

MINUTES
CLARK COUNTY SCHOOL DISTRICT
SPECIAL MEETING OF THE BOARD OF SCHOOL TRUSTEES
ADMINISTRATIVE CENTER, ROOM 466
5100 WEST SAHARA AVENUE, LAS VEGAS, NV 89146

AUDIT ADVISORY COMMITTEE

Wednesday, February 29, 2012

9:30 a.m.

Roll Call: Members Present
 Patrick Patin, Chairperson
 Cathy Jones
 David Kellerman
 Tina Quigley
 B. Keith Rogers
 Erin Cranor, Board Liaison

Dwight D. Jones, Superintendent of Schools

Also present were: Jeff Weiler, Chief Financial Officer, Operations Support Unit; Jim McIntosh, Deputy Chief Financial Officer, Operations Support Unit; Janette Scott, Director, Internal Audit Department, Office of the Chief of Staff; Cindy Krohn, Executive Assistant to the Board, Board Office; Tamara Miramontes, CPA, Kafoury, Armstrong & Co.; Michael Biel, CPA, Kafoury, Armstrong & Co.; Ali Taylon, Gibson Consulting Group; and Stephanie Gatlin, Transcriber/Recording Secretary, Board Office.

ADOPT AGENDA

Adopt agenda.

Motion: Jones Second: Kellerman Vote: Unanimous

APPROVE REVIEW OF THE INDEPENDENCE AND QUALIFICATIONS OF THE CLARK COUNTY SCHOOL DISTRICT'S INDEPENDENT EXTERNAL AUDITOR

Approval regarding the independence of the Clark County School District's external auditor, Kafoury, Armstrong & Co., the required rotation of audit partners (if any), and the qualifications and experience of the senior members of the external audit engagement team.

Ms. Miramontes explained that she would continue to be the engagement shareholder for the CCSD audits, Mr. Biel had been the audit manager but will be leaving Kafoury, Armstrong & Co., and Daniel Rushin, senior audit manager, would be working with Kafoury, Armstrong & Co. moving forward. She stated that Kafoury, Armstrong & Co. is independent under government auditing standards and under American Institute of Certified Public Accountants standards.

APPROVE RENEWAL OF THE ENGAGEMENT OF THE INDEPENDENT EXTERNAL AUDITOR FOR THE CLARK COUNTY SCHOOL DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Approval regarding the renewal of the engagement of the Clark County School District's independent external auditor Kafoury, Armstrong & Co. for the fiscal year ended June 30, 2012, is recommended in Reference 2.02.

Ms. Miramontes outlined the services to be provided to CCSD by Kafoury, Armstrong & Co. as the independent external auditor, as well as fees for these services, as stated in Reference 2.02.

Motion to recommend that the Board of Trustees renew the engagement of Kafoury, Armstrong & Co. to be the independent external auditor.

Motion: Quigley Second: Jones Vote: Unanimous

APPROVE UPDATE ON THE CLARK COUNTY SCHOOL DISTRICT INTERNAL AUDIT DEPARTMENT

Approval on work performed, review of the audit plan, review of current budget and staffing levels by the Clark County School District Internal Audit Department for the current fiscal year and outlook for 2013.

Ms. Scott gave an update on the Internal Audit Department's current staffing level and audit plan.

APPROVE UPDATE ON THE EDUCATIONAL AND OPERATIONAL EFFICIENCY STUDY AND ENHANCEMENTS OF THE CLARK COUNTY SCHOOL DISTRICT

Approval on the District's plan to increase educational and operational efficiency and updates on any current implementation timelines. Discussion may include recommendations by Gibson Consulting Group.

Mr. Weiler stated that staff is currently working on recommendations in the Gibson report that may be able to be included in next year's budget.

APPROVE FINANCIAL REPORTING UPDATE

Approval regarding reporting tools currently under development, including, but not limited to a potential online interface to allow public access to data showing disposition of District funds by budget unit, cost center, position, location, function, and/or object. Discussion and presentation may include recommendations by Gibson Consulting Group.

Mr. Weiler introduced Mr. TAYLOR who presented the Budget Dashboard and the Facilities Dashboard.

Ms. Jones asked if in the future this would include the actuals as well as the budget with some type of comparison.

APPROVE FINANCIAL REPORTING UPDATE (continued)

Mr. McIntosh agreed that would be helpful in an effort to be transparent and provide information to the public.

Ms. Jones asked if this information would be shown at the school level.

Mr. McIntosh said that information could be included moving forward.

Mr. Patin suggested that Board members could gather public input at their community linkage or Parent Advisory Committee (PAC) meetings to garner what type of information the public may want to see included in this dashboard.

Ms. Quigley asked if the Audit Advisory Committee could have access to the dashboard to explore the information.

Mr. McIntosh agreed to make that available to the committee.

Ms. Jones asked what the review process would be for these dashboards before this information is provided to the public.

Mr. McIntosh stated that staff is looking at some type of governance that would include a review process.

APPROVE REVIEW OF THE CLARK COUNTY SCHOOL DISTRICT BOARD OF TRUSTEES' GOVERNANCE POLICY EL-5: FINANCIAL PLANNING/BUDGETING

Approval regarding the review of Governance Policy EL-5: Financial Planning/Budgeting, including a discussion regarding the Board of Trustees' review of the Committee's prior recommendations. Any changes recommended to the Governance Policy at this meeting will be brought forward to the Board of Trustees and will not be implemented unless adopted by the public policy review process at a regular meeting of the Board of Trustees.

Trustee Cranor provided information discussed by the Board concerning proposed changes to EL-5: Financial Planning/Budgeting.

Motion to recommend that the Board of Trustees move forward with Notice of Intent for EL-5: Financial Planning/Budgeting.

Motion: Kellerman Second: Quigley Vote: Unanimous

APPROVE REVIEW OF THE CLARK COUNTY SCHOOL DISTRICT BOARD OF TRUSTEES' GOVERNANCE POLICY EL-6: FINANCIAL CONDITION AND ACTIVITIES

Approval regarding the review of Governance Policy EL-6: Financial Condition and Activities, including a discussion regarding the Board of Trustees' review of the Committee's prior recommendations. Any changes recommended to the Governance Policy at this meeting will be brought forward to the Board of Trustees and will not be implemented unless adopted by the public policy review process at a regular meeting of the Board of Trustees.

APPROVE REVIEW OF THE CLARK COUNTY SCHOOL DISTRICT BOARD OF TRUSTEES' GOVERNANCE POLICY EL-6: FINANCIAL CONDITION AND ACTIVITIES (continued)

Trustee Cranor inquired about instances where the District expenditures exceeded the budget as stated in Number 12 of EL-6: Financial Condition and Activities.

Mr. Patin explained that there are instances where the District received additional funds and created further expenditures, but did not exceed the budget, which the District is required to report to the state.

Mr. Weiler said staff has discussed creating an augmented budget that would show that type of spending.

There was some discussion regarding the District's ending fund balance.

Trustee Cranor said she would place on the Board agenda for discussion, the committee's expressed level of discomfort with the ending fund balance.

Motion to recommend to the Board of Trustees to move forward with Notice of Intent for EL-6: Financial Condition and Activities.

Motion: Jones Second: Quigley Vote: Unanimous

APPROVE REVIEW OF THE CLARK COUNTY SCHOOL DISTRICT BOARD OF TRUSTEES' GOVERNANCE POLICY EL-8: ASSET PROTECTION

Approval regarding the review of Governance Policy EL-8: Asset Protection, including a discussion regarding the Board of Trustees' review of the Committee's prior recommendations. Any changes recommended to the Governance Policy at this meeting will be brought forward to the Board of Trustees and will not be implemented unless adopted by the public policy review process at a regular meeting of the Board of Trustees.

Motion to recommend to the Board of Trustees to move forward with Notice of Intent of revised EL-8: Asset Protection as presented.

Motion: Kellerman Second: Jones Vote: Unanimous

APPROVE FUTURE MEETING PLANNING

Approval for future meetings of the Audit Advisory Committee.

Mr. Patin suggestion scheduling an Audit Advisory meeting for April and for June with the option of canceling the April meeting if it is not needed.

Motion to set the committee's April meeting to April 18, 2012, at 9:30 a.m. in the Administrative Center, room 466, with the caveat that if this meeting is not needed, the Chair has the authority to cancel it.

Motion: Quigley Seconded: Jones Vote: Unanimous

APPROVE FUTURE MEETING PLANNING (continued)

Motion to set the committee's June meeting for Wednesday, June 13, 2012, at 9:30 a.m. in the Administrative Center, room 466.

Motion: Kellerman Second: Jones Vote: Unanimous

AGENDA PLANNING: ITEMS FOR FUTURE AGENDAS

Mr. Patin said that the agenda for the April meeting should include any executive limitations that the committee needs to discuss. He said he would like to concentrate heavily during the April meeting or the June meeting on the Internal Audit Department, focusing on the risk assessment and the audit plan for this year and next year. He said he would like to schedule time during an upcoming meeting for the committee to review its charter and bylaws.

Ms. Jones asked that the June agenda include a budget review.

PUBLIC COMMENT PERIOD

Sam King applauded the District's finance department and the Audit Advisory Committee for the presentation of the dashboard in terms transparency to the public.

ADJOURN: 10:50 a.m.

Motion: Jones Second: Quigley Vote: Unanimous