

## CARSON CITY AUDIT COMMITTEE

### Minutes of the June 7, 2016 Meeting

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A meeting of the Carson City Audit Committee was scheduled for 2:00 p.m. on Tuesday, June 7, 2016 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

**PRESENT:** Chairperson Michael Bertrand  
Member Lori Bagwell  
Member Catherine Byrne  
Member Don Leonard

**STAFF:** Nancy Paulson, Chief Financial Officer  
Jason Woodbury, District Attorney  
Cheryl Eggert, 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 (2:04:34)** - Chairperson Bertrand called the meeting to order at 2:04 p.m. Ms. Eggert called the roll; a quorum was present.

**3. PUBLIC COMMENTS (2:04:50)** - Chairperson Bertrand entertained public comment; however, none was forthcoming.

**4. POSSIBLE ACTION ON ADOPTION OF AGENDA (2:05:26)** - Chairperson Bertrand entertained a motion. **Member Bagwell moved to adopt the agenda. Member Byrne seconded the motion. Motion carried 4-0.**

**5. DISCUSSION, POSSIBLE ACTION, AND DIRECTION TO STAFF REGARDING THE CURRENT AUDIT WORK PROGRAM UPDATE (2:05:47)** - Chairperson Bertrand introduced this item, and Moss-Adams, LLP Policy and Planning Director Mark Steranka reviewed the agenda materials. Chairperson Bertrand entertained questions or comments from the committee members and from the public and, when none were forthcoming, thanked Mr. Steranka for his report.

**6. DISCUSSION AND POSSIBLE ACTION REGARDING THE MONITORING, REVIEW, AND CLOSURE OF INTERNAL AUDIT FINDINGS INCLUDED IN THE AUDIT FINDINGS TRACKING REPORT, AND POSSIBLE ACTION TO PROVIDE RECOMMENDATIONS TO THE BOARD OF SUPERVISORS FOR CLOSURE OF COMPLETED PROJECTS (2:08:28)** - Chairperson Bertrand introduced this item, and Moss-Adams, LLP Policy and Planning Director Mark Steranka reviewed the agenda materials. Mr. Steranka and Ms. Paulson responded to questions of clarification, and discussion followed.

Chairperson Bertrand entertained a motion. **Member Bagwell recommended closing items 7 and 8 and forwarding them to the Board of Supervisors for final acceptance. Member Leonard seconded the motion.** Chairperson Bertrand called for a vote on the pending motion.

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**RESULT:** Approved [4 - 0]  
**MOVER:** Member Lori Bagwell  
**SECOND:** Member Don Leonard  
**AYES:** Members Bagwell, Leonard, Byrne, and Chair Bertrand  
**NAYS:** None  
**ABSENT:** None  
**ABSTAIN:** None

Chairperson Bertrand entertained questions or comments on the items completed since the May meeting. Ms. Paulson responded to additional questions of clarification, and discussion followed. Chairperson Bertrand entertained public comment and, when none was forthcoming, a motion. **Member Byrne moved to forward the completed items to the Board of Supervisors for approval. Member Leonard seconded the motion.** Chairperson Bertrand entertained discussion on the motion, and Member Bagwell clarified that internal control review number 8 would not yet be forwarded to the Board of Supervisors. Chairperson Bertrand entertained additional discussion and, when none was forthcoming, called for a vote.

**RESULT:** Approved [4 - 0]  
**MOVER:** Member Catherine Byrne  
**SECOND:** Member Don Leonard  
**AYES:** Members Byrne, Leonard, Bagwell, and Chair Bertrand  
**NAYS:** None  
**ABSENT:** None  
**ABSTAIN:** None

Mr. Steranka inquired as to the method by which to handle audit findings validation, and discussion ensued. Ms. Paulson and Mr. Steranka responded to additional questions of clarification, and extensive discussion took place with regard to process. Chairperson Bertrand entertained public comment; however, none was forthcoming.

**7. DISCUSSION AND POSSIBLE ACTION REGARDING UPDATE ON THE PROGRESS OF THE CITY'S PERFORMANCE MEASUREMENT IMPLEMENTATION (2:56:18)** - Chairperson Bertrand introduced this item, and Moss-Adams, LLP Policy and Planning Director Mark Steranka reviewed the agenda materials. Mr. Steranka responded to questions of clarification, and extensive discussion ensued. Chairperson Bertrand entertained public comment; however, none was forthcoming. No formal action was taken.

**8. DISCUSSION AND 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, 2017 (3:11:44)** - Chairperson Bertrand introduced this item, and Moss-Adams, LLP Policy and Planning Director Mark Steranka reviewed the agenda materials. Mr. Steranka responded to questions of clarification regarding the various projects listed on the 2016 - 17 Internal Audit Plan, and discussion took place to prioritize the projects. Chairperson Bertrand entertained a motion **to accept the 2016 - 17 Internal Audit Plan, striking fees and charges inventory and wastewater effluent assessment, with a total budget of \$110,000, which includes a \$15,000 contingency. Member Bagwell so moved. Member**

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**Leonard seconded the motion.** Chairperson Bertrand entertained discussion on the motion and, when none was forthcoming, public comment. When no public comment was forthcoming, Chairperson Bertrand called for a vote on the pending motion.

<b>RESULT:</b>	<b>Approved [4 - 0]</b>
<b>MOVER:</b>	<b>Member Lori Bagwell</b>
<b>SECOND:</b>	<b>Member Don Leonard</b>
<b>AYES:</b>	<b>Members Bagwell, Leonard, Byrne, and Chair Bertrand</b>
<b>NAYS:</b>	<b>None</b>
<b>ABSENT:</b>	<b>None</b>
<b>ABSTAIN:</b>	<b>None</b>

**9. DISCUSSION AND POSSIBLE ACTION TO RECOMMEND TO THE BOARD OF SUPERVISORS THAT THEY EXTEND THE CONTRACT OF MOSS-ADAMS, LLP TO PROVIDE INTERNAL AUDIT SERVICES FOR CARSON CITY, THROUGH THE PERIOD ENDING JUNE 30, 2017 (3:33:33)** - Chairperson Bertrand introduced this item, and Moss-Adams, LLP Policy and Planning Director Mark Steranka reviewed the agenda report. Member Bagwell suggested recommending to submit the next contract to the bid process. Mr. Steranka agreed “as a best practice.” Following discussion, consensus of the committee was to agenda discussion and action, in January of 2017, to recommend submitting the internal auditor contract to the bid process. Members Leonard and Byrne discussed support for a contract internal auditor.

Chairperson Bertrand entertained a motion. **Member Byrne moved to accept Moss-Adams, LLP as the contract internal auditor for FY 2016 / 17, and to consider the possibility of submitting the next contract to the bid process. Member Bagwell seconded the motion.** Chairperson Bertrand entertained discussion on the motion and, when none was forthcoming, public comment. When no public comment was forthcoming, Chairperson Bertrand called for a vote on the pending motion.

<b>RESULT:</b>	<b>Approved [4 - 0]</b>
<b>MOVER:</b>	<b>Member Catherine Byrne</b>
<b>SECOND:</b>	<b>Member Lori Bagwell</b>
<b>AYES:</b>	<b>Members Byrne, Bagwell, Leonard, and Chair Bertrand</b>
<b>NAYS:</b>	<b>None</b>
<b>ABSENT:</b>	<b>None</b>
<b>ABSTAIN:</b>	<b>None</b>

**10. POSSIBLE ACTION TO SCHEDULE THE NEXT MEETING OF THE CARSON CITY AUDIT COMMITTEE (3:39:07)** - Chairperson Bertrand introduced this item and, following discussion regarding the tentative agenda, consensus of the committee was to schedule the next meeting for Tuesday, August 9<sup>th</sup> at 3:00 p.m.

**11. PUBLIC COMMENT (3:42:43)** - Chairperson Bertrand entertained public comment; however, none was forthcoming.

**12. ACTION TO ADJOURN (3:42:55)** - Member Byrne moved to adjourn the meeting at 3:42 p.m., and the meeting adjourned by mutual consent.

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The Minutes of the June 7, 2016 Carson City Audit Committee meeting are so approved this 9<sup>th</sup> day of August, 2016.

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MICHAEL BERTRAND, Chair