



STAFF REPORT

Report To: Board of Supervisors

Meeting Date: January 4, 2018

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

Agenda Title: For Possible Action: To appoint one member to the Carson City Audit Committee, for a two year term that expires in December 2019.

Staff Summary: CCMC 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. An application was received by Betsy Strasburg.

Agenda Action: Formal Action/Motion

Time Requested: 15 mins

Proposed Motion

I move to appoint _____ to serve on the Carson City Audit Committee, for a two year term that will expire December 2019.

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)






AUDIT COMMITTEE

BOARD DETAILS



OVERVIEW

 **SIZE** 6 Seats
 **TERM LENGTH** 2 Years
 **TERM LIMIT** N/A

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.



DETAILS

MEETINGS

- Time varies
- Typically on a quarterly basis or at the call of the chair
- Community Center, Sierra Room
- 851 East William Street, Carson City, Nevada

POWERS & DUTIES

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. As appropriate, background documents related to specific audit issues will be sent to the committee during the course of each year.

ADDITIONAL INFORMATION

[CCMC 2.14.pdf](#)

ADDITIONAL INFORMATION



Carson City, NV

AUDIT COMMITTEE

BOARD ROSTER



MOSS ADAMS

1st Term Jan 19, 2012 - Dec 31, 2020

Position Internal Auditor



LORI BAGWELL

3rd Term Jan 01, 2017 - Dec 31, 2017

No Recruitment

Position Board of Supervisors



MICHAEL J BERTRAND

4th Term Feb 04, 2016 - Dec 31, 2017

Appointing Authority Board of Supervisors

Position Citizen at Large

Office/Role Vice Chair



CATHERINE BYRNE

1st Term Mar 03, 2016 - Dec 31, 2017

Appointing Authority Board of Supervisors

Position Citizen at Large



STEPHEN FERGUSON

1st Term Jan 06, 2017 - Dec 31, 2018

Appointing Authority Board of Supervisors

Position Citizen at Large

Office/Role Chair



ERNIE MAYHORN

1st Term Jan 06, 2017 - Dec 31, 2018

Appointing Authority Board of Supervisors

Position Citizen at Large

Profile

Bepsy

First Name

Strasburg

Middle Initial

Last Name

[REDACTED]

Email Address

[REDACTED]

Street Address

Suite or Apt

Carson City

City

NV

State

89703

Postal Code

[REDACTED]

Primary Phone

[REDACTED]

Alternate Phone

Which Boards would you like to apply for?

Audit Committee: Submitted

Question applies to multiple boards

Why would you like to serve of this Board/Committee/Commission?

I have

Question applies to multiple boards

Are you currently a registered voter in Carson City?

Yes No

Question applies to multiple boards

Are you currently a member on any other Carson City Board, Committee or Commission?

Yes No

Question applies to multiple boards

If yes, please list:

Question applies to multiple boards

Term expiration:

Conflict of Interest

Question applies to multiple boards

Within the past twelve (12) months, have you been employed by Carson City (including as an elected official)?

Yes No

Question applies to multiple boards

Do you currently have a contract with Carson City for services/good?

Yes No

Question applies to multiple boards

If yes, please provide contract details:

Question applies to multiple boards

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

Education

Note: only complete this section if a degree is required for this position

College, Professional, Vocational or Other Schools attended:

California State University, East Bay; University of Aberdeen, Scotland

Major Subject:

Finance MBA. Chemistry Undergraduate

Degree Conferred:

MBA (Finance); BSc Honors (Chemistry)

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

Current member of Audit Committee for Zuckerberg San Francisco General Hospital Foundation. Managed auditing and process improvement client engagements for Sarbanes Oxley compliance for pre-IPO and post-IPO companies between 2004-2008. These companies were made audit-ready for Tier 1 nationally known external audit firms like PWC and KPMG. As Controller and CFO of the companies, I managed annual audit process for Saybrook University (annual comprehensive financial report for a non-profit) and Service West (profit) with external audit companies including Moss Adams. Mapped internal controls to have effective fraud monitoring programs per COSO framework for financial services, medical devices and commercial packaged goods distributor companies. I have budgeting and financial management experience over 20 years.

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

Prior and current Board involvement has been: • Audit Committee member for the Zuckerberg San Francisco General Hospital Foundation Board member of the Institute of Internal Auditors - East Bay Chapter • Finance Advisor to CEO of American Bone Health • On-going fund raising activities to benefit American Heart Association and American Cancer Society. • Client CFO and Audit Committee Advisor as Risk Advisory and Consulting Practice Leader at BDO Seidman • Finance co-representative with CFO at Saybrook University Board • Advisory Committee for Service West

List your affiliation with professional or technical societies: *if required for the position.

N/A

[Bepsy_Strasburg_Resume.doc](#)

Upload a Resume

Personal/Professional References

Name, Telephone Number:

Kathleen Cody, CEO, American Bone Health, 510.832.2663 x1015

Name, Telephone Number:

Charles Kreling, Finance Director-SOX, Central Garden & Pet, 650-333-6282

Name, Telephone Number:

Tim Dwyer, Executive Vice President, retired, Sun Microsystems, 650-740-0568

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

I have read and understand the Carson City's Boards, Committees and Commissions Policies and Procedures.

I Agree *

BEPSY STRASBURG, MBA

650.387.3118

<http://www.linkedin.com/in/strasburg/>

Strasburgbepsy@gmail.com

Finance executive, experienced in building and leading teams that identify areas of opportunity, create robust strategies, and drive change for Fortune 100 domestic and international companies. A change agent, adept at driving business goals, including start-up growth, strategic transactions, and turnaround initiatives.

Core competencies include:

GAAP Accounting	Finance/IT/HR/Payroll/Legal Mgmt.	Team Building & Leadership
Audit & Regulatory Compliance	Project Management	Financial Reporting/Forecasting
Systems Implementations	Cost Containment & Profitability	Debt Financing

PROFESSIONAL EXPERIENCE

CONSULTING PROJECTS, Bay Area, CA | 2014-Present Management Consultant, Accounting, Finance, Systems

- Manage (PM role) a US and Intl. multi-disciplinary team of Purchasing, A/P and IT to evaluate P2P processes and deploy an early payment program for a \$14B data storage company.
- Conduct monthly close and year-end audit for a \$10B consumer product distribution company.
- Audit vendor invoicing and optimize utility billing rate for a large US paint manufacturer.
- Manage a team to review multi-year revenue contracts to restate monthly revenue of a growing SaaS company.
- Identify discrepancies and root causes of missed billings and entitlements post acquisition of multiple companies of a growing SaaS company.
- SOX and fraud risk assessments of multi-billion financial services & retail companies.

SERVICEWEST, San Leandro, CA | 2011-2014

Largest office furniture installation, warehousing and commercial moving services company with \$35M revenue.

Chief Financial Officer (2012-2014) / Vice President (2011-2012)

Served as part of the executive team that transformed the company from default to financial stability. Build the in-house Finance organization of 9 people with service partners for legal, audit, tax, IT, insurance and benefits administration.

- **Provide interpretation of contractual terms of construction projects** and guidance on terms and conditions.
- **Review revenue and margin reconciliations monthly** to ensure compliance with revenue recognition, bank lending covenants and periodic bank audit readiness.
- **Collected \$4.5M written-off debt and reduced DSO from 80 to 40 days** to achieve self-funding model by proactively resolving collections issues and meeting \$2.7M monthly payment obligations.
- **Developed technology strategies, including a disaster recovery plan;** worked with telecommunications, wireless, and IT consultants to replace failing hardware, modify applications with upfront due diligence, scheduled maintenance, eliminate redundancies, and create back-up policies.
- **Developed daily and weekly management dashboard reports on KPIs** to evaluate progression towards monthly forecasts, utilization of resources, cash preservation and performance against bank's lending covenants.

SAYBROOK UNIVERSITY, San Francisco, CA | 2010-2011

Three colleges with 700 online students, 250-employees, and \$21M in revenue.

Corporate Controller, Business Systems Manager

Hired, trained, and led staff to respond to sudden departure of Corporate Controller, Accountant, and Payroll processor.

- **Enabled business unit and program reporting** by the 13th day of the month by developing business requirements, revised chart of accounts, configuration mapping and data conversions with internal finance and external integrator in a Microsoft Dynamics 2010 Great Plains reimplementation.

- **Improved payroll cycle time and reduced manual errors** by selecting and converting human resources, time attendance, and payroll processing from ADP to Paychex.

 PROFESSIONAL EXPERIENCE - CONTINUED

MERCANTILA, San Francisco, CA | 2008-2009

 E-commerce **start-up** comprised of 200 fitness, home, sports, and outdoor specialty stores that generated \$50M.

Corporate Controller

Led a 4-person team, and worked with CFO to migrate off-shore outsourced finance operations in-house.

- **Implementing a portal** that automated purchase order generation, shipment confirmation for revenue recognition, and bank generated payments for accounts payable, which replaced manual processing of 10,000 monthly transactions, and introduced scalable processes to support growth.
- **Investigated and reduced backlog of customer returns and refunds**; avoided customer complaints affecting online sales, credit card chargebacks, and Better Business Bureau oversight.
- **Created financial models** to generate pro-forma statements and cash flow projections.
- **Prepared financial and marketing roadshow presentations** for Board of Directors, and potential VC investors.

BDO SEIDMAN LLP, San Francisco, CA | 2004-2008

5th largest CPA firm serving small- and medium-sized publicly traded and privately held companies.

Consulting Practice Leader and Director

 Served as **founding Director** of the Bay Area risk advisory consulting practice. Provided risk assessment; SEC, GAAP, and SOX compliance readiness; internal audit; and process improvement services to clients. Hired and led staff.

- **Directed full lifecycle sales process**, including prospecting, proposal development, customer risk analysis and acceptance, engagement planning, staffing, project management, and completion.
- **Managed multiple client engagements generating \$2.5M annually** by providing subject matter expertise on risk management, compliance and audit standards for Sarbanes-Oxley compliance, operations effectiveness, IPO readiness in medical device, biotechnology, telecom, and technology companies.

 EDUCATION & PROFESSIONAL CREDENTIALS

Affiliations: Financial Executives Networking Group | Financial Executives Institute | Association of Corporate Growth
| British American Business Council | CFO Leadership Council

Computer Skills: Microsoft, Hyperion, Cognos, Salesforce, Netsuite, MAS 200, Great Plains, QuickBooks, ADP

Training: CPA coursework, California State University (passed CPA exam Part 1, 2011) and Six Sigma

Board Memberships: American Bone Health, Audit Committee, Zuckerberg San Francisco General Hospital Foundation, Action Group Committee, Greenhouse Project, Carson City

Education: Masters of Business Administration in Finance | CALIFORNIA STATE UNIVERSITY, Hayward, CA
Bachelor of Science in Chemistry (Honors) | UNIVERSITY OF ABERDEEN, Aberdeen, Scotland, UK

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)

[\(Ord. No. 2009-24, § 1, 10-1-2009\)](#)

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)

[\(Ord. No. 2012-11, § I, 8-2-2012\)](#)

2.14.050 - Meetings of the Carson City audit committee.

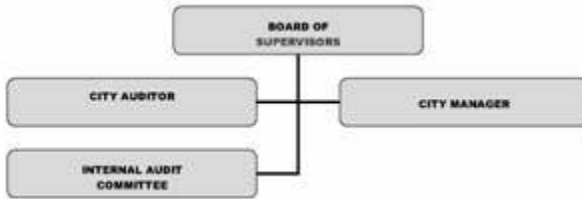
- 1. The Carson City audit committee will meet quarterly. All members are expected to attend on a regular basis.
- 2. The Carson City audit committee may ask members of management or others to attend meetings and to provide pertinent information when necessary.

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)