

CARSON CITY AUDIT COMMITTEE
Minutes of the June 15, 2020 Meeting
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A regular meeting of the Carson City Audit Committee was scheduled for 1:00 p.m. on Monday, June 15, 2020 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Chairperson Stephen Ferguson
Member Lori Bagwell
Member Ernie Mayhorn
Member Margie Molina

STAFF: Nancy Paulson, City Manager
Sheri Russell, Chief Financial Officer
Todd Reese, Deputy District Attorney
Danielle Howard, Public Meetings 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

(1:07:44) – Chairperson Ferguson called the meeting to order at 1:07 p.m. Roll was called, and a quorum was present.

3. PUBLIC COMMENTS

(1:08:37) - Chairperson Ferguson entertained public comments; however, none were forthcoming.

4. POSSIBLE ACTION ON APPROVAL OF MINUTES – JANUARY 6, 2020

(1:09:10) – Chairperson Ferguson introduced the item and entertained comments and/or a motion.

(1:10:20) – Member Bagwell moved to approve the meeting minutes of January 6, 2020. Member Mayhorn seconded the motion. Motion carried 4-0-0.

5. POSSIBLE ACTION ON ADOPTION OF AGENDA

(1:10:37) – Chairperson Ferguson entertained modifications to the agenda, and Ms. Russell noted that there were no modifications.

6. PUBLIC MEETING ITEMS:

6.A FOR POSSIBLE ACTION: DISCUSSION AND POSSBLE ACTION REGARDING THE APPROVAL OF INTERNAL AUDITS AND RECOMMENDATIONS TO THE CITY DEPARTENTS.

(1:10:50) – Chairperson Ferguson introduced the item, and Eide Bailly Senior Manager Audrey Donovan presented the agenda materials remotely via WebEx. She and Ms. Russell responded to clarifying questions. Ms. Russell noted that, because of the excellent rebate provided when using the Procurement Cards (P-Cards),

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Staff recommends using P-Card if the vendor will allow the use of the P-Card on a large purchase, which must be done after receiving approval.

(1:14:43) – In response to Member Bagwell’s question, Ms. Russell confirmed that the Carson City Public Works Department as well as Carson City Information Technology (CCIT) Department occasionally need the P-Card.

(1:30:43) – Chairperson Ferguson entertained a motion.

(1:30:49) – MOTION: Member Mayhorn moved to accept the Accounts Payable and Procurement Card internal audit reports as presented. Member Molina seconded the motion. Motion carried 4-0-0.

6.B FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE MONITORING, REVIEW AND CLOSURE OF INTERNAL AUDIT FINDINGS AND/OR RECOMMENDATIONS INCLUDED IN THE AUDIT FINDINGS TRACKING REPORT AND TO PROVIDE A RECOMMENDATION TO THE BOARD OF SUPERVISORS TO CLOSE COMPLETED FINDINGS AND/OR RECOMMENDATIONS.

(1:31:14) – Chairperson Ferguson introduced the item. Ms. Russell presented the agenda materials, which included the closing items for discussion. She noted that the Capital Projects #1, #2, and #3; the 2018 and 2019 External Audits; and the several Cash Handling and Human Resources (HR) items that were recommended for closure by the Committee during the previous meeting had not been brought to the Board of Supervisors because Ms. Russell was waiting for validation and for this meeting before going to the Board. She also responded to clarifying questions.

(1:41:30) – Chairperson Ferguson entertained a motion.

(1:41:37) – MOTION: Member Bagwell moved to recommend to the Board of Supervisors closing items discussed based on the correction of findings and recommendations included in the Audit Findings Tracking Report with the addition of Item #20. Member Mayhorn seconded the motion. Motion carried 4-0-0.

6.C FOR POSSIBLE ACTION: 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, 2021.

(1:42:20) – Chairperson Ferguson introduced the item. Ms. Donovan presented the agenda materials, and she and Ms. Russell responded to clarifying questions.

(2:00:14) – Chairperson Ferguson entertained a motion.

(2:00:23) – MOTION: Member Mayhorn moved to accept the Audit Program, eliminating the Citywide Budget Monitoring Audit and the Investments Audit, totaling \$130,500. Member Molina seconded the motion. Motion carried 4-0-0.

6.D FOR DISCUSSION ONLY: DISCUSSION REGARDING FY 20 AUDIT WORK

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PROGRAM UPDATE AND HOTLINE ACTIVITY.

(2:00:44) – Chairperson Ferguson introduced the item. Eide Bailly Engagement Partner Kim Higgins, appearing remotely via WebEx, mentioned that Eide Bailly has a COVID-19 response team and a website with numerous resources that could be provided to the Committee along with weekly webinars and articles that are available at a moment's notice. Ms. Donovan informed that the hotline had received four reports, all from the same individual, reporting on one person from the Carson City Airport, and the Carson City Manager Nancy Paulson, the Carson City Airport Authority (CCAA), and Eide Bailly had been notified of the allegations. She added that Ms. Paulson had reached out to the reporting individual to inform them of different protocols regarding allegations of fraud, waste, or abuse or misconduct; therefore, the individual is well-informed. She noted that the process had been closed down from the City's side, and the individual had been moved toward the right direction to get the actions that he was looking for. Ms. Donovan and Ms. Russell responded to clarifying questions.

(2:05:22) – Ms. Donovan discussed the audits and activity that were completed during fiscal year 2019/2020, which are incorporated into the record.

6.E FOR DISCUSSION ONLY: DATES FOR THE NEXT MEETING OF THE AUDIT COMMITTEE.

(2:09:29) – Chairperson Ferguson introduced the item. Ms. Russell recommended meeting around the end of July 2020 or early August 2020, and the Committee reached a consensus with meeting on August 4, 2020 at 1:30 p.m.

7. PUBLIC COMMENT

(2:12:17) – Chairperson Ferguson entertained public comments; however, none were forthcoming.

8. FOR POSSIBLE ACTION: TO ADJOURN

(2:12:44) – Chairperson Ferguson adjourned the meeting at 2:12 p.m.

The Minutes of the June 15, 2020 Carson City Audit Committee meeting are so approved this 4th day of August, 2020.