

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, September 28, 2016

9:33 a.m.

Roll Call: Members Present
Patrick Patin, Chairman
Colleen Boyle, Member
Patricia Morris, Member
B. Keith Rogers, Member

Kevin L. Child, Board Liaison

Pat Skorkowsky, Superintendent of Schools

Also present were: Nicole Thorn, Deputy Chief Financial Officer, Business and Finance Division; Janette Scott, Director, Internal Audit Department, Office of the Chief of Staff; Cindy Krohn, Executive Assistant to the Board, Board Office; Tamara Miramontes, CPA, Engagement Partner, Eide Bailly LLP; Paul Kane, Senior Audit Manager, Eide Bailly LLP and Stephanie Gatlin, Transcriber/Recording Secretary, Board Office.

ADOPT AGENDA

Adopt agenda.

Motion: Rogers Second: Boyle Vote: Unanimous

Mr. Patin said there is currently one vacancy on the Audit Advisory Committee, and applications are being accepted until Friday, September 30, 2016.

PUBLIC COMMENT PERIOD

None.

APPROVE MINUTES

Approval of minutes from the meeting of June 29, 2016.

Motion: Boyle Second: Rogers Vote: Unanimous

APPROVE ELECTION OF CHAIRPERSON

Approval on the election of a Chairperson for the Clark County School District Board of Trustees Audit Advisory Committee for the 2016-2017 fiscal year.

Ms. Boyle nominated Mr. Patin to serve as chairman of the Audit Advisory Committee.

Mr. Rogers seconded the nomination.

Motion to close nominations.

Motion: Rogers Second: Mook Vote: Unanimous

Vote for Mr. Patin to serve as chairman of the Audit Advisory Committee for the fiscal year 2016-2017 was unanimous.

ADOPTION OF A MOTION DIRECTING THE CHAIR TO MEET WITH THE INDEPENDENT EXTERNAL AUDITOR INDEPENDENTLY FROM ADMINISTRATION AND INTERNAL AUDITORS FOR THE 2016-2017 FISCAL YEAR

Adopt a motion directing the Chair to meet with the independent external auditor independently from administration and internal auditors on behalf of the Audit Advisory Committee as recommended.

Motion to direct the Chair to meet with the independent external auditor independently from administration and internal auditors on behalf of the Audit Advisory Committee for the 2016-2017 fiscal year.

Motion: Boyle Second: Rogers Vote: Unanimous

ADOPTION OF A MOTION DIRECTING THE CHAIR TO MEET WITH THE DIRECTOR OF INTERNAL AUDIT INDEPENDENTLY FROM ADMINISTRATION AND EXTERNAL AUDITORS FOR THE 2016-2017 FISCAL YEAR

Adopt a motion directing the Chair to meet with the Director of Internal Audit independently from administration and external auditors on behalf of the Audit Advisory Committee as recommended.

Motion to direct the Chair to meet with the Clark County School District Director of Internal Audit independently from administration and external auditors on behalf of the Audit Advisory Committee for the 2016-2017 fiscal year.

Motion: Boyle Second: Rogers Vote: Unanimous

APPROVE UPDATE ON THE EXTERNAL FINANCIAL STATEMENT AUDIT FOR THE CLARK COUNTY SCHOOL DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Approval regarding timing, status, issues and results of the external audit of the Clark County School District for the fiscal year ended June 30, 2016, as recommended.

Ms. Miramontes introduced Mr. Kane. She said the auditors are on track to complete the audit field work by September 30, 2016, and to issue a final report by October 10, 2016. She said as of now, there are no audit adjustments and there were no issues, no control deficiencies, and no non-compliance noted with the single audit, and no issues noted with the financial statement audit at this time.

Mr. Kane said the CCSD finance team has been very accommodating and responsive throughout the audit process.

APPROVE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) REVIEW

Approval regarding the upcoming review of the Clark County School District's CAFR for the fiscal year ended June 30, 2016, by the members of the Audit Advisory Committee, as recommended.

Ms. Thorn said staff is scheduled to send out the CAFR via messenger by October 26, 2016, so the Committee members and the Board members could receive them on October 31, 2016. She stated that the joint meeting to review the CAFR is scheduled for November 10, 2016, at 3:00 p.m. She asked that the committee members review the CAFR and submit any questions to her via email up until 48 hours prior to the joint meeting. She said staff would provide a response to any of the questions submitted as additional backup material at the meeting.

APPROVE CLARK COUNTY SCHOOL DISTRICT AUDIT ADVISORY COMMITTEE SELF-EVALUATION

Approval regarding an evaluation by the Committee of its performance and efficiency including input from management, internal audit, external audit, and the public.

Everyone expressed appreciation for the Committee's input and oversight. No one noted anything that needed to be addressed and recommended for revision to the Board.

COMMITTEE MEMBER ARRIVES

Ms. Morris arrived at the Audit Advisory Committee meeting at 9:47 a.m.

APPROVE CLARK COUNTY SCHOOL DISTRICT AUDIT ADVISORY COMMITTEE SELF-EVALUATION (continued)

Mr. Patin briefly went over the Committee's Bylaws and Calendar, noting that the Committee is performing the items outlined in the Calendar.

APPROVE CLARK COUNTY SCHOOL DISTRICT AUDIT ADVISORY COMMITTEE SELF-EVALUATION (continued)

With reference to number 13 of the Calendar, Ms. Morris recommended that the quality assurance review report is read and understood and that the Committee reviews it as well, so that the organization is receiving the benefit of the quality assurance review.

APPROVAL REVIEW OF AND RECOMMENDATION OF AMENDMENTS TO THE CLARK COUNTY SCHOOL DISTRICT AUDIT ADVISORY COMMITTEE BYLAWS AND CALENDAR

Approval regarding the review of and recommendation of amendments to the Bylaws and Calendar of the Clark County School District Audit Advisory Committee, as recommended. Any changes recommended to the Bylaws and Calendar at this meeting will be brought forward to the Board of Trustees and will not be implemented unless adopted at a regular meeting of the Board of Trustees

The Committee did not have any recommended amendments to the Bylaws and Calendar.

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 presented the Internal Audit Department Audit Plan Update for Fiscal Year 2017 as of September 20, 2016, as outlined in Reference 3.09.

Mr. Patin asked if the Audit Department had received any anonymous requests or if they had to decline any special requests for audits.

Ms. Scott said she had not received any anonymous requests this quarter, and they have not had to decline any special requests.

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, recently issued Governmental Accounting Standards Board pronouncements, the budget, and the District's budget visualization tool known as Open Book, as recommended.

Ms. Thorn reported that staff is currently working on the amended final budget which would be presented to the Board of Trustees on December 8, 2016, and that Governmental Accounting Standards Board (GASB) 72 has been implemented as part of this year's audit with nominal impact to the District. She said Open Book has been updated with final budget information and will be updated again with amended final budget information. She said staff has added several new dashboards to Open Book, including salaries and benefits by function and budget by strategic imperative. She noted there is now a separate capital improvements interactive website.

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

Ms. Thorn reported that the District completed the refunding of bonds and have several refundings scheduled, and they are anticipating issuing new bonds in the approximate amount of \$160 million in March 2017. She said the District is on schedule to build six elementary schools and two replacement schools for the 2017-2018 school year.

Mr. Patin asked how parents and employees are notified and informed about Open Book.

Ms. Thorn said Open Book is mentioned during the budgeting process in the public meetings, and Trustees typically speak to it during their Parent and Community (PAC) meetings. She noted that Open Book is also on the CCSD website.

David Roddy, Public Information Specialist, Communications Office, said the Communications Office could also be helpful in informing the public about Open Book.

APPROVE FUTURE MEETING PLANNING

Approval for future meetings of the Audit Advisory Committee.

Motion to hold the next Audit Advisory Committee meeting on January 11, 2017, at 9:30 a.m. at the CCSD Administrative Center in room 466.

Motion: Rogers Second: Boyle Vote: Unanimous

AGENDA PLANNING: ITEMS FOR FUTURE AGENDAS

Mr. Patin stated that at the Committee's next meeting, they would discuss control environments, any new GASBs, review external audit, and may have a presentation on AB394.

PUBLIC COMMENT PERIOD

None.

ADJOURN: 10:18 a.m.

Motion: Rogers Second: Boyle Vote: Unanimous