

Minutes
Clark County School District
Special Meeting of the Board of School Trustees
Audit Advisory Committee

TELECONFERENCE ONLY

Tuesday, February 23, 2021

9:00 a.m.

Roll Call: Members Present
Josh Robinson, Chair
Eric Bashaw, Member
Cody Goulding, Member
Elsie Lavonne Lewis, Member
B. Keith Rogers, Member

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

Also present were: Board Counsel, District Attorney's Office; General Counsel, Office of the General Counsel; Jason Goudie Chief Financial Officer, Finance Department, Operational Services Unit; Janette Scott, Director, Internal Audit Department, Ancillary Support; Shelly Hughes, Director II, General Accounting, Business and Finance Unit; and Shawna Settles, Coordinator, General Accounting, Business and Finance Unit.

Adopt Agenda

Adopt agenda.

Motion: Rogers Second: Bashaw

The Chair concluded by consensus that the motion passed.

Public Comment on Agenda Items

None.

Approve Minutes

Approval of minutes from the meeting of September 30, 2020.

Motion: Goulding Second: Lewis

The Chair concluded by consensus that the motion passed.

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 3.02.

Ms. Scott gave an update on the CCSD Internal Audit Department Audit Plan for fiscal year 2021 as of February 16, 2021, as outlined in Reference 3.02.

Approve Update on the Clark County School District Internal Audit Department (continued)

Mr. Bashaw asked why Ms. Scott moved up the audit of the Facility Asset Management Information System (FAMIS) from the fiscal 2022 plan.

Ms. Scott said she wanted to get the FAMIS audit done early to hopefully have more time to conduct normal, full school audits.

Mr. Robinson asked if anyone has reached out to Ms. Scott to voice concerns related to Covid-19 or the subsequent shutdown.

Ms. Scott said no concerns have been raised but said she is anticipating that once schools are back in session, such requests may come forward. She said she anticipates adding to the budgeted audit hours to allow for that.

Mr. Rogers asked if Ms. Scott would be looking at how the Coronavirus Aid, Relief, and Economic Security (CARES) Act dollars were used.

Ms. Scott said she has not added anything related to that to her audit plan at this time but would be discussing it with Mr. Goudie.

Mr. Goudie stated there are several things the District does in that area already. He explained the work that is done in the District's two grant departments. He said they will start with performing compliance work but have not yet determined to what level the Internal Audit Department would be involved.

Motion to approve Item 3.02.

Motion: Bashaw Second: Goulding 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.

Ms. Settles presented an update on Governmental Accounting Standards Board (GASB) pronouncements and the District's plans for implementation.

Motion to approve Item 3.03.

Motion: Bashaw Second: Rogers Vote: Unanimous

Approve Review of the Engagement of the Independent External Auditor for the Clark County School District for the Fiscal Year Ended June 30, 2021

Approval regarding the engagement of the Clark County School District's independent external auditor Eide Bailly, LLP for the fiscal year ended June 30, 2021, as recommended in Reference 3.04.

Mr. Goudie briefly discussed the Request for Proposal (RFP) process that was conducted and said Eide Bailly was the clear best choice for the District.

Mr. Robinson asked if partner rotation is mandated, and if so, would there be a new partner.

Mr. Goudie said partner rotation is mandated.

Ms. Hughes said Tamara Miramontes CPA, Proposed Engagement Partner, Eide Bailly LLP, would continue to be the partner this year with second partner reviews taking place.

Mr. Goulding pointed out that the letter in Reference 3.04 notes that there is nothing in the independent standards that requires auditor rotation at the partner or firm level.

Mr. Goudie said he would confirm that it is a firm requirement.

Mr. Bashaw asked who were the other firms that submitted a proposal and if Eide Bailly was the frontrunner because of price or their audit process.

Ms. Hughes said one firm was a small, out-of-state firm that they felt would not have adequate resources.

Mr. Goudie said the evaluation takes into consideration factors such as qualification, experience, and knowledge of the District, and price is only one of the metrics.

Motion to approve Item 3.04.

Motion: Rogers Second: Lewis 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 3.05.

Mr. Goudie presented a review of the Clark County School District control environment as shown in Reference 3.05.

Committee Member Leaves

Mr. Rogers left the meeting at 9:42 a.m.

Approve Review of the Clark County School District Internal Control Environment

(continued)

Mr. Robinson asked if the District's internal auditors or external auditors have validated that the District is in conformance with all segments of the Committee of Sponsoring Organizations (COSO) framework.

Mr. Goudie said he would have to ask Ms. Scott and the external auditors.

Ms. Scott said the Internal Audit Department has not done that.

Mr. Robinson asked Ms. Scott, with relation to staff augmentation, if there are other areas within the District that have been divulged through risk assessment as requiring further scrutiny or are these "wish list" items that have not been focused on in the past that Ms. Scott would like to address when she has staff augmentation.

Ms. Scott said yes, she would like to get to some areas that they have not been able to focus on previously. She noted that many areas in her risk assessment are ranked high risk simply because the Internal Audit Department has not been able to get out to those areas.

Mr. Bashaw asked if Mr. Goudie is looking only at staff augmentation or if he is also looking at outside resources, such as small audit-type firms, to assist with school audits.

Mr. Goudie said the conversation is just beginning, and they need to identify the funds first. He said he would like to look at external resources first to make sure that it works before hiring any staff.

Motion to approve Item 3.05.

Motion: Bashaw Second: Goulding Vote: Unanimous

Mr. Rogers was not present for the vote.

Update on Recently Issued Governmental Accounting Standards Board Pronouncements

Presentation, discussion, and possible action regarding the accounting, financial reporting, and auditing requirements of recently issued Governmental Accounting Standards Board pronouncements, is recommended.

No action was taken on this item.

Public Comment on Non-Agenda Items

None.

Adjourn: 9:53 a.m.

*Motion: Bashaw Second: Goulding
Mr. Rogers was not present for the vote.*

Vote: Unanimous