

CARSON CITY AUDIT COMMITTEE
Minutes of the February 21, 2018 Meeting
Page 1

A regular meeting of the Carson City Audit Committee was scheduled for 3:00 p.m. on Wednesday, February 21, 2018 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Chairperson Stephen Ferguson
Vice Chairperson Michael Bertrand
Member Lori Bagwell
Member Ernie Mayhorn
Member Betsy Strasburg

STAFF: Jason Link, Chief Financial Officer
Adriana Fralick, Chief Deputy District Attorney
Kathleen King, Chief Deputy Clerk

NOTE: A recording of these proceedings, the committee's agenda materials, and any written comments or documentation provided to the Clerk, during the meeting, are part of the public record. These materials are available for review, in the Clerk's Office, during regular business hours.

1 - 2. CALL TO ORDER AND ROLL CALL (3:04:30) - Chairperson Ferguson called the meeting to order at 3:04 p.m. Ms. King called the roll; a quorum was present.

3. PUBLIC COMMENTS AND DISCUSSION (3:04:54) - Chairperson Ferguson entertained public comment; however, none was forthcoming.

4. POSSIBLE ACTION ON APPROVAL OF MINUTES (3:05:35) - Chairperson Ferguson introduced this item. Ms. Fralick directed that no action could be taken because the date of the minutes to be approved was inadvertently omitted from the agenda. Chairperson Ferguson advised that approval of the October meeting minutes would be deferred to the next meeting.

5. POSSIBLE ACTION ON ADOPTION OF AGENDA (3:06:07) - Chairperson Ferguson welcomed Member Strasburg, who expressed appreciation for the opportunity to serve. Chairperson Ferguson entertained a motion to adopt the agenda. **Vice Chairperson Bertrand so moved. The motion was seconded and carried unanimously.**

6. PUBLIC MEETING ITEMS:

6(A) DISCUSSION AND POSSIBLE ACTION TO DIRECT STAFF REGARDING THE CURRENT AUDIT WORK PROGRAM UPDATE (3:06:51) - Chairperson Ferguson introduced this item. Mr. Link provided an overview of the staff report, and introduced Moss-Adams LLP Partner Mark Steranka. Mr. Steranka reviewed the February 21, 2018 memorandum included in the agenda materials.

Chief Information Officer Eric Von Schimmelmann and Mr. Steranka responded to questions regarding the IT Security Review, and extensive discussion followed. Chairperson Ferguson entertained a motion. **Member Bagwell moved to remove the Performance Metrics Validation Project from the Audit Plan. Vice Chairperson Bertrand seconded the motion. Motion carried 5-0.**

CARSON CITY AUDIT COMMITTEE
Minutes of the February 21, 2018 Meeting
Page 2

Chairperson Ferguson entertained a motion relative to the IT Security Policy. Following extensive discussion, **Member Mayhorn moved to redirect Moss - Adams LLP for the IT Security Review to go from testing into policy creation, and shift the \$5,000 from the Performance Metrics Validation Project, as well as \$5,000 from the Audit Findings Validation Project, to make that a \$20,000 budget. Vice Chairperson Bertrand seconded the motion. Motion carried 5-0.**

6(B) DISCUSSION AND POSSIBLE ACTION REGARDING THE MONITORING, REVIEW, AND CLOSURE OF INTERNAL AUDIT FINDINGS INCLUDED IN THE AUDIT FINDINGS TRACKING REPORT AND PROVIDE RECOMMENDATIONS TO THE BOARD OF SUPERVISORS FOR CLOSURE OF COMPLETED PROJECTS (3:52:12) - Chairperson Ferguson introduced this item, and Moss - Adams LLP Partner Mark Steranka reviewed the agenda materials. Mr. Link, Mr. Steranka, and Chief Information Officer Eric Von Schimmelmann responded to questions of clarification. Discussion took place throughout the committee's review of the report which was included in the agenda materials.

Chairperson Ferguson entertained comments or discussion on HTE or the small works projects review. When no comments were forthcoming, he entertained a motion. **Member Bagwell moved to close HTE, "seven of them and then item 3, the final one on small works projects." Member Mayhorn seconded the motion. Motion carried 5-0.**

6(C) POSSIBLE ACTION TO APPROVE THE FINANCE REVIEW AND SELECTION COMMITTEE'S RECOMMENDATION FOR CONTRACT AWARD TO PIERCY BOWLER TAYLOR & KERN FOR THE CARSON CITY EXTERNAL AUDIT FUNCTION, AND AUTHORIZE STAFF TO PREPARE A CONTRACT AND BOARD ACTION FORM FOR BOARD OF SUPERVISORS APPROVAL (4:14:35) - Chairperson Ferguson introduced this item. Mr. Link provided background information and reviewed the agenda materials. Mr. Link responded to questions and discussion ensued. Following discussion, consensus of the committee was to schedule a special meeting for 5:00 p.m. on February 28th.

7. PUBLIC COMMENT (4:31:14) - Chairperson Ferguson entertained public comment; however, none was forthcoming. Following a brief discussion, consensus of the committee was to schedule the next regular committee meeting for 3:00 p.m. on Thursday, May 10th.

8. ACTION TO ADJOURN (4:32:50) - Chairperson Ferguson adjourned the meeting at 4:32 p.m.

The Minutes of the February 21, 2018 Carson City Audit Committee meeting are so approved this 10th day of May, 2018.

STEPHEN FERGUSON, Chair