

**City of Carson City
Agenda Report**

Date Submitted: December 28, 2010

Agenda Date Requested: January 6, 2011

Time Requested: Consent

To: Mayor and Supervisors

From: Larry Werner, City Manager

Subject Title: Action to appoint William Prowse and Robert Parvin to serve on the Audit Committee as members-at-large for two year terms ending December 2012.

Staff Summary: Per Carson City Municipal Code Chapter 2.14 Section 2.14.030 and Bill No. 125, adopted on Oct. 1, 2009 "The Carson City Audit Committee shall be comprised of 5 members; 1 member from the Board of Supervisors and 4 members from the public-at-large. There are two vacancies to be filled for members at-large due to members' terms expiring. William Prowse has requested reappointment and Robert Parvin has applied to be appointed. There are no other 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 William Prowse and Robert Parvin to serve on the Audit Committee as members at-large for two year terms ending December 2012.

Explanation for Recommended Board Action: See Staff Summary

Applicable Statute, Code, Policy, Rule or Regulation: C.C.M.C., Chapter 2.14, Section 2.14.030, Bill No. 125.

Fiscal Impact: None

Explanation of Impact: n/a

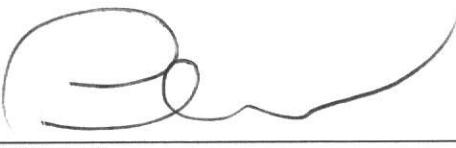
Funding Source: n/a

Alternatives: Reopen the position announcement for additional applicants.

Supporting Material: Request for reappointment, application, membership roster, recruitment announcement, CCMC Chapter 2.14, and Bill No. 125.

Prepared By: Heidi Eskew-Herrmann, Grants Coordinator

Reviewed By:


(City Manager)

Date: 12/28/10


(District Attorney)

Date: 12/28/10

Board Action Taken:

Motion: _____

1) _____
2) _____

Aye/Nay

(Vote Recorded By)

November 22, 2010

NOV 22 2010

Carson City, Board of Supervisors
Carson City Executive Offices
201 N. Carson Street, Suite #2
Carson City, NV 89701

Dear Supervisors,

I am a member of the Carson City Audit Committee, appointed to a term that expires this December. I herewith request reappointment to the Committee.

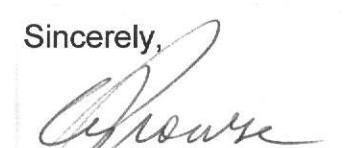
I enjoyed my service on the Audit Committee and I believe we have made some progress in defining the Committee and its appropriate functions. However, there is a great deal still to do to enable the Committee to be a positive contributor to the financial health and efficient and effective operation of Carson City.

With my experience and background, I can be a constructive contributor to the Committee's future success. I am a Nevada CPA with extensive experience in the internal audits of local and national governments. I am currently working as a sworn law enforcement officer, deceptive trade investigator with the Bureau of Consumer Protection, Nevada Attorney General's office.

I would appreciate the opportunity to continue to contribute in making Carson City a better place to live and grow.

If you have any questions, I can be reached at 775-684-1168 during regular business hours.

Sincerely,



William J Prowse CPA
3279 Upland Court
Carson City, NV 89703

Carson City Application for Appointive/Volunteer Position

301 2010

Please print or type

Title of Board or Commission: CARSON CITY AUDIT COMMITTEE

Title of Position: CITIZEN AT LARGE

Name: PARVIN ROBERT

Address: 218 CARVILLE CIRCLE CARSON CITY 89703
Last First Middle Initial
Street City State Zip

Street
Occupation/Business: Retired

NOTE: ONLY COMPLETE IF A DEGREE IS REQUIRED FOR THIS POSITION

<i>College, professional, vocational or other schools attended</i>	<i>Major Subject</i>	<i>Degree Conferred</i>

List any Professional License and/or Certifications you hold.

(List license #'s with each license)

(Expt) State of Calif Prof. Industrial Engr I-37

1. Briefly Describe the Qualifications You Possess Which You Feel Would Be An Asset to this Board/Commission/Committee.

Major work was in Management Systems, controlling and reducing operating costs

2. List the Community Organizations in Which You Have Participated and Describe Participation.

San Francisco Postal Credit Union - Supervisory committee

Grass Valley BriarPatch Community market - Finance committee

Nevada City CA Independence Trail - Treasurer.

3. List Your Affiliation With Professional or Technical Societies. (if required)

(exp) American Institute of Industrial Engineers - member.

4. Do You Anticipate Any Potential Conflicts of Interest? If Yes Please Explain

No

Business in Carson City Area: _____

Length of time in Business: _____

Personal/Professional References:

Name

Address

Telephone #

I have sufficient time to devote to this community and plan to attend the required meetings if I am appointed to fill this or a future vacancy. I understand that if I am appointed to a Board/Commission or Committee where a disclosure of Assets Statement is required by State Law or Council Policy I shall do so, and that I may not assume office until 10 days after statement is filed. I hereby declare that all statements given by me on this form are truthful and complete to the best of my knowledge.

Robert Gardner
Signature of Applicant

Nov 30, 2010

Date

You May Attach More Information

All Applications are Public Information

Applications not acted upon will expire after two years from date submitted unless renewed by applicant.

**Return directly to: Carson City Executive Offices
201 N. Carson Street #2, Carson City NV 89701
(775)887-2100, Fax 887-2286
Email: rgardner@ci.carson-city.nv.us**

<u>MEMBER</u>	<u>AUDIT COMMITTEE MEMBERSHIP</u>	<u>APPOINTMENT</u>	<u>TERM EXPIRES</u>
<u>Internal Auditor</u> (part-time) Casey, Neilon & Assoc. LLC Contact - Niki Neilon, CPA 503 N. Division St.2 Carson City, NV 89703 283-5555 (office) 283-0494 (fax)		appointed by BOS 7/2009	
Board of Supervisors			
Pete Livermore 887-2100 plivermore@ci.carson-city.nv.us		Initial Term 3/08	12/2009
Citizens at Large			
Kenneth Brown 916 Jackson Way Carson City NV 89701 888-2008 (w) 883-8997 (h) kenbrown@gbis.com		Initial Term 3/08 Reappt. 12/08, 1/10	12/2011
Michael Bertrand 4320 Gentry Lane Carson City NV 89701 882-8892 (w) 544-1832 (c) michael@bertrandcpa.com		Initial Term 1/10	12/2011
John McKenna 4 Charleston Ct. Carson City, NV 89701-7676 883-2908 (w & h) 450-2260 (c) john@mckennaCPA.com		Partial Term 10/09	12/2010
William (Bill) Prowse 3279 Upland Ct. Carson City, NV 89703 684-1168 (w) 883-0902 (h) Willpro2001@yahoo.com		Partial Term 10/09	12/2010

AUTHORITY: C.C.M.C, Chapter 2.14.030 Provides for creation and organization of the Carson City audit committee comprised of 5 members; 1 member from the Board of Supervisors and 4 members from the public at-large.

a.) 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 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 2 years; expiring on each alternate year.

MEETINGS: Quarterly meetings are scheduled in the Sierra Room at the Community Center.

PURPOSE: 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.

TYPICAL DUTIES

- 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.
- The Carson City Audit Committee will:
 - 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.
 - 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.
 - 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.
 - Discuss the fiscal health of the City in relation to the adopted budget with the City Manager and the Director of Finance.
 - Consider matters related to the systems of internal controls, including overseeing compliance by management with applicable policies and procedures.
 - 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.
 - Review and make recommendations to the Board of Supervisors pertaining to the Internal Audit Budget for operating expenses and capital expenditures.
 - 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.
 - Recommend to the Board of Supervisors to engage outside Professional Services when deemed appropriate for audit issues
 - Review the Internal Audit Charter and make recommendations to the Board of Supervisors when changes are deemed necessary.
 - 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.
 - 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:
 - 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.
 - 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.
 - 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.

Coordinators:

Kathy King, Recording Secretary, 887-2086 x 30412, kking@carson.org

Attorney Assignment:

**District Attorney's Office
887-2070**



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 in the following category:

- **Citizen at Large**

"Citizens at Large" should have experience in financial services, public accounting, and/or governmental auditing, and current knowledge of public laws and regulations governing an audit committee.

Applicants should be aware this Committee requires a minimum commitment of up to three hours a month. All members serve without compensation. **There are two vacancies for terms that will expire in December 2012.** The Board of Supervisors will interview and appoint qualified persons to the Audit Committee. Members must be residents and registered voters of Carson City.

Volunteer applications may be obtained from and returned to the Carson City Executive Offices. **Applications will be accepted until December 15, 2010.**

Let it be known all applications submitted to this office will be considered public information.

Thank you for your interest in helping Carson City.

CARSON CITY EXECUTIVE OFFICES
201 N. Carson Street #2
Carson City, Nevada 89701
(775)887-2100 FAX(775)887-2286
E-Mail hherrmann@carson.org
Web Page <http://www.carson.org>
AN EQUAL OPPORTUNITY EMPLOYER

Title 2 ADMINISTRATION AND PERSONNEL*

Chapter 2.14CARSON CITY AUDIT COMMITTEE

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 5 members; 2 members from the board of supervisors, 2 members from the public at-large and the city's director of finance.

- a. 2 members of the Carson City audit committee will be selected from the board of supervisors. The board members shall be selected each January when the board of supervisors addresses board and commission assignments; these 2 positions will have staggered 2 year terms.
- b. The 2 members at-large of the Carson City audit committee will be interviewed and selected by the board of supervisors. These members must be from the private sector with no less than 5 years of 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 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 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)

2.14.040 Responsibilities of the Carson City audit committee.

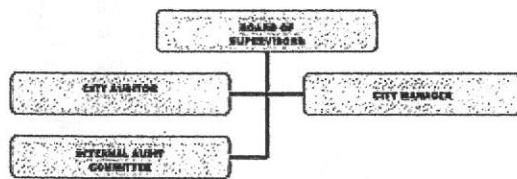
- 1. The Carson City audit committee will review and make recommendations to the board of supervisors regarding the annual financial audit, performance, compliance and efficiency audits, including specific issues of concern providing a higher level of accountability over the use of public funds. As appropriate, 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;
 - 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)

2.14.050 Meetings of the Carson City audit committee.

1. The Carson City audit committee will meet once a month, on the second Tuesday of each month for the first six months and then quarterly thereafter. 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)

2.14.060 Organizational chart.



(Ord. 2008-10 § 8, 2008)

[<< previous](#) | [next >>](#)

ORDINANCE NO. _____

BILL NO. 125

AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE
TITLE 2 ADMINISTRATION AND PERSONNEL, CHAPTER 2.14
CARSON CITY AUDIT COMMITTEE, SECTION 2.14.030
COMPOSITION BY REMOVING ONE OF THE BOARD OF
SUPERVISORS FROM THE COMMITTEE, REMOVING THE
FINANCE DIRECTOR FROM THE COMMITTEE, INCREASING
THE NUMBER OF PUBLIC-AT-LARGE MEMBERS FROM TWO TO
FOUR AND REMOVING THE REQUIREMENT THAT MEMBERS
MUST POSSESS CERTAIN QUALIFICATIONS, SECTION 2.14.040
MEETINGS OF THE CARSON CITY AUDIT COMMITTEE BY
REMOVING THE LANGUAGE REGARDING MONTHLY
MEETINGS AND OTHER MATTERS PROPERLY RELATED
THERETO.

THE BOARD OF SUPERVISORS OF CARSON CITY DO ORDAIN:

SECTION I:

That Carson City Municipal Code Section 2.14.030 is hereby amended as follows:

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 5 members; 1 member from the board of supervisors and 4 members from the public at-large.
 - a. 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 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 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 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.

SECTION II:

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.

SECTION III:

That no other provisions of Chapter 2.14 are affected by this ordinance.

PROPOSED on _____ (month) _____(day), 2009

PROPOSED by Supervisor _____.

PASSED _____ (month) _____(day), 2009.

VOTE:

AYES:

NAYES:

ABSENT:

ATTEST:

ALAN GLOVER, Clerk/Recorder

ROBERT L. CROWELL, Mayor

This ordinance shall be in force and effect from and after the _____ day of the month of _____ of the year 2009.