

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

Wednesday, September 27, 2023

11:01 a.m.

---

Roll Call:	<u>Members Present</u>	<u>Member Absent</u>
	Josh Robinson, Chair	Maegan Hilton, Member
	Anna Marie Binder, Member	
	Elizabeth Hammer, Member	
	Joseph Throneberry, 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; and Lisa Chrapcynski, Administrative Secretary II, Board Office.

**Announcements**

Mr. Robinson acknowledged that the land on which they are gathered is the territorial homelands of the Nuwu-the Moapa Band of Paiutes and the Las Vegas Band of Paiutes.

**Flag Salute**

Mr. Robinson led the Pledge of Allegiance.

**Announcements**

Mr. Robinson gave a brief overview of the purpose, goals, and purview of the Audit Advisory Committee as outlined in its bylaws and calendar.

The members of the Committee took a moment to introduce themselves.

**Adopt Agenda**

*Adopt agenda with flexibility.*

*Motion: Binder    Second: Throneberry    Vote: Unanimous*

**Approve Election of a Chairperson**

Approval on the election of a chairperson for the Clark County School District Board of Trustees Audit Advisory Committee for the 2023-2024 fiscal year.

**Approve Election of a Chairperson (continued)**

*Motion to reappoint Mr. Robinson as chair of the Audit Advisory Committee.*

*Motion: Binder Second: Hammer Vote: Unanimous*

**Approve Minutes**

*Approval of minutes from the meeting of May 12, 2023.*

*Motion: Binder Second: Throneberry Vote: Unanimous*

**Review of the Open Meeting Law/Legal Issues**

Presentation and discussion – Office of the General Counsel.

Mr. Puschnig provided open government training as shown in Reference 2.03.

**Approve Review of the Risk Assessment of the Clark County School District for the 2023-2024 Fiscal Year**

Approval regarding the Clark County School District Internal Audit Department assessment of risk for the fiscal year 2023-2024, including but not limited to the general fund and CIP, as recommended in Reference 2.04.

Ms. Scott provided some background regarding the structure of the Internal Audit Department. She presented the Internal Audit Department Audit Universe with Risk Rankings for fiscal year 2023-2024 as shown in Reference 2.04.

Mr. Throneberry addressed looking at information technology (IT), information security, cyber security controls and framework and recommended co-sourcing with an experienced auditor. He also suggested looking at current policies and procedures and internal controls related to emergency management, police services, and public safety of buildings and including those components in a future audit plan.

Ms. Scott stated that emergency services and school police are included in the risk assessment and IT is included in her meetings with department and division administrators and the surveys she sends out to directors. She said staff also has a plan to help with inventory procedures for IT.

Mr. Throneberry said he would suggest, given the limited resources, considering cycling through the departments every two years, ensuring that each department is visited as an initial or type of mini audit.

Ms. Scott said the majority of the Internal Audit Department's time has been spent on school audits. She said with the new positions in her department being solely focused on school audits, she is hoping to get to those areas they have not been able to before.

Ms. Binder suggested that the Audit Advisory Committee be provided with a copy of the returned surveys Ms. Scott puts out annually with any confidential information redacted. She said she is concerned that the Committee cannot properly make recommendations without being able to review what directors are saying.

**Approve Review of the Risk Assessment of the Clark County School District for the 2023-2024 Fiscal Year (continued)**

Ms. Scott said she sends out the surveys with the understanding that it is confidential. She said she would not be comfortable sharing the surveys even with information redacted because there are details that could still lead to certain departments or individuals being identified.

Mr. Throneberry asked if when a hot topic event occurs, there is a process in place to form a mini audit to test the internal controls and offer reassurance that staff is aware of the issue and is comfortable that it would not become a larger issue or a process by which the Internal Audit Department is conducting spot checks.

Ms. Scott stated Internal Audit is notified when those types of things occur and will look into the situation depending on the circumstances.

*Motion to approve Item 2.04.*

*Motion: Binder*

Mr. Robinson asked if the numbers found in Item 2.04 are extracted from surveys and averaged and whether those are from department directors' responses only or includes input from Internal Audit staff.

Ms. Scott said the surveys are a large part of it as well as input based on her knowledge and that she also sends an email to the Board of Trustees and the Superintendent asking if they have any concerns.

*Mr. Throneberry seconded the motion and offered a friendly amendment to the motion that the discussion be incorporated as needed for any adjustments.*

*Ms. Binder declined the friendly amendment, acknowledging that per the Committee's bylaws, the Committee cannot request work or direct staff.*

Ms. Binder offered that she, Ms. Scott, and Mr. Robinson could help Mr. Throneberry get the recommendations he made to the appropriate people.

*Vote on Ms. Binder's motion was unanimous.*

**Approve Review of the 2023-2024 Audit Plan of the Clark County School District Internal Audit Department**

Approval on the approval of the proposed audit plan of the Clark County School District Internal Audit Department for the 2023-2024 fiscal year and the rolling audit plan, as recommended in Reference 2.05.

**Approve Review of the 2023-2024 Audit Plan of the Clark County School District Internal Audit Department (continued)**

Ms. Scott presented the Internal Audit Department Audit Plan for 2023-2024 and the Rolling Audit Plan as outlined in Reference 2.05.

Mr. Throneberry asked what the process was for following up on open recommendations.

Ms. Scott explained that for elementary school audits staff follows up on open items during the next audit of that school and for department audits staff follows up on open items within the year. She stated that she has not had to track the recommendations separately, as those are rectified with the initial report or in the follow-up.

Ms. Hammer asked if there were any audit reports the Committee receives based on risk rankings.

Ms. Scott stated she could provide any reports the Committee would like but in the past the Committee has chosen to receive school bank audits only if there was a significant fraud or internal control issue. She said the Committee does receive all department and construction reports and appropriate follow-up reports. She said the Internal Audit Department also issues its quarterly status document to the Committee and those reports, excluding the first one, include a summary of school audit findings.

Ms. Hammer asked for an explanation of the utilization rates for the auditors and how their non-audit time is being utilized.

Ms. Scott stated the non-audit time would include sick time, vacation time, and training for various certifications.

Mr. Throneberry asked if the technology and information systems security (TISS) audit would include looking for fraud, waste, and abuse, tracking the life of a physical device, such as a laptop, ensuring that it was properly disposed of, as well as an IT component to ensure no sensitive information was left on the device.

Ms. Scott said staff has not started yet but yes, ideally it will include those areas.

*Motion to approve.*

*Motion: Hammer    Second: Throneberry    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 2.06.

Ms. Scott presented the Internal Audit Department Audit Plan Update for fiscal year 2024 as of September 18, 2023, as outlined in Reference 2.06.

**Approve Update on the Clark County School District Internal Audit Department (continued)**  
Ms. Binder asked if Ms. Scott could tell the Committee what the current special request is.

Ms. Scott said since it is a current investigation, she would prefer not to provide that information.

Ms. Hammer asked how many more school audit reports remain to be completed and whether there have been any significant findings.

Ms. Scott explained that school audits are ongoing throughout the year and over 100 audits are typically issued in a year. She said currently there are no significant findings.

*Motion to approve.*

*Motion: Hammer    Second: Throneberry    Vote: Unanimous*

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

Information on the EthicsPoint Incident Management System.

Mr. Goudie presented the EthicsPoint Incident Management report as shown in Reference 2.07. He pointed to the two incidents reported under Accounting, Auditing and Internal Financial Controls. He stated one was related to potential missing funds from a school-generated fund account, for which Ms. Scott confirmed that an audit is underway or would soon be. He said the other reported issue was related to special education funds being used in other departments and said that investigation is ongoing at this point. He stated none of the other reported issues have resulted in any significant concern or confirmation of the alleged violations.

Mr. Throneberry offered suggestions for future monitoring, tracking, and providing updates of EthicsPoint Incident Management reports, including providing history, department breakdowns, and the disposition of investigations.

Mr. Robinson suggested it would be appropriate for the Employee-Management Relations (EMR) team to attend the next Committee meeting to provide further context of their process.

Mr. Goudie said Chris Greathouse, Director III, Employee-Management Relations, would typically come and report to the Committee at least once per year and could speak to that piece that Mr. Throneberry referred to.

Ms. Binder supported Mr. Throneberry's suggestion that the Committee receive a review of the previous report with their quarterly update.

### **Agenda Planning and Future Meetings**

Discussion on requests for agenda items and future meetings.

### **Agenda Planning and Future Meetings (continued)**

Mr. Robinson stated the Committee's next meeting would take place in November and is the joint meeting with the Board of Trustees, at which they will go over the last fiscal year's financial results. He suggested a review of the EthicsPoint process with the EMR team would be appropriate at the Committee's meeting in early 2024.

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

David Gomez questioned the accuracy of the numbers presented in the EthicsPoint review. He said he sees discrimination, harassment, and retaliation in the District all the time and he wondered about the investigatory process. He stated in terms of transparency Nevada Revised Statutes (NRS) 239 allows the public to ask for anything they want to see. He also questioned the effectiveness of the audits.

**Adjourn:** 12:42 p.m.

*Motion: Throneberry    Second: Hammer    Vote: Unanimous*