

**Carson City
Agenda Report**

Date Submitted: January 8, 2013

Agenda Date Requested: January 17, 2013
Time Requested: 30 minutes

To: Mayor and Board of Supervisors

From: Larry Werner, City Manager

Subject Title: For possible action: To appoint two members to the Carson City Audit Committee, each for a two year term that expires in December 2014. *(Larry Werner)*

Staff Summary: C.C.M.C. Chapter 2.14.030 provides for a five (5) member Audit Committee; one (1) member from the Board of Supervisors and four (4) members from the public at-large. There are two vacancies for public-at-large due to two member's terms expiring. An application was received from John Bullis and a reappointment request was received from Bill Prowse. There are no additional applicants.

Type of Action Requested: (check one)
 Resolution Ordinance
 Formal Action/Motion Other (Specify)

Does This Action Require A Business Impact Statement: Yes No

Recommended Board Action: I move to appoint _____ and _____ to serve on the Carson City Audit Committee, each for a two year term that expires in December 2014.

Explanation for Recommended Board Action: See Staff Summary

Applicable Statute, Code, Policy, Rule or Regulation: C.C.M.C. 214.030

Fiscal Impact: None

Explanation of Impact: n/a

Funding Source: n/a

Alternatives: Re-open the position for additional applicants

Supporting Material: Recruitment Announcement, Current Roster, Application, Incumbent Attendance Record, Reappointment Request, C.C.M.C. 2.14.030

Prepared By: Laura A. Banks, Executive Offices

Reviewed By:




(City Manager)

Date: 1/7/13



(District Attorney)

Date: 1/8/13



(Finance Director)

Date: 1/8/13

Board Action Taken:

Motion: _____

1) _____

Aye/Nay

2) _____

(Vote Recorded By)



Carson City Audit Committee

The Carson City Board of Supervisors is seeking applications from individuals who may be interested in serving on the Audit Committee as a **Citizen-At-Large**. **There are two (2) open positions, each for a term that expires in December 2014.**

Applicants must be:

- **A resident of Carson City**
- **Have experience in financial services, public accounting, and/or governmental auditing, and current knowledge of public laws and regulations governing an audit committee.**
- **Shall not accept any consulting, advisory, or other compensatory fees from the city and may not be an affiliated person with the city or any subsidiary thereof.**

The role of the Carson City Audit Committee is to maintain oversight of the auditing function, both internal and external, resulting in increased integrity and efficiency of the audit processes for the city and the city's system of internal controls and financial reporting.

The Committee meetings are held at least quarterly. Applicants should be prepared for a minimum commitment of up to three hours a month. The positions shall serve without compensation.

Volunteer applications may be obtained from and returned to the Carson City Executive Offices. *Let it be known that all applications submitted to this office will be considered public information.*

Applications will be accepted until November 1, 2012. Interviews for this volunteer position are tentatively planned to be held at the regularly scheduled Board of Supervisors meeting on Thursday, November 15, 2012.

Thank you for your interest in assisting Carson City.

CARSON CITY EXECUTIVE OFFICES

201 N. Carson Street #2

Carson City, Nevada 89701

(775) 887-2100 FAX 887-2286

E-Mail: lbanks@carson.org

Web Page: <http://www.carson.org/volunteer>

AN EQUAL OPPORTUNITY EMPLOYER

AUDIT COMMITTEE

<u>MEMBER</u>	<u>APPOINTMENT</u>	<u>TERM EXPIRES</u>
<p><u>Internal Auditor</u> (part time) Moss Adams LLP Contact: Tom Krippaehne, Partner 999 Third Ave. Ste. 3300 Seattle, WA 98104 (206) 302-6544 (w) (206) 622-9975 (f) tom.krippaehne@mossadams.com</p>	<p>by BOS 1/19/12</p>	
<p><u>Board of Supervisors</u> John McKenna Supervisor Ward 3 201 N. Carson St. Ste. 2 Carson City, NV 89701 883-2908 (w) 450-2260 (c) john@mckennacpa.com</p>	<p>Initial Term 01/11 Reappt. 01/12</p>	<p>01/2013</p>
<p><u>Citizens at Large</u> Kenneth Brown 916 Jackson Way Carson City, NV 89701 888-2008 (w) 883-8997 (h) kenbrown@gbis.com</p>	<p>Initial Term 03/08 Reappt. 12/08; 01/10; 01/12</p>	<p>12/2013</p>
<p>Michael Bertrand (Chair) 4320 Gentry Ln. Carson City, NV 89701 882-8892 (w) 544-1832 (c) michael@bertrandcpa.com</p>	<p>Initial Term 01/10 Reappt. 01/12</p>	<p>12/2013</p>
<p>William (Bill) Prowse (Vice-chair) 3279 Upland Ct. Carson City, NV 89703 883-0902 (h) 721-5601 (c) willpro2001@yahoo.com</p>	<p>Initial Term 10/09 Reappt. 01/11</p>	<p>12/2012</p>
<p>Robert Parvin 218 Carville Cir. Carson City, NV 89703 841-7184 (h) rparvinr@gmail.com</p>	<p>Initial Term 01/11</p>	<p>12/2012</p>

AUTHORITY: CCMC, Chapter 2.14.030 provides for creation and organization of the Carson City Audit Committee. The Committee shall be comprised of five members; 1 member from the BOS and 4 members from the public-at-large.

- a. One member of the CC Audit Committee will be selected from the BOS. The board member shall be selected each January when the BOS addresses board and commission assignments.
- b. The four members at-large of the committee will be interviewed and selected by the BOS. These members should have experience in financial services, public accounting, and/or governmental auditing, and current knowledge of public laws and regulations governing an audit committee. The terms shall be staggered 2-years, expiring on each alternate year.

*Reappointment OK

MEETINGS: Quarterly

PURPOSE: Pursuant to CCMC 2.14.020, the role of the Audit Committee is to maintain oversight of the auditing function, both internal and external resulting in increased integrity and efficiency of the audit processes for the city and the city's system of internal controls and financial reporting. The committee has three primary characteristics for it to successfully fill its obligations: 1. Independence, 2. Communication, and 3. Accountability.

Liaison: Nick Providenti, Finance Director 283-7143 nprovidenti@carson.org

Attorney Assignment: Randal Munn 283-7665 rmunn@carson.org

- END DATA -

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OCT 12 2012

CARSON CITY EXECUTIVE OFFICES

Carson City Application for Appointive/Volunteer Position

Please print or type

Title of Board or Commission: AUDIT COMMITTEE

Title of Position: MEMBER

Name: BULLIS JOHN R

Address: 1640 CHAPARRAL DRIVE, CARSON CITY NV 89703

Occupation/Business: CPA

Telephone: Work- 882-4459 Home- 882-6195 Cell- jrbullis@bullisandco.com E-mail- ↓

How long have you lived in Carson City: 57 yr. Are you an active Carson City Registered Voter: YES

NOTE: ONLY COMPLETE IF A DEGREE IS REQUIRED FOR THIS POSITION

College, professional, vocational or other schools attended	Major Subject	Degree Conferred
<u>UNR</u>	<u>ACCTG.</u>	<u>B.S.</u>

1. Briefly Describe the Qualifications You Possess Which You Feel Would Be An Asset to this Board/Commission/Committee.

VARIOUS EXPERIENCES, CPE etc and

MEMBER of EXECUTIVE BRANCH AUDIT COMMITTEE / STATE of NEVADA

7/1/99 - 11/5/05

2. List the Community Organizations in Which You Have Participated and Describe Participation.

PRESBYTERIAN CHURCH

CARSON CITY GOLF COURSE STUDY COMMITTEE - CHAIRMAN

CARSON CITY TRANSPORTATION STUDY COMMITTEE - MEMBER

VARIOUS CLUBS AND ORGANIZATIONS IN EARLY YEARS

Bullis, John R. - APPLICATION - AUDIT COMMITTEE MEMBER

3. List Your Affiliation With Professional or Technical Societies. (if required for the Position)

AICPA
NV Soc. of CPAs

4. Do You Anticipate Any Potential Conflicts of Interest? No If Yes Please Explain.

Business in Carson City Service Area: BULLIS AND COMPANY CPAs LLC (EMPLOYEE)

Length of time in Business: 47yr +

Personal/Professional References:

Name	Address	Telephone #
REV. BRUCE KOEKSMEIER	306 W. MASSER ST. CARSON CITY	882-1032
BOB HUSTON, EA, CFP	206 S. DIVISION ST. CARSON CITY	882-4459

I have sufficient time to devote to this community and plan to attend the required meetings if I am appointed to fill this or a future vacancy. I understand that if I am appointed to a Board/Commission or Committee where a disclosure of Assets Statement is required by State Law or Council Policy I shall do so, and that I may not assume office until 10 days after statement is filed. I hereby declare that all statements given by me on this form are truthful and complete to the best of my knowledge.

John R Bullis
Signature of Applicant

OCT. 12, 2012
Date

You May Attach More Information - C.V. ATT'D.

All Applications are Public Information

Applications not acted upon will expire after two years from date submitted unless renewed by applicant.

Mail directly to Carson City Executive Offices

Carson City Executive Offices, 201 N. Carson Street #2, Carson City NV 89701
Phone (775)887-2100 Fax (775) 887-2286

BULLIS AND COMPANY CPAs, LLC.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

206 SOUTH DIVISION STREET
CARSON CITY, NV 89703-4283

KELLY J. BULLIS, CPA, CITRMS
BUSINESS COACH
CERTIFIED IDENTITY THEFT RISK MANAGEMENT SPECIALIST

TELEPHONE: 775.882.4459
FAX: 775.882.4809
www.bullisandco.com

BULLIS and COMPANY CPAs, LLC CURRICULUM VITAE JOHN R. BULLIS, CPA, PFS, CSA



LICENSES AND PROFESSIONAL AFFILIATIONS:

- Certified Public Accountant, License #216, State of Nevada.
- Member American Institute of Certified Public Accountants.
- Member Nevada Society of Certified Public Accountants.
- Personal Financial Specialist (AICPA).
- Certified Senior Advisor

Bullis and Company, CPAs, LLC does not accept commissions.

As a fee only planner, we offer objective, independent advice without the conflicts of interest that commissions can create

Since founding Bullis and Company, CPA's, LLC in September 1965 in Carson City he has:

GENERAL EXPERIENCE:

- Assisted clients and attorneys in evaluating settlement offers, sale and purchase offers and reorganization plans.
- Testified and given testimony and depositions. Attended depositions as consultant to attorneys.
- Signed opinion audit letters and supervised audits of various organizations
- Advised clients on income, estate and gift tax matters.
- Advised clients on personal financial planning (fee-only planner).

SPECIFIC EXPERIENCE:

Founder/Emeritus of Bullis and Company LLC he has

- Participated in valuations of business and ranch operations for U.S. Estate Tax Returns.
- Served as Special Master appointed by Nevada District Judges to settle disputes between two medical professionals and also for valuation of retail tire store for a divorce.
- Served on the American Arbitration Association panel of arbitrators on three occasions.
- Worked on divorce actions with diverse issues, such as:
 - ✓ tracing separate property to show it had not been commingled
 - ✓ gathering evidence to be used at trial for proof of overcoming joint tenancy title

- ✓ using tax law to arrive at settlement proposals that benefited both parties
- Resolved sales and use tax audits favorably
- Dealt with IRS to resolve notices and reduce penalties

- Reviewed embezzlement claims on behalf of an insurance company to determine correct amount.
- Supervised the audit of the Nevada Bicentennial Commission. Testified on embezzlement discovered by our firm.
- Assisted business owners of various types and sizes in writing and evaluating business plans.
- Assisted clients in obtaining SBA loans.
- Assisted clients in meeting their personal financial goals.

State of Nevada Auditor Experience:

- Worked for Nevada Legislative Counsel Bureau on audits of state agencies, departments and offices.
- Worked for Nevada Tax Commission on sales and use tax and net proceeds of mines audits.

EDUCATION:

- Bachelor of Science, Business Administration, University of Nevada, Reno.
- Continuing attendance at seminars covering general taxation, litigation support, special tax planning and marital dissolutions.
- AICPA courses in Personal Financial Planning.

OTHER INTEREST:

- Member, Executive Branch Audit Committee, Nevada Division of Internal Audits (by appointment of the Governor) 1999-2005
- Founding President of the Western Nevada Chapter of the Nevada Society of Certified Public Accountants.
- Active in church activities and enjoys singing in choir.
- Served two years active duty in U.S. Army Field Artillery.

FAMILY:

John and Bonnie have four children, seven grandchildren and two great grandchildren

Bullis & Company, CPA's LLC

206 South Division Street
Carson City, NV 89703

(775) 882-4459 or 1 (800) YES 4 CPA (800) 937-4272
FAX NO: (775) 882-4809

BULLIS AND COMPANY CPAs, LLC

Audit Committee
Incumbent Attendance Record

Bill Prowse

Initial appointment: October 2009

10 meetings held since appointment; 0 absences

RECEIVED

OCT 05 2012

CARSON CITY
EXECUTIVE OFFICES

October 5, 2012

Board of Supervisors, Carson City
Carson City Executive Offices
201 N. Carson Street, Suite #2
Carson City, NV 89701

Attention: Laura Banks

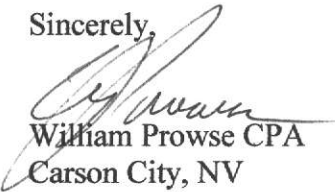
Dear Ms. Banks:

In reply to your September 28, 2012 inquiry regarding my reappointment to the Carson City Audit Committee, I would like to be reappointed.

With the Board of Supervisors' support, the Audit Committee has made significant strides toward establishing an independent and effective internal audit function. However, the Committee has more to do to oversee current and future internal audits as well as implementing recent additions to the Committee's responsibilities.

To briefly present my qualifications, I am completing my second term on the Audit Committee. I am a CPA, CIA (Certified Internal Auditor), and CFE (Certified Fraud Examiner). Further, I have about 30 years experience as an internal auditor with the Federal Government and State of Nevada plus more than four years as an Nevada Attorney General's Investigator of Deceptive Trade.

Sincerely,



William Prowse CPA
Carson City, NV

Carson City, Nevada, Code of Ordinances >> Title 2 - ADMINISTRATION AND PERSONNEL* >> Chapter 2.14 - CARSON CITY AUDIT COMMITTEE >>

Chapter 2.14 - CARSON CITY AUDIT COMMITTEE

Sections:

- 2.14.010 - Introduction.
- 2.14.020 - Purpose of the Carson City audit committee.
- 2.14.030 - Composition of the Carson City audit committee.
- 2.14.040 - Responsibilities of the Carson City audit committee.
- 2.14.050 - Meetings of the Carson City audit committee.
- 2.14.060 - Organizational chart.

2.14.010 - Introduction.

As the demand for enhanced accountability and the increased examination of an adequate system of internal controls occurs in the public sector due to the Sarbanes-Oxley Act, so does the significance and importance of an audit committee.

The independence and objectivity between the Carson City audit committee and the city's management team ensures that internal controls are a key management objective of the city's operation. The Government Finance Officers Association and the Institute of Internal Auditors encourage the effective use of an audit committee in the public sector and considers this committee an integral element of public accountability and governance. The Carson City audit committee plays a key role with respect to integrity of the city's financial information; its systems of internal controls, the legal and ethical conduct of management and employees, and is an invaluable tool for ensuring that those responsible for financial management (management, auditors, and governing boards) meet the respective responsibilities for internal control compliance and financial reporting. Additionally, the Carson City audit committee provides a vehicle for open communications between the board of supervisors, the city management team, internal audit, and the independent external auditors.

(Ord. 2008-10 § 3, 2008)

2.14.020 - Purpose of the Carson City audit committee.

The role of the Carson City audit committee is to maintain oversight of the auditing function, both internal and external resulting in increased integrity and efficiency of the audit processes for the city and the city's system of internal controls and financial reporting. The committee has three primary characteristics for it to successfully fill its obligations:

1. Independence. The Carson City audit committee will be independent both in fact and in appearance and requires processes to be in place to ensure such independence is maintained at all times.
2. Communication. The Carson City audit committee will maintain an open line of communication with the board of supervisors, city management, internal and external

auditors; providing direction for the city's audit function and a framework of accountability.

3. Accountability. The Carson City audit committee contributes to the integrity of the financial reporting process and reinforces the culture of a strong system of internal controls throughout the city.

The Carson City audit committee shall provide oversight to the city's internal controls by assuring that the system of internal controls established by management are reviewed on a regular and systematic basis for functionality and effectiveness. The Carson City audit committee's duties shall include, but are not limited to, development of the risk assessment and annual work plan, review of all individual audit reports, review of the annual report of audits completed, review the status of corrective actions, the annual budget, and the performance of the internal auditor. Upon completion of these reviews, the Carson City audit committee will make appropriate recommendations to the board of supervisors.

(Ord. 2008-10 § 4, 2008)

2.14.030 - Composition of the Carson City audit committee.

1. The Carson City audit committee will be independent and objective in its collective mindset individually and as a group. The committee will reflect the following attributes:
 - a. Excellent communication skills with each other and with others;
 - b. A willingness to fully participate in complex and sensitive matters that require resolution;
 - c. Public accounting, governmental accounting and auditing experience.
- * 2. The Carson City audit committee shall be comprised of five (5) members; one (1) member from the board of supervisors and four (4) members from the public at-large.
 - a. One (1) member of the Carson City audit committee will be selected from the board of supervisors. The board member shall be selected each January when the board of supervisors addresses board and commission assignments.
 - b. The four (4) members at-large of the Carson City audit committee will be interviewed and selected by the board of supervisors. These members should have experience in financial services, public accounting, and/or governmental auditing, and current knowledge of public laws and regulations governing an audit committee. The terms shall be for staggered two (2) years; expiring on each alternate year.
 - c. The members at-large shall not accept any consulting, advisory, or other compensatory fees from the city and may not be an affiliated person with the city or any subsidiary thereof.
3. Should a vacancy occur in any position on the Carson City audit committee, the board of supervisors must follow the procedure set forth above to select a new member for the committee. The selection must occur within one (1) month of the vacancy occurring.
4. When deemed necessary, the Carson City audit committee may request that the city manager and other management employees attend a Carson City audit committee meeting in an advisory capacity. This individual may be requested to provide necessary information relative to internal controls, data, and analysis related to the specific objectives of the Carson City audit committee.

(Ord. 2008-10 § 5, 2008)

(Ord. No. 2009-24, § 1, 10-1-2009)

2.14.040 - Responsibilities of the Carson City audit committee.

1. The Carson City 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. Reviews and recommendations by the internal auditor will be guided by the internal auditing standards. As appropriate, background documents related to specific audit issues will be sent to the committee during the course of each year.
2. The Carson City audit committee will:
 - a. Provide input into the annual risk assessment plan developed by the city auditor to identify areas of risk or exposure facing the city's organization; review and assess the steps necessary to minimize such risks in the future and improve operating efficiencies; oversee the internal auditor's creation and implementation of processes to identify potential fraud, waste and abuse of city resources and property and a findings reporting protocol;
 - b. Identify with key directors significant risks or exposures facing their organizations/operations to develop a "risk plan" and "audit work plan" to prioritize the city auditor's work load and assess the need for professional services;
 - c. Annually review the audit scope and work plan of the city auditor in conjunction with the external auditors plan to address the coordination of audit efforts to ensure the completeness of coverage, reduction of redundant efforts and effective use of audit resources;
 - d. Discuss the fiscal health of the city in relation to the adopted budget with the city manager and the director of finance;
 - e. Consider matters related to the systems of internal controls, including overseeing compliance by management with applicable policies and procedures;
 - f. Review and make recommendations to the board of supervisors regarding audit findings including the status and implementation of recommendations for both internal and external audits;
 - g. Review and make recommendations to the board of supervisors pertaining to the internal audit budget for operating expenses and capital expenditures;
 - h. Oversee the appointment of the independent auditors to be engaged by the board of supervisors for external reporting and recommend to the board of supervisors the related audit fees;
 - i. Recommend to the board of supervisors to engage outside professional services when deemed appropriate for audit issues;
 - j. Review the internal audit charter and make recommendations to the board of supervisors when changes are deemed necessary;
 - k. Review and make recommendations to the board of supervisors for special requests for audit projects and have the authority to perform other duties as may be delegated to it by the board of supervisors;
3. Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards require an independent auditor to evaluate the city's internal controls in connection with determining the extent of their audit procedures. The external auditors are required to alert the Carson City audit committee and the governing body regarding material matters. The Carson City audit committee will:
 - a.

Review and make recommendations to the board of supervisors pertaining to the external auditors annual audit plan and inquire into external audit matters as deemed appropriate;

- b. Oversee the appointment of the independent auditors to be engaged by the board of supervisors for external reporting and establish the related audit fees; review and evaluate the performance of the independent auditors and establish a regular schedule for periodically re-bidding the annual audit;
- c. Review and make recommendations to the board of supervisors regarding all significant written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.

(Ord. 2008-10 § 6, 2008)

(Ord. No. 2012-11, § 1, 8-2-2012)

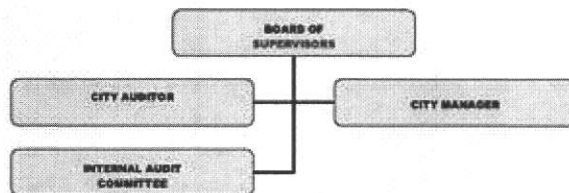
2.14.050 - Meetings of the Carson City audit committee.

1. The Carson City audit committee will meet quarterly. All members are expected to attend on a regular basis.
2. The Carson City audit committee may ask members of management or others to attend meetings and to provide pertinent information when necessary.
3. Meetings are scheduled in accordance with the state's open meeting laws. The city auditor shall establish the agenda for meetings and will provide to members in advance, all appropriate briefing material.

(Ord. 2008-10 § 7, 2008)

(Ord. No. 2009-24, § 11, 10-1-2009)

2.14.060 - Organizational chart.



(Ord. 2008-10 § 8, 2008)