

**Carson City  
Agenda Report**

**Date Submitted:** March 24, 2015

**Agenda Date Requested:** April 2, 2015

**Time Requested:** 10 minutes

**To:** Mayor and Board of Supervisors

**From:** Nick Marano, City Manager

**Subject Title:** For Possible Action: To appoint a member to the Carson City Audit Committee, for a two year term that expires in December 2016. *(Nick Marano)*

**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 is one vacancy for a citizen-at-large position due to one member's resignation. An application was received from Donald Leonard. 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 \_\_\_\_\_ to serve on the Carson City Audit Committee, for a two year terms that expire in December 2016.

**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:**

Michelle Manano  
(City Manager)

Date: 3/24/15

Joseph L. Ward Jr.  
(District Attorney)

Date: 3/24/15

Michael Alvarado  
(Finance Director)

Date: 3/24/15

**Board Action Taken:**

Motion: \_\_\_\_\_

- 1) \_\_\_\_\_
- 2) \_\_\_\_\_

Aye/Nay

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Vote Recorded By)

# Carson City Application for Appointive/ Volunteer Position

Title of Board, Committee or Commission and position applying for:

Audit

## CONTACT INFORMATION

FIRST NAME

Donald

LAST NAME

Leonard

STREET ADDRESS

2865 Christmas Tree Drive

STREET ADDRESS LINE 2

2865 Christmas Tree Drive

CITY

Carson City

STATE

NV.

ZIP CODE

89703

PHONE NUMBER

775-883-0802

EMAIL ADDRESS

dyleonard@ATT.net

OCCUPATION/ BUSINESS

None

PREFERRED METHOD OF CONTACT

Are you currently a registered voter in Carson City?  Yes  No

Are you currently a member on any Carson City Board, Committee or Commission?  Yes  No

If yes, please list: \_\_\_\_\_

Term expiration: \_\_\_\_\_

## Conflict of Interest:

Within the past twelve (12) months, have you been employed by Carson City (including as an elected official)?  Yes  No

Do you currently have a contract with Carson City for services/ goods?  Yes  No

## Criminal Record:

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

RECEIVED

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CARSON CITY EXECUTIVE OFFICES

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

College, Professional,  
Vocational or Other Schools  
attended

Major Subject

Degree Conferred

Montana  
State  
University

Business  
Administration

Bachelor of  
Science in Business  
Administration with  
High Honors

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

I spent 4 years of 6 at Weyerhaeuser Co. as a Federal Tax Return Preparer. I worked at Kaiser Aluminum for 28 years. I was a plant controller and division controller for 22 years. My duties at Kaiser covered all domestic and international reduction operations. My responsibilities were to ensure all company policies, not just financial, were properly followed.

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

Carson Republican Central Committee - Treasurer  
Carson City mens club - member

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

None

Do you anticipate any potential conflicts of interest?

Yes  No

If yes, please explain:

**Personal/Professional References - Please list three (3)**

Name

Address

Telephone Number

Tom Keeton  
Bruce KITTess  
Bud Southard

2113 St. George Way  
4401 Levi Gulch  
1093 Gambrel Dr.

841-3991  
841-7274  
882-7960

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 Board, Committees and Commissions Policies and Procedures (online at [www.carson.org/volunteer](http://www.carson.org/volunteer))

I agree

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

Printed Name

Date

Donald A. Leonard

Donald A. Leonard

3-5-2015

You may attach more information.

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

Carson City Executive Offices  
201 N. Carson St Suite 2  
Carson City, NV 89701  
Office: (775) 887-2100 Fax: (775) 283-2286  
cceo@carson.org

**AUDIT COMMITTEE**

<u>MEMBER</u>	<u>APPOINTMENT</u>	<u>TERM EXPIRES</u>
<p><b><u>Internal Auditor</u></b> (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)  <a href="mailto:tom.krippaehne@mossadams.com">tom.krippaehne@mossadams.com</a></p>	<p>by BOS 1/19/12</p>	
<p><b><u>Board of Supervisors</u></b>                      Lori Bagwell                      Supervisor Ward 3                      201 N. Carson St. Ste. 2                      Carson City, NV 89701                      283-7144 (w)  <a href="mailto:lbagwell@carson.org">lbagwell@carson.org</a></p>	<p>Initial Term 01/15</p>	<p>12/2015</p>
<p><b><u>Citizens at Large</u></b>                      Mary Sanada                      2832 Table Rock Dr.                      Carson City, NV 89706                      885-7962 (h)  <a href="mailto:mcsanada@sbcglobal.net">mcsanada@sbcglobal.net</a></p>	<p>Initial Term 1/14</p>	<p>12/2015</p>
<p>Michael Bertrand (Chair, elected 10/2011)                      4320 Gentry Ln.                      Carson City, NV 89701                      882-8892 (w) 544-1832 (c)  <a href="mailto:michael@bertrandcpa.com">michael@bertrandcpa.com</a></p>	<p>Initial Term 01/10                      Reappt. 01/12, 01/14</p>	<p>12/2015</p>
<p>Bill Prowse (Vice-chair, elected 10/2011)                      3279 Upland Ct.                      Carson City, NV 89703                      883-0902 (h) 721-5601 (c)  <a href="mailto:willpro2001@yahoo.com">willpro2001@yahoo.com</a></p>	<p>Initial Term 10/09                      Reappt. 01/11; 01/13                      01/15</p>	<p>12/2016</p>
<p><b>VACANT</b></p>	<p>Initial Term</p>	

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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](mailto:nprovidenti@carson.org)

**Attorney Assignment:**

- END DATA -



## 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 December 2016.**

**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, 2014.** Interviews for this volunteer position are *tentatively* planned to be held at the regularly scheduled Board of Supervisors meeting on Thursday, December 18, 2014.

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: [rporcari@carson.org](mailto:rporcari@carson.org)  
Web Page: <http://www.carson.org/volunteer>  
**AN EQUAL OPPORTUNITY EMPLOYER**



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

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## Chapter 2.14 - CARSON CITY AUDIT COMMITTEE

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### 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 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, § 1, 8-2-2012)*

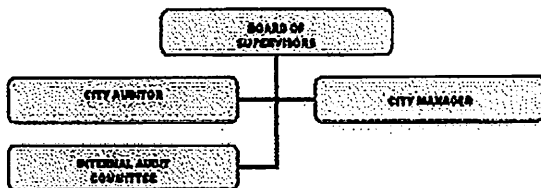
**2.14.050 - Meetings of the Carson City audit committee.**

- 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)*