

MINUTES
 CLARK COUNTY SCHOOL DISTRICT
 SPECIAL MEETING OF THE BOARD OF SCHOOL TRUSTEES
AUDIT ADVISORY COMMITTEE

EDWARD A. GREER EDUCATION CENTER, BOARD ROOM
 2832 E. FLAMINGO ROAD, LAS VEGAS, NV 89121

JOINT MEETING WITH THE BOARD OF SCHOOL TRUSTEES

Tuesday, November 14, 2017

5:30 p.m.

Roll Call:	<u>Members Present</u> Deanna L. Wright, President Linda E. Young, Vice President Carolyn Edwards, Clerk Lola Brooks, Member Linda P. Cavazos, Member Kevin L. Child, Member Chris Garvey, Member	<u>Member Absent</u> Chris Garvey, Member
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Roll Call:	<u>Members Present</u> Patricia Morris, Chair Eric Bashaw, Member Joshua Robinson, Member B. Keith Rogers, Member	<u>Member Absent</u> Jim McIntosh, Member
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Pat Skorkowsky, Superintendent of Schools

Also present were: Carlos McDade, General Counsel, Office of the General Counsel; Jason Goudie, Chief Financial Officer, Finance Department, Operational Services Unit; Elizabeth Carrero, Executive Manager, Office of the Superintendent; Cindy Krohn, Executive Assistant to the Board, Board Office; Norma Herrera, Administrative Secretary II, Board Office; and Tamara Miramontes, CPA, Engagement Partner, Eide Bailly LLP.

FLAG SALUTE

Trustee Edwards led the Pledge of Allegiance.

ADOPT AGENDA

Adopt agenda, except note additional reference material for Item 3.02.

Motion: Cavazos Second: Edwards Vote: Unanimous

Trustee Wright was not present for the vote.

ADOPT AGENDA

Adopt agenda with the change note by Trustee Cavazos.

Motion: Robinson Second: Rogers Vote: Unanimous

PUBLIC COMMENT PERIOD

Steve Brown suggested that the District use some of the money it spends on consultants to pay for an audit. He said the forensic audit needs to be done.

Autumn Tampa expressed concern for support staff. She said she hoped that the Board would remember people's faces as they consider budget cuts and not just numbers.

Robert Strawder spoke in favor of a forensic audit. He said the students are being affected by the budget cuts.

PRESENTATION OF THE ANNUAL INDEPENDENT AUDITOR'S REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Presentation and discussion of the annual Independent Auditor's Report for the Fiscal Year Ended June 30, 2017, by representatives from Eide Bailly LLP.

Ms. Miramontes presented a summary of the following reports as shown in Item 3.01 A: Independent Auditor's Report for the fiscal year ended June 30, 2017; Government Auditing Standards Report; Uniform Guidance; Schedule of Expenditures of Federal Awards (SEFA); and Auditor's Comments.

Trustee Edwards asked Mr. Goudie to explain what happened with the States Grand Fund.

Mr. Goudie explained that this specifically relates to the full-day kindergarten monies. He said the District budgeted approximately \$14 million for this to come from the State, but the funds did not materialize through the normal budget process. He said subsequent to year-end, however, the Interim Finance Committee (IFC) approved approximately \$11 million to be distributed to the District.

Trustee Edwards asked what internal controls would be in place to make sure the District does not over-budget for what it is to receive from the State in the future.

Mr. Goudie said staff is working to present the revenues to the Board in a more detailed and transparent manner.

Ms. Morris advised that there be a reconciliation of the items on page 18 of 21, Section II, a, b, and c, to what is already in place.

APPROVE INDEPENDENT AUDITOR'S NARRATIVE REPORT OF RECOMMENDATIONS AND DISTRICT RESPONSES TO RECOMMENDATIONS FOR THE FISCAL YEAR ENDED JUNE 30, 2017, AND INDEPENDENT AUDITOR'S STATEMENTS ON NEVADA REVISED STATUTES COMPLIANCE

Approval to accept the Clark County School District's responses to the independent auditor's recommendations for the fiscal year ended June 30, 2017, with the written narrative and responses being incorporated by reference into the minutes of this meeting, and with the entire report being transmitted and filed as required in Nevada Revised Statutes (NRS) 354.624; and approval to accept the independent auditor's statements on NRS compliance for the fiscal year ended June 30, 2017, including the necessary corrective actions, if any, with the statements being transmitted and filed, as required in NRS 354.6245, as recommended in Reference 3.02.

Mr. Goudie reviewed the Corrective Action Plan as shown in Additional Reference 3.02, which addresses what the District is doing to improve the controls around the deficiencies noted in the audit.

BOARD MEMBER ARRIVES

Trustee Wright arrived at the Board meeting at 6:11 p.m.

APPROVE INDEPENDENT AUDITOR'S NARRATIVE REPORT OF RECOMMENDATIONS AND DISTRICT RESPONSES TO RECOMMENDATIONS FOR THE FISCAL YEAR ENDED JUNE 30, 2017, AND INDEPENDENT AUDITOR'S STATEMENTS ON NEVADA REVISED STATUTES COMPLIANCE (continued)

Trustee Edwards asked if Eide Bailly reviewed the response and felt that it was sufficient to address the deficiencies.

Ms. Miramontes said they did review the response but would not know until next year whether the District complied with the Corrective Action Plan. She said they do feel that the plan should help to mitigate the situation going forward.

Motion to approve the District's responses to the independent auditor's recommendations for the fiscal year ended June 30, 2017, with the written narrative and responses being incorporated by reference into the minutes of this meeting, and with the entire report being transmitted and filed as required in Nevada Revised Statutes (NRS) 354.624; and approval to accept the independent auditor's statements on NRS compliance for the fiscal year ended June 30, 2017, including the necessary corrective actions, if any, with the statements being transmitted and filed, as required in NRS 354.6245.

Motion: Edwards Second: Young

Trustee Child read a statement from Trustee Garvey who was unable to attend the meeting. Trustee Garvey's statement suggested that another independent audit was necessary.

APPROVE INDEPENDENT AUDITOR'S NARRATIVE REPORT OF RECOMMENDATIONS AND DISTRICT RESPONSES TO RECOMMENDATIONS FOR THE FISCAL YEAR ENDED JUNE 30, 2017, AND INDEPENDENT AUDITOR'S STATEMENTS ON NEVADA REVISED STATUTES COMPLIANCE (continued)

Trustee Edwards asked if the findings in the audit suggest that a more intensive audit would be needed.

Ms. Morris said typically during an audit as findings occur, the auditor may expand its samples.

Mr. Rogers added that typically the audit report is provided to the sponsors of the funding in the case of any internal control issues so the sponsors can determine whether further action is necessary.

Ms. Miramontes said as the auditors identified certain issues, they did expand and investigate, but there were no findings of material instances of fraud and no findings of material noncompliance other than what was reported relating to the budget.

Trustee Edwards asked if the report is shared with the entities involved.

Superintendent Skorkowsky said it is required that the documentation be filed with the State.

Trustee Wright asked the Audit Advisory Committee's opinion on whether the District should move forward on a forensic audit or a deeper, more in-depth audit.

Ms. Morris commented that the audit conducted by the independent auditor is a completely different and separate scope than what would be a forensic audit. She said as to the forensic audit that has been requested, there is still a question of what the specific question is that needs to be answered or what the scope of work would be in that type of audit because "forensic audit" is a broad term.

Vote on Trustee Edwards' motion was unanimous.

PUBLIC COMMENT PERIOD

None.

ADJOURN: 6:24 p.m.

Motion: Robinson Second: Rogers Vote: Unanimous