

CARSON CITY AUDIT COMMITTEE

Minutes of the May 10, 2018 Meeting

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A regular meeting of the Carson City Audit Committee was scheduled for 3:00 p.m. on Thursday, May 10, 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 Bepsy Strasburg

STAFF: Nancy Paulson, Interim City Manager
Jason Link, Chief Financial Officer
Dan Yu, 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 (3:01:42) - Chairperson Ferguson called the meeting to order at 3:01 p.m. Ms. King called the roll; a quorum was present.

3. PUBLIC COMMENTS AND DISCUSSION (3:02:09) - Chairperson Ferguson entertained public comment; however, none was forthcoming.

4. POSSIBLE ACTION ON APPROVAL OF MINUTES - February 21, 2018 and February 28, 2018 (3:02:55) - Chairperson Ferguson introduced this item, and entertained a motion. **Member Bagwell moved to approve the minutes, as presented. Vice Chairperson Bertrand seconded the motion. Motion carried 5-0.**

5. POSSIBLE ACTION ON ADOPTION OF AGENDA (3:03:21) - Chairperson Ferguson entertained modifications to the agenda; however, none were forthcoming.

6. PUBLIC MEETING ITEMS:

6(A) DISCUSSION AND POSSIBLE ACTION TO DIRECT STAFF REGARDING THE RESULTS OF THE ANNUAL AUDIT OF THE CARSON CITY COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017 (3:03:39) - Chairperson Ferguson introduced this item, and Mr. Link reviewed the agenda materials. Eide Bailly Engagement Partner Dan Carter presented the 2017 Audit Results which were displayed in the meeting room and included in the agenda materials. Mr. Carter, Mr. Link, and Ms. Paulson responded to questions of clarification and discussion followed. No formal action was taken.

6(B) DISCUSSION AND POSSIBLE ACTION TO DIRECT STAFF REGARDING THE WORK PLAN OF THE EXTERNAL AUDITOR IN CONJUNCTION WITH THE ANNUAL AUDIT OF THE CARSON CITY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2018 (3:24:40) - Chairperson Ferguson introduced this item, and Mr. Link introduced Bob Piercy of Piercy Bowler. Mr. Piercy presented the external auditor's work plan, and

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responded to questions of clarification. Chairperson Ferguson entertained additional questions and, when none were forthcoming, thanked Mr. Piercy for his presentation.

6(C) POSSIBLE ACTION TO ACCEPT AND APPROVE THE INTERNAL AUDITOR'S REPORT AND PROCEDURES RELATED TO THE PUBLIC GUARDIAN'S ASSET LIQUIDATION PROCESS AND PROVIDE RECOMMENDATIONS TO THE BOARD OF SUPERVISORS RELATED TO THE AUDIT FINDINGS (3:40:25) - Chairperson Ferguson introduced this item, and Moss-Adams LLP Senior Manager Colleen Rozillis provided background information. Ms. Rozillis introduced Moss-Adams LLP Senior Consultant / Lead Analyst Tammy Lohr, who presented the report which was included in the agenda materials. Ms. Lohr and Ms. Rozillis responded to questions of clarification.

Chairperson Ferguson entertained additional comments or questions and, when none were forthcoming, a motion. **Member Bagwell moved to accept and approve the Internal Auditor's report and procedures related to the Public Guardian's Asset Liquidation Process, and recommend that the Board of Supervisors adopt the additional eight recommendations. Member Mayhorn seconded the motion.** Chairperson Ferguson called for a vote on the pending motion. **Motion carried 5-0.**

6(D) POSSIBLE ACTION TO ACCEPT AND APPROVE THE INTERNAL AUDITOR'S REPORT AND PROCEDURES RELATED TO THE CAPITAL PROJECTS PROCESS, AND PROVIDE RECOMMENDATIONS TO THE BOARD OF SUPERVISORS RELATED TO THE AUDIT FINDINGS (3:49:49) - Chairperson Ferguson introduced this item. Moss-Adams LLP Senior Manager Colleen Rozillis provided background information and presented the report which was included in the agenda materials. Ms. Rozillis, Mr. Link, and Ms. Paulson responded to questions of clarification, and discussion followed.

Chairperson Ferguson entertained additional questions or comments and, when none were forthcoming, a motion. **Member Strasburg moved to accept the auditor's recommendation on the capital projects process, and provide those recommendations to the Board of Supervisors related to the audit findings. Member Mayhorn seconded the motion.** Chairperson Ferguson called for a vote on the pending motion. **Motion carried 5-0.**

6(E) DISCUSSION AND POSSIBLE ACTION TO DIRECT STAFF REGARDING THE CURRENT AUDIT WORK PROGRAM UPDATE (4:00:14) - Chairperson Ferguson introduced this item, and Moss-Adams LLP Partner Mark Steranka presented the update which was included in the agenda materials. Mr. Steranka responded to a question of clarification. Consensus of the committee was that no formal action was necessary.

6(F) DISCUSSION AND POSSIBLE ACTION TO IDENTIFY, DISCUSS, AND PROVIDE RECOMMENDATIONS TO THE BOARD OF SUPERVISORS ON PROJECTS TO BE PERFORMED BY THE INTERNAL AUDITOR FOR THE PERIOD ENDING JUNE 30, 2019 (4:03:17) - Chairperson Ferguson introduced this item. Moss-Adams LLP Partner Mark Steranka narrated a SlideShow presentation of the FY 2018 / 19 Internal Audit Program, and responded to questions of clarification. Extensive discussion followed. Consensus of the committee was that no formal action was necessary.

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6(G) PRESENTATION TO INFORM THE AUDIT COMMITTEE ON THE PROGRESS OF CARSON CITY'S ASSET MANAGEMENT PROGRAM (4:28:44) - Chairperson Ferguson introduced this item, and Real Property Manager Stephanie Hicks introduced Asset Manager Matthew Lawton. Ms. Hicks provided background information on the asset management program, and narrated the presentation which was displayed in the meeting room. Copies of the presentation were included in the agenda materials. Mr. Lawton narrated that portion of the PowerPoint presentation relative to the Sanitary Sewer System. Chairperson Ferguson commended the presentation, and thanked Ms. Hicks and Mr. Lawton.

7. PUBLIC COMMENT (4:54:01) - Chairperson Ferguson entertained public comment; however, none was forthcoming.

8. ACTION TO ADJOURN (4:54:20) - Following a brief discussion, consensus of the committee and staff was to schedule the next meeting for 3:00 p.m. on Tuesday, June 12th. Chairperson Ferguson adjourned the meeting at 4:56 p.m.

The Minutes of the May 10, 2018 Carson City Audit Committee meeting are so approved this 12th day of June, 2018.

STEPHEN FERGUSON, Chair