

CARSON CITY AUDIT COMMITTEE (AC)
Minutes of the January 24, 2023 Meeting
Page 1

A regular meeting of the Carson City Audit Committee was scheduled for 1:30 p.m. on Tuesday, January 24, 2023 in the Community Center Robert “Bob” Crowell Board Room, 851 East William Street, Carson City, Nevada.

PRESENT: Chairperson Stephen Ferguson
Member Bonnie Duke
Member Lisa Schuette
Member Laura Chavez

STAFF: Sheri Russell-Benabou, Chief Financial Officer
Hope Sullivan, Community Development Director
Mihaela Neagos, 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. CALL TO ORDER

(1:34:50) – Chairperson Ferguson called the meeting to order at 1:34 p.m.

2. ROLL CALL

(1:34:58) – Roll was called, and a quorum was present. Member Mayhorn was absent during the meeting.

3. PUBLIC COMMENT AND DISCUSSION:

(1:35:18) – Chairperson Ferguson entertained public comments; however, none were forthcoming.

4. FOR POSSIBLE ACTION: APPROVAL OF MINUTES – SEPTEMBER 13, 2022

(1:35:29) – Chairperson Ferguson introduced the item and entertained comments, questions, and a motion.

(1:35:59) – MOTION: Member Schuette moved to approve the September 13, 2022 meeting minutes as presented. Member Duke seconded the motion. The motion carried 4-0-0.

5. FOR POSSIBLE ACTION: ADOPTION OF AGENDA

(1:36:12) – Ms. Russell-Benabou noted that there were no changes to the agenda.

(1:36:31) – MOTION: Member Schuette moved to adopt the agenda. Member Duke seconded the motion. The motion carried 4-0-0.

6. MEETING ITEMS

CARSON CITY AUDIT COMMITTEE (AC)
Minutes of the January 24, 2023 Meeting
Page 2

6.A ELECTION OF THE CHAIR AND VICE CHAIR FOR THE AUDIT COMMITTEE FOR CALENDAR YEAR 2023.

(1:36:41) – Chairperson Ferguson introduced the item and entertained nominations.

(1:39:17) – Member Duke moved to nominate Stephen Ferguson to the position of AC Chair and Lisa Schuette to the position of AC Vice Chair. Member Schuette seconded the motion. The motion carried 4-0-0.

6.B FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE REVIEW OF THE UTILITY BILLING PROCESS, FINDINGS AND RECOMMENDATIONS.

(1:39:40) – Chairperson Ferguson introduced the item. Eide Bailly Senior Manager Audrey Donovan and Eide Bailly Risk Advisory Associate Cathy Villamar, both appearing via WebEx, referenced the Staff Report and the Review of the Utility Billing Process for the Carson City Utility Billing Division, both of which are incorporated into the record.

(1:50:29) – Chairperson Ferguson entertained Member questions and input, and Ms. Villamar and Ms. Donovan responded to clarifying questions. Vice Chairperson Schuette complimented the report as well as City staff.

(1:54:14) – Chairperson Ferguson pointed out that, according to the report, the main reason for the City Utility Billing Division approving billing adjustments to customers was for water leaks, and he believed that the customer would be responsible for water leaks after the meter that were not repaired. Ms. Russell-Benabou stated that she would contact Carson City Public Works Director Darren Schulz for a response on the matter. Chairperson Ferguson and Member Duke also complimented the report, and Member Duke encouraged pursuing all the recommendations outlined in the report. She believed that consistency on the fee charge should be considered for a Municipality-wide policy.

(2:01:33) – Referencing Finding #8 regarding print and electronic customer bills, Member Chavez stated that printed bills also required expending such materials as stamps and envelopes in addition to time, the personnel, and the paper. She commented that it was “really nice” to be able to review recommendations in the report. Ms. Russell-Benabou stated that Staff would “do what we can” with the electronic billing; however, she noted that the City’s older population preferred printed bills and not having to deal with computers. She indicated that she would discuss the credit card fees with Carson City Treasurer Andrew Rasor. Vice Chairperson Schuette added that the City should “streamline” the billing process by possibly including two different ways of billing for customers who only request electronic bills and for customers who only request printed bills.

(2:04:18) – MOTION: Vice Chairperson Schuette moved to approve the report and direct Staff to work on the recommendations as discussed. Member Duke seconded the motion. The motion carried 4-0-0.

6.C 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

CARSON CITY AUDIT COMMITTEE (AC)
Minutes of the January 24, 2023 Meeting
Page 3

PROVIDING A RECOMMENDATION TO THE BOARD OF SUPERVISORS TO CLOSE COMPLETED FINDINGS AND/OR RECOMMENDATIONS.

(2:04:49) – Chairperson Ferguson introduced the item. Ms. Russell-Benabou referenced the Staff Report and the accompanying attachments, all of which are incorporated into the record, and she responded to clarifying questions. Staff recommended closing Community Development Internal Audit Items #2, #5, and #7; IT Vulnerability Update Internal Audit Items #2 through #6; Preliminary Risk Assessment of Sheriff’s Body Worn Camera Program Items #2 and #4; and Utility Billing Internal Audit Item #2.

(2:06:06) – In response to Vice Chairperson Schuette’s inquiry regarding Item #5 of the Community Development Internal Audit, Ms. Sullivan noted that she had discussed with the Charles Abbott Associates (CAA) team about the Community Development Department’s need for a procedure for capturing the reinspection fee. She stated that she had discussed the cancelled permits with the Building Official who was in place when the internal audit was being performed, and the Building Official indicated that he could not identify examples of instances of active permits being cancelled with which inspections were performed. She believed that it was sufficient that there was an agreement that active permits that had been inspected were to not be cancelled.

(2:16:33) – MOTION: Member Duke moved to recommend to the Board of Supervisors closing the items discussed based on the correction of findings and recommendations included in the Audit Findings Tracking Report. Vice Chairperson Schuette seconded the motion. The motion carried 4-0-0.

6.D FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE REVIEW OF AGREED UPON PROCEDURES SUGGESTED BY EIDE BAILLY, LLP REGARDING THE GRANTS COMPLIANCE AUDIT SELECTED FOR THE FY 2023 AUDIT WORK PROGRAM.

(2:16:56) – Chairperson Ferguson introduced the item. Ms. Donovan referenced the Staff Report and the accompanying attachment for the Carson City Grants Compliance Audit Program, both of which are incorporated into the record. She clarified that the outlined procedures would be performed for January 1, 2022 to current management activities of citywide grants, which the Members and Staff supported. Ms. Donovan also responded to clarifying questions.

(2:23:43) – MOTION: Vice Chairperson Schuette moved to direct Eide Bailly, LLP and Staff to proceed with the Grants Compliance Audit agreed upon procedures as discussed on the record. Member Duke seconded the motion. The motion carried 4-0-0.

6.E FOR PRESENTATION ONLY: DISCUSSION REGARDING FY 2023 AUDIT WORK PROGRAM UPDATE AND HOTLINE ACTIVITY.

(2:24:05) – Chairperson Ferguson introduced the item. Ms. Donovan stated that there were two reported instances with the Carson City Public Works Department, with one of the instances being resolved while the other instance was being addressed internally.

(2:26:48) – Ms. Russell-Benabou stated that she hoped to discuss the items of concern during the next quarterly

CARSON CITY AUDIT COMMITTEE (AC)
Minutes of the January 24, 2023 Meeting
Page 4

meeting of the AC, and when the risk assessment was completed, Staff could have an idea of what programs to proceed with versus those outlined in Eide Bailly’s risk assessment for the Members’ consideration. Ms. Donovan added that completing a preliminary risk assessment at this point would allow for Eide Bailly to update closer to June 2024, so a preliminary risk assessment and some internal audit topics could be presented during the next AC meeting. She noted that Staff and Eide Bailly needed to be mindful of the City’s Budget and suggested completing a full risk assessment, which would “chew up the entire Budget,” or completing a preliminary risk assessment “and do a light touch” with a list of internal audit topics based on trends that were identified within government and experience with Carson City. Ms. Russell-Benabou and Ms. Donovan also responded to clarifying questions. Member Duke supported completing a preliminary risk assessment with “a deeper dive” later, as doing so would provide the AC an opportunity to consider where it might identify risks.

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

(2:33:13) – Chairperson Ferguson introduced the item. Based on the dates suggested by Ms. Russell-Benabou, Members and Staff agreed to schedule the next AC meeting on April 18, 2023 at 1:30 p.m.

7. PUBLIC COMMENT

(2:35:22) – Chairperson Ferguson entertained public comments; however, none were forthcoming.

8. FOR POSSIBLE ACTION: TO ADJOURN

(2:35:30) – Chairperson Ferguson adjourned the meeting at 2:35 p.m.

The Minutes of the January 24, 2023 Carson City Audit Committee meeting are so approved this day 25th of April 2023.