵ The WFPP pays for costs if the fire extends beyond the 24 hour mutual aid period without being extinguished. If the fire lasts less than 24 hours, each jurisdiction pays for its own firefighting costs.

⁶ Clark County, Esmeralda County, Mineral County, White Pine County, parts of Lyon County, and City of Reno are non-participants.

No Methodology for WFPP Contributions

There is no documentation for the methodology used to calculate participant contributions. An undocumented methodology makes it difficult to determine whether contributions need to be modified.

Wildland Fire Protection Program Expenditures Not Tracked

The division does not track wildland fire expenditures for participants of the WFPP. Consequently, there is no way to determine WFPP expenditures for each participant. Not tracking expenditures for participants makes it difficult to determine the amount of costs to be covered by participant contributions.

No Changes In Contributions Since Inception

The division represents the cost of fire fighting has increased since inception of the program, and no adjustments have been made to participant contributions. The division has no plan for managing the rising WFPP fire costs.

Strategic Plan Recommended In Budget Manual

The Budget Planning Manual prepared by the Governor's Finance Office, Budget Division recommends agencies develop strategic plans in the budget process. The manual defines a strategic plan as "an organized, documented method of determining what an agency hopes to accomplish and how it will accomplish it."

Conclusion

The division has no strategic plan for determining WFPP costs to be covered by participant contributions. Developing a strategic plan would allow the division to determine the amount of WFPP costs to be covered by participant contributions. Additionally, the plan would assist the division in preparing its budget.

Recommendation

3. Develop a strategic plan for the Wildland Fire Protection Program.

Seek Authority to Require Participation in Wildland Fire Protection Program

The division should seek authority to require participation in the Wildland Fire Protection Program (WFPP). This would allow the state to offset costs when non-participants are unable to pay their firefighting bills.

WFPP Participation is Voluntary

There is no mandatory requirement for counties and fire districts to join the WFPP. Consequently, the division has no authority to compel any county or fire district to become a member.

State May Have to Pay for Non-participants

Non-participants of the program are required to cover the costs of fighting wildfires in their jurisdictions. These non-participants have been able to cover the costs of small wildland fires since the program started. However, a major wildland fire in any of the non-participating jurisdictions may exceed their budgets and require the state to bail out the county or fire district.

WFPP Participation Allows State to Offset Costs

The WFPP allows the state to offset some of the firefighting costs with contributions received from participants. Giving the division authority to require participation in WFPP would allow the state to offset possible costs for non-participants.

Conclusion

The division lacks authority to compel participation in WFPP, although the state may be required to bail out counties and fire districts for the cost of fighting fires in their jurisdictions. Seeking authority to require participation in the WFPP would allow the state to offset costs when non-participants are unable to pay their firefighting bills.

Recommendation

4. Seek authority to require participation in the Wildland Fire Protection Program.

Exhibit V**Summary of Audit Benefits**

	Recommendation	Benefit
1	Automate the wildland fire billing process.	\$15,000 annual cost savings.
2	Collaborate with NDOC to establish daily rates.	\$129,000 annual cost savings.
3	Develop a strategic plan for the Wildland Fire Protection Program.	Develop a strategic plan for the Wildland Fire Protection Program.
4	Seek authority to require participation in the Wildland Fire Protection Program.	Contributions offset some firefighting costs to the state.
	Total estimated benefit:	\$144,000

Appendix A

Scope and Methodology, Background, and Acknowledgements

Scope and Methodology

We began the audit in April 2018. In the course of our work, we interviewed Nevada Division of Forestry (division) staff and discussed processes inherent to the division's responsibilities. We also interviewed Nevada Department of Corrections (NDOC) staff and Governor's Finance Office - Budget Division staff.

We reviewed the division's wildland fire documents and records, applicable Nevada Revised Statutes, Nevada Administrative Code, State Administrative Manual, Master Cooperative Wildland Fire Management and Stafford Act Response Agreement effective through August 2020 and interagency cooperative agreements. We concluded fieldwork and testing in August 2018.

We conducted our audit in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Background

The Nevada Division of Forestry is one of five divisions under the Department of Conservation and Natural Resources. The division is administered by the State Forester Firewarden who is appointed by and accountable to the Director of the State Department of Conservation and Natural Resources. The division's mission is to provide professional natural resource and wildland fire management services to Nevada citizens and visitors as well as enhance, conserve and protect forests, rangeland, and watershed values. The division's legislatively approved budget for fiscal year 2018 was approximately \$36 million with 180 full time equivalent positions and 80 seasonal positions. See Exhibit VI for the division's funding sources.

Exhibit VI

FY 2018 Funding Sources

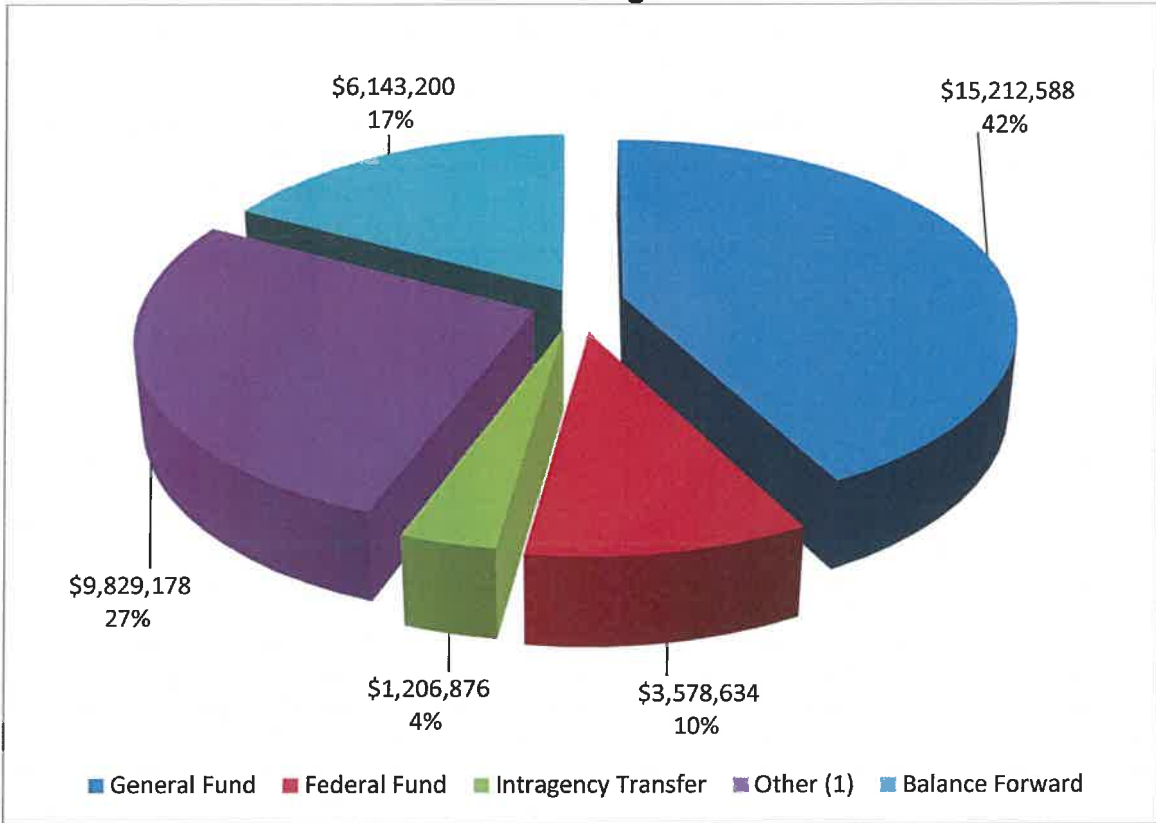


Table notes:

1. Other includes prior year refunds, reimbursements, permit fees, nursery sales, and other miscellaneous funding sources.

Acknowledgments

We express appreciation to the division, NDOC, and Governor’s Finance Office, Budget Division staff for their cooperation and assistance throughout the audit.

Contributors to this report included:

Vita Ozoude, CMA, CGMA, CPA, MBA
Executive Branch Audit Manager

Craig Stevenson, MBA
Executive Branch Auditor

Appendix B

Wildland Fire Protection Program Annual Participant Contributions

Participants	Annual Contribution
Carson City	\$150,000.00
Churchill County	\$25,000.00
Humboldt County	\$100,000.00
Lander County	\$150,000.00
Lincoln County	\$50,000.00
North Lake Tahoe	\$60,000.00
Pershing County	\$50,000.00
Smith Valley	\$10,000.00
Storey County	\$150,000.00
Tahoe Douglas	\$60,000.00
Mason Valley	\$7,500.00
Central Lyon	\$12,500.00
East Fork	\$90,000.00
North Lyon County	\$7,500.00
Truckee Meadows	\$180,000.00
Washoe County	\$50,000.00
Eureka County	\$150,000.00
Nye County	\$50,000.00
Elko County	\$400,000.00
City of Sparks	\$10,000.00
Total	\$1,762,500.00

Source: Nevada Division of Forestry

Appendix C

Estimated NDOC's Annual Freed Up Resources From Establishing Daily Rates

	FTE	Avg Annual Salary	Hours Spent Per CO per Incident	Estimated Total Hours Spent	Percent of Estimated Hours Freed Up	Estimated Total Hours Freed-Up	FTE Hourly Cost	Estimated Freed Up Resources	
NDOC Fiscal Staff									
Accounting Technician 3 (AT)	1	\$74,924	6.00	1,896	1	80%	1,517	\$36.02	\$54,642
Budget Analysts 2 and 3 (BA)	3	\$98,062	1.00	948	2	90%	853	\$47.15	\$40,219
Management Analyst 3 (MA)	1	\$98,542	1.00	316	3	90%	284	\$47.38	\$13,456
				3,160			2,654		\$108,317
NDOC Camp Custody Staff									
Correctional Officer (CO)	4	\$97,397	2.00	632	4	70%	442	\$46.83	\$20,699
Avg per camp per incident									
FY18 NDF Incidents (I)	79								
Total				3,792			3,096		\$129,016

Source: Nevada Department of Corrections (NDOC).

Per NDOC - Four correctional officers are used on average for each incident.

Total Reporting Hours Calculation

- 1 1 AT x (6 hrs.) x 4 (CS) x 79 (I) = 1,896 Hours
- 2 3 BA x (1 hr.) x 4 (CS) x 79 (I) = 948 Hours
- 3 1 MA (1 hr.) x 4 (CS) x 79 (I) = 316 Hours
- 4 4 CS x (2 hrs.) x 79 (I) = 632 Hours.

Appendix D

Nevada Division of Forestry Response and Implementation Plan

BRADLEY CROWELL, *Director*
Department of Conservation and Natural Resources

BRIAN SANDOVAL
Governor

KACEY KC
State Forester/Firewarden



STATE OF NEVADA
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
NEVADA DIVISION OF FORESTRY
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OCT - 1 2018

GOVERNOR'S FINANCE OFFICE
BUDGET DIVISION

September 25, 2018

Mr. Steve Weinberger, CPA
Administrator, Division of Internal Audits
Governor's Finance Office
209 East Musser Street
Carson City, NV 89701

Dear Mr. Weinberger:

As required by NRS 353A.085, I am submitting this written statement of explanation to the Governor's Finance Office Audit Report Number 19-02 for the Nevada Division of Forestry (NDF). I would first like to compliment the professionalism and cooperative nature of your staff, Vita Ozoude, and Craig Stevenson. This allowed for productive discussion, thorough review and analyses, and constructive recommendations.

The NDF accepts all four recommendations included in the report as discussed in our meeting September 13, 2018 and modified following subsequent discussion with GFO auditors and Department of Corrections staff. Find attached the completed "Division of Forestry's Response to Audit Recommendations" confirming acceptance. Over the past year, the NDF has focused on reviewing and updating policies and procedures, grounding itself in its mission and statutory responsibilities, training staff to the highest industry standards, and working collaboratively with all partners in natural resource management and wildland fire response. As a result of this focus, NDF has already begun implementing actions pertaining to several of the recommendations. Following is a written statement of explanation concerning each of the findings contained in the final report. More detail will be added to the corrective action plan in the months to come.

1. Automate the wildland fire billing process.

As noted in the GFO Audit Report, NDF is pursuing a technology investment notification (TIN) in order to automate our billing process. The software upgrade will eliminate the inefficiencies in NDF's fire billing process noted in the audit report, and reduce the timeframes required for billings and cost recovery.

Anticipated implementation date: June, 2020

2. Collaborate with NDOC to expedite the billing process

NDF compiles and reviews staff timesheets and supporting documentation for all regular and overtime accrued by staff working on wildland fires prior to submitting timesheets for pay. We

will collaborate with NDOC fiscal staff to share our established processes that allow us to comply with NAC 284.5255 and NAC 284.650.

Anticipated implementation date: February, 2019

3. Develop a strategic plan for the Wildland Fire Protection Program.

NDF has begun developing a strategic plan for the Wildland Fire Protection Program. Once completed and implemented, this plan will provide the Division with greater capacity to establish a fee schedule for WFPP participants that better reflects the costs of the program to the State. NDF will formalize and document the assumptions and process for calculating the assessment rates for WFPP partners. NDF is currently compiling historical fire expense data that will be used as part of the process. NDF is pursuing software upgrades that should enhance NDF's ability to accurately and timely recover fire cost data and streamline the assessment calculation.

Anticipated implementation date: July, 2019

4. Seek authority to require participation in the Wildland Fire Protection Program.

NDF will investigate the appropriate mechanism through which to require all counties or fire protection districts to participate in the WFPP.

Anticipated implementation date: December, 2019

Again, NDF appreciates the professionalism and cooperative nature of your staff, and is in agreement with the four recommendations provided through this audit. I look forward to continuing this cooperative relationship as we address the recommendations and fully implement the corrective action plan.

Sincerely,



Kacey KC
State Forester Firewarden

cc: Bradley Crowell, Director DCNR
Dominique Etcheguyhen, Deputy Director DCNR
John Christopherson, Deputy Administrator NDF
Dave Fraher, Deputy Administrator NDF
Kurt Green, ASO III NDF
Ron Bollier, Fire Program Manager NDF

Appendix E

Timetable for Implementing Audit Recommendations

In consultation with the Division of Forestry (division), the Division of Internal Audits categorized the recommendations contained within this report into two separate implementation time frames (i.e., Category 1 – less than six months; Category 2 – more than six months). The division should begin taking steps to implement all recommendations as soon as possible. The division's target completion dates are incorporated from Appendix D.

Category 1: Recommendations with an anticipated implementation period less than six months.

<u>Recommendations</u>	<u>Time Frame</u>
2. Collaborate with NDOC to expedite the billing process (page 11)	Feb 2019

Category 2: Recommendations with an anticipated implementation period exceeding six months.

<u>Recommendations</u>	<u>Time Frame</u>
1. Automate the wildland fire billing process (page 8)	Jun 2020
3. Develop a strategic plan for the Wildland Fire Protection Program (page 13)	Jul 2019
4. Seek authority to require participation in the Wildland Fire Protection Program (page 14)	Dec 2019

The Division of Internal Audits shall evaluate the action taken by the division concerning the report recommendations within six months from the issuance of

this report. The Division of Internal Audits must report the results of its evaluation to the Executive Branch Audit Committee and the division.

