

Minutes  
Clark County School District  
Special Meeting of the Board of School Trustees  
**Audit Advisory Committee**  
Administrative Center, Room 242  
5100 West Sahara Avenue, Las Vegas, NV 89146

Friday, February 17, 2023

10:00 a.m.

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Roll Call:	<u>Members Present</u>	<u>Member Absent</u>
	Josh Robinson, Chair	B. Keith Rogers, Member
	Eric Bashaw, Member	
	Anna Marie Binder, Member	
	Elsie Lavonne Lewis, Member	

Jesus F. Jara, Ed.D., Superintendent of Schools

Also present were: Luke Puschnig, General Counsel, Office of the General Counsel; Jason Goudie, Chief Financial Officer, Business and Finance Unit; Janette Scott, Director, Internal Audit Department, Office of the Superintendent; Jeannette Duque, Assistant Director, General Accounting, Business and Finance Unit; and Cindy Krohn, Director, Board Office.

### **Flag Salute**

Mr. Robinson led the Pledge of Allegiance.

### **Adopt Agenda**

*Adopt agenda, except move Item 2.02 to follow Item 2.08.*

*Motion: Binder Second: Bashaw Vote: Unanimous*

*Ms. Lewis was not present for the vote.*

### **Approve Minutes**

*Approval of minutes from the meeting of August 19, 2022.*

Ms. Binder expressed concern with the technical issues with the audio and recording of the August 19, 2022, Committee meeting. She asked that during their meetings, the Committee take a pause to make sure that the audio is working properly.

*Motion to accept.*

*Motion: Binder Second: Bashaw Vote: Unanimous*

*Ms. Lewis was not present for the vote.*

### **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 in Reference 2.03.

Ms. Scott provided an update on the CCSD Internal Audit Department Audit Plan for fiscal year 2023 as of February 9, 2023, as outlined in Reference 2.03. She stated the Internal Audit Department has lost one auditor and said she is in the process of filling that position and that the department is very close to being able to begin co-sourcing.

Ms. Binder asked if there was a backlog of background checks.

Ms. Scott said the background checks take four to six weeks to complete and she has not been told of any extended delays.

Ms. Binder inquired about findings as shared during a previous update which Ms. Scott said were not significant.

Ms. Scott said the update she gave previously included a summary of school audit findings and said there were no findings that were of great concern to her. She said procurement card and fundraiser findings were up slightly, but it is nothing that causes extraordinary concern. She added there has been a slight uptick in priority and at-risk but said that is to be expected.

Mr. Bashaw asked if the athletics department review is done at the District level or a review of each school.

Ms. Scott explained that because they have stopped performing gate receipt audits at individual schools, they now perform a higher-level audit of the District's athletics department, which takes a sample of schools.

*Motion to accept.*

*Motion: Bashaw    Second: Binder    Vote: Unanimous*

*Ms. Lewis was not present for the vote.*

### **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 2.04.

Mr. Goudie presented the letter from Eide Bailly LLP detailing the external auditor's independence and qualifications, as shown in Reference 2.04.

Mr. Robinson asked if Mr. Goudie discusses partner rotation with Eide Bailly.

**Approve Review of the Independence and Qualifications of the Clark County School District's Independent External Auditor (continued)**

Mr. Goudie stated that Eide Bailly rotates its concurring partner and said the District does not have any concerns with their practice.

Ms. Binder acknowledged that Richard Walker, Senior Manager, Eide Bailly LLP, is the treasurer for the local Casa Foundation.

*Motion to approve.*

*Motion: Binder Second: Bashaw Vote: Unanimous*

*Ms. Lewis was not present for the vote.*

**Approve Review of the Engagement of the Independent External Auditor for the Clark County School District for the Fiscal Year Ended June 30, 2023**

Approval regarding the engagement of the Clark County School District's independent external auditor Eide Bailly LLP for the fiscal year ended June 30, 2023, as recommended in Reference 2.05.

Mr. Goudie reviewed the engagement letter, as shown in Reference 2.05.

**Audit Advisory Committee Member Arrives**

Elsie Lavonne Lewis arrived at the Audit Advisory Committee meeting at 10:17 a.m.

**Approve Review of the Engagement of the Independent External Auditor for the Clark County School District for the Fiscal Year Ended June 30, 2023 (continued)**

Mr. Robinson asked if the District puts the external audit engagement out for bidding.

Mr. Goudie said yes, they do.

Ms. Binder said she believes that has gone out to bid twice in recent years, and she believes this would be the third extension on the acceptance of that bid.

*Motion to approve.*

*Motion: Bashaw Second: Binder Vote: Unanimous*

**Approve Review of the Clark County School District Internal Control Environment**

Approval on the Clark County School District Board of Trustees' Audit Advisory Committee's responsibility to review updates to the internal control environment including assignment of authority and responsibilities as prescribed by the Bylaws and Calendar of the Committee, as recommended in Reference 2.06.

Mr. Goudie presented a review of the Clark County School District internal control environment, as shown in Reference 2.06.

## **Approve Review of the Clark County School District Internal Control Environment** (continued)

Mr. Bashaw asked whether District staff has a formal way of establishing risk tolerances or if they are putting things in place to mitigate the risks to control the risk environment.

Mr. Goudie said it is a combination, and he discussed the practices and processes the District utilizes.

Ms. Binder asked since the Audit Advisory Committee does not see any of the findings, how the Committee would know if there was an issue that needs more oversight to the Committee than the Internal Audit Department.

Ms. Scott said the Audit Advisory Committee sees her risk assessment every year.

Ms. Binder stated the Committee never actually sees any findings but is given very limited information of the actual findings. She asked then if the Committee is providing an extra balance of the entire system, how the Committee is an integral part of that when they do not see any real issues. She stated there have been departments that have been assessed as high risk but are being overlooked because of limited resources.

Mr. Goudie explained that the summary of issues the Committee received had no significant findings, and that if there were high-risk or significant challenges, they would be alerted to those. He said they understand there are high risk areas which staff is unable to review on a regular basis but said they prioritize the resources to attack the highest risk components. He said this is also why they have looked at utilizing co-sourcing to help expand the Internal Audit Department's capabilities.

Ms. Binder asked about the positions that have been added to the Internal Audit Department.

Ms. Scott said the positions that have been added are coordinator I positions which will focus solely on school audits. She said the Internal Audit Department currently consists of herself, eight auditors who are general funded, two construction auditors, and one University of Nevada, Las Vegas (UNLV) student intern.

### **Public Hearing**

James Bayliss suggested that with regard to risk assessments, the Committee should look at the special education program. He said his son was able to graduate last year but had not been on campus.

*Motion to approve.*

*Motion: Bashaw    Second: Binder    Vote: Unanimous*

## **Approve Update on Recently Issued Governmental Accounting Standards Board Pronouncements**

Approval regarding the accounting, financial reporting, and auditing requirements of recently issued Governmental Accounting Standards Board pronouncements, as recommended in Reference 2.07.

Ms. Duque presented an update on Governmental Accounting Standards Board (GASB) pronouncements, as shown in Reference 2.07.

### **Public Hearing**

James Bayliss said the District receives government grants for child safety, the special education program, and academics. He stated that these grants have been ignored in his son's case, and he asked if that would be considered "grant fraud."

Ms. Binder requested a list of the subscription-based information technology arrangements (SBITAs).

*Motion to approve.*

*Motion: Binder    Second: Bashaw    Vote: Unanimous*

## **Information on EthicsPoint Incident Management System.**

Information on the EthicsPoint Incident Management System.

Mr. Goudie provided an update on issues reported through the EthicsPoint Incident Management System, as shown in Reference 2.08.

## **Review of Bylaws**

Discussion, review, and possible action on the Clark County School District Audit Advisory Committee Bylaws and Calendar.

Committee members discussed the role and responsibility of the Committee, the work of the Committee as it relates to carrying out its role, holding a working session to have a discussion on how the Committee could be more efficient and effective in its oversight of the District's financials, and the Committee's responsibilities calendar and frequency of meetings.

Mr. Robinson suggested the Committee members send him their feedback via email and said they would then have a meeting where they can discuss that feedback and then make a formal proposal to the Board.

Mr. Goudie mentioned that as the Committee reviews its calendar, number 9 should be adjusted, as that is not what currently happens.

The Committee agreed to table this item.

No action was taken on this item.

**Public Comment Period on Non-Agenda Items**

James Bayliss spoke about the situation with his son, stating the District kicked him out of school right after being counted for the funding the District receives. He said the special education program should be looked into.

David Gomez said when he went to the Internal Audit Department to ask a question, he was treated badly by the staff. He said he wanted to know why an individual was being paid by the District for pocket mirrors. He said he still has not had his question answered.

**Adjourn:** 11:20 a.m.

*Motion: Bashaw    Second: Lewis    Vote: Unanimous*