

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

Wednesday, January 11, 2017

9:33 a.m.

Roll Call:	<u>Members Present</u>	<u>Members Absent</u>
	Patrick Patin, Chairman	Colleen Boyle, Member
	Patricia Morris, Member	B. Keith Rogers, Member
	Joshua Robinson, Member	
	Kevin L. Child, Board Liaison	

Pat Skorkowsky, Superintendent of Schools

Also present were: Rick Neal, Chief Operating Officer, Operational Services Unit; Janette Scott, Director, Internal Audit Department, Ancillary Support; Shelly Hughes, Director, General Accounting, Operational Services Unit; Jeannette Duque, Coordinator, General Accounting, Operational Services Unit; Cindy Krohn, Executive Assistant, Board Office; Tamara Miramontes, CPA, Proposed Engagement Partner, Eide Bailly LLP; and Stephanie Gatlin, Transcriber/Recording Secretary, Board Office.

ADOPT AGENDA

Adopt agenda.

Motion: Morris Second: Robinson Vote: Unanimous

PUBLIC COMMENT PERIOD

None.

ASSEMBLY BILL 394

Update and discussion on the plan to reorganize the Clark County School District.

Mr. Neal gave an update on the plan to reorganize the District, including the reorganization of central office staff and financial controls.

Mr. Patin asked about shifting of controls with schools having more control over their budgets and any concerns and risks regarding the budget items being reported by the schools in terms of the Comprehensive Annual Financial Report (CAFR).

ASSEMBLY BILL 394 (continued)

Ms. Hughes said for the purposes of the CAFR, the budgets roll up to a very high level.

APPROVE MINUTES

Approval of minutes from the regular meeting of September 28, 2016.

Motion: Morris Second: Robinson Vote: Unanimous

NEW AUDIT ADVISORY COMMITTEE MEMBER ORIENTATION AND TRAINING

Introduction of committee members and District staff and discussion regarding the Audit Advisory Committee Bylaws and Calendar and a brief discussion of the Nevada Open Meeting Law to be led by the Chair.

Mr. Patin reviewed the Committee's calendar and the Open Meeting Law (OML).

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 Eide Bailly LLP, the rotation of audit partners, and the qualifications and experience of the senior members of the external audit engagement team, as recommended in Reference 3.04.

Ms. Miramontes presented the letter discussing the external auditors' independence and qualifications and the quality control procedures and processes they have in place. She recommended that Paul Kane, Audit Senior Manager, Eide Bailly LLP, continue to serve in that capacity.

APPROVE RENEWAL OF THE ENGAGEMENT OF THE INDEPENDENT EXTERNAL AUDITOR FOR THE CLARK COUNTY SCHOOL DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Approval regarding the renewal of the engagement of the Clark County School District's independent external auditor Eide Bailly LLP for the fiscal year ended June 30, 2017, as recommended.

Ms. Miramontes stated that the engagement letter, Reference 3.05, is in draft form because some changes were made in the contract related to purchasing provisions.

Ms. Hughes said the changes were very minor.

Motion to recommend approval pending purchasing edits of the engagement letter for fiscal year ended June 30, 2017.

Motion: Robinson Second: Morris Vote: Unanimous

REVIEW OF THE CLARK COUNTY SCHOOL DISTRICT CONTROL ENVIRONMENT

Approval on the Clark County School District Board of Trustees' Audit Advisory Committee's responsibility to review updates to the control environment including assignment of authority and responsibilities as prescribed by the Bylaws and Calendar of the Committee, as recommended.

Ms. Hughes gave a presentation of the CCSD control environment as shown in Reference 3.06.

APPROVE UPDATE ON RECENTLY ISSUED GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) PRONOUNCEMENTS

Approval regarding the accounting, financial reporting and auditing requirements of recently issued GASB pronouncements, as recommended.

Ms. Duque gave a presentation on upcoming GASB statements as shown in Reference 3.07.

APPROVE UPDATE ON THE CLARK COUNTY SCHOOL DISTRICT INTERNAL AUDIT DEPARTMENT

Approval on work performed by and the status of the Clark County School District Internal Audit Department for the current fiscal year, as recommended.

Ms. Scott gave an update on the CCSD Internal Audit Department Audit Plan for fiscal year 2017 as of December 31, 2016, as outlined in Reference 3.08.

Mr. Patin asked for more information on the athletics and payroll audits.

Ms. Scott said the athletics audit was issued in August and had to do with the reporting from the school to the athletics department and how the athletics department accounts for the revenues. She said it was a good audit overall with some minor procedural changes being made. She said the payroll audit was issued in November and was a very good audit. She said there was a minor issue there of an employee having access to a system that person should not have had, which was corrected.

Mr. Patin asked if the Internal Audit Department had received any anonymous tips the Committee should be aware of and if the department has had to decline any special requests.

Ms. Scott said there have been no anonymous tips, and no audit requests have been declined.

Mr. Robinson asked if the District has an anonymous tip line.

Ms. Scott explained that the Internal Audit Department does not have a tip hotline, but the District has various avenues for the public to report concerns.

APPROVE UPDATE FROM THE CLARK COUNTY SCHOOL DISTRICT'S FINANCIAL MANAGEMENT DEPARTMENT

Approval regarding an update from District's financial management department on the current and future expected financial conditions, the District reorganization (AB394), the budget and the District's budget visualization tool known as "Open Book", as recommended.

Ms. Hughes reported that Open Book has been updated with the Amended Final Budget and has been updated with the breakdown of per student, per day costs. She said the development of strategic workbooks for schools is on track for the January 15, 2017, rollout. She said the tentative budget process for 2017-2018 is underway, and Open Book would be updated with that information. She stated that staff is currently working on a new dashboard for Open Book related to strategic school budgets.

APPROVE REVIEW OF THE UPDATED 2016-2017 AUDIT PLAN OF THE CLARK COUNTY SCHOOL DISTRICT INTERNAL AUDIT DEPARTMENT

Approval of the updated audit plan of the Clark County School District Internal Audit Department for the remainder of the 2016-2017 fiscal year, including but not limited to, the general fund and CIP, as recommended.

Ms. Scott presented the Internal Audit Department revised audit plan for 2016-2017 as outlined in Reference 3.10.

Motion to recommend approval of the updated audit plan to the Superintendent.

Motion: Robinson Second: Morris Vote: Unanimous

FUTURE MEETING PLANNING

Motion to hold the next Audit Advisory Committee meeting on Wednesday, June 28, 2017, at 9:30 a.m. at the CCSD Administrative Center.

Motion: Robinson Second: Morris Vote: Unanimous

AGENDA PLANNING: ITEMS FOR FUTURE AGENDAS

Mr. Patin said the Committee's June meeting would focus on internal audit. He said staff would review the risk assessment, audit plan, and staffing levels and qualifications of Internal Audit Department staff as well as the audit charter.

Trustee Child said he had some concerns with the audits being done in CCSD departments and schools and suggested that they have a discussion regarding forensic audits.

Mr. Patin said he would be working with Trustee Child and internal and external audit to gain an understanding of Trustee Child's concerns and potential avenues for addressing them.

PUBLIC COMMENT PERIOD

None.

ADJOURN: 10:41 a.m.

Motion: Robinson Second: Morris Vote: Unanimous