

**CARSON CITY CONSOLIDATED MUNICIPALITY  
NOTICE OF MEETING OF THE  
AUDIT COMMITTEE**

**Day:** Wednesday  
**Date:** July 12, 2017  
**Time:** Beginning at 2:00 pm  
**Location:** Community Center, Sierra Room  
851 East William Street  
Carson City, Nevada

**AGENDA**

**1. Call to Order**

**2. Roll Call**

**3. Public Comments and Discussion:**

The public is invited at this time to comment on and discuss any topic that is relevant to, or within the authority of, the Carson City Audit Committee. In order for members of the public to participate in the Committee's consideration of an agenda item, the Committee strongly encourages members of the public to comment on an agenda item during the item itself. No action may be taken on a matter raised under public comment unless the item has been specifically included on the agenda as an item upon which action may be taken.

**4. For Possible Action: Approval of Minutes - May 19, 2017**

**5. For Possible Action: Adoption of Agenda**

**6. Meeting Items**

6.A For Possible Action: Discussion, possible action, and direction to Staff regarding the current Audit Work Program Update. (Nancy Paulson, npaulson@carson.org)

Staff Summary: Representatives from Moss Adams and City staff will be discussing and taking direction from the Audit Committee regarding the current work program.

6.B For Possible Action: Discussion and possible recommendation to the Board of Supervisors based on the presentation by Moss Adams on the review of Internal Controls over purchasing and accounts payable. (Nancy Paulson, npaulson@carson.org)

Staff Summary: The Board of Supervisors approved the review of internal controls over purchasing and accounts payable at their June 16, 2016 meeting. Moss Adams will present their final report to the Audit Committee for discussion and possible recommendations to the Board of Supervisors.

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, 2018.

Staff Summary: Moss Adams will provide recommendations for future internal audits for the period ending June 30, 2018.

6.D For Possible Action: Discussion on the requirements and process for the election of officers and possible nomination and election of the Audit Committee Chairman and Vice Chairman. (Nancy Paulson, npaulson@carson.org)

Staff Summary: According to Carson City Boards, Committees, and Commissions Policies and Procedures, unless otherwise provided by law, ordinance or resolution, at the first meeting of each calendar year, the board, committee, or commission shall pursuant to a noticed agenda item elect a chairperson who shall preside at meetings. The board, committee, or commission shall then choose a vice-chairperson. The vice chairperson shall preside in the absence of the chairperson.

## **7. Public Comment:**

The public is invited at this time to comment on any matter that is not specifically included on the agenda as an action item. No action may be taken on a matter raised under this item of the agenda.

## **8. For Possible Action: To Adjourn**

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Agenda Management Notice - Items on the agenda may be taken out of order; the public body may combine two or more agenda items for consideration; and the public body may remove an item from the agenda or delay discussion relating to an item on the agenda at any time.

Titles of agenda items are intended to identify specific matters. If you desire detailed information concerning any subject matter itemized within this agenda, you are encouraged to call the responsible agency or the City Manager's Office. You are encouraged to attend this meeting and participate by commenting on any agenda item.

Notice to persons with disabilities: Members of the public who are disabled and require special assistance or accommodations at the meeting are requested to notify the City Manager's Office in writing at 201 North Carson Street, Carson City, NV, 89701, or by calling (775) 887-2100 at least 24 hours in advance. To request a copy of the supporting materials for this meeting contact Rachael Porcari at rporcari@carson.org or call (775) 887-2100.

This agenda and backup information are available on the City's website at [www.carson.org](http://www.carson.org), and at the City Manager's Office - City Hall, 201 N. Carson Street, Ste 2, Carson City, Nevada (775) 887-2100.

This notice has been posted at the following locations:  
Community Center 851 East William Street  
City Hall 201 North Carson Street  
Carson City Library 900 North Roop Street  
Community Development Permit Center 108 Proctor Street  
<http://notice.nv.gov>

**CARSON CITY AUDIT COMMITTEE**

**Minutes of the May 9, 2017 Meeting**

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**DRAFT**

A regular meeting of the Carson City Audit Committee was scheduled for 2:00 p.m. on Tuesday, May 9, 2017 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

**PRESENT:** Chairperson Michael Bertrand  
Member Lori Bagwell  
Member Catherine Byrne  
Member Stephen Ferguson  
Member Ernie Mayhorn

**STAFF:** Nick Marano, City Manager  
Nancy Paulson, Chief Financial Officer  
Sheri Russell, Deputy Chief Financial Officer  
Adriana Fralick, Chief 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 Recording Secretaries Division of the Carson City Clerk's Office, during regular business hours.

**1 - 2. CALL TO ORDER AND ROLL CALL (2:00:48)** - Chairperson Bertrand called the meeting to order at 2:00 p.m. Ms. King called the roll; a quorum was present. Member Ferguson arrived at approximately 2:05 p.m.

**3. PUBLIC COMMENTS AND DISCUSSION (2:01:07)** - Chairperson Bertrand entertained public comment; however, none was forthcoming.

**4. POSSIBLE ACTION ON APPROVAL OF MINUTES - February 14, 2017 (2:01:40)** - Chairperson Bertrand entertained a motion to approve the minutes. **Member Mayhorn moved to approve the minutes. Member Bagwell seconded the motion. Motion carried 4-0.**

**5. POSSIBLE ACTION ON ADOPTION OF AGENDA (2:01:59)** - Chairperson Bertrand entertained a motion to adopt the agenda. **Member Byrne moved to adopt the agenda. Member Bagwell seconded the motion. Motion carried 4-0.**

**6. MEETING ITEMS:**

**6(A) DISCUSSION AND POSSIBLE ACTION TO DIRECT STAFF REGARDING THE CURRENT AUDIT WORK PROGRAM UPDATE (2:02:18)** - Chairperson Bertrand introduced this item, and Moss-Adams LLP Partner Mark Steranka reviewed the agenda materials. Following a brief discussion, Chairperson Bertrand closed this item.

**6(B) DISCUSSION AND POSSIBLE ACTION REGARDING THE MONITORING, REVIEW, AND CLOSURE OF INTERNAL AUDIT FINDINGS INCLUDED IN THE AUDIT FINDINGS TRACKING REPORT, AND POSSIBLE ACTION TO PROVIDE RECOMMENDATIONS TO THE BOARD OF SUPERVISORS FOR CLOSURE OF COMPLETED PROJECTS (2:04:18)** - Chairperson Bertrand introduced and provided an overview of

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this item. Moss-Adams LLP Partner Mark Steranka advised that, since the last committee meeting, the Community Facility Cost Recovery Study was closed out and fully archived. Mr. Steranka reviewed the Audit Findings Tracking Summary Report, which was included in the agenda materials. [Member Ferguson arrived at approximately 2:05 p.m.]

Ms. Paulson introduced and presented a cash training video, produced by the Treasurer's Office. Chairperson Bertrand commended the video. In response to a question from the previous meeting, Ms. Paulson advised that for FY 2016, "there was approximately \$500 ... out of a \$150 million budget" in the "cash over and short account." Ms. Steranka commented that Carson City is the first of the Moss-Adams LLP clients to have developed and produced a cash handling training video. Ms. Paulson acknowledged that the training video can be added to PolicyTech.

Chairperson Bertrand entertained questions or comments and, when none were forthcoming, a motion. **Member Byrne moved to close the Employee Efficiency Study. Member Ferguson seconded the motion.** Chairperson Bertrand entertained discussion on the motion and, when none was forthcoming, called for a vote. **Motion carried 5-0.**

Chairperson Bertrand entertained discussion on the Internal Controls Review portion of the Audit Findings Tracking Summary Report. Ms. Paulson responded to questions regarding the status of documenting key processes. Chairperson Bertrand entertained a motion. **Member Bagwell moved to close all items in the Internal Controls Review except for 22 and 32. Member Byrne seconded the motion.** Chairperson Bertrand entertained discussion on the motion and, when none was forthcoming, called for a vote. **Motion carried 5-0.**

Discussion took place regarding the Policy and Procedures Review, and Chairperson Bertrand entertained a motion. **Member Bagwell moved to close item 5 on Policy and Procedures Review, with an update in the Status Comments to indicate that, when a chapter is brought for review before the Board of Supervisors, this action will be implemented at that time. Member Byrne seconded the motion.** Chairperson Bertrand called for a vote on the pending motion. **Motion carried 5-0.**

Chairperson Bertrand entertained public comment; however, none was forthcoming.

**6(C) PRESENTATION BY MOSS-ADAMS LLP ON THE REVIEW OF THE PUBLIC GUARDIAN ASSET LIQUIDATION PROCESS FOR THE AUDIT COMMITTEE'S CONSIDERATION; DISCUSSION AND POSSIBLE ACTION TO PROVIDE RECOMMENDATION TO THE BOARD OF SUPERVISORS (2:30:42)** - Chairperson Bertrand introduced this item, and Moss-Adams LLP Manager Colleen Rozillis provided background information. Ms. Rozillis noted "no compliance findings" as part of the review. "In part, that is because of the way that guardianship is assigned to the Public Guardian in Carson City. In the court order language, it states specifically that certain parts of Nevada state law related to asset disposition, appraisals, advertisement, things like that, are not required. Nevada state law says if the ward has assets under \$5,000, they don't have to do those things. And then for some, under \$10,000, they don't have to do those things. In practice, in Carson City, the court system says if you take guardianship of a ward who has assets of pretty much any value, except for a house, you can go ahead and dispose of them in the most efficient way possible. You don't necessarily have to follow these steps which is why we don't have any compliance findings. We do have a lot of process improvement findings."

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Ms. Rozillis reviewed the agenda materials, and responded to questions of clarification. (2:37:01) Carson Rural Elder Law Program Attorney Laura Miles introduced herself, and provided an overview of her experience and responsibilities. In response to a question, Ms. Miles reviewed the process associated with initially inventorying a ward's assets. Ms. Rozillis and Ms. Miles responded to questions of clarification.

(2:40:23) Moss-Adams LLP Lead Analyst Tammy Lohr reviewed that portion of the Final Report entitled "Current Asset Disposition Process." Ms. Lohr, Mr. Steranka, Ms. Rozillis, Ms. Paulson, Ms. Miles, and Public Guardian Deborah Marzoline responded to questions of clarification, and extensive discussion followed.

Ms. Rozillis advised of having researched "a number of other counties as part of the best practice research that informed the report. ... so the annual report is obviously a best practice that a number of counties do ... You also have implementation built into the Audit Committee process that will help. The staff report to the Board likely should designate some additional oversight for whatever period of time, either continually or until these findings are closed. We did find, in other counties, that the public guardian will often have a dotted line relationship to the City Manager. So, as part of taking this report to the Board of Supervisors, ... staff could recommend that the City Manager oversee public guardian activities or provide consultation on certain actions for a certain period of time. And that would be totally in line with what other counties do."

Chairperson Bertrand entertained additional questions or comments. In response to a question, Ms. Miles reviewed costs for a flat-bed, feed scanner. Ms. Rozillis advised that Moss-Adams' recommendations "were to use the lowest cost, lowest complicated version of technology possible. We wanted to make sure that it could be implemented as quickly and painlessly as possible. So, all you need is a scanner and someone to set up just a standard document structure for each ward in the file system. That's all it takes." In response to a question, Ms. Rozillis advised that the cost would be associated with "the staff time of scanning the existing files. And so if volunteers would be leveraged for that, that would be of no cost to the City. But that's really the biggest chunk here."

Chairperson Bertrand entertained public comment and, when none was forthcoming, a motion. Following a brief discussion, Member Bagwell moved to accept the audit and all recommendations, with direction that a quarterly update be provided to the Board of Supervisors. Motion died for lack of a second. In response to a question, Member Bagwell explained the intent of her motion for a policy to be developed. "I don't think it's for this [committee] to say whom the Board of Supervisors is going to select."

Discussion took place regarding the time needed to develop a policy. Ms. Rozillis explained that policy development begins with the current practice. "And then you, as a [committee] take a look at that current practice and say, 'Does this pass my smell test?' And then you might change some of the information, some of the dollar amount thresholds, time limits that are in current practice. And that's how you would come to your policy. So getting that base policy together as a draft to bring to the Board shouldn't take a significant amount of time." Mr. Steranka suggested a 60 to 90-day time period "because ... the biggest part that you have to consider is ... two things. There's the taking care of the wards and I think that's in good hands. And then there's ... administering the office ... When you deal with the policy, ... you want to keep it simple but you also want to keep it flexible. We don't want to make it too rigid for them that suddenly they're boxed in and so that's going to take some consideration as what's the right ... balance there." Extensive discussion followed, and Chairperson Bertrand entertained a motion. **Member Bagwell**

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moved to approve the audit submitted by Moss-Adams LLP for the Public Guardian, and that a quarterly report be accepted on the recommendation instead of the annual, and that the City Manager will bring back a proposed implementation and policy within 90 days. Member Byrne seconded the motion. Chairperson Bertrand entertained discussion on the motion and, when none was forthcoming, called for a vote. **Motion carried 5-0.**

**6(D) DISCUSSION AND POSSIBLE ACTION TO DIRECT STAFF TO INITIATE THE REQUEST FOR PROPOSAL PROCESS FOR INTERNAL AUDIT SERVICES TO BE RECOMMENDED TO THE BOARD OF SUPERVISORS FOR FY 2018 (3:34:04)** - Chairperson Bertrand introduced and provided background information on this item. Following discussion, Chairperson Bertrand entertained a motion. **Member Mayhorn moved to direct staff to amend the existing contract for Moss-Adams LLP for FY 18, and for an RFP process to be created for FY 19. Member Byrne seconded the motion.** Following direction from Ms. Fralick, **Member Mayhorn withdrew his motion. Member Mayhorn moved to direct that the committee and staff will begin working on a RFP for FY 19. Member Byrne seconded the motion.** Chairperson Bertrand entertained discussion on the motion and, when none was forthcoming, called for a vote. **Motion carried 5-0.**

Following a brief discussion, consensus of the committee was to schedule the next meeting for Wednesday, July 12<sup>th</sup> at 2:00 p.m. Mr. Steranka reviewed the tentative agenda.

**7. PUBLIC COMMENT (3:48:36)** - Chairperson Bertrand entertained public comment; however, none was forthcoming.

**8. ACTION TO ADJOURN (3:48:43)** - Member Byrne moved to adjourn the meeting at 3:48 p.m. Member Ferguson seconded the motion. Motion carried 5-0.

The Minutes of the May 9, 2017 Carson City Audit Committee meeting are so approved this \_\_\_\_\_ day of July, 2017.

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MICHAEL BERTRAND, Chair



# STAFF REPORT

Report To: Audit Committee

Meeting Date: 7/12/17

Staff Contact: Nancy Paulson , Chief Financial Officer & Michael Bertrand, Audit Committee Chairman

Agenda Title: For Possible Action: Discussion, possible action, and direction to Staff regarding the current Audit Work Program Update. (Nancy Paulson, npaulson@carson.org)

Staff Summary: Representatives from Moss Adams and City staff will be discussing and taking direction from the Audit Committee regarding the current work program.

Agenda Action: Formal Action/Motion

Time Requested: 10 minutes

## Proposed Motion

Will depend on discussion and possible recommendations.

## Board's Strategic Goal

Efficient Government

## Previous Action

N/A

## Background/Issues & Analysis

## Applicable Statute, Code, Policy, Rule or Regulation

## Financial Information

Is there a fiscal impact?  Yes  No

If yes, account name/number:

Is it currently budgeted?  Yes  No

Explanation of Fiscal Impact: N/A

## Alternatives

N/A

**Board Action Taken:**

Motion: \_\_\_\_\_

1) \_\_\_\_\_

2) \_\_\_\_\_

Aye/Nay

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
(Vote Recorded By)





Date: July 12, 2017  
To: Carson City Audit Committee  
From: Mark Steranka  
Subject: Internal Audit Status Report May 1, 2017 through June 30, 2017

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Schedule Status:

- Basic Internal Auditor Services: Ongoing.
- Small Works Projects Review: Project initiation September 2016 and completion February 2017.
- Public Guardian Review: Project initiation March 2017 and completion April 2017.
- Procurement Testing: Project initiation March 2017 and completion June 2017.
- IT Controls Testing: Project initiation May 2017 and completion July 2017.
- FWA Program Coordination: Ongoing.

Budget Status through May 31, 2017:

- Basic Internal Auditor Services: Expended \$15,575.00 of \$20,000 budget.
- Small Works Project Review: Expended \$29,995.00 of \$30,000 budget.
- Public Guardian Review: Expended \$14,875.00 of \$15,000 budget.
- Procurement Testing: Expended \$14,250.00 of \$15,000 budget.
- IT Controls Testing: Expended \$0.00 of \$15,000 budget.
- FWA Program Coordination: Expended \$4,900.00 of \$5,000 budget.

Activities for this Reporting Period:

- Basic Internal Auditor Services: Continued to maintain Audit Findings Summary Report, prepared Audit Committee meeting materials, and attended Audit Committee meetings.
- Procurement Controls Testing: Completed review.
- IT Controls Testing: Completed sampling and testing. Awaiting some remaining documentation before preparing report.
- FWA Program Coordination: There were no new reports received.

Activities for the Next Reporting Period:

- Basic Internal Auditor Services: Continue to attend meetings, maintain Audit Findings Summary Report, and perform findings validation as requested.
- Procurement Testing: Present report.
- IT Controls Testing: Prepare report.
- FWA Program Coordination: Continue to monitor the hotline and respond to reports as appropriate.

Issues:

- none



# STAFF REPORT

Report To: Audit Committee

Meeting Date: 7/12/17

Staff Contact: Nancy Paulson , Chief Financial Officer & Michael Bertrand, Audit Committee Chairman

Agenda Title: For Possible Action: Discussion and possible recommendation to the Board of Supervisors based on the presentation by Moss Adams on the review of Internal Controls over purchasing and accounts payable. (Nancy Paulson, npaulson@carson.org)

Staff Summary: The Board of Supervisors approved the review of internal controls over purchasing and accounts payable at their June 16, 2016 meeting. Moss Adams will present their final report to the Audit Committee for discussion and possible recommendations to the Board of Supervisors.

Agenda Action: Formal Action/Motion

Time Requested: 30 minutes

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## Proposed Motion

Will depend on discussion and possible recommendations.

## Board's Strategic Goal

Efficient Government

## Previous Action

N/A

## Background/Issues & Analysis

## Applicable Statute, Code, Policy, Rule or Regulation

## Financial Information

Is there a fiscal impact?  Yes  No

If yes, account name/number:

Is it currently budgeted?  Yes  No

Explanation of Fiscal Impact:

## Alternatives

N/A

**Board Action Taken:**

Motion: \_\_\_\_\_

1) \_\_\_\_\_

2) \_\_\_\_\_

Aye/Nay

\_\_\_\_\_

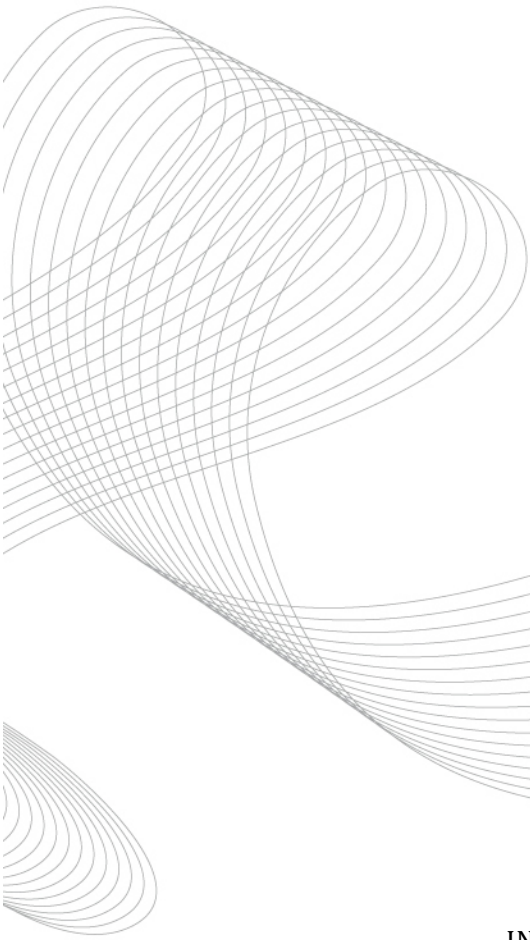
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(Vote Recorded By)



REPORT FOR  
**CARSON CITY**

**INTERNAL CONTROLS TESTING: PURCHASING AND ACCOUNTS PAYABLE**

July 6, 2017

Prepared by:

**Moss Adams LLP**

999 Third Avenue  
Suite 2800  
Seattle, WA 98104  
(206) 302-6500

**MOSS-ADAMS<sub>LLP</sub>**

Certified Public Accountants | Business Consultants

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# I. OVERVIEW

## A. BACKGROUND

Moss Adams, as the contracted internal auditor for Carson City (the City), tested the City's internal controls over purchasing and accounts payable. The procedures were conducted from February through June 2017 and focused on testing the operating effectiveness of key controls over the City's purchasing and accounts payable processes.

The testing of internal controls for operating effectiveness was completed under the consultancy standards of the American Institute of Certified Public Accountants (AICPA). As such, this work was not an audit of internal controls that resulted in a formal opinion or other form of assurance. The specific methods used for testing controls are presented in the Scope and Methodology section of this report.

## B. SCOPE AND METHODOLOGY

The scope of our procedures was the City's purchasing and accounts payable processing practices. For our testing, we selected purchases for the period of October 1, 2016 to December 31, 2016. To test the operating effectiveness of internal controls, we performed a number of activities, including the following:

- Interviewed key personnel, including
  - Purchasing and Contracts Administrator
  - Accounts Payable Administrator
  - Chief Financial Officer
- Gathered and reviewed relevant documentation, including:
  - Purchasing and Contracts Policy
  - Accounts Payable Invoicing Procedures
  - Accounts Payable Check Register for October 7, 2016, November 10, 2016, and December 30, 2016
  - Expenditure Approval Lists
  - Check copies for October 7, 2016, November 10, 2016, and December 30, 2016
  - Sample of purchases and checks paid from October 1 to December 31, 2016
  - Vendor activity by fiscal year
  - Sample of W-9s for vendors

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- Performed tests of internal controls relating to purchasing and accounts payable processing that included the following elements:
  - Adequate evidence that goods or services have been received.
  - The person receiving the goods was different from the person who approved payment.
  - Payment approvals were performed after confirmation that goods and services had been received by departments.
  - Reviewed invoices for the following:
    - The payment was supported by the original invoice.
    - The invoice amount was mathematically accurate.
    - The invoice number was accurate.
    - The general ledger accounting code matched between invoice and edit list.
    - The vendor name matched between invoice and check.
    - The payment amount matched the invoice amount(s).
    - Appropriate signature for payment approval was obtained.
    - Documentation of review was complete and sufficient by Accounts Payable.
  - Reviewed the purchasing method for the following:
    - A PO was used, if required.
    - If transaction was for a service, a contract was in place.
    - If a contract was in place, guidelines were followed for executed contracts.
  - Purchase complied with procurement requirements.
  - Payments were reviewed and approved appropriately.
  - Vendor records were supported adequately.
  - Duplicate payments were not made.
  - Conflict of interest issues were addressed

### C. SUMMARY

The City has made progress in designing and implementing internal controls related to purchasing and accounts payable processing since the internal control review issued in February 2015. Our testing shows that the City made improvements to its purchasing and accounts payable processing and these controls operated effectively. Examples of these improvements include:

- Documentation for all vendors, including the requirement for W-9s
- Contract administration and management



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The results of our testing revealed opportunities for the City and its departments to further improve practices related to purchasing and accounts payable. In particular, we observed weaknesses in the following areas:

- Documentation of the receipt of goods and services
- Segregation of duties between receiver of goods and approver of goods
- Establishing contracts for service vendors
- Certificates of insurance for all required vendors
- Appropriate use of purchasing methods
- Obtaining quotes for all required purchases
- Up-to-date and comprehensive policies and procedures

The overall conclusion is that the City should correct these issues in the next three to six months and continue with the other controls that were tested without exception. Moss Adams would like to thank the staff of Carson City for their cooperation and assistance during our review.

## II. SCOPE, METHODOLOGY, AND RESULTS

### A. SCOPE AND METHODOLOGY

We judgmentally selected 40 purchasing transactions between October 1, 2016 and December 31, 2016. To assess operating effectiveness of key controls in purchasing and accounts payable, we performed the following tests:

- Verified that goods and services have been received
- Verified that the person receiving goods was different from the person who approved the payment
- Examined that payment approvals were performed after confirmation that goods and services had been received by departments
- Assessed if there was any indication that the payment was not supported by an original invoice
- Verified that the invoice amount was mathematically accurate
- Verified that invoice numbers were accurate
- Examined if the general ledger accounting code matched between invoice and edit list
- Verified that vendor name matched between invoice and check
- Verified that payment amount matched the invoice amount(s)
- Reviewed for appropriate signature for payment approval
- Reviewed for indication of complete and sufficient review by Accounts Payable
- Verified that a PO was used, if required
- Verified that a contract was in place for transactions that were for a service
- Assessed if contract guidelines were followed for transactions that required a contract
- Evaluated if the purchase complied with procurement requirements
- Verified that payments were reviewed and approved appropriately
- Evaluated vendor files for completeness
- Verified that duplicate payments were not made

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## B. TESTING RESULTS

Test	Results	Exceptions
Evidence that goods or services have been received is adequate.	32 exceptions of 40 tested	See Finding 1 for details
Personnel receiving the goods were different from person approving payment.	Not able to assess	See Finding 2 for details
Payment approval was performed after goods were received	Not able to assess	See Finding 3 for details
Payment was supported by original invoice	0 exceptions of 40 tested	Not applicable
Invoice amount was mathematically accurate	0 exceptions of 40 tested	Not applicable
Invoice number was accurate	0 exceptions of 40 tested	Not applicable
General ledger accounting code reconciled to between invoice and edit list	1 exception of 40 tested	See Finding 4 for details
Vendor name matched between invoice and check	2 exceptions of 40 tested	See Finding 5 for details
Payment amount matched invoice amount	0 exceptions of 40 tested	Not applicable
Appropriate signature for payment approval	2 exceptions of 40 tested	See Finding 6 for details
Documentation of complete and sufficient review by AP	0 exceptions of 40 tested	Not applicable
PO was used if required	2 exceptions of 35 tested	See Finding 7 for details
Contract in place for transactions that are a service	7 exceptions of 19 tested <sup>1</sup>	See Finding 8 for details
Contract guidelines were followed, if applicable	8 exceptions of 19 tested <sup>2</sup>	See Finding 9 for details
Purchases between \$25,000 and \$49,999 annually, had a minimum of three quotes or sole source letter from manufacturer	3 exceptions of 35 tested	See Finding 10 for details

<sup>1</sup> Five transactions we selected related to two outside entities that the City's Accounts Payable Division processes payments for. Because these entities are not subject to the City's Purchasing Policy, they were not tested for compliance.

<sup>2</sup> Five transactions we selected related to two outside entities that the City's Accounts Payable Division processes payments for. Because these entities are not subject to the City's Purchasing Policy, they were not tested for compliance.

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Test	Results	Exceptions
Purchases of \$50,000 annually, had a formal advertisement bid process, Board approval, and contract or exception to competitive bidding	0 exceptions of 35 tested	Not applicable
Payments were approved and approved appropriately	0 exceptions of 35 tested	Not applicable
Vendor files were complete and regularly maintained	Not able to assess	See Finding 11 for details
Duplicate payments were not made	1 exception of 40 tested	See Finding 12 for details

### III. FINDINGS AND RECOMMENDATIONS

#### A. FINDINGS

1. **Finding: The City's current policy does not adequately address the process for documenting when a good or service is received.**

In accordance with purchasing best practices, an individual should sign and date when goods or services are received. However, the City's Purchasing and Contract Policy does not explicitly require staff to maintain written documentation when a good or service has been received. In particular, purchasing procedures state that departments are responsible for verifying that products have been received, but the procedures do not specify a requirement to document who received the product or when it was received. Without appropriate written documentation, the payment may be approved without verification that the good or service was received. Thus, the process lacks adequate controls to ensure that payments are approved after the receipt of goods of all goods and services. We identified eight instances in which the invoice was stamped, signed, and dated. In the remaining 32 instances, there was an invoice that did not have a stamp notating the goods or services were received, with a signature and a date. Instead, we found that these invoices were approved for payment without explicit evidence of successful receipt of goods or services.

**Recommendation: Update the current policy and procedures to include additional guidance relating to the process of documenting when goods and services are received and require documentation for receipt of good or services before payment is made.**

The City should update their policy to include specific requirements regarding how staff must document the receipt of goods or services. For example, the City should distribute and require all staff to use the receiving stamp with a signature and date. Additionally, the reviewer should not approve any payments until the receipt of goods or services is documented. This control will prevent payment for goods or services without documentation of successful receipt.

2. **Finding: The City's current policies and procedures do not adequately address all aspects relating to segregation of duties when receiving goods and approving payment for goods.**

Best practices dictate that the receipt of goods or services and the approval of payment for goods or services should be segregated duties, and supporting documentation should identify the date and signature of the receiving party as well as the date and signature of a separate approving party. The City's Purchasing and Contract Policy does not specify the required segregation of duties for receiving goods or services and approving payment. As a result, we were not able to test the segregation of duties between personnel to ensure that the person receiving the goods is different than the person that is approving the payment. Without assigning segregation of duties, the purchasing environment lacks adequate controls to prevent fraud, waste, and abuse.

**Recommendation: Update the current written policies and procedures relating to processing purchases and segregated duties to provide more comprehensive guidance.**

The City should consider implementing procedures to provide more formal direction on which personnel should be involved in receiving and approving purchases. For example, the City should consider the feasibility of delegating the receiving goods to specific personnel in the department and the approval of payment to separate personnel. Additionally, the staff that performs these tasks should maintain written documentation when they are performed, such as a date and signature. This will ensure that the two duties do not overlap and documentation is available for monitoring. If this segregation of duties is not feasible in all departments, the City should consider implementing other mitigating controls. For example, the City should consider encouraging departmental management to perform periodic spot checks to ensure the receipt of goods and services. Moreover, the City should consider implementing additional controls to strengthen the controls within the overall purchasing environment such as cumulative payment monitoring and periodic reviews of the master vendor file.

- 3. Finding: The City's current policies and procedures do not adequately specify an appropriate process to ensure approval for payment was performed after the goods were received.**

As described in Finding 1, the City's Purchasing and Contract Policy does not specify the process for documenting when goods were received. As a result, we were unable to identify whether the approval for payment was performed after goods were received. Without an ongoing review process, the City is at increased risk of fraud, waste, and abuse.

**Recommendation: Update the current written policies and procedures to require that approval for payments should not be performed until after the documented received date.**

To strengthen controls the City should have a process for documenting when goods were received with a signature and date. Additionally, the City should monitor when purchases are received and when approval for payment is provided.

- 4. Finding: The general ledger accounting code on one invoice did not match the number on the edit list.**

During our review, we identified one instance in which the account number indicated on the invoice did not match the account number documented on the edit list—instead the account numbers differed by one digit. When reviewing and approving invoices for payment, employees write the account number on the invoice to ensure that accounting for the expenditure is appropriate. These account numbers are then manually entered into the financial management system and included on the edit list for the department head or their designee's review. There was no indication in the backup documentation for this invoice and edit list that this change in

account number was intentional or that it was noticed and approved by the department head when reviewing the edit list.

**Recommendation: Emphasize the importance of reviewing account codes prior to approval of invoices.**

The City should communicate with all department heads and all delegates who sign edit lists to reiterate the importance of ensuring data entry accuracy. If department heads do not have the time to verify all information included on the edit lists, they should enlist a secondary individual to review these elements prior to their signature.

**5. Finding: The vendor name listed on two purchasing invoices did not match the vendor name identified on the edit list and checks.**

During our testing, we identified two instances in which the vendor name listed on the invoice did not match payee listed on the edit list and check. Upon further investigation, we were able to determine that these two differences in names were legitimate and were supported by vendor documentation. While these instances were ultimately reasonable, the ability to process payments with these discrepancies represents a weakness in the existing controls. Without adequate oversight and review of purchasing transactions, the departments risk failing to detect errors in vendor name due to human error or fraud.

**Recommendation: Provide additional training to supervisors that are involved with reviewing and approving purchasing documents.**

The City should provide additional training to staff that have authority and responsibilities to review and approve payment for purchases. Staff should be reminded of the importance of verifying exact vendor name. Any differences in vendor name should be documented and resolved through the Accounts Payable Division. Further, the City should update its policy to identify who is responsible for updating vendor information.

**6. Finding: Complete and up-to-date documentation of purchasing authority was not maintained.**

The City maintains signature cards for each department to document the authorized accounts and individuals authorized to requisition and approve purchases. Of the 40 items we sampled, we found that two of the individuals who approved purchases were not included in the relevant signature cards. Moreover, in one instance, the department head did not sign the edit list because the individual invoices were all signed, and thus the department head's signature was not required. Although we were able to independently verify the appropriateness of these signatures in these two instances, signatures represent an important manual control within the City's purchasing and accounts payable environment.

**Recommendation: Develop and implement an ongoing process to ensure the accuracy and completeness of signature cards.**

The Finance Department should periodically review and update its signature cards to ensure accuracy and completeness. The Finance Department should consider working with the Human Resources Department to identify personnel changes that would warrant changes to the signature cards. For example, granting or removing access to the financial management system's purchasing module could prompt an update to the signature card.

**7. Finding: The City does not consistently utilize purchase orders in accordance with City policy.**

According to the City's Purchasing Policy, a PO generally must be used for purchases with a single vendor of more than \$5,000 in a one month period or if spending exceeds \$50,000 in a fiscal year. Of the 35 transactions we tested, we found nine instances in which the City did not issue a PO for purchases when it appears it should have.

In two instances, the departments failed to request POs despite spending more than \$5,000 with a vendor in one month. Departments are responsible for tracking their spending with a single vendor in a month. While the Accounts Payable staff works hard to monitor instances such as these, with limited staff and technology resources, this monitoring is manual and difficult, especially when it occurs across different check runs within the same month.

In seven other instances, the City explained that there were factors that negated the PO requirement. In one instance, the Purchasing and Contracts Administrator explained that a PO was not appropriate because it was for an on-call contract. In the six other instances, although the total spending with vendors exceeded \$5,000 in a month, the spending was spread across multiple departments. Thus, City staff explained that the PO requirement was not applicable. Moreover, the City staff explained that monitoring cumulative spending across multiple departments is difficult because it is not facilitated with the City's current financial management system.

Many cities use blanket purchase orders (BPO) for vendors that are utilized by many different departments and when usage is difficult to accurately forecast. However, we were advised by the Purchasing and Contracts Administrator that the City no longer utilizes BPOs. Without securing POs or BPOs, the City may not receive competitive pricing or ensure adequate vetting of vendors with more significant spending.

**Recommendation: Establish processes to strengthen controls around vendor spending.**

In the short term, the Finance Department should reinforce with departments their responsibility for tracking their own spending with vendors. Individuals with repeat offenses should be complete additional training. Additionally, the Finance Department should consider utilizing BPOs for vendors that are used across multiple departments with more than \$50,000 in





spending per fiscal year. In the long term, the Finance Department should explore an updated financial management system that has increased monitoring capabilities.

**8. Finding: Purchases were made for services with no contract in place.**

City Purchasing Policy requires a contract to be in place for all services provided. The City performed a citywide Kaizen event for purchasing and contracts in September 2016, and the Purchasing and Contracts Administrator provides department wide training and one-on-one training for new employees. However, of the 19 instances we tested for the purchase of services, we observed seven instances in which purchases for services were made without an established contract. Of these seven instances of non-compliance, two instances have since been corrected. Without contracts in place, the City faces increased risks related to uncertainty and limited recourse for negligence or unsatisfactory service.

**Recommendation: Re-emphasize the importance of establishing contracts with all vendors providing services.**

The Finance Department should re-distribute the City's Purchasing Policy to relevant parties in all City departments and highlight the requirement to establish a contract with all service vendors. Also, the Finance Department should consider tracking instances of non-compliance and provide additional training to individuals with multiple violations of the Purchasing Policy.

**9. Finding: Required insurance documentation was not obtained for all relevant vendors.**

As part of the contract process, vendors are generally required to provide certificates of insurance. Of 19 samples we tested for the purchase of services, we found eight instances in which certificates of insurance were not obtained from vendors. In seven instances, certificates of insurance were not obtained—primarily because contracts were not in place. In one of these instances, proof of insurance has since been obtained. However, in one instance, a department directed the Purchasing and Contracts Administrator to waive the insurance requirement. According to City staff, only the City Manager's office and District Attorney's office can approve exceptions to this requirement. Without certificates of insurance, the City may face significant financial risks without recourse.

**Recommendation: Reiterate the importance of obtaining certificates of insurance for all relevant vendors.**

The Finance Department should update the City's Purchasing Policy to clarify this requirement and define the process for approving exceptions to this policy. The Finance Department should provide the City's Purchasing Policy to relevant parties in all City departments and highlight the requirement to obtain certificates of insurance from service vendors. Also, the Finance Department should consider tracking instances of non-compliance and provide additional training to individuals with multiple violations of the Purchasing Policy. Lastly, the Finance

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Department should provide support to the Purchasing and Contracts Administrator when departments seek exceptions from purchasing requirements.

**10. Finding: Required quotes or documentation of an exemption from the requirement were not provided for all relevant purchases.**

According to the City's Purchasing and Contracting Policy, with the exception of certain circumstances, a minimum of three quotes or a sole source letter are required for all purchases between \$25,000 and \$49,999. Of the 35 samples we tested, we identified three exceptions. In one instance, we found that the City did not think that this requirement applied. Specifically, the vendor's costs were associated with multiple departments and thus did not reach the \$25,000 total in each department. In another instance, the Finance Department stated that the vendor was selected as a sole source provider but, because the relationship with the vendor began nine years ago, the City was unable to readily locate and provide this documentation for our review. Moreover, City staff stated that they would only hire this vendor to perform maintenance on the equipment already purchased from this vendor. Lastly, we found one instance where a department was not compliant with the requirement to obtain three quotes.

**Recommendation: Revise policies to provide additional clarification regarding the requirement for at least three quotes, and increase compliance through training and monitoring.**

The City should consider updating its Purchasing Policy to clarify this requirement for three quotes or sole source documentation. In particular, the City should clarify whether this spending threshold applies to a single department's spending or spending across the City. Additionally, the City should continue to store current and future documentation electronically so that it is readily available. The City should provide additional training to individuals who have not complied with this requirement and continue to monitor their purchasing activities.

**11. Finding: The completeness of all vendor files could not be readily assessed.**

Prior to 2016, most vendor documents were maintained in hard copy. Starting in 2016, vendor information began being stored electronically. Moreover, staff reported a new requirement to obtain W-9s for all vendors. Staff reported that they collect W-9s for all new vendors and are working to ensure that they gather W-9s for existing vendors. Given that some of the vendors in our sample began doing business with the City prior to 2016, the W-9s for all vendors were not readily accessible.

**Recommendation: Continue ongoing efforts to maintain complete vendor files.**

The City has made improvements in its recordkeeping related to vendor files. The City should continue these efforts and ensure that W-9s are obtained for all vendors.

**12. Finding: Adequate controls do not exist to prevent duplicate payments.**

According to Accounts Payable staff, the financial management system will show an error message if staff try to pay on the same invoice number. However, there are no similar error messages to show if a payment was already made using a purchasing card. Of the 40 transactions we tested, we found a duplicate payment occurred in one instance. In this instance, we found that a payment via check was approved and issued for an invoice that had already been paid via purchasing card. Approximately one month after this check was issued, the duplicate payment was corrected. According to the Accounts Payable staff, their staff does not systematically monitor for this issue and instead rely on the departments to detect these issues. According to other Finance Department staff, the financial management system automatically prints a duplicate payment report during each check run or the purchasing card monthly processing, which would flag when a second transaction is processed.

**Recommendation: Develop and implement a process to prevent duplicate payments.**

The Finance Department should define and document the process for preventing duplicate payments, including the assignment of roles and responsibilities. The Finance Department should provide additional direction and training to departments to remind them of the importance verifying that invoices have not already been paid, particularly via purchasing card.

**B. ADDITIONAL OBSERVATIONS**

During the course of our testing, we made additional observations about the purchasing and accounts payable process. While these observations are not strictly defined as “exceptions,” based on currently established criteria, we have included these observations because they represent additional opportunities for improvement.

**1. Observation: Certain important purchasing controls are not in place.**

We observed the following additional controls that are currently not implemented within the City’s purchasing and accounts payable environment.

- We observed that conflicts of interest issues may not be adequately addressed in existing policies and processes. While City employees must comply with an ethics manual and City policy and procedure outlining unacceptable behavior, the Purchasing Division staff does not have adequate information about employees to perform ongoing monitoring of potential conflict of interest issues. Additionally, City policy does not specifically address the roles allowable for individuals in the purchasing process with any potential conflicts. For example, we found that a City employee is listed as the project manager on a project where the individual is related to the contractor. We did not observe any documentation acknowledging the perceived conflict of interest or how this would be avoided.
- The City has procedures for setting up new vendors to avoid duplication and to review vendors annually as part of the 1099 preparation process. However, the City does not have

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a process specifically designed to review the master vendor file to detect any irregularities. The Accounts Payable staff reported that this type of review is overdue.

- In accordance with best practices, all checks should be mailed to vendors and any that are distributed by alternate methods should be tracked. Currently the Finance Department does not maintain a log of checks that are picked up rather than mailed out.
- The City's current policies and procedures do not clearly specify and document the consequences of non-compliance with the policy. Without well-defined consequences and monitoring for instances of non-compliance, violations of policy will likely continue.

**Recommendation: Implement additional controls to strengthen the purchasing and accounts payable environment.**

The City should consider implementing the following updates to its policies and procedures:

- Provide additional guidance regarding conflicts of interest including the roles related parties can have following vendor selection and how potential conflicts will be monitored by the Purchasing Division.
- Document a process for periodically reviewing the master vendor file, no less than once per year.
- Implement a log for checks that are distributed by means other than the mail.
- Outline the consequences of non-compliance with the City's Purchasing Policy.

**2. Observation: Certain exemptions from the procurement process may not serve the best interest of the City.**

In accordance with the City's Purchasing Policy and state law, certain types of purchases are exempt from the standard procurement process. For example, the purchase of software and professional services are not subject to multiple quotes or formal bidding. The City's policy does not require revisiting these vendor relationships periodically, and, thus, there are no requirements that would prevent simply renewing the contract every year. According to City staff, the departments may request proposals or go out to bid even when it is not required by state law. However, without periodic review of pricing or formal bidding, the City may not be getting the most favorable terms possible from its vendors. Moreover, without a robust review of conflicts of interest as part of the purchasing process, there is an increased opportunity for fraud with these types of purchases.

**Recommendation: Consider additional practices for assessing vendor terms or relationships even when not required.**

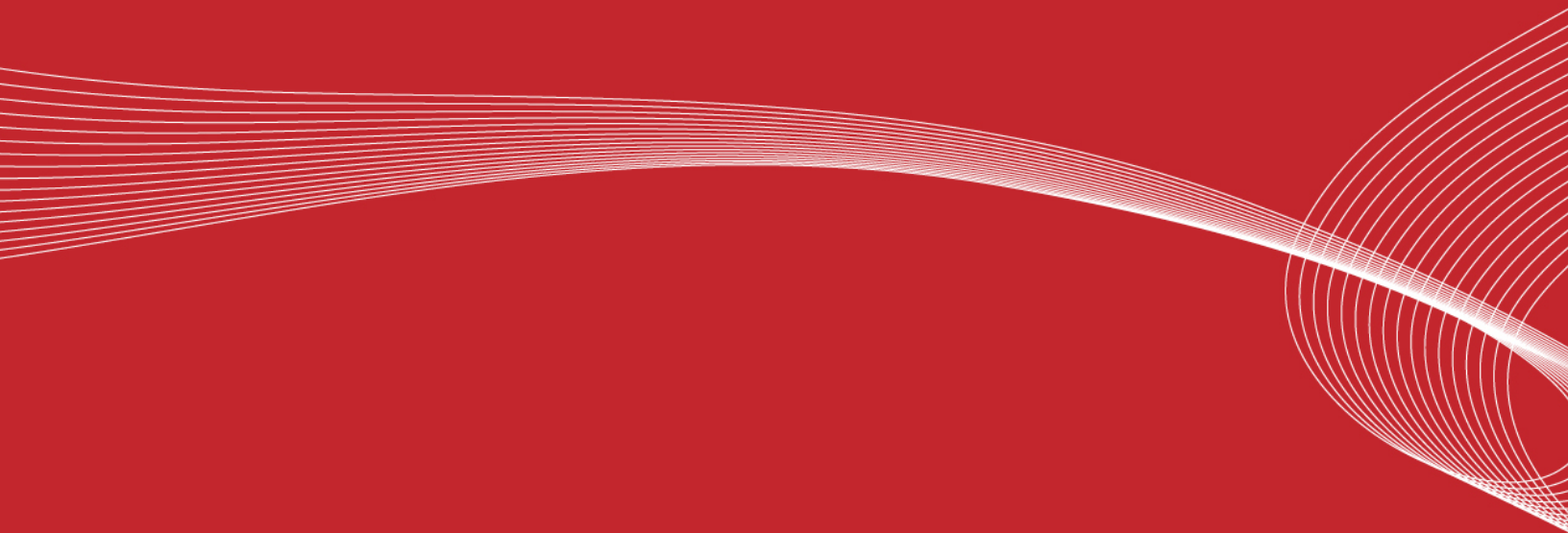
The City should consider developing a process for periodically reviewing long-standing vendor relationships. This assessment could include the evaluation of potential conflicts of interest as well as price comparison.

**3. Observation: The City processes payments for two outside entities that are not subject to the City's Purchasing Policy.**

The Carson City Visitors Bureau (CCVB) and V&T Railroad have agreements with the City to perform various accounting services including the processing of payments. The City's agreements with these entities stipulate that the entities must ensure that they have appropriate purchasing and financial policies and procedures in place. However, the City has not requested or reviewed these policies and procedures to ensure their appropriateness. While these agreements may technically absolve the City from responsibility for the entities' purchasing practices, if issues arise they will likely reflect upon the City in the public's eye.

**Recommendation: Obtain the purchasing policies and procedures for CCVB and V&T and consider periodic monitoring.**

The City should consider requesting the financial policies and procedures for CCVB and V&T Railroad. The Finance Department, or its delegate, should review these policies and procedures to evaluate the appropriateness of this written guidance. Additionally, the City could consider performing periodic monitoring of these entities' purchasing practices to evaluate compliance with their policies and procedures.



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# STAFF REPORT

Report To: Audit Committee

Meeting Date: 7/12/17

Staff Contact: Nancy Paulson, Chief Financial Officer & Michael Bertrand, Audit Committee Chairman

Agenda Title: 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, 2018.

Staff Summary: Moss Adams will provide recommendations for future internal audits for the period ending June 30, 2018.

Agenda Action: Formal Action/Motion

Time Requested: 20 minutes

## Proposed Motion

Will depend on the discussion and possible recommendations.

## Board's Strategic Goal

Efficient Government

## Previous Action

N/A

## Background/Issues & Analysis

## Applicable Statute, Code, Policy, Rule or Regulation

## Financial Information

Is there a fiscal impact?  Yes  No

If yes, account name/number: General Fund Internal Auditor / Professional Services

101-0800-415-03-09

Is it currently budgeted?  Yes  No

Explanation of Fiscal Impact: \$110,000 has been budgeted for FY 18.

## Alternatives

N/A

**Board Action Taken:**

Motion: \_\_\_\_\_

1) \_\_\_\_\_

2) \_\_\_\_\_

Aye/Nay

\_\_\_\_\_

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\_\_\_\_\_

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\_\_\_\_\_  
(Vote Recorded By)





# Carson City

FY 17-18 Internal Audit Program  
Audit Committee Meeting  
July 12, 2017

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*Acumen. Agility. Answers.*

# AGENDA

- I. Introduction
- II. Internal Audit Program Components
- III. Internal Audit Program Review
- IV. FY 17-18 Internal Audit Plan

# I. INTRODUCTION

- The City retained Moss Adams LLP to serve as the designated City Auditor and conduct projects focusing on:
  - Efficiency and effectiveness
  - Management reviews
  - Best practices
  - Compliance
- Work is being completed under AICPA's consultancy standards and standards from the Institute of Internal Auditors (IIA)

## II. INTERNAL AUDIT PROGRAM COMPONENTS

### Internal Audit

Risks

Internal  
Controls

Compliance

Performance

**Areas of Focus: accounting and financial reporting, asset management, capital programs, compliance, economics and funding, fraud, governance, human resources, internal controls, maintenance and operations, management, operations and service delivery, organization and staffing, processes and procedures, procurement, public safety, risk management, and technology**

### III. INTERNAL AUDIT PROGRAM REVIEW

#### Project

- Risk Assessment
- Public Defender Study
- Eagle Valley Golf Study
- Community Facilities Study
- Fleet Efficiency Study
- Fleet Utilization Study
- FWA Program Development

#### Results

Guided future projects

No action taken

Resolved revenue issue

15 of 15 findings completed

24 of 24 findings completed

12 of 12 findings completed

12 reports to date

# III. INTERNAL AUDIT PROGRAM REVIEW (CONT.)

## Project

- Performance Metrics
- Employee Efficiency Study
- Internal Controls Review
- Strategic Planning
- Policies/Procedures Update
- Cash Handling Improvement
- Payroll Testing

## Results

CMO implementing PMS

27 of 27 findings completed

40 of 42 findings completed

Plan adopted by BOS

4 of 5 findings completed

City is implementing changes

2 findings

### III. INTERNAL AUDIT PROGRAM REVIEW (CONT.)

<u>Project</u>	<u>Results</u>
• P-Card Testing	2 findings
• Small Works Projects Review	4 findings
• Public Guardian Review	13 findings
• Procurement Testing	15 findings

## IV. FY 17-18 INTERNAL AUDIT PLAN

1. Travel Expense IC Testing	\$20,000*
2. Grants IC Testing	\$20,000*
3. Large Public Works Projects Review	\$35,000*
4. Performance Metrics Validation	\$5,000*
5. Public Guardian Follow Up	\$5,000*
6. Ongoing Internal Auditor Services	\$10,000*
7. Audit Findings Validation	\$10,000*
8. FWA Program Coordination	\$5,000*
9. Succession Planning Review	\$30,000
10. Support Service Efficiency Study	<u>\$35,000</u>
Total Budget	\$110,000*/\$175,000

41



## IV. FY 17-18 INTERNAL AUDIT PLAN (CONT.)

1. Travel Expense IC Review: Test compliance with travel expense policies and procedures (10 weeks, \$20,000)
2. Grants Management IC Testing: Test compliance with grants management policies and procedures (10 weeks, \$20,000)
3. Large Public Works Projects Review: Review a sample of projects to assess documentation, administration, and cost allocation processes (12 weeks, \$35,000)
4. Performance Metrics Validation: At the direction of the Audit Committee, perform validation of performance targets and/or performance results (52 weeks, \$5,000)
5. Public Guardian Follow Up: Review progress implementing Public Guardian Review recommendations (10 weeks, \$5,000)

## IV. FY 17-18 INTERNAL AUDIT PLAN (CONT.)

6. Ongoing Internal Auditor Services: Attend Audit Committee and Board of Supervisors (BOS) meetings; track City responses to audit findings and recommendations (52 weeks, \$10,000)
7. Audit Findings Validation: Review information provided by the City to validate that completed findings were implemented as reported and adequately addressed findings (52 weeks, \$10,000)
8. Fraud, Waste, and Abuse (FWA) Program Coordination: Perform duties such as reviewing and investigating hotline calls, overseeing the distribution of response activities, coordinating with staff, and reporting FWA activities to the Audit Committee and BOS (52 weeks, \$5,000)

## IV. FY 17-18 INTERNAL AUDIT PLAN (CONT.)

9. Succession Planning Review: Define succession planning needs and assess readiness (12 weeks, \$30,000)
10. Support Services Efficiency Study: Conduct an efficiency study of HR, IT, or Finance (14 weeks, \$35,000)

## IV. FY 17-18 INTERNAL AUDIT PLAN (CONT.)

#	Process	Fees	7-9/17	10-12/17	1-3/18	4-6/18
1	Travel Expense IC Testing	\$20,000				
2	Grants Management IC Testing	\$20,000				
3	Large Public Works Projects Review	\$35,000				
4	Performance Metrics Validation	\$5,000				
5	Public Guardian Follow Up	\$5,000				
6	Ongoing Internal Auditor Services	\$10,000				
7	Audit Findings Validation	\$10,000				
8	FWA Program Coordination	\$5,000				
	Total	\$110,000				

45



# STAFF REPORT

Report To: Audit Committee

Meeting Date: 7/12/17

Staff Contact: Nancy Paulson , Chief Financial Officer & Michael Bertrand, Audit Committee Chairman

Agenda Title: For Possible Action: Discussion on the requirements and process for the election of officers and possible nomination and election of the Audit Committee Chairman and Vice Chairman. (Nancy Paulson, npaulson@carson.org)

Staff Summary: According to Carson City Boards, Committees, and Commissions Policies and Procedures, unless otherwise provided by law, ordinance or resolution, at the first meeting of each calendar year, the board, committee, or commission shall pursuant to a noticed agenda item elect a chairperson who shall preside at meetings. The board, committee, or commission shall then choose a vice-chairperson. The vice chairperson shall preside in the absence of the chairperson.

The current Audit Committee Chairman, Michael Bertrand, has been the Chairman since July 19, 2011 and the Vice Chairman position has been vacant since the resignation of William Prowse in 2015. Mr. Bertrand would like to step down as Chairman at this time.

Agenda Action: Formal Action/Motion

Time Requested: 10 minutes

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## Proposed Motion

Will depend on discussion and possible recommendations.

## Board's Strategic Goal

Efficient Government

## Previous Action

N/A

## Background/Issues & Analysis

## Applicable Statute, Code, Policy, Rule or Regulation

## Financial Information

Is there a fiscal impact?  Yes  No

If yes, account name/number:

Is it currently budgeted?  Yes  No

Explanation of Fiscal Impact:

Alternatives

N/A

**Board Action Taken:**

Motion: \_\_\_\_\_

1) \_\_\_\_\_

2) \_\_\_\_\_

Aye/Nay

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
(Vote Recorded By)