

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, February 23, 2022

1:03 p.m.

Roll Call: Members Present
Josh Robinson, Chair
Eric Bashaw, Member
Anna Marie Binder, Member
Elsie Lavonne Lewis, Member
B. Keith Rogers, 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; Mark Campbell, Interim Chief of Facilities, Facilities Services Unit; Janette Scott, Director, Internal Audit Department, Office of the Superintendent; Shelly Hughes, Director III, 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.

Motion: Rogers Second: Binder Vote: Unanimous

Mr. Bashaw and Ms. Lewis were not present for the vote.

Public Comment on Non-Agenda Items

None.

Approve Minutes

Approval of minutes from the meeting of September 30, 2021.

Motion: Rogers Second: Binder Vote: Unanimous

Mr. Bashaw and Ms. Lewis were not present for the vote.

Review of the Independence and Qualifications of the Clark County School District's Independent External Auditor

Discussion and possible action 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, is recommended.

Mr. Goudie reviewed the letter from Eide Bailly detailing the external auditor's independence and qualifications, as shown in Reference 3.02.

No action was taken on this item.

Audit Advisory Committee Member Arrives

Ms. Lewis arrived at the Audit Advisory Committee meeting at 1:08 p.m.

Approve Review of the Engagement of the Independent External Auditor for the Clark County School District for the Fiscal Year Ended June 30, 2022

Approval regarding the engagement of the Clark County School District's independent external auditor Eide Bailly, LLP for the fiscal year ended June 30, 2022, as recommended in Reference 3.03.

Mr. Goudie reviewed the engagement letter, as shown in Reference 3.03.

Audit Advisory Committee Member Arrives

Mr. Bashaw arrived at the Audit Advisory Committee meeting at 1:16 p.m.

Approve Review of the Engagement of the Independent External Auditor for the Clark County School District for the Fiscal Year Ended June 30, 2022 (continued)

Motion to approve.

Motion: Lewis 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 3.04.

Mr. Goudie presented a review of the Clark County School District internal control environment, as shown in Reference 3.04.

Mr. Robinson asked if the District also evaluates its conformance of the Committee of Sponsoring Organizations (COSO) points of focus or if it is kept to the broader framework components.

Ms. Hughes said they evaluate some of them in the higher risk areas.

Approve Review of the Clark County School District Internal Control Environment

(continued)

Ms. Binder asked where she could find the quarterly State of Nevada Medicaid Administrative Claiming (MAC) audit and the annual State Grant Financial Monitoring Report.

Mr. Goudie said he would have to find out and provide an answer to Ms. Binder.

Motion to approve.

Motion: Rogers 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 3.05.

Ms. Hughes presented an update on Governmental Accounting Standards Board (GASB) pronouncements, as shown in Reference 3.05.

Mr. Bashaw asked about the number of leases the District had in relation to GASB 87.

Ms. Hughes stated the District had only four properties.

Mr. Bashaw asked with regard to GASB 97 who the third-party administrators (TPAs) are that the District works with.

Ms. Hughes stated American Fidelity would be one of them.

Mr. Goudie said the District uses a TPA that manages and advises in the process of setting up the plans and there are individual entities that provide those plans.

Mr. Bashaw asked how often the District goes out for request for proposals (RFPs).

Mr. Goudie said the District would be looking to go out for RFP on this process within the next two to three years. He stated the process had been delayed by COVID-19 and by the Human Management Capital (HCM) system.

Mr. Bashaw asked if the District uses investment counsel.

Mr. Goudie said the District does not have investment counsel specific to that but primarily uses advisors.

Mr. Bashaw asked if the District has had any litigation.

Approve Update on Recently Issued Governmental Accounting Standards Board Pronouncements (continued)

Mr. Goudie said not that he is aware of.

Mr. Rogers asked with relation to GASB 96 what factors were considered when determining the \$100,000.00 threshold.

Ms. Hughes said they looked at other large entities and districts.

Ms. Binder asked for clarification of whether the \$100,000.00 is a one-time investment or an annual cost.

Ms. Hughes said there are many factors that go into the initial cost, and she offered to provide that list to Ms. Binder. She stated there is the initial cost and then the ongoing subscription cost.

There was some discussion around the District's footprint and impact on the environment and any efforts in that area such as recycling programs and solar programs.

Motion to approve.

Motion: Bashaw Second: Binder Vote: Unanimous

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 3.06.

Ms. Scott gave an update on the CCSD Internal Audit Department Audit Plan for fiscal year 2022 as of February 4, 2022, as outlined in Reference 3.06.

There was brief discussion around the ongoing issue of proper segregation of duties within school banking and the plan to resolve the issue through reorganization within the accounting department and the need for additional staff in the Internal Audit Department, how the District utilizes interns, and the District's employment requirements.

Ms. Binder said there was time allotted last year for Elementary and Secondary School Emergency Relief (ESSER) funds but nothing has come forth.

Mr. Goudie explained that is primarily because ESSER II and ESSER III is still not fully approved through the state.

Ms. Scott added that the first year she allocated those hours was to allow for special requests she had anticipated would come in but that did not happen.

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

Motion to approve.

Motion: Rogers Second: Lewis Vote: Unanimous

Information on EthicsPoint Incident Management System

Information on the EthicsPoint Incident Management System.

Mr. Goudie provided an overview of the EthicsPoint Incident Management System process and current status and discussion and information for future agendas.

Audit Advisory Committee Member Leaves

Mr. Rogers left the Audit Advisory Committee meeting at 2:09 p.m.

Agenda Planning and Future Meetings

Discussion on requests for agenda items and future meetings.

Mr. Robinson stated the Committee would meet again in the second quarter of the calendar year and said agenda item requests can be stated here or emailed to him.

Public Comment on Non-Agenda Items

None.

Adjourn: 2:25 p.m.

Motion: Binder Second: Bashaw Vote: Unanimous

Mr. Rogers was not present for the vote.