



STAFF REPORT

Report To: Board of Supervisors

Meeting Date: February 4, 2016

Staff Contact: Nick Marano, City Manager (nmarano@carson.org)

Agenda Title: For Possible Action: To appoint a member to the Carson City Audit Committee, for a two year term that expires in December 2017.

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 expiration of term. A reappointment request was received from Michael Bertrand. There are no additional applicants.

Agenda Action: Formal Action/Motion

Time Requested: 15 mins

Proposed Motion

I move to reappoint Michael Bertrand to serve on the Carson City Audit Committee, for a two year term that will expire December 2017.

Board's Strategic Goal

Quality of Life

Previous Action

n/a

Background/Issues & Analysis

n/a

Applicable Statute, Code, Policy, Rule or Regulation

CCMC 2.14.030

Financial Information

Is there a fiscal impact? Yes No

If yes, account name/number:

Is it currently budgeted? Yes No

Explanation of Fiscal Impact: n/a

Alternatives

Re-open the position for additional applicants

Board Action Taken:

Motion: _____

- 1) _____
- 2) _____

Aye/Nay

(Vote Recorded By)

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)

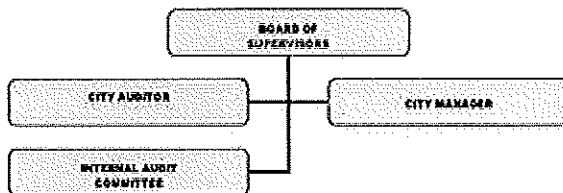
2.14.050 - Meetings of the Carson City audit committee.

- 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)

AUDIT COMMITTEE

<u>MEMBER</u>	<u>APPOINTMENT</u>	<u>TERM EXPIRES</u>
<p>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</p>	<p>by BOS 1/19/12</p>	
<p>Board of Supervisors Lori Bagwell Supervisor Ward 3 201 N. Carson St. Ste. 2 Carson City, NV 89701 283-7144 (w) lbagwell@carson.org</p>	<p>Initial Term 01/15 Reappt. 1/16</p>	<p>12/2016</p>
<p>Citizens at Large Mary Sanada 2832 Table Rock Dr. Carson City, NV 89706 885-7962 (h) mcsanada@sbcglobal.net</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) michael@bertrandcpa.com</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) willpro2001@yahoo.com</p>	<p>Initial Term 10/09 Reappt. 01/11; 01/13 01/15</p>	<p>12/2016</p>
<p>Donald Leonard 2865 Christmas Tree Dr. Carson City, NV 89703 883-0802 (h) dyleonard@att.net</p>	<p>Initial Term 4/15</p>	<p>12/2016</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: Nany Paulson, Chief Finance Officer 283-7142 npaulson@carson.org

Attorney Assignment: Adriana Fralick, DA afralick@carson.org

- END DATA -



Carson City Application for Appointive/Volunteer Position

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

Audit Committee

CONTACT INFORMATION

FIRST NAME

Michael

LAST NAME

Bertrand

STREET ADDRESS

4320 Gentry Lane

STREET ADDRESS LINE 2

CITY

Carson City

STATE

NV

ZIP CODE

89701

PREFERRED CONTACT PHONE NUMBER

775-544-1832

EMAIL ADDRESS

michael@bertrandcpa.com

OCCUPATION/BUSINESS

Accountant

PREFERRED METHOD OF CONTACT

EMAIL

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

*Not required if applying for Convention & Visitors Bureau

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

If yes, please list:

Audit committee

Term expiration:

12/31/2015

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

*Please refer to the BCC Policies & Procedures page 5 item C for more information

If yes, please provide contract details:
i.e. Name of contract, services provided.

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

*Please refer to the BCC Policies & Procedures page 5 item B for more information

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

College, Professional,
Vocational or Other Schools
attended

Major Subject

Degree Conferred

Certified public accountant

Accounting and finance

BS

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

Over 30 years of practicing as an accountant.

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

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

American Institute of Certified Public Accountants AICPA

Personal/Professional References - Please list three (3)

Name

Address

Telephone Number

ON File

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)

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

Michael Bertrand

Michael Bertrand

12/29/2015

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) 887-2286
cceo@carson.org