Carson City
Agenda Report

Date Submitted: December 23, 2013

Agenda Date Requested: January 2, 2014
Time Requested: 30 minutes

To: Mayor and Board of Supervisors

From: Marena Works, Interim 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 2015. *(Marena Works)*

Staff Summary: CCMC 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 citizen-at-large. There are two vacancies for citizen-at-large due to two member's terms expiring. An application was received from Mary Sanada and a reappointment request was received from Michael Bertrand. There are no additional applicants.

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

Does This Action Require A Business Impact Statement: (___) Yes (_X_) No

Recommended Board Action: I move to appoint ________________ and ________________ to serve on the Carson City Audit Committee, each for two year terms that expire in December 2015.

Explanation for Recommended Board Action: See Staff Summary

Applicable Statute, Code, Policy, Rule or Regulation: CCMC 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, Reappointment Request, CCMC 2.14.030

Prepared By: Rachael Porcari, Executive Offices

Reviewed By: Robert S. Rivera Date: 12/23/13
(City Manager)
____________________ Date: 12/23/13
(District Attorney)
____________________ Date: 12/23/13
(Finance Director)

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 2015.**

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 December 5, 2013. Interviews for this volunteer position are tentatively planned to be held at the regularly scheduled Board of Supervisors meeting on Thursday, December 19, 2013.

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: cceo@carson.org
Web Page: http://www.carson.org/volunteer
AN EQUAL OPPORTUNITY EMPLOYER

AUDIT COMMITTEE

MEMBER	APPOINTMENT	TERM EXPIRES
Internal Auditor (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	by BOS 1/19/12	
Board of Supervisors John McKenna Supervisor Ward 3 201 N. Carson St. Ste. 2 Carson City, NV 89701 883-2908 (w) 450-2260 (c) john@mckennacpa.com	Initial Term 01/11 Reappt. 01/12	12/2013
Citizens at Large Kenneth Brown 916 Jackson Way Carson City, NV 89701 888-2008 (w) 883-8997 (h) kenbrown@gbis.com	Initial Term 03/08 Reappt. 12/08; 01/10; 01/12	12/2013
Michael Bertrand (Chair, elected 10/2011) 4320 Gentry Ln. Carson City, NV 89701 882-8892 (w) 544-1832 (c) michael@bertrandcpa.com	Initial Term 01/10 Reappt. 01/12	12/2013
Bill Prowse (Vice-chair, elected 10/2011) 3279 Upland Ct. Carson City, NV 89703 883-0902 (h) 721-5601 (c) willpro2001@yahoo.com	Initial Term 10/09 Reappt. 01/11; 01/13	12/2014
John Bullis 1640 Chaparral Dr. Carson City, NV 89703 882-4459 (w) 882-6195 (h) jrbullis@bullisandco.com	Initial Term 01/13	12/2014

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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: At least quarterly. Meetings are held at the Sierra Room.

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 -

Print Form

Carson City Application for Appointive/Volunteer Position

Please type or print legibly

Title of Board, Committee or Commission: Audit Committee

Position Applying For (if applicable): ______

Name: Sanada (Last) Mary (First) C (Middle Initial)

Home Address: 2832 Table Rock Dr. (Street) Carson City (City) NV (State) 89706 (Zip)

Mailing Address (if different): ______ PO Box/Street City State Zip

Occupation/Business: Accounting Consulting/Tax Preparation

Contact: Work N/A (self-employed) Home 775-885-7962
Cell ______ Email mcsanada@sbcglobal.net
Preferred method of contact: email

RECEIVED
OCT 28 2013
CARSON CITY EXECUTIVE OFFICES

Are you currently an active registered voter in Carson City*? ☒Yes ☐No
(*Not required for the Convention & Visitors Bureau)

Are you currently a member on any Carson City Board, Committee, or Commission?
☐Yes ☒No If yes, please list: ______

Conflict of Interest:

a. Within the past twelve (12) months, have you been employed by Carson City (including as an elected official)? ☐Yes ☒No
b. Do you currently have a contract with Carson City for services and/or goods? ☐Yes ☒No

Criminal Record: Have you been convicted of a felony, domestic violence or a gross misdemeanor involving moral turpitude (conduct contrary to community standards of justice, honesty and good morals)? ☐Yes ☒No

For Office Use Only:

Comments:

Registered voter ✓

Revised 03/2013

1. Education *(note: only complete below if a degree is required for this position)*

College, Professional, Vocational or Other Schools Attended	Major Subject	Degree Conferred

2. Briefly describe the qualifications you possess which you feel would be an asset to this Board/Committee/Commission:

I worked for two years as a Legislative Auditor for the State of Nevada, and 14 years for the State of Nevada, Office of the State Controller as Chief Accountant. After leaving the State, I worked for 17 years as a Certified Public Accountant. The focus of my practice was auditing non-profit organizations and governmental agencies.

3. List the community organizations in which you have participated and describe participation:

Served 4 years on the Carson City Board of Equalization

4. List your affiliation with professional or technical societies, if required for position:

5. Do you anticipate any potential conflicts of interest? ☐ Yes ☒ No

If yes, please explain:

6. Personal/Professional References:

Name	Address	Telephone Number
Peter Livermore	4 Raglan Circle, Carson City, NV 89701	775-882-5056
Ronni Hanneman	1900 S. Carson St., Carson City, NV 89701	775-885-1565
Mary Lau	410 S. Minnesota, Carson City, NV 89703	775-882-1700

I understand that my submitted application is considered public information. I understand the Board of Supervisors may require a pre-appointment background check for any position if deemed warranted.

I have read and understand the Carson City's Boards, Committees, and Commissions Policies and Procedures (online at www.carson.org/volunteer).

I hereby declare that all statements given by me on this form are truthful and complete to the best of my knowledge.

Mary Sanada

Signature of Applicant

10/28/2013

Date

Mary Sanada

Printed Name

You may attach more information.

Deliver, mail, fax or email signed and completed application to:

Carson City Executive Offices

201 N. Carson Street Suite 2

Carson City, NV 89701

(775) 887-2100 or 283-7125

FAX (775) 887-2286

cceo@carson.org

Title of Board, Committee or Commission: AUDIT COMMITEE

Name: BERTRAND MICHAEL J
Last First Middle Initial

Home Address: 4320 GENTRY LANE CARSON CITY NV 89701
Street City State Zip

Mailing Address (if different):

PO Box/Street City State Zip

Occupation/Business: ACCOUNTING

Contact: Work 775-882-8892 Home
Cell 775-544-1832 E-mail MICHAEL@BERTRANDCPA.COM
Preferred method of contact: email / phone

Are you currently an active registered voter in Carson City*? ___ Yes ___ No
(*Not required for the Convention & Visitors Bureau)

Conflict of Interest:

a. Within the past twelve (12) months, have you been employed by Carson City (including as an elected official)? ___ Yes X No
b. Do you currently have a contract with Carson City for services and/or goods? ___ Yes X No

Criminal Record: Have you been convicted of a felony, domestic violence or a gross misdemeanor involving moral turpitude (conduct contrary to community standards of justice, honesty and good morals)? ___ Yes X No

I understand that my submitted application is considered public information. I understand the Board of Supervisors may require a pre-appointment background check for any position if deemed warranted.

I have read and understand the Carson City's Boards, Committees, and Commissions Policies and Procedures (online at www.carson.org/volunteer).

I hereby declare that all statements given by me on this form are truthful and complete to the best of my knowledge.

Signature of Applicant **Date** 10/9/2013

*You may attach more information.

Deliver, mail, fax or email signed and completed form to:

Carson City Executive Offices
201 N. Carson Street Suite 2
Carson City, NV 89701
(775) 887-2100 or 283-7125
FAX (775) 887-2286
lbanks@carson.org

Chapter 2.14 - CARSON CITY AUDIT COMMITTEE

Sections:

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, § I, 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 indentify 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, § I, 8-2-2012)

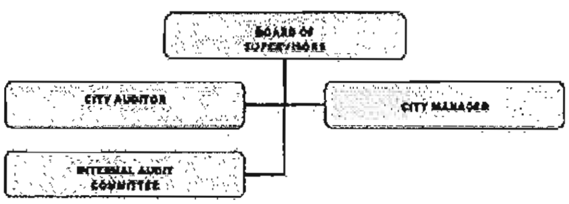
2.14.050 - Meetings of the Carson City audit committee.

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, § II, 10-1-2009)

2.14.060 - Organizational chart.



(Ord. 2008-10 § 8, 2008)