

CARSON CITY AUDIT COMMITTEE
Minutes of the November 19, 2014 Meeting
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A regular meeting of the Carson City Audit Committee was scheduled for 3:00 p.m. on Wednesday, November 19, 2014 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Vice Chairperson Bill Prowse
Member John Bullis
Member John McKenna

STAFF: Nick Providenti, Finance Department Director
Joseph Ward, Senior 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 (2:59:38) - Vice Chairperson Prowse called the meeting to order at 2:59 p.m. Roll was called; a quorum was present. Chairperson Bertrand and Member Sanada were absent.

3. PUBLIC COMMENTS AND DISCUSSION (3:00:23) - Vice Chairperson Prowse entertained public comment; however, none was forthcoming.

4. POSSIBLE ACTION ON ADOPTION OF AGENDA (3:01:14) - Vice Chairperson Prowse entertained modifications to the agenda and, when none were forthcoming, a motion. **Member McKenna moved to adopt the agenda, as published. Member Bullis seconded the motion. Motion carried 3-0.**

5. DISCUSSION ON THE AUDIT COMMITTEE'S ROLE TO REVIEW THE CITY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT ("CAFR") WITH THE CITY'S EXTERNAL AUDITOR AND THE AUDIT COMMITTEE LIAISON, AND POSSIBLE ACTION TO MAKE RECOMMENDATIONS TO THE BOARD OF SUPERVISORS (3:01:27) - Vice Chairperson Prowse introduced and provided background information on this item, and reviewed the agenda materials. In reference to CCMC Chapter 2.14.050(3)(c), Mr. Providenti pointed out that the Comprehensive Annual Financial Report is "Kafoury, Armstrong's report. It's not our report." He suggested that "after that report is accepted [by the Board of Supervisors], then, if there are any issues, ... we should bring the issues to you and you should accept or reject our answers to the issues and then we forward those to the Board of Supervisors." Mr. Providenti expressed objection to making the CAFR public "until the Board accepts the document. ... it's [the external auditor's] opinion of our financial statements so there's really not anything we can do or not do. ... we can't really sway them. We can't say, 'We don't believe you.' It's their opinion on our financial statements. And then if there are issues that they believe need addressing, ... I think then maybe we come back to the audit committee and say, 'This is what our plan is to deal with these issues.' Because, typically, we have to address those issues to the Department of Taxation, pursuant to the statutes, within 30 days. We have to have a plan of corrective action on all those issues that our external auditors tell us." Extensive discussion followed.

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Vice Chairperson Prowse entertained public comment; however, none was forthcoming. In response to a question, Mr. Providenti advised of clear direction. “Basically, we'll go through the process. Once we get the document at the next meeting, we'll try to agendaize something to discuss the comprehensive annual financial report with the committee and then ... we can have the discussion at that time on what you'd like to see or if you have questions on any of the numbers ...” Consensus of the committee was to take no formal action on this item.

6. DISCUSSION AND UPDATE ON THE ASSESSMENT OF INTERNAL CONTROLS (3:25:15) - Vice Chairperson Prowse introduced this item. Moss-Adams, LLP Planning and Policy Director Mark Steranka provided the update, and responded to questions of clarification. Discussion ensued, and Vice Chairperson Prowse entertained public comment. When no public comment was forthcoming, Vice Chairperson Prowse thanked Mr. Steranka for his report.

7. DISCUSSION AND UPDATE ON THE EMPLOYEE EFFICIENCY STUDY (3:32:45) - Vice Chairperson Prowse introduced this item, and Moss-Adams, LLP Planning and Policy Director Mark Steranka provided the update. Vice Chairperson Prowse entertained public comment; however, none was forthcoming. In response to a question, Mr. Steranka discussed possible effects of reconfiguration.

8. DISCUSSION REGARDING MONITORING OF THE AUDIT FINDINGS RESPONSE TRACKING REPORT AND POSSIBLE ACTION TO DIRECT THE INTERNAL AUDITOR TO REPORT ON AND DISCUSS THE MONITORING WITH THE BOARD OF SUPERVISORS (3:47:03) - Vice Chairperson Prowse introduced this item, and Moss-Adams, LLP Planning and Policy Director Mark Steranka responded to questions of clarification regarding the agenda materials. Public Works Department Director Darren Schulz introduced Public Works Operations Manager Curtis Horton and Fleet Supervisor Zach Good, and provided an overview of the presentation. Mr. Good and Mr. Schulz reviewed the implementation status of the Fleet Efficiency Study recommendations, as outlined in the agenda materials, and responded to corresponding questions of clarification. In response to a question, consensus of the committee was to request periodic status reports. In response to a question, Mr. Steranka discussed the purpose for and recommendations implemented from the Fleet Utilization Study. Vice Chairperson Prowse entertained public comment; however, none was forthcoming.

Discussion took place regarding the Community Facilities Study report which was included in the agenda materials. In response to a question, Mr. Steranka provided a status report on complaints received via the fraud, waste, and abuse hotline.

9. POSSIBLE ACTION TO SCHEDULE THE NEXT MEETING OF THE CARSON CITY AUDIT COMMITTEE (4:30:36) - Vice Chairperson Prowse introduced this item and, following discussion, consensus of the committee was to schedule the next meeting for Tuesday, February 17, 2015 at 3:00 p.m. Following additional discussion, consensus of the committee was to discuss scheduling the meetings for the remainder of 2015 at the next committee meeting.

10. PUBLIC COMMENT (4:33:45) - Vice Chairperson Prowse entertained public comment; however, none was forthcoming.

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11. ACTION TO ADJOURN (4:33:56) - Member McKenna moved to adjourn the meeting at 4:33 p.m. The motion was seconded and carried unanimously.

The Minutes of the November 19, 2014 Carson City Audit Committee meeting are so approved this 9th day of March, 2015.

WILLIAM PROWSE, Vice Chair