

CARSON CITY AUDIT COMMITTEE
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A meeting of the Carson City Audit Committee was scheduled for 3:00 p.m. on Tuesday, November 25, 2008 in the City Hall Capitol Conference Room, 201 North Carson Street, Carson City, Nevada.

PRESENT: Chairperson Richard Staub
Vice Chairperson Ken Brown
Joe Eiben
Pete Livermore
Nick Providenti

STAFF: Larry Werner, City Manager
Joe McCarthy, Business Development Manager
Tammy Westergard, Deputy Business Development Manager
Melanie Bruketta, Chief Deputy District Attorney
Joel Benton, Senior Deputy District Attorney
Kathleen King, Recording Secretary

NOTE: A recording of these proceedings, the committee's agenda materials, and any written comments or documentation provided to the recording secretary during the meeting are public record. These materials are on file in the Clerk-Recorder's Office, and available for review during regular business hours.

1. CALL TO ORDER (1-0007) - Chairperson Staub called the meeting to order at 3:00 p.m. Roll was called; a quorum was present. Chairperson Staub noted the presence of former City Auditor Sue Johnson. Mayor-elect Crowell and Supervisor-elect Walt were also present in addition to several citizens and members of the press.

2. ACTION ON APPROVAL OF MINUTES - November 3, 2008 (1-0018) - Member Eiben moved to accept the minutes, as presented. Member Livermore seconded the motion. Motion carried 5-0.

3. PRESENTATION OF PRELIMINARY AUDIT FINDINGS BY KAFOURY, ARMSTRONG & COMPANY REPRESENTATIVES; POSSIBLE ACTION TO FORWARD RECOMMENDATION TO THE BOARD OF SUPERVISORS (1-0026) - Kafoury, Armstrong & Company Audit Manager Dan Carter advised of having performed the audit, according to the plan, scope, and timing previously communicated at the July 8, 2008 committee meeting. He further advised of having encountered no significant difficulties in dealing with management or performing the audit. An unqualified opinion will be presented, together with the report and the CAFR, at the December 18, 2008 Board of Supervisors meeting. Mr. Carter reviewed the Schedule of Findings and Questioned Costs for the Year Ended June 30, 2008 (the "Schedule"), copies of which were distributed to the committee members and staff prior to the start of the meeting. Member Providenti reviewed Management's Response to Finding 08-1, as outlined in the Schedule. He responded to questions of clarification regarding the method by which cash would be handled by Treasurer's Office staff.

Kafoury, Armstrong & Co. Shareholder Kristen Burgess reviewed Finding 08-2, as outlined in the Schedule. Member Providenti acknowledged the accuracy of the finding, and his agreement with the recommendation. Ms. Burgess provided additional clarification of the finding. She reviewed Finding 08-3, as outlined in the Schedule.

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Chairperson Staub entertained questions of the committee members; however, none were forthcoming. Mr. Providenti thanked Kafoury, Armstrong & Company, Ms. Burgess, and Mr. Carter, and commended them on a job well done. Chairperson Staub thanked Ms. Burgess and Mr. Carter on the committee's behalf. Ms. Burgess acknowledged there were no budget violations, and advised there were no material audit adjustments.

Chairperson Staub entertained a motion. **Member Livermore moved to forward the Kafoury, Armstrong & Company findings to the Board of Supervisors, as presented. Vice Chairperson Brown seconded the motion. Motion carried 5-0.**

4. DISCUSSION AND POSSIBLE ACTION REGARDING THE CURRENT STATUS OF ONGOING AUDITS AND OTHER ACTIVITIES OF THE CITY AUDITOR (1-0194) - Chairperson Staub expressed the belief that it would be inappropriate for the former city auditor to provide any report on this item. He entertained discussion of the committee members. In response to a question, Ms. Johnson advised that she completed all projects prior to her resignation.

5. REVIEW AND DISCUSSION OF THE REDEVELOPMENT AUTHORITY AUDIT AND ACTION TO RECOMMEND TO THE BOARD OF SUPERVISORS THE AUDIT FINDINGS, INCLUDING THE STATUS AND IMPLEMENTATION OF RECOMMENDATIONS FOR THE AUDIT (1-0211) - Chairperson Staub introduced this item, and advised that every committee member had received copies of the draft audit report, dated November 3, 2008. The committee members acknowledged having received copies of management's response to the draft audit report, dated November 17, 2008.

Chairperson Staub noted the purpose of the audit to consider the redevelopment authority and office of business development operations "to see what we've done, whether we've done it right ..." He further noted that if the operations have not been in accordance with NRS 279 or any pertinent ordinances and resolutions, "the audit's going to document that ..." He emphasized the purpose of the audit was not to berate or belittle anyone, but "merely to identify the issues and outline a remedy," in order to ensure compliance. He suggested that no one consider the former city auditor's observations as personal.

Chairperson Staub advised of having reviewed management's response to the draft audit report. He noted that the redevelopment authority lacked "comprehensive and clear policies and procedures under which to operate," as acknowledged by Mr. McCarthy "on the record before the Board of Supervisors ..." Therefore, as noted in the draft audit report, Mr. McCarthy began a process to create comprehensive policies and procedures for the redevelopment authority, pertinent to both redevelopment areas. Chairperson Staub pointed out that the draft audit report clearly identifies its focus as the operations of the office of business development. He took issue with management's response to the draft audit report questioning the auditor's understanding of the audit's purpose. "... I'm very confident that the auditor and this committee knew exactly what it was doing and that's why the audit focuses on the office of business development and not the redevelopment authority." Chairperson Staub noted the distinction between the redevelopment authority and the office of business development. He reiterated that the audit focused on "the policies and procedures that the office of business development operated under, including ... the appropriate policies and resolutions that are applicable to all City staff and certainly applicable to this City staff." He was unaware of any resolution of the redevelopment authority or the Board of Supervisors which

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identifies the staff of the office of business development as being separate and apart from any other City staff member; or that the staff of the office of business development report directly to the redevelopment authority “without any application of the normal rules and processes that are applicable to City staff ...”

Chairperson Staub advised of having requested former City Auditor Sue Johnson to review management’s response and provide comments. Mr. Werner expressed concern regarding the appropriateness of Ms. Johnson providing comments to management’s response. He referred to the audit committee’s manual, which outlines the procedure for conducting audits, and advised “we are not following that.” He noted that management had no opportunity to discuss the draft audit report with the auditor and agree to a plan to present as the final audit. He read the pertinent portion of the audit manual into the record. Chairperson Staub expressed understanding for the missing step, and Mr. Werner reiterated concern over how to proceed without a city auditor with whom to review management’s response, which he noted was also considered to be draft. Chairperson Staub expressed the belief that the committee was familiar with the procedures outlined in the audit manual. Because of Ms. Johnson’s resignation, effective October 31, 2008, Chairperson Staub suggested “we are in a situation of impossibility simply because we have no city auditor for you to sit down and talk to.” Mr. Werner suggested postponing the audit until such time as another auditor is hired. He reiterated concern over a non-City employee providing comments regarding management’s response to the draft audit report. He further reiterated that the draft management response would have been reviewed with the city auditor, as opposed to the committee. “We would have talked about it and maybe we would have come to different conclusions on some of the findings. We did not have that opportunity.” Mr. Werner referred to the process by which the external auditors had presented their findings, as part of agenda item 3, and reiterated the same process was identified in the audit manual.

(1-0409) Ms. Johnson advised of having “candidly and openly discussed the issues identified” with Mr. Werner and Mr. McCarthy during the audit process. She further advised of having “indicated to them what the findings would be ... and what the issues were,” on many different occasions. She referred to e-mails “back and forth that indicated an understanding of what the issues were that were presented in the draft report ...” Mr. Werner respectfully disagreed and determined Ms. Johnson’s statements to be “a falsehood.” He advised of having met with Ms. Johnson and Chairperson Staub, “and said basically the redevelopment authority did not have policies and procedures. It did not make sense to go forward with this audit, and it should be shelved until such time as the ... redevelopment authority had adopted those policies and procedures.” Mr. Werner advised “that was the conclusion [he] was operating under ...” Ms. Johnson advised of having sent e-mail correspondence to Mr. Werner clarifying the audit committee’s direction at the time the decision was made “that staff was going to rework the policies and procedures.” Mr. Werner reiterated his disagreement.

Chairperson Staub noted that, “as a result of the July meeting,” policies and procedures are being developed. He expressed understanding for Mr. Werner’s point, and advised it was well taken. He explained that the committee had discussed the question of whether to postpone or refocus the audit. In reference to page 3 of the draft audit report, he stated that “since redevelopment was working on policies and procedures, ... the audit would not focus on the redevelopment authority, ... and that we would, therefore, look at the actions and activities of the office of business development and the incentive grants and contracts and expenditures that had been made during the audit period ... to determine whether they complied with what the auditor would determine would be appropriate policies, procedures, and resolutions.” Chairperson Staub advised that “everything you see in the audit specifically addresses incentives that were granted, contracts for services and / or payments for services that have been made, and

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other types of incentives that were provided to determine whether they had complied with whatever procedures, historically, applied to incentives or whether they had complied with what we believe to be applicable City policies and procedures that we believe are applicable to all City staff which, in our opinion, includes the office of business development.”

Mr. Werner disagreed, and advised that the office of business development provides a service to other agencies, including the regional transportation commission, the redevelopment authority, the library, “and we operate under the rules of those agencies.” He referred to an operational memorandum between the Board of Supervisors and the regional transportation commission to establish the governance, and advised “we need to do those kinds of things with these other agencies.” He advised that no assumption can be made that the office of business development would “impose the same requirements the Board of Supervisors had adopted on the redevelopment authority ...” He further advised that the redevelopment authority and Board of Supervisors’ charge to Mr. McCarthy, in 2001, “was to go forth and work on ... downtown incentives, ... business, ... and later on work with the auto dealers.” He noted that Mr. McCarthy had done so, and the accomplishments “were many.” He further noted there were no state law violations in the process, and suggested that for the audit to “now focus on the office of business development and not the redevelopment authority is inconsistent ...”

(1-0504) Ms. Johnson advised that the audit work plan which was approved in April 2008 references the redevelopment authority and the office of business development. Mr. Werner read into the record a portion of the draft audit report conclusion, at page 4. He discussed the need to adopt clear policies and procedures for the redevelopment authority, and to develop resolutions with the redevelopment authority indicating the applicable City policies and procedures.

Member Livermore expressed concern over public faith and trust in government. He noted that the draft audit report indicates “some weaknesses in our policies and procedures.” He suggested the point is not to find fault or determine what policies are and are not applicable, but “how we correct this ship of government in Carson City ...” Mr. Werner expressed the opinion there is no loss of faith and confidence in City government. He reiterated there have been no violations of state law. He pointed out that the redevelopment authority could decide to operate only under state law. “There truly is no requirement that they adopt any policies and procedures other than operating under the confines of state law.” Member Livermore noted that NRS 279 describes an agency, not the staff. Mr. Werner referred to the Board of Supervisors and redevelopment authority’s direction to adopt policies and procedures pertinent to incentives and other redevelopment programs. He reiterated that the process had been started, with a preliminary presentation having already been made. “Those talk about how we process incentives; they don’t talk about what’s our merit system for anybody that works in redevelopment. What’s our relationship between internal information systems? What’s our relationship between purchasing and finance? All that needs to be addressed and we plan to do that but, at this stage, it’s not there.” Mr. Werner reiterated the inappropriateness of allegations regarding improper uses of City funds “applied against policies that were never adopted by redevelopment that were still totally in compliance with state law.” He reiterated there was no opportunity to discuss the draft audit report findings with Ms. Johnson. He acknowledged Ms. Johnson may not have revised her findings following said discussion, but pointed out there would have been opportunity to develop “maybe a coordinated response to these findings.”

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Member Livermore suggested that the draft audit report “only verified the facts that we were assuming.” He referred to discussions with Mr. Werner “about tightening controls.” He further suggested the draft audit report “brings to conclusion ... the perception that we were somewhat working under. Those perceptions are still there. That’s why I go back down to restoring the faith ...” He inquired as to a time line for developing policies and procedures. Mr. Werner clarified that the policies and procedures being developed are pertinent to incentive program applications. Applying the same procedures as the Purchasing Division to redevelopment, “we simply have a resolution between redevelopment and the City saying, ‘... purchasing will apply the same rules in redevelopment as it does to the City.’” Member Livermore requested Mr. Werner to prepare a resolution for the next meeting of the Board of Supervisors.

Chairperson Staub suggested agreeing to disagree. In reference to the agreement between the regional transportation commission and the Board of Supervisors, he stated, “The staff that serves the RTC are City staff. They follow City purchasing guidelines. ...” Chairperson Staub didn’t consider the staff of the office of business development any differently than the public works department staff “that works for RTC.” He suggested that Mr. Werner, as the City Manager, could direct office of business development staff to comply with City policies and procedures regarding contracting and purchasing. Mr. Werner disagreed, and reiterated the requirement for a redevelopment authority resolution. In response to a comment, he explained that the regional transportation commission and the redevelopment authority, as defined by statute, are separate governments from the Board of Supervisors. He agreed with the need to address the situation as pertinent to the redevelopment authority and the office of business development. Chairperson Staub expressed understanding, but considered City staff as being all the same no matter the department for which they work. Mr. Werner advised that both the regional transportation commission and the redevelopment authority could hire its own staff. He discussed the need to develop resolutions for each entity as pertinent to City policies and procedures. Discussion followed. Chairperson Staub referred to NRS 279.486, and expressed the opinion that appropriate findings have not been made for any of the incentive projects.

Chairperson Staub suggested the issue was whether to shelve the audit until such time as another auditor is hired or to forego management discussion and forward the draft audit report to the Board of Supervisors. Member Eiben suggested establishing timelines for resolving the problems and implementing the policies. In response to a comment, Mr. Werner disagreed there is a problem with policies and procedures. In response to a further comment, he advised of the need to be specific. “When we act for the other government agencies, we operate by their rules. We have to, and we do that normally through agreement. If we’re acting in the general City government, then there are absolutely a set of policies and procedures. When we act as representatives of Carson City, a consolidated municipality, we absolutely follow those rules and procedures because they are adopted by the Board of Supervisors, and we follow them. When we’re acting for the redevelopment authority, there is no presumption there that they have to follow the same rules. So what we do then is ... look to state law. Have we violated state law? And the answer is no.”

Chairperson Staub inquired as to the office of business development working under the Carson City Charter and ordinances. Mr. Werner reiterated that any work not related to redevelopment would have to follow City policies and procedures. He acknowledged that the redevelopment authority would have to proactively impose standard City policies and procedures. Chairperson Staub disagreed because office of business development staff are paid by the City and subject to the City Manager’s direction. Member Livermore discussed “flaws in how this operation takes place and they need to be reined in and need to be controlled.” Mr. Werner suggested that Member Livermore’s statements presumed out-of-control

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problems, and advised he didn't see it that way. Chairperson Staub expressed confidence that he could convince a "trier of fact that, absent a resolution that exempts the staff of the office of business development from standard city-wide policies, ... they apply because they are City employees; they fall under the City salary and merit pay plan, ..." He expressed the belief that Mr. Werner's premise was untenable, and that he was "basically trying to tie our hands behind our backs in trying to get this audit published and before the Board of Supervisors so the Board of Supervisors can make a statement as to what they want you to do in drawing the conclusion as to whether, absent a resolution, they follow City guidelines or, absent a resolution, they follow RDA guidelines which are yet to be established." He advised that he would open this item to public comment, and then entertain a motion of the committee.

Mr. Werner reiterated that incentive program policies and procedures are being developed and will be finalized prior to the end of January 2009. He reiterated agreement that this "was lacking." With regard to the office of business development, one resolution can be presented to the redevelopment authority to adopt operating guidelines. Mr. Werner expressed the belief that the nature of the audit changed direction midstream "... because all of a sudden, now, we have findings ... that we really didn't have policies and procedures to cover. ... Based on that, I took exception to the assumptions ... that there was wrongdoing and things were out of control because I absolutely do not believe that." Mr. Werner reiterated that the actions of office of business development staff were in full compliance with state law. He denied that there were expenditures of funds beyond the Board of Supervisors' approval. Chairperson Staub reiterated an agreement to disagree.

Chairperson Staub opened this item to public comment. (1-0907) Ms. Johnson advised of having prepared a written response. She further advised that the intent of the audit was to provide "insight into the operation of a City function," and that "it was very clear, from the moment the audit plan was approved, that there would be resistance to this audit." She read her written response into the record.

(1-1038) Jim Shirk expressed the opinion that public trust has been diminished, based on the draft audit report. He read a written statement into the record.

Chairperson Staub called for additional public comment; however, none was forthcoming. He inquired of Ms. Bruketta as to the difference of opinion regarding whether office of business development staff "falls within the jurisdiction of standard City policies and processes, absent a resolution otherwise, or vice versa." Ms. Bruketta advised of having reviewed the draft audit report and management's response, and that no violation of state law or City policy was found. She acknowledged the District Attorney's opinion that, absent the existence of a resolution, City policies and procedures don't apply to the office of business development.

Chairperson Staub solicited committee member comments and, when none were forthcoming, offered the following options: to put the audit on hold until such time as a new auditor is hired, at which point City staff would have the opportunity to determine a plan of action together with the auditor, and then present a report to the Board of Supervisors; or to set aside the requirement for City staff to meet with the auditor and move the draft audit report to the Board of Supervisors for further discussion and action. **Member Livermore "moved to direct the redevelopment authority / office of business development audit and actions to recommend to the Board of Supervisors the audit findings included in the statutes and limitations and recommendations for the audit."** He acknowledged the waiver of management's response due to the lack of a city auditor. **Vice Chairperson Brown seconded the motion.** Member

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Providenti advised he would abstain from voting based on his position as Finance Department Director. Member Eiben expressed concern that without a city auditor to “explain or defend ... presenting it to the Board is kind of putting the cart before the horse.” In response to a comment, Ms. Bruketta clarified that the District Attorney’s office had no legal issue with the draft audit report. Member Eiben expressed the opinion this is the reason for having an “auditor to represent the audit.” Member Livermore discussed his intent to “get the issue before the Board,” in order to “accelerate the hiring of an auditor ...” He suggested the Board will likely provide direction to staff. Member Eiben suggested that not forwarding the draft audit report to the Board of Supervisors will create more pressure to hire a city auditor. Member Livermore reminded Member Eiben that the auditor is an employee of the Board of Supervisors. He suggested that, once the draft audit report is forwarded to the Board of Supervisors, an informed decision can be made. Discussion followed.

Mr. Werner reiterated that “regardless of what happens here with the audit, we are going forward with the resolutions to correct the policies and procedures ...” Vice Chairperson Brown expressed the opinion that the audit is thorough and meritorious enough to forward to the Board of Supervisors for review. Chairperson Staub expressed opposition to a grand jury investigation into this matter. He reiterated the purpose of the audit to correct discrepancies. He commended office of business development staff for their intent, and advised there was no judgment of the intent. He expressed appreciation for Mr. Werner’s assurances that “we will proceed forward with policies and procedures and potentially a resolution as to whether staff and the office of business development fall under City rules and regulations or whether they don’t.” He noted the next action item to discuss the method by which the City’s ordinances regarding employment and function of the city auditor would be fulfilled. He emphasized that no auditor could ethically or summarily adopt as their own the findings and conclusions drawn by another auditor. “Based upon the totality of the circumstances that are before this committee, and with the understanding that ... the public ... wants some immediate action by the Board of Supervisors making specific recommendations to City staff to accomplish the tasks it commits to today and has in the past, I cannot comfortably let this sit.” Chairperson Staub expressed support for forwarding the draft audit report to the Board of Supervisors. He reiterated acknowledgment that some of the audit manual processes were not followed, “but ... difficult situations dictate difficult decisions.”

Ms. Bruketta inquired as to whether Member Livermore would amend his motion to forward the draft audit report first to the redevelopment authority. She noted that the draft audit report deals with the incentive program funding, not necessarily the office of business development. **Member Livermore amended his motion to forward the draft audit report first to the redevelopment authority and then to the Board of Supervisors. Vice Chairperson Brown continued his second.** Vice Chairperson Brown commended the overall efforts of the redevelopment authority and Mr. McCarthy. He suggested that “some exceptions in an audit” shouldn’t determine “the life or death of the whole deal.” He expressed support for the motion to move the draft audit report to the Board of Supervisors, and the opinion that the committee’s role is “yes or no in this; not for us to evaluate beyond that fact that it’s information the Board should have ...” Chairperson Staub endorsed Vice Chairperson Brown’s comments, and called for a vote on the pending motion. **Motion carried 4-0-1, Member Providenti abstaining.**

Discussion took place regarding the Board of Supervisors meeting at which to agendaize presentation of the draft audit report. In response to a question, Chairperson Staub offered to present the draft audit report to the Board of Supervisors. Consensus of the committee members and Mr. Werner was to agendaize the item for the December 18th Board of Supervisors meeting.

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6. DISCUSSION AND POSSIBLE ACTION REGARDING THE POSITION OF THE CITY AUDITOR; POSSIBLE ACTION TO RECOMMEND OPTIONS REGARDING HOW THIS FUNCTION MIGHT BE ACCOMPLISHED IN THE FUTURE, INCLUDING APPROPRIATE FUNDING, TO THE BOARD OF SUPERVISORS (1-1439) - Chairperson Staub introduced this item, and requested input of Ms. Bruketta regarding a previously-published District Attorney's opinion that the city auditor is required to be a City employee. Chairperson Staub provided historic information on the City's internal auditor position. He noted that the city auditor position is "a one-man shop. There is no adjunct staff. The individual reports directly to the Board of Supervisors, and ... must depend upon basically asking the City Manager to allocate staff time for their assistance ..." He advised of the City Manager's intent to reduce the budget for the city auditor from approximately \$160,000 to \$60,000, and advised that there had been no recommendation from Mr. Werner as to whether the \$60,000 would fund a full-time or a part-time auditor. Chairperson Staub expressed the firm belief "you're going to get what you pay for," and that a good, competent auditor is likely "well beyond the \$60,000 ..." He suggested that the future Board of Supervisors needs to recognize the resources to allocate to the process "in order to make it work." He noted that the auditor is "never popular in any type of governmental setting." He advised of having discussed with Member Livermore the potential of outsourcing the service "because of the angst that is created when we have an internal auditor." Member Livermore provided additional historic information on the City's internal auditor position, and discussed his support for filling the position. Member Providenti suggested allowing the new Board of Supervisors to make the decision.

Mr. Werner agreed with the necessity of filling the internal auditor position, and discussed the benefits to the City. He further agreed with starting the process as soon as possible. Ms. Bruketta advised of the District Attorney's Office complete agreement. "Every time that this position has been unfilled, we have sent constant reminders to the City telling them that it needs to be filled immediately." Chairperson Staub advised of having done the same. Member Eiben suggested agendaizing an item for the first meeting of the new Board of Supervisors. Chairperson Staub suggested recommending to the Board of Supervisors to consider re-hiring Sue Johnson on a temporary, part-time basis and, at the same time, opening the full-time position with the established salary. In response to a question, Mr. Werner reviewed the process by which the position would be advertised and the salary established by the Board of Supervisors.

Chairperson Staub entertained a motion to recommend to the Board of Supervisors to hire Sue Johnson part-time for a minimum of 15 days, not to exceed 30 days, and open the full-time position. (1-1777) Ms. Johnson advised that she is employed elsewhere, and working over 32 hours per week. "The definition of 'part-time' would clearly have to be defined." Chairperson Staub suggested a maximum of 15 days, not to exceed 25 hours. Member Providenti reiterated the suggestion that the new Board of Supervisors make the decision. In response to a comment, Chairperson Staub advised that the purpose for re-hiring Ms. Johnson would be to present the draft audit report to the Board of Supervisors on December 18th. Ms. Johnson respectfully declined, and Chairperson Staub entertained a motion to recommend to the Board of Supervisors to open the full-time internal auditor position.

(1-1815) In response to a question, Mayor-elect Bob Crowell reiterated the City charter requirement for an internal auditor. He expressed support for presenting the draft audit report to the redevelopment authority and the Board of Supervisors. He expressed the opinion that the auditor function works better if it's outsourced. He suggested revisiting former District Attorney Noel Waters' opinion regarding the internal auditor position. He further suggested that the requirement to have an internal auditor would prompt the formation of a finance committee, which would report directly to the Board of Supervisors, who

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would perform duties described by the Board of Supervisors on various special projects. Member Livermore expressed support in consideration of the City charter requirements.

Chairperson Staub reiterated the suggestion to open the position and accept applications. Member Livermore suggested the existing job description is reasonable. Mr. Werner suggested no presumption could be made that the rest of the Board members would agree. Member Livermore clarified there was no reason to further discuss the auditor's job description among this committee. Mr. Werner noted that the Board of Supervisors would establish the job description, the salary, and the terms under which the auditor would be hired.

Ms. Bruketta agreed with Mayor-elect Crowell's suggestion to revisit the District Attorney's opinion in that it was formulated under a prior administration, and written by a deputy district attorney who is no longer in the City's employ. She requested direction of the committee. Chairperson Staub requested Ms. Bruketta to revisit the opinion, and she agreed to do so.

Chairperson Staub provided Supervisor-elect Walt the opportunity to comment. (1-1912) Ms. Walt referred to Mr. Werner's recommendations at the last Board of Supervisors meeting regarding reductions, one of which was to change the auditor position from full-time to part-time. She agreed that the decision should be made by the new Board of Supervisors in consideration of budget decisions which will affect the City for years to come.

Vice Chairperson Brown suggested hiring an internal auditor should include provision of "some kind of minimal staff ... or a part-time person ..." In response to a question, Ms. Bruketta requested the chairperson to send an e-mail to District Attorney Neil Rombardo requesting review of the previous opinion. In response to a question, Mr. Werner suggested waiting on the District Attorney's opinion prior to making any recommendation to the Board of Supervisors. Following discussion, the committee members concurred.

7. DISCUSSION AND POSSIBLE ACTION TO SCHEDULE THE NEXT AUDIT COMMITTEE MEETING (1-1992) - In response to a question, Member Livermore advised that committee member interviews were scheduled for the first Board of Supervisors meeting in December. Following discussion, consensus of the committee was to schedule the next meeting for Tuesday, December 16th at 3:00 p.m.

8. FUTURE AGENDA ITEMS (1-2076) - Previously covered.

9. PUBLIC COMMENT ON NON-AGENDIZED ITEMS (1-2089) - Chairperson Staub called for public comment; however, none was forthcoming.

10. ACTION ON ADJOURNMENT (1-2091) - Member Livermore moved to adjourn the meeting. Member Eiben seconded the motion. Motion carried 5-0.

The Minutes of the November 25, 2008 Carson City Audit Committee meeting are so approved this 10th day of February, 2009.

PETE LIVERMORE, Chair