

Minutes
Clark County School District
Special Meeting of the Board of School Trustees
Audit Advisory Committee
Edward A. Greer Education Center, Board Room
2832 East Flamingo Road, Las Vegas, Nevada 89121

Thursday, August 22, 2024

9:30 a.m.

Roll Call: Members Present
Joshua Robinson, Chair
Elizabeth Hammer, Member
Maegan Hilton, Member
Joseph Throneberry, Member

Brenda Larsen-Mitchell, Ed.D., Interim Superintendent of Schools

Joshua Robinson:

Good morning, everybody. My name is Joshua Robinson. I'm the Chairperson of the Clark County School District Audit Advisory Committee, and I would like to welcome everyone to our Thursday, August 22nd, 2024 meeting.

Before we get started, the Audit Advisory Committee acknowledges that the land in which we're gathering today are the territorial homelands of the Nuwu-the Moapa Band of Paiutes, and the Las Vegas Band of Paiutes.

Flag Salute

Joshua Robinson:

With that, I will ask everyone to please rise and we will say the Pledge of Allegiance.

Adopt Agenda

Motion to adopt agenda.

Motion: Joseph Throneberry Second: Elizabeth Hammer Vote: Unanimous

Motion Passed

Joshua Robinson:

Thank you, everybody. Item number 1.02 of the agenda is the adoption of today's agenda. This is an action item, so I will seek a motion to adopt today's agenda, please.

Joseph Throneberry:
Member Throneberry, motion to approve.

Elizabeth Hammer:
Member Hammer, motion to approve.

Joshua Robinson:
Thank you members. All in favor, please say aye.

Joseph Throneberry:
Aye.

Elizabeth Hammer:
Aye.

Maegan Hilton:
Aye.

Joshua Robinson:
Anyone opposed, please say no. Okay. Thank you. The ayes have it four to zero. We will adopt today's agenda as stated. Obviously, keeping in mind we can change the order of agenda items should that be necessary, although I at this point in time, don't think that will be.

2.01 Election of a Chairperson.

Discussion and possible action on the election of a chairperson for the Clark County School District Board of Trustees Audit Advisory Committee for the 2024-2025 fiscal year. **(For Possible Action)** [Contact Person: Joshua Robinson]

Motion to Reappoint Joshua Robinson as chair of the Clark County School District Audit Advisory Committee.

*Motion: Joseph Throneberry Second: Maegan Hilton Vote: Unanimous
Motion Passed*

Joshua Robinson:
Before we move on to agenda item 2.01, it is our first meeting of this committee of the school district's new fiscal year. As a result of that, I would like the members of the committee to make brief introductions of themselves, with a focus on the fact that for the community's benefit, reminding the community that this committee is a committee of volunteers. We work in Clark County, we are professionals in the governance space, and we're providing our services to the

Joshua Robinson:

district in an advisory capacity. And I think it's important that we acknowledge the members who do that on at least an annual basis, so we're going to do that very quickly.

I'll start very briefly. My name is Joshua Robinson, as I stated. I've been on this committee since October 2016, and the Chairperson since June or July, pardon me, of 2020. I am a nearly 20-year audit, governance and compliance professional working for a publicly traded company based right here in Las Vegas. We'll go right to left.

Elizabeth Hammer:

My name is Elizabeth Hammer. I've been on this committee since September of 2023, and I have about 13 years of combined external and internal audit experience in Las Vegas.

Maegan Hilton:

My name is Maegan Hilton. I have lived in Clark County for four years now, I joined the committee last year, and I work for a medical practice in Centennial Hills.

Joseph Throneberry:

My name is Joe Throneberry. I'm a Senior Forensic Auditor with the city of Las Vegas. Prior to joining the city, I had nearly a 24-year career in various management roles in the corporate security, corporate investigations world, ranging from physical security, fraud, waste and abuse investigations, and cyber security. I'm the current chapter President for the Association of Certified Fraud Examiners in Las Vegas, member of the IIA, and hold numerous professional certifications related to fraud, audit and cyber security.

Joshua Robinson:

Thank you, members. I appreciate that quick sidebar, and obviously lots and lots of relevant experience that we enjoy sharing our time with the community and helping out with the district in that regard. So, thanks everybody.

Okay, let's move right into agenda item 2.01, election of a chairperson. As I just mentioned a moment ago, it is a new fiscal year for the district, which means it is time for us to again appoint someone to be a chairperson of this committee for the 2024-2025 fiscal year. Agenda item 2.01 is the discussion and possible action on the election of a chairperson for the Clark County School District Board of Trustee, excuse me, Audit Advisory Committee for the 2024-2025 year.

This one is mine. So as I previously stated, I've served as the Chairperson of this committee since July of 2020. I am happy to continue in that capacity should I have your vote of confidence. However, I would be remiss if I didn't say that I welcome new thoughts and ideas if someone else would like to take the mantle. I certainly wouldn't want to prevent a discussion on that matter. So I will pause and I welcome thoughts and feedback from the members of the committee.

Joseph Throneberry:

I'm prepared to make a motion to reappoint Joshua Robinson as Chair of the Clark County School District Audit Advisory Committee.

Maegan Hilton:

Member Hilton, I second the motion.

Joshua Robinson:

Thank you members. All in favor, please say aye.

Elizabeth Hammer:

Aye.

Joseph Throneberry:

Aye.

Maegan Hilton:

Aye.

Joshua Robinson:

Anyone opposed, please say no. Okay, the ayes have it. I do appreciate your vote of confidence yet again, everybody.

2.02 Review of the Risk Assessment of the Clark County School District for the 2024-2025 Fiscal Year.

Presentation, discussion, and possible action regarding the Clark County School District Internal Audit Department assessment of risk for the fiscal year 2024-2025, including but not limited to the general fund and CIP, is recommended. **(For Possible Action)** [Contact Person: Janette Scott] (Ref. 2.02)

Motion to approve

Motion: Elizabeth Hammer Second: Joseph Throneberry Vote: Unanimous

Motion Passed

Joshua Robinson:

And with that we'll move right on to agenda item 2.02, pardon me, which is the review of the risk assessment of the Clark County School District for the 2024-2025 fiscal year. This item will be the presentation, discussion and possible action regarding the Clark County School District Internal

Joshua Robinson:

Audit Department's assessment of risk for the fiscal year 2024-2025, including but not limited to the general fund. NCIP. And with that I'm going to turn it over to Ms. Janette Scott. Ms. Scott?

Janette Scott:

Thank you Mr. Chairman, members of the committee. Janette Scott, Director of the Internal Audit Department. So you do have in your packets a copy of the 2024-2025 audit universe with risk rankings that we assembled in the internal audit department. And just as a reminder, I do this every year. I do send questionnaires to every district administrator at the director level and above, asking for their feedback. I also do a handful of in-person interviews with division and department directors and administrators. And of course in those discussions is any concerns they have in their area or another area, what they view as some inherent fraud risks, likelihood or significance of occurrence, and then discussions on internal controls and areas that they feel like maybe they would like to see audited. And I can simulate that information for the risk assessment for the year.

You'll notice if you also from last year's, there really is not a whole lot of changes on this. I did officially add technology and information system services as well as Vegas PBS to this list based on conversations that we had in this meeting last year. Also, I did a little bit of some realignment just trying to get the risk assessment in alignment with some of the changes that were made with the interim superintendent's appointment and some of the changes made. So we did do a little bit of adjustment there. But overall, the risk assessment pretty much remained the same. And you'll see that I have noted areas where the score might've changed, but the overall risk ranking stayed the same versus the score changing and the risk ranking changing as well. I'll take any questions that you have on this.

Joseph Throneberry:

This is member Throneberry. Thank you for including the IT additional items in the risk assessment. I know we had an opportunity to discuss that last year at this time. Any thoughts as to what your team may do differently this year since that was added to look at? I know that you have student information systems services on there. How do you plan to monitor that risk going forward?

Janette Scott:

Mr. Throneberry, members of the committee, I can address that now or I can address it when I do the discussion of the audit plan because I do have information in there for our upcoming audit plan for the year.

Joseph Throneberry:

We can retain that to the audit plan discussion.

Janette Scott:

Okay.

Joshua Robinson:

Ms. Scott, I noticed if my eyes are not deceiving me, only one item has been ranked at a higher risk from prior year, and that is the item that is titled Facility Rentals. Can you give us a little bit of context of what you believe might've driven that change?

Janette Scott:

Yes, just I believe it was last year, maybe a year and a half ago, the facility rental process changed from a manual process to we now have a database called Facilitron that all schools and departments that are doing any facility rentals are supposed to use that system. We had originally planned to do an audit of the facility use process before Facilitron came on board and then we delayed it to give everybody time to get used to that and to using it. So that, the newness of that, as well as various discussions that I had during the risk assessment process, just some concerns about some of the facility rental issues and that. So it moved the score up.

Joshua Robinson:

Thank you. That makes sense. And can you touch briefly on the results of prior year audits? How does that fit into your overarching thought on the risk assessment please?

Janette Scott:

Yeah, so based on prior audits, which granted until recently you're aware that we have not been able to really do many department audits. We are increasing that. But prior audits I do look at findings from those audits, the responses, the follow-ups, how those issues were mitigated, if they were mitigated, if we had repeated issues. So that also affects the score.

Joshua Robinson:

Thank you. Much appreciated. No further questions for me. Other members? Any questions for Ms. Scott?

Joseph Throneberry:

Member Throneberry, one additional question on police services. It relates to overall law enforcement and security impacting our schools. The risk ratings are rather low for that category. Based on your assessment, any performance audits, operational audits that should be considered in that area even though it's still rated a lower risk?

Janette Scott:

So again, this is part of the discussion I was going to do for the audit plan for the fiscal year, but you'll see and I can address it now, that based on my discussions with the chief of school police as well as his administration, they do have multiple reviews by other agencies annually as well as certain reviews that are done every three years. So I didn't feel like, and based on the results of those, I did not feel like they needed to be ranked particularly high on the risk assessment. Also, based on the experience that we have in our department, I feel like some of the areas, if I

Janette Scott:

remember right from your concerns addressed in prior meetings, I felt like our department doesn't currently really have the expertise to look at some of those issues and those outside entities, the state, the federal entities in that are better suited to do that. Given that though, when we do the facility rental issue, you'll see we're going to be auditing the facility's process. A part of that will deal with school police and their portion of that as well.

Joseph Throneberry:

Thank you.

Joshua Robinson:

Ms. Scott, I do have one more question. I also appreciate very much you taking the time to add and survey your peers as it relates to technology and information systems risks. Interestingly, but not surprisingly, all of those risks have achieved a high rating. Do you wonder or have you postulated, if you would like, that perhaps when people are being surveyed on areas they're not intimately familiar with, they might be subject to recency bias as in you see in the news that there's cybersecurity tax pervasive across Las Vegas? There are, I know the district over the past, we'll call it five years, has implemented new technology solutions which may impact their scoring and thereby may impact how you want to address it in your audit plan.

Janette Scott:

Yes, Mr. Chairman, members of the committee, yes, I do take into consideration the comments that I get during my risk assessment. Those comments that I consider concerning or that I feel need follow up, I will follow up with those individuals to try to get more information about their specific concerns and maybe they have some more information that I am not aware of. So I do take that into consideration in this process.

Joshua Robinson:

Much appreciated. Thank you for the explanation. Okay, I do not have any further questions at this time. Members, anything else for Ms. Scott? Okay, members. Agenda item 2.02 does require action, so I will pause and seek a motion to approve agenda item 2.02.

Elizabeth Hammer:

Member Hammer, motion to approve.

Joseph Throneberry:

Member Throneberry, second.

Joshua Robinson:

Thank you members. All in favor, please say aye.

Joseph Throneberry:

Aye.

Elizabeth Hammer:

Aye.

Maegan Hilton:

Aye.

Elizabeth Hammer:

Anyone opposed, please say no. The ayes have it. Four to zero.

2.03 Review of the 2024-2025 Audit Plan of the Clark County School District Internal Audit Department.

Presentation, discussion, and possible action on the approval of the proposed audit plan of the Clark County School District Internal Audit Department for the 2024-2025 fiscal year and the rolling audit plan, is recommended. **(For Possible Action)** [Contact Person: Janette Scott] (Ref. 2.03)

Motion to approve.

Motion: Elizabeth Hammer Second: Joseph Throneberry Vote: Unanimous

Motion Passed

Elizabeth Hammer:

Pardon me again. We'll now move on to agenda item 2.03, which is review of the 2024-25 audit plan of the Clark County School District Internal Audit Department. This item will be the presentation, discussion and possible action on the approval of the proposed audit plan of the Clark County School District internal audit department for the 2024-25 fiscal year and the rolling audit plan. For this item, I'll turn it back over to Ms. Janette Scott.

Janette Scott:

Thank you Mr. Chairman, members of the committee. So again, you have the audit plan as well as the rolling audit plan in your packets there. The audit plan for the 24-25 fiscal year, this is where you can see where I've taken our hours and have allotted them through various projects. So under the capital improvement plan, our construction auditors, we still currently have two auditors that are dedicated to construction audits, bond fund audits, so those hours are pretty static. They really don't change a whole lot because their projects are pretty set. But when it comes to the schools, which is on the general fund side of things, I did increase our school audit hours for this year over last year. This year we had a full year of two coordinator one positions that are dedicated solely to performing school audits and they are really doing a great job of getting a lot of school audits out. So I did increase those hours.

Janette Scott:

And then our charter schools, we always do kind of a high level financial review of the charter schools that the district sponsors. So those hours are for that. And this should be, I believe, the last year that we actually will have to do that review because it's my understanding we're going to not sponsor charter schools anymore. They will leave that up to the state. So we will have extra hours for next year. And then under the department audits, in progress, we currently have our technology and information system services inventory process for physical devices. And so I think we have about 800 hours left on that and that is a combination of general fund and bond fund. I have a general fund auditor as well as a bond fund auditor working on that.

And if you'll excuse, I'm going to digress for a moment because I forgot. I did bring an auditor, one of my auditors in my department with me, a coordinator three, Brian Fry. I did want to introduce him to you. You will be seeing more of Brian and I wanted him to become familiar with this process and become familiar with the audit committee. Brian has been with our department, he actually started as an intern and then when the internship was over, he left us and went and worked was it Cosmopolitan? Cosmopolitan, yeah. And then when we had an opening we were able to get him back and that's been about 10 years ago now. So we're very happy to have him back.

Brian's the guy. And being that Brian's also working on the inventory for physical devices audit. So we figure about 800 hours left on that based on what was budgeted last year. The health services audit we have in progress also about 600 hours left and then food services, cafeteria processes. And then new audits, of course every year we do have our internal assessment that we are required to do since we follow the standards of the Institute of Internal Auditors. And then the facility use rental audit, you can see that. That's been allotted 800 hours. And then it is time again for us to do our district-wide procurement card review, which a few years ago the audit committee did ask that we kind of work that in on a regular basis every few years. Because as you know, in our school audits, we look at procurement cards in every school audit that we do and also in the majority of the department audits.

But since we typically had not been getting to a lot of department audits that was kind of falling by the wayside. So we developed the plan to do a district-wide procurement card audit and it's time to do that again and I've allotted 1,000 hours for that. It is a big audit. And then risk management, specifically the claims management process and 800 hours for that. We have our follow-ups. And then under the other category, of course reviews are significant because we do get a lot of school audits done. So that's review time. And then training. And I have increased the training time slightly because it is my plan to hopefully be able to redo our intern training program. And then I also put some extra hours in there in case we were able to get a co-source auditors back in. But currently, we don't have any course auditors.

I'm sure I don't have to tell you it's a little bit rough out there. The employment world is a little bit rough. And then special requests, I did allot 500 hours for that. We have not had many special requests so far this year, so we'll see how that goes. So that's the audit plan. And then with that, I always do what I call the rolling audit plan and basically that just, I line out for this year and the subsequent two years potential audits. This is a very fluid document subject to change based on budgeted hours, requests, auditor availability, that kind of thing. But I do like to kind of plan out the

Janette Scott:

next few years just so that I have an idea of what is out there that we haven't hit, something that maybe we need to get to. Any questions on either of those documents?

Elizabeth Hammer:

Member Hammer. On the audit plan, the IA internal assessment, the IA released new global internal audit standards that will become effective in January and I just wanted to get a better understanding of the time that will be utilized and if it's enough time to become compliant with the new standards.

Janette Scott:

Yes, so Member Hammer, members of the committee. So the internal assessment that we are currently doing, which is for fiscal '24, obviously it's based on the gold standards. We have looked at the new standards. I've had two separate auditors go through those with a fine-tooth comb and we are in good shape to be compliant with that come January. We do have a few areas where we will need to maybe increase some documentation and change a few things, but I think come January we will be in compliance with those standards as well. And I'm not sure if you remember, but based on that, the internal assessment, that memo does go to this committee so you will see that when it's finalized.

Elizabeth Hammer:

Thank you.

Joshua Robinson:

Ms. Scott, thank you for presenting this. So you've presented to us 16,800 odd hours of time. Obviously, that includes an audit cycle. That is a significant amount of level of effort to achieve that. Can you talk just transparency for this board and the community who may be watching, can you talk a little bit about the different phases of your audit cycle and perhaps focus on the reporting phase and the follow-up phase and just how you provide that level of assurance that what you're finding is having meaningful action taken by the report addressees?

Janette Scott:

Yes, Mr. Chairman, members of the committee. So for our school audits, those are pretty standard audits. The audit program is set and we rarely have any changes in that program unless there are issues that come up during the audit. That being said, for our department and operational audits, which are much larger, take much more time to do because the majority of them are basically we're starting from scratch and we have to start from the very beginning. So the various phases of the audit, of course we start with the preliminary survey, which is where the auditors are just becoming familiar with the area and the way things work and the workflow and the people in the department and their responsibilities. So that particular phase of the audit is quite intensive. There's a lot of hours allocated to that. And then the fieldwork phase is once we have completed the preliminary survey and set the audit program, then they will do the testing out in the field.

Janette Scott:

And then of course the reporting stage is where, as you said, it's where we put the reports and the findings together. The file is reviewed and it's a very extensive review process and those findings are obviously addressed in the report and then the recommendations that we give to the departments and then the responses from administration as far as how they are going to correct or mitigate those issues. And then every audit that we do, we do a follow-up on those issues. And the follow-ups are addressed with of course the appropriate department personnel. And then all reports, whether they are the school audits or the department audits or follow-up audits, they are distributed to not only the department administration who we are auditing, but also to various district admin, school associate superintendents, region superintendents. When it comes to the department audits, the deputy superintendents, excuse me, let me go back a minute.

The deputy superintendent also gets a copy of every school audit that we do. And then the superintendent as well as all of the people I just mentioned, as well as Mr. Goudie, and then other various chiefs over the appropriate departments, they also get copies of all those reports. So they do see the responses to the issues, they see the follow-ups so that they see if those issues have been corrected. But when it comes to actually, say we have repeat issues, we as Internal Audit as you know, we have no authority over the areas or the people that we audit. We basically are the messenger, right? We report what we find. We can make our recommendations as to how we think it would be best or easiest to correct the issues to make sure those controls are in place.

But when it comes to any potential counseling or discipline or anything like that for repeat issues that is up to the appropriate supervisor areas and of course if it's deemed necessary with the help of employee management relations, but every audit that we do does have follow up to it. Did that answer your questions? I know I rambled a little it.

Joshua Robinson:

No, no. Yes. Yes. Ms. Scott, thank you. That was a very comprehensive answer. And obviously to piggyback on something you mentioned before, everything you just said adheres to the Institute of Internal Auditors Global Professional Practices Framework, which is as the name suggests, globally accepted and for excellence in internal audit. So thank you. And before I turn the mic over, I also wanted to welcome Brian to the fold. Nice to meet you. Other members, you have questions for Ms. Scott?

Maegan Hilton:

Member Hilton. I was wondering, you had mentioned that you had positions that you were hoping to fill with more auditors and have a space here for training of those auditors it seems. Is that a current open listing available for people to apply to?

Janette Scott:

So currently, permanent positions with our department are filled. The openings are our contracted auditors. We do currently have a contract with Jefferson Wells to co-source some auditing and as I mentioned earlier, unfortunately they've had a little bit of trouble finding appropriate people to fill

Janette Scott:

those positions. They are still open, which is why I did hold those hours for training that we might have to.

Joshua Robinson:

Members, any other questions?

Elizabeth Hammer:

Member Hammer. In reference of 2.03 B, you explained the three-year map of planned audits for the department. Because we don't have a comparison from what we've seen in prior periods for 2024 and 2025, can you just let us know if any of those planned audits have changed as a result of the risk assessment?

Janette Scott:

Yes. Member Hammer, members of the committee. For the most part, the rolling audit plan has stayed the same. Audits that I had planned that were delayed for various reasons such as the facility use audit, I've just kind of moved those back one year, but now facility use is on the list. Based on the risk assessment, there really has not been anything moved up or considered really urgent that has changed the rolling audit plan significantly.

Elizabeth Hammer:

Thank you.

Joshua Robinson:

Thank you, Ms. Scott. Member's agenda item 2.03 requires action, so I'll pause and seek a motion to approve agenda item 2.03.

Elizabeth Hammer:

Member Hammer, motion to approve.

Joseph Throneberry:

Member Throneberry, second.

Joshua Robinson:

Thank you, members. All in favor, please say aye.

Joseph Throneberry:

Aye.

Joshua Robinson:

Anyone opposed, please say no. The ayes have it, four to zero. Thank you, members.

2.04 Update on the Clark County School District Internal Audit Department.

Presentation, discussion, and possible action on work performed by and the status of the Clark County School District Internal Audit Department for the current fiscal year, is recommended. **(For Possible Action)** [Contact Person: Janette Scott] (Ref. 2.04)

Motion to approve.

Motion: Joseph Throneberry Second: Maegan Hilton Vote: Unanimous

Motion Passed

Joshua Robinson:

Moving on to agenda item 2.04. Pardon me, 2.0. Yes, 2.04. Update on the Clark County School District Internal Audit Department. This item will be the presentation, discussion and possible action on work performed by and the status of the Clark County School District Internal Audit Department for the current fiscal year. This item, I will turn it back over to Ms. Janette Scott.

Janette Scott:

Thank you Mr. Chairman, members of the committee. Janette Scott for the record. So again, you have in your packets the audit plan update for fiscal 25. Obviously, fiscal '25 is only months old at this point. And this was completed as of August 8th. I know that's a few weeks ago, but in the interest of getting everything in on time. So as I mentioned, our construction audits, which are part of the bond fund, in process, we do have our energy management audit. The preliminary survey is almost complete for that. And then the contract procurement and compliance audit and the preliminary survey is just starting on that. And then again, because the fiscal year has just started, we have not issued any reports, follow-ups, or have had any special requests for the bond fund at this time. On the general fund side of things, as of August 8th, we had issued 14 school audit reports and the charter school review will start a little bit later in the second quarter.

Then department audits, as I mentioned earlier, are technology and information system services, inventory process for physical devices. That preliminary survey is almost complete. That should be coming to me anytime. Health Services, since this was done, actually the preliminary survey has been completed. I have reviewed it and field work will be starting on that. Food services, cafeteria processes. As of August 8th, the preliminary survey was in for review. Update on that, that has now been reviewed and field work will be starting on that as well. And then our internal assessment, the draft report is to me for review and so I will do that process and then send the memo out accordingly.

Facility use and rentals, that will start soon, probably within the next couple of weeks. And then the district wide procurement card review as well as the risk management claims management audit,

Janette Scott:

those anticipated starts are late in the second quarter. And then no reports issued as of August 8th or follow up issued. Reviews of course are ongoing. We've had minimal training currently that we have been working on. Everybody's pretty well up to par. And then special request audits, we did have one report issued and there is one requested audit in progress. That's where we are as of this point in time for fiscal '25.

Joshua Robinson:

Thank you Ms. Scott. Just for clarity and nothing challenging or at risk in your audit plan in this early phase of the fiscal year?

Janette Scott:

Currently, no.

Joshua Robinson:

Thank you Ms. Scott. Members, any questions for Ms. Scott on agenda item 2.04.

Joseph Throneberry:

Member Throneberry. Any thought on any areas that need continuous monitoring or continuous audit in your assessment over the next few years?

Janette Scott:

Well, Mr. Throneberry, members of the committee, of course you know that the school audits are a very large part of our audit plan and that is because there is a lot of money that goes through. We have 360 plus schools, I've lost count now honestly, that we have anywhere from 70 to \$80 million flowing in and out of those schools annually. So yes, so we do spend a lot of time on those. Those are obviously a big concern when it comes to public perception and that, so we do stay on top of that as well as the procurement card use. That's always a big one that comes up when I do my risk assessment. It's mentioned by almost every department that I talk to. So those are the two main things.

As far as some of the other areas, I feel like we're really just kind of just getting into more of the departments in that, so we'll be better equipped to know that as time goes on because we were given, like I mentioned, the co-sourced auditors as well as the coordinator ones to do nothing but school audits so that my more experienced auditors could focus on some of the bigger higher risk operational audits.

Joseph Throneberry:

Thank you.

Elizabeth Hammer:

Member Hammer. Can you briefly describe what the nature of the special requests were?

Janette Scott:

Yes, member Hammer, members of the committee. Both of those were school audits where there were some concerns about employee performance as well as trolls over the school bank.

Elizabeth Hammer:

Thank you.

Joseph Throneberry:

Member Throneberry. In regards to special audits, and we will touch on EthicsPoint and the types of complaints coming in. If there's sustained allegations of, let's say, fraud waster abuse or areas of opportunity related to investigations, is that information being communicated to internal audits so that you can assess the overall scope of what led to the root cause of that issue and see if it applies district-wide?

Janette Scott:

Yes. Member Throneberry, if I'm understanding your question, yes. If somebody suspects fraud waster abuse, that is not going through EthicsPoint, which you will hear about shortly. They do communicate that to us. Whether it is the school principal, the school associate superintendent, whoever feels it is appropriate to call our department and ask that, yes, we do investigate that. And if it's something that we are not currently looking at in other audits, we do take that into consideration. But the majority of things that people tell us about when it comes to fraud waster abuse, especially in the school areas, are areas that we are currently looking at. We do quite extensive school audits.

Joseph Throneberry:

Thank you.

Jason Goudie:

Jason Goudie for the record. I just wanted to add on, we do have a formal fraud policy, which we are in the process of reviewing and revising because the primary contact in the fraud policy currently is stated as the chief of staff, of which we do not have. And so the process was set up that any of the allegations of fraud or impropriety would flow through that office and then office would then direct the appropriate departments, whether that be police, whether it be employee management, myself, I was involved in virtually all of them. And then obviously, Ms. Scott and I would communicate it as well. So we do have that process and are in the process of revising that due to the change in staffing.

Joseph Throneberry:

Thank you.

Joshua Robinson:

Thank you, Mr. Goudie. Members, any other questions for Ms. Scott on agenda item 2.04? Hearing none. Agenda item 2.04 requires action from this committee. So I will pause and seek a motion to help, pardon me, pass agenda item 2.04, which was the update on the Clark County school District Internal Audit Department.

Joseph Throneberry:

Member Throneberry. Motion to approve.

Maegan Hilton:

Member Hilton. Second.

Joshua Robinson:

Thank you, members. All in favor, please say aye.

Maegan Hilton:

Aye.

Joseph Throneberry:

Aye.

Joshua Robinson:

Anyone opposed, please say no. The ayes will take it, four to zero.

2.05 Information on EthicsPoint Incident Management System.

Information on the EthicsPoint Incident Management System. [Contact Person: Jason Goudie] (Ref. 2.05)

Joshua Robinson:

Moving on, agenda item 2.05 is information on the EthicsPoint incident management system. With that, I'll turn this item to Mr. Jason Goudie.

Jason Goudie:

Thank you Mr. Chair. I'm going to actually turn it over to Mr. Greathouse to handle it. Thank you.

Chris Greathouse:

Thank you, Mr. Goudie. Mr. Chairman, members of the board, Chris Greathouse, director with employee management relations. So this time period that we're looking at that is in the documents provided to you is January 12th, 2024 through July 26th of 2024 reporting 130 incidences into the

Chris Greathouse:

EthicsPoint management system. I know for this committee we're typically focusing on accounting, auditing and internal financial controls. And if you'd like for me to give a quick brief rundown of our previous cases from the prior meeting and then new cases following within that period and any dispositions of the cases, I can do that for you.

Joshua Robinson:

Yes sir, please.

Chris Greathouse:

All right, so on the previous period we had three pending cases. Those cases were 547. This one was allegations that a principal approved the use of grant funds and inappropriately transferred grant monies within the school budget. This was actually being investigated by EMR prior to this coming in as an EthicsPoint concern. At the last meeting, the outcome was still pending and at this point it has been closed by the region school associate superintendent. For case 585, that was an allegation that an employee's time was being entered into the human capital management system wrong. At the last follow-up, our last meeting, there was no follow-up from the principal and at this point the case has been closed. We had no principal response. We do run out of timelines on cases even if we were to move forward from a contractual standpoint. So that case was closed.

Case 594 was an allegation that the principal was not paying teachers their agreed rate of pay for their professional learning time. At the last meeting, there was no response from the region on that case. Since then, we have heard from the region SAS and it was closed by them. New cases within the time period that was reported to you. We had eight cases that were under accounting audit internal financial controls. Case 627 was an allegation that money was being withheld from the cheerleading fund. This was closed by the region SAS and also EMR was involved in that and was closed out. Case 646 was an allegation that the principal was approving extra hours without evidence that work was being completed. That was closed by the region school associate superintendent.

Case 647. The case was regarding retaliation and actually did not fall within the category of what they selected when they submitted it to us. But consequently, it still was closed by the region school associate superintendent. And Case 683 was an allegation that teachers have not been getting paid for their prep buyouts that was closed by the region. Superintendent case 711 was an allegation that a principal was allocating \$40,000 in student generated funds in order to fund an all-expenses paid trip for 18 choir students. That was closed by the region school associate superintendent. And then we got two subsequent cases, 717 and 722, which was the same exact allegation of that prior case 711. And those were also closed by the school associate superintendent.

And then we had case 726, which was an allegation that the employees were being billed for over 400 hours of work that only takes 110 hours to complete. That was closed by an associate superintendent. And then we did have two cases that I wanted to bring to the committee, even though it's not under accounting, auditing internal financial controls. It's a close bridge. It was improper giving of gifts or receiving of gifts. We had two reported, one was 732. Allegations that

Chris Greathouse:

money was being Zelled to a student. That was investigated and closed out by the principal. And then case 738 there was an allegation that there was an employee soliciting money from colleagues or their grandson's sport fundraising event, and that was closed by a chief.

I will just kind of let you know that when you hear it closed by a region superintendent, closed by a chief, that means they did their own as instructed. When we send the report to them, they're supposed to look at the case themselves based on the information given to investigate it themselves. And a lot of the time what we find is that there's no merits to the claim that's been given or in their investigation they weren't able to take it to a point that it needed to be reported to my department to actually assist them with investigating it under a disciplinary manner. Thank you.

Joseph Throneberry:

This is member Throneberry. So thank you for defining what closed meant. That was going to be one of my questions. And you touched a little bit on duplicates. Out of the 130, did we filter through duplicates or did that include all the complaints, whether they were duplicate or not?

Chris Greathouse:

Member Throneberry, members of the committee, just to kind of follow up, that was a concern during our last meeting, duplicates. We've reached out and I'm actually currently working with NAVEX, who is the company that we receive EthicsPoint from. And we are trying to work on a cost neutral way to report those duplicates so that we don't increase or have to go out and fund source that modification. So currently I was in the process of working on it. I got an email the other day, it said they closed out the work order and I was like, "That's great, you haven't done the work yet." But then I got a follow-up email yesterday asking if we were still looking for that. So we are in the process.

We found a way to mark duplicates so that in the future we can do a quick, it's not going to be a report, but we are able to filter those items that we mark as duplicate so that we can see what has been a duplicate entry during the time period asked for. So for this report period, within these categories, the only two duplicates would be the ones I mentioned. I don't have data for you though for the overall time period. Hopefully in the next reporting period we'll be able to know how many of them were categorized as duplicates.

Joseph Throneberry:

And to follow up on that, the items listed here for the issues is as they were reported, are we able to have that second category as to how they were dispositioned? Because for an example, someone could say its harassment and it turns out that it's not. Are we seeing consistency as to what's being reported matching what's being the final disposition of the case? Is that in line or are we seeing some extremes where what we see on here isn't actually what it turns out to be?

Chris Greathouse:

Mr. Throneberry, members of the committee, great question. Because the user is able to select from about 20 different categories, we do find that the way I would categorize it myself may not be the way that they did based on what they've alleged. And that's sometimes where the duplicates come from because they will go through and hit three or four of those categories thinking it's persuading us in some way, I guess, to investigate it differently. But those are really your duplicates. But I do find that there's probably a handful that come through that is completely off the mark from what it probably should have been marked as. It doesn't change our process at all what they mark. I read it for the content that was provided as the allegation and then I determine what department that needs to go to. And then our analysts forward the complaint to that school associate superintendent, that school principal to look at.

Joseph Throneberry:

Thank you. And the last question had to do with one of your responses where you indicated that a principal ran out of time or the time had run out. In those cases it isn't, you're double checking to make sure that that time didn't run out due to the complaint coming in and let's say I'm the principal and I just didn't investigate it for whatever reason, out of negligence or performance opportunity on that end?

Chris Greathouse:

Member Throneberry, members of the committee, so we do a monthly check in on those that we've sent to our schools asking them the status of the case. We do not monitor or follow up with them in any other manner because they're instructed if they need our assistance, if they find there's any findings to reach out to us. Some of these where you have no response, we've asked, we've asked, we haven't gotten those responses. I know that was a concern that you had from the last meeting and all of those notes were shared with management level.

Joseph Throneberry:

Thank you. And even possible consideration if there is extra special hours available. I know that this is a new program at EthicsPoint being rolled out fairly new with the district, is looking at, once you have the history and data, is everything being dispositioned correctly? So going back and looking at that doesn't meet the definitions that are within policy and procedure and then are the cases being adjudicated fairly so you don't have one allegation of bribery and corruption that was they were issued a written warning and then all the other ones are termination, unless there were some mitigating circumstances. So to make sure that the policies are being fair and consistently applied in cases that are sustained or substantiated during this process. It adds credibility to the process to make sure that if I report it and it goes to one area, those complaints are not just issued a verbal warning, whereas in another area, someone may get terminated or prosecuted for that conduct.

Chris Greathouse:

Member Throneberry, members of the committee, that's primarily what EMR is in the district for, is for the consistency of discipline. So if we do get a report back or we are informed by a manager of a department that's gotten one of these complaints that their initial investigation has found that some of this may be true, then our department actively takes a role in assisting that administrator with the investigative process. And then as far as the adjudication of any discipline that may be handed out, that's really the role of our department is to try to make sure, because we have, as Janette said, 360, 70 schools. We have 20, 30 different departments that we're there for that consistency factor to make sure that, as you said, one's not getting the written warning and one's getting terminated from the school district. So terminations always run through our department. We are very closely monitoring those.

Joseph Throneberry:

Thank you.

Chris Greathouse:

Thank you.

Jason Goudie:

Thank you, Mr. Chair. Jason Goudie. So I just want to follow up as well that I'm working with the deputy superintendent on the academic side on some of the lack of responses that we've seen.

Jason Goudie:

As you've seen in the second round that Mr. Greathouse went through, we didn't have anywhere they weren't responsive. And so I have been working with her because obviously the principals and the region leadership rolls up through her management sector and not myself, nor Mr. Greathouse's, so we are working on that. It seems as though it's somewhat have started working because we're getting better responses and we'll continue to work on that.

Joseph Throneberry:

Thank you. That's great to hear.

Joshua Robinson:

I'd just like to say thank you Mr. Greathouse, always a pleasure to see you. Any other questions for Mr. Greathouse or Mr. Goudie for that matter on this item? Great. Thank you for the update. Members agenda item 2.05 did not require our action.

Public Comment on Items Not Listed as Action Items on the Agenda

Joshua Robinson:

I'm going to move us along to agenda item 3.01, which is public comments on items not listed as action items on the agenda. Before I read through the description of this, are there any members of the public who wish to speak today? Okay. Well, thank you.

Adjourn: 10:19 a.m.

Motion to Adjourn

Motion: Joseph Throneberry Second: Elizabeth Hammer Vote: Unanimous

Motion Passed

Joshua Robinson:

I'd like to thank everyone for their attendance and we will make it official by moving on to agenda item four, which is adjournment. This will require our action. I am seeking a motion to adjourn.

Joseph Throneberry:

Member Throneberry, I motion to adjourn.

Elizabeth Hammer:

Member Hammer. Second.

Joshua Robinson:

Thank you members. All in favor, please say aye.

Elizabeth Hammer:

Aye.

Joseph Throneberry:

Aye.

Joshua Robinson:

Anyone opposed? All right. Thank you all for your time. I appreciate your patience on the technology challenges and we will see you again in a couple of months.