



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** May 18, 2023

Staff Contact: Nancy Paulson, City Manager

Agenda Title: For Possible Action: Discussion and possible action regarding the appointment of one member to the Audit Committee for a partial term ending in December 2024. (Nancy Paulson, npaulson@carson.org)

Staff Summary: Carson City Municipal Code ("CCMC") 2.14.030 provides for a five-member Audit Committee, comprised of one member from the Board of Supervisors ("Board") and four members from the public as citizens-at-large. There is one vacancy due to an expiration of term in December 2022. This vacancy is a citizen-at-large position. Joseph Scalia submitted an application.

Agenda Action: Formal Action / Motion **Time Requested:** 15 minutes

Proposed Motion

I move to appoint _____ to fill a partial term expiring in December 2024.

Board's Strategic Goal

Quality of Life

Previous Action

May 4, 2023 (Item 11A): The Board appointed one member to the Audit Committee for a partial term ending in December 2024.

January 19, 2023 (Item 8C): The Board appointed one member to the Audit Committee for a partial term ending in December 2023.

December 2, 2021 (Item 12A): The Board appointed two members to the Audit Committee, each for a full term ending in December 2023.

Background/Issues & Analysis

This vacancy is considered a partial term because the previous term expired in December 2022 and, at that time, no applications were submitted to fill the vacancy. Stephen Ferguson did not seek reappointment; however, he agreed to continue to serve on the Audit Committee until a successor is appointed.

Applicable Statute, Code, Policy, Rule or Regulation

CCMC 2.14.030

Financial Information

Is there a fiscal impact? No

If yes, account name/number:

Is it currently budgeted?

Explanation of Fiscal Impact:

Alternatives

Reopen the position for additional applicants and/or provide alternative direction to staff.

Attachments:

[Audit_Committee_Packet.pdf](#)

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay


(Vote Recorded By)



Board Details

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.

Overview

 **Size** 5 Seats

 **Term Length** 2 Years

 **Term Limit** N/A

Additional

Meetings

•Time varies •Typically on a quarterly basis or at the call of the chair •Community Center, Robert "Bob" Crowell Board 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](#)



Carson City, NV

Audit Committee

Board Roster



Stephen Ferguson

3rd Term Jan 06, 2017 - Dec 31, 2022

Appointing Authority Board of Supervisors

Position Citizen at Large

Office/Role Chair



Laura Chavez

1st Term Jan 19, 2023 - Dec 31, 2023

Position Citizen at Large



Lisa Schuette

2nd Term Jan 05, 2023 - Dec 31, 2023

Position Board of Supervisors



Bonnie Duke

1st Term Dec 02, 2021 - Dec 31, 2023

Position Citizen at Large



David W Lambin

1st Term May 04, 2023 - Dec 31, 2024

Position Citizen at Large

Profile

Joseph

First Name

A

Middle Initial

Scalia

Last Name

joescalia10@gmail.com

Email Address

474 W. Clearview Dr

Street Address

Unit 202

Suite or Apt

Carson City

City

NV

State

89703

Postal Code

Mobile: (775) 233-8316

Primary Phone

Alternate Phone

Which Boards would you like to apply for?

Audit Committee: Submitted

Question applies to multiple boards

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

I was an executive board member of the Renton Downtown partnership, a main-street 501-C3 organization in Renton, WA. I love being involved in my local community. I've lived in Carson City for about 3 years, northern Nevada for 20+. I love this community and I want to put my skills to use for it. I am currently a Divisional Compliance Manager for a large retail pharmacy. I have 210+ stores spread across five states. My role includes food safety, hazardous waste, associate safety, Board of Pharmacy, and DEA inspections. This gives me a general understanding of quite a few different local laws and ordinances. I truly want to give back to a community which has done so much for me.

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

College, Professional, Vocational or Other Schools attended:

Major Subject:

Degree Conferred:

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

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

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

Upload a Resume

Declaration to Accept Terms & Conditions

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 *

DISTRICT LEADER
SALES STRATEGY | CUSTOMER EXPERIENCE | TEAM DEVELOPMENT

AREAS OF EXPERTISE

Business Development	Inventory Control	Relationship Management
Coaching & Capability-building	Operations Management	Sales Planning & Marketing
Conflict Management	Performance Management	Territory Management
Data-driven Leadership	Planning & Forecasting	Training & Facilitation
Effective Communication	Recruiting & Retention	
New Hire Orientation		

SELECT CAREER PROGRESSION

DIVISIONAL COMPLIANCE LEADER | RITE AID | DIVISION 3 | 2021 - PRESENT

- **BOOST PERFORMANCE:** Impacted Division 3's Tuesday Checklist completion from 92% to 97% over the course of 6 months by sharing the "why" and the potential impact of non-completion from a regulatory standpoint.
- **LEADERSHIP:** Conducted multiple compliance reviews in 210 stores across five states with upwards of 1,000 in-direct reports. Responsible for training of all compliance related processes across the territory.
- **PROCESS IMPROVEMENT:** Assisted in developing a calibrated format for all Thrifty Hand dip formal reviews.

STORE LEADER | RITE AID | NORTHERN NEVADA | 2020 - 2021

- **BOOST CUSTOMER EXPERIENCE:** Improved store 6121's experience health from a 3.78 to a 4.16 with approximately 440 surveys beginning January 2021.
- **SHRINK REDUCTION:** Finished 2021 inventory at -1.23% on a goal of -1.57% coming in \$4,500 under plan by leading the store team to embrace the Big 10 Program with a one team approach.
- **REVENUE DRIVER:** Increased store 6121's sales by focusing on customer first mentality, helping to increase FE sales by 18% from December 2020 through June 2021.

SR. SALES MANAGER | CARMAX AUTO SUPERSTORES | MODESTO, CA | 2014 - 2020

- **OPERATIONS:** Daily strategic oversight of dealership operations with volume reaching \$15,000,000 a month, coaching, and leading a 60-member commissioned sales team, directly engaging with 60 customers/day to maximize sales, and increase close rate by 5%.
- **BOOST PERFORMANCE:** Regional lead of dashboard-based performance management effort for 17 stores. Enable greater visibility into activities and friendly competition to raise performance of 82% of stores within 5 months.
- **RECRUITING:** Represented Seattle market CarMax locations at numerous veteran and non-veteran job fairs. Recruiting P.O.C between home office and Seattle market locations of CarMax.
- **TALENT DEVELOPMENT:** Successfully mentored four Sales Manager in Trainings through a six-month development program at CarMax.
- **CUSTOMER SATISFACTION:** Create communications and engagement strategy to drive adoption of high-performing behavior to successfully raise department customer satisfaction from 30% to 70% within 5 months.
- **PROJECT MANAGER:** Store P.O.C during \$3.5M remodel responsible for reviewing blueprints, collaborating with contractors, and directing regular project status communications. Established communication cadence to support change management among all store associates.

DISTRICT MARKET LEADER | SAMSUNG | NEVADA, CALIFORNIA, AND OREGON | 2013 - 2014

- **REVENUE DRIVER:** Toured 15 locations within region for 22 hours during Black Friday to motivate teams, support and recognize employees for high performance, and secured #1 of 64 in sales during tenure.
- **FACILITATION:** Delivered high-energy division-wide training curriculum for Samsung Experience Consultants. Earned high participation scores and awarded Top Trainer for West Division by National Trainers and Division VP.
- **TALENT MANAGER:** Structured "New Hire Orientation" and scaled Samsung Experience training initiatives across 3-state territory within 15 Best Buy locations.

COMMUNITY INVOLVEMENT - **EXECUTIVE BOARD MEMBER**, RENTON DOWNTOWN PARTNERSHIP, NON-PROFIT

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.

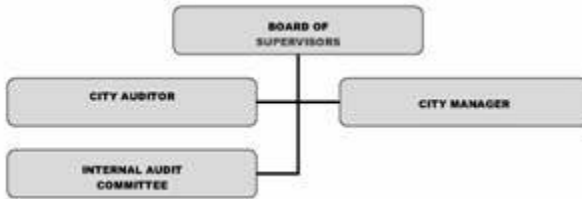
- 1. The Carson City audit committee will meet quarterly. All members are expected to attend on a regular basis.
- 2. The Carson City audit committee may ask members of management or others to attend meetings and to provide pertinent information when necessary.

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)