

CARSON CITY AUDIT COMMITTEE
Minutes of the June 3, 2015 Meeting
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A regular meeting of the Carson City Audit Committee was scheduled for 3:00 p.m. on Wednesday, June 3, 2015 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Chairperson Michael Bertrand
Vice Chairperson William Prowse
Member Lori Bagwell
Member Donald Leonard
Member Mary Sanada

STAFF: Nick Providenti, Finance Department Director
Sheri Russell, Accounting Manager
Adriana Fralick, Chief Deputy District Attorney
Tamar Warren, Deputy Clerk / Council and Commission Reporter

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 Recording Secretaries Division of the Carson City Clerk's Office, during regular business hours.

1 - 2. CALL TO ORDER AND ROLL CALL (3:00:41) - Chairperson Bertrand called the meeting to order at 3:00 p.m. Roll was called; a quorum was present.

3. PUBLIC COMMENT (3:01:02) - Chairperson Bertrand entertained public comment; however, none was forthcoming.

4. POSSIBLE ACTION ON APPROVAL OF MINUTES - March 9, 2015 and April 21, 2015 (3:01:55) - Chairperson Bertrand entertained a motion to approve the minutes. **Vice Chairperson Prowse so moved. Member Leonard seconded the motion.**

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| RESULT: | Approved [5 - 0] |
| MOVER: | Vice Chair Bill Prowse |
| SECOND: | Member Donald Leonard |
| AYES: | Vice Chair Prowse, Members Leonard, Bagwell, Sanada, Chair Bertrand |
| NAYS: | None |
| ABSENT: | None |
| ABSTAIN: | None |

5. POSSIBLE ACTION TO ADOPT THE AGENDA (3:02:08) - Chairperson Bertrand entertained a motion to adopt the agenda. **Member Sanada so moved. Member Bagwell seconded the motion.**

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| RESULT: | Approved [5 - 0] |
| MOVER: | Member Mary Sanada |
| SECOND: | Member Lori Bagwell |
| AYES: | Members Sanada, Bagwell, Leonard, Vice Chair Prowse, Chair Bertrand |
| NAYS: | None |
| ABSENT: | None |
| ABSTAIN: | None |

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6. DISCUSSION REGARDING THE 2014 COMPREHENSIVE ANNUAL FINANCIAL REPORT (“CAFR”) (3:02:24) - Chairperson Bertrand introduced this item, and reviewed the agenda report. Mr. Providenti provided background information. He and Eide Bailly Engagement Partner Dan Carter reviewed the agenda materials and responded to questions of clarification. Extensive discussion ensued. Chairperson Bertrand entertained additional questions or comments; however, none were forthcoming.

7. POSSIBLE ACTION REGARDING THE AUDIT COMMITTEE'S INTERACTION WITH THE EXTERNAL AUDITOR AS THEY PREPARE FOR THE FY 2015 AUDIT OF THE CITY'S FINANCIAL STATEMENTS (3:33:53) - Chairperson Bertrand introduced and provided an overview of this item. Vice Chairperson Prowse read a prepared statement into the record, a copy of which was provided for the record. Discussion ensued, and Chairperson Bertrand cautioned against losing sight of the committee's focus.

Vice Chairperson Prowse solicited comments from the Eide Bailly and Moss-Adams representatives. (3:44:49) Eide Bailly Engagement Partner Dan Carter expressed the opinion “we're actually doing ... the periodic steps.” With regard to the annual procedures, he advised that the external auditor has “historically ... provided a letter to the Audit Committee with our plan, scope, and timing of the audit.” He expressed concern over the timing associated with the committee reviewing and making “recommendations to the Board of Supervisors ...” He clarified that the comprehensive annual financial report is not made public until approved by the Board of Supervisors. Chairperson Bertrand suggested that Vice Chairperson Prowse discuss his proposal relative to “overlap” prior to agendizing it for further discussion. Following a brief discussion, Chairperson Bertrand closed this item with no action.

8. POSSIBLE ACTION REGARDING MONITORING OF THE AUDIT FINDINGS RESPONSE TRACKING REPORT, AND POSSIBLE DIRECTION TO THE INTERNAL AUDITOR TO REPORT AND DISCUSS THE MONITORING WITH THE BOARD OF SUPERVISORS (3:55:22) - Chairperson Bertrand introduced this item. Moss-Adams, LLP Policy and Planning Director Mark Steranka reviewed the agenda materials in conjunction with displayed slides. Following extensive discussion, **Member Bagwell moved to recommend to the Board of Supervisors to give direction to staff on the outstanding audit reports. Vice Chairperson Prowse seconded the motion.**

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| RESULT: | Approved [5 - 0] |
| MOVER: | Member Lori Bagwell |
| SECOND: | Vice Chairperson Bill Prowse |
| AYES: | Member Bagwell, Vice Chair Prowse, Members Leonard, Sanada, Chair Bertrand |
| NAYS: | None |
| ABSENT: | None |
| ABSTAIN: | None |

Member Bagwell requested a meeting with Mr. Steranka and Mr. Providenti. Chairperson Bertrand entertained additional questions or comments. Mr. Steranka responded to questions of clarification regarding the internal control review. Chairperson Bertrand entertained additional questions or comments; however, none were forthcoming.

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9. POSSIBLE ACTION TO IDENTIFY, DISCUSS, AND PROVIDE RECOMMENDATIONS TO THE BOARD OF SUPERVISORS ON ADDITIONAL PROJECTS TO BE PERFORMED BY THE INTERNAL AUDITOR FOR THE PERIOD ENDING JUNE 30, 2016 (4:10:32) - Chairperson Bertrand introduced and provided an overview of this item. Moss-Adams, LLP Policy and Planning Director Mark Steranka reviewed the agenda materials in conjunction with displayed slides. Mr. Steranka, Kim Cook, and Eide Bailly Engagement Partner Dan Carter responded to questions of clarification.

Following discussion, Chairperson Bertrand entertained a motion. **Vice Chairperson Prowse moved that the Audit Committee recommend to the Board of Supervisors adoption of the FY 15 / 16 Internal Audit Plan with the revision to replace the performance measures update with a contingency. Member Bagwell seconded the motion.**

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| RESULT: | Approved [5 - 0] |
| MOVED: | Vice Chair Bill Prowse |
| SECOND: | Member Lori Bagwell |
| AYES: | Vice Chair Prowse, Members Bagwell, Leonard, Sanada, Chair Bertrand |
| NAYS: | None |
| ABSENT: | None |
| ABSTAIN: | None |

10. DISCUSSION AND UPDATE REGARDING THE CITY'S STRATEGIC PLAN (4:37:06) - Chairperson Bertrand introduced this item, and Moss-Adams, LLP Policy and Planning Director Mark Steranka reviewed the agenda materials. Extensive discussion followed.

11. POSSIBLE ACTION TO SCHEDULE THE NEXT MEETING OF THE CARSON CITY AUDIT COMMITTEE (4:48:21) - Chairperson Bertrand introduced this item and, following discussion, consensus of the committee was to tentatively schedule the next meeting for September 15th.

12. PUBLIC COMMENT (4:56:20) - Chairperson Bertrand noted there were no other citizens present in the meeting room.

13. ACTION TO ADJOURN (4:56:23) - Member Leonard moved to adjourn the meeting at 4:56 p.m. The motion was seconded and carried unanimously.

The Minutes of the June 3, 2015 Carson City Audit Committee meeting are so approved this 17th day of November, 2015.

MICHAEL BERTRAND, Chair