

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

Thursday, October 23, 2014

9:30 a.m.

Roll Call:	<u>Members Present</u>	<u>Member Absent</u>
	Patrick Patin, Chairman	Anthony Mook
	Colleen Boyle	
	Patricia Morris	
	B. Keith Rogers	

Erin Cranor, Board Liaison
Pat Skorkowsky, Superintendent of Schools

Also present were: Nikki Thorn, Deputy Chief Financial Officer, Business and Finance Division; Dave Boley, Auditor, Internal Audit Department, Office of the Chief of Staff; Tamara Miramontes, Audit Manager, CPA, Kafoury, Armstrong, & Co; Norma Herrera, Administrative Secretary II, Board Office; and Stephanie Gatlin, Transcriber/Recording Secretary, Board Office.

ADOPT AGENDA

Adopt agenda.

Motion: Rogers Second: Boyle Vote: Unanimous

PUBLIC COMMENT PERIOD

None.

APPROVE MINUTES

Approval of minutes from the meeting of June 26, 2014.

Motion: Rogers Second: Boyle Vote: Unanimous

APPROVE ELECTION OF CHAIRPERSON

Approval on the election of a Chairperson for the Clark County School District Board of Trustees Audit Advisory Committee for the 2014-2015 fiscal year.

Ms. Boyle nominated Mr. Patin to serve as chairman of the Audit Advisory Committee.

Mr. Morris seconded the nomination.

APPROVE ELECTION OF CHAIRPERSON (continued)

Motion to close nominations.

Motion: Boyle Second: Rogers Vote: Unanimous

Vote for Mr. Patin to serve as chairman of the Audit Advisory Committee for the fiscal year 2014-2015 was unanimous.

APPROVE ADOPTION OF A MOTION DIRECTING THE CHAIR TO MEET WITH THE INDEPENDENT EXTERNAL AUDITOR INDEPENDENTLY FROM ADMINISTRATION AND INTERNAL AUDITORS FOR THE 2014-2015 FISCAL YEAR

Approval regarding a motion directing the Chair to meet with the independent external auditor independently from administration and internal auditors on behalf of the Audit Advisory Committee, as recommended.

Motion to direct the Chair to meet with the independent external auditor independently from administration and internal auditors on behalf of the Audit Advisory Committee.

Motion: Rogers Second: Boyle Vote: Unanimous

APPROVE ADOPTION OF A MOTION DIRECTING THE CHAIR TO MEET WITH THE CLARK COUNTY SCHOOL DISTRICT DIRECTOR OF INTERNAL AUDIT INDEPENDENTLY FROM ADMINISTRATION AND EXTERNAL AUDITORS FOR THE 2014-2015 FISCAL YEAR

Approval regarding a motion directing the Chair to meet with the Clark County School District Director of Internal Audit independently from administration and external auditors on behalf of the Audit Advisory Committee, as recommended.

Motion to direct the Chair to meet with the Clark County School District Director of Internal Audit independently from administration and external auditors on behalf of the Audit Advisory Committee.

Motion: Boyle Second: Rogers Vote: Unanimous

APPROVE UPDATE ON THE EXTERNAL FINANCIAL STATEMENT AUDIT FOR THE CLARK COUNTY SCHOOL DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Approval regarding timing, status, issues, and results of the external audit of the Clark County School District for the fiscal year ended June 30, 2014.

Ms. Miramontes said the auditors have completed their report dated October 10, 2014, and have provided it to management. She stated that they issued an unmodified opinion; that there were no significant deficiencies or material weakness noted; that there were some management comments that were discussed verbally, but internal controls were found to be operating effectively; and that no material adjustments were necessary.

Mr. Patin asked Ms. Miramontes if there was anything else she would like to comment on, such as the risk assessment or additional procedures performed with relation to Adult English Language Acquisition Services (AELAS).

APPROVE UPDATE ON THE EXTERNAL FINANCIAL STATEMENT AUDIT FOR THE CLARK COUNTY SCHOOL DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2014 (continued)

Ms. Miramontes stated that this was the second year of implementation of Governmental Accounting Standards Board (GASB) 63 and GASB 65 and because there were some issues last year, the auditors focused on that again this year to ensure everything is being done correctly and the new standards are being implemented properly. She said they also gave some attention to professional services contracts and purchase cards but did not find anything in those areas.

Mr. Patin asked why no written comment letter was issued with relation to the management comments.

Ms. Miramontes explained that there was nothing that reached that level of reporting, and that the auditors simply gave management some helpful suggestions for the future.

APPROVE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) REVIEW

Approval regarding the upcoming review of the Clark County School District's CAFR for the fiscal year ending June 30, 2014, by the members of the Audit Advisory Committee, as recommended.

Mr. Patin announced that the Audit Advisory Committee's joint meeting with the Board of Trustees was scheduled to be held on Friday, November 14, 2014, at 1:00 p.m. at the CCSD Education Center.

Ms. Thorn said staff would be able to issue hard copies of the Comprehensive Annual Financial Report (CAFR) immediately following the October 30 meeting with Superintendent Skorkowsky, Trustee Cranor, and Mr. Patin. She said once the Committee members review the CAFR, they may submit questions and comments to her office up to 24 hours before the joint meeting, and they will be included as additional reference material for the meeting.

APPROVE CLARK COUNTY SCHOOL DISTRICT AUDIT ADVISORY COMMITTEE SELF-EVALUATION

Approval regarding an evaluation by the Committee of its performance and efficiency, including input from management, internal audit, external audit, and the public.

Mr. Patin referred to Reference 5.08 and commented on the Committee Responsibility Calendar and how and when the Committee performs those items listed.

With reference to Item 1, Mr. Patin said he would communicate with Trustee Cranor concerning the Committee reviewing the Board's Executive Limitation (EL) policies in the future.

Ms. Morris asked why the Committee has not been asked to do more beyond these general requirements.

APPROVE CLARK COUNTY SCHOOL DISTRICT AUDIT ADVISORY COMMITTEE SELF-EVALUATION (continued)

Mr. Patin asked that Ms. Morris forward that question to him, and he would forward it to Trustee Cranor for response.

With reference to Item 17, Mr. Patin said he would ask Janette Scott, Director, Internal Audit Department, Office of the Chief of Staff, to review the qualifications of Internal Audit's personnel at the next Audit Advisory Committee meeting.

The Committee had a general discussion about the efficiency and effectiveness of the Committee's performance over this past year.

Mr. Rogers stated that he felt the Committee did well completing the tasks within the timeline set forth in the Responsibilities Calendar, given the scope of their duties. He agreed with the Committee inquiring about other deliverables moving forward that they may not have been asked to perform, as well as being kept apprised through presentations of other areas that are within their purview, though they may not be acting upon currently.

Ms. Boyle said she would like to hear comments from Trustee Cranor, as well as from Jim McIntosh, Chief Financial Officer, Business and Finance Division, and Ms. Scott.

Mr. Patin asked for this agenda item to appear on the Committee's next meeting agenda to continue this discussion and to hear thoughts from Trustee Cranor, Mr. McIntosh, and Ms. Scott.

APPROVE REVIEW OF AND RECOMMENDATION OF AMENDMENTS TO THE CLARK COUNTY SCHOOL DISTRICT AUDIT ADVISORY COMMITTEE BYLAWS AND CALENDAR

Approval regarding the review of and recommendation of amendments to the Bylaws and Calendar of the Clark County School District Audit Advisory Committee, as recommended. Any changes recommended to the Bylaws and Calendar at this meeting will be brought forward to the Board of Trustees and will not be implemented unless adopted at a regular meeting of the Board of Trustees.

Mr. Patin briefly went over the Audit Advisory Committee Bylaws.

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.

Mr. Boley presented the Internal Audit Department's audit plan update for fiscal year 2015. He added that the audit department does have one position open and is currently in the interview process.

APPROVE UPDATE ON THE CLARK COUNTY SCHOOL DISTRICT INTERNAL AUDIT DEPARTMENT (continued)

Ms. Boyle asked where the special requests come from.

Mr. Boley said special requests come from all over the District and externally, as well as anonymous letters and telephone calls.

Mr. Patin offered that typically special requests have come from school administrators or from the Business and Finance Department.

Mr. Rogers asked if there is a timeline for processing special requests including determining the priority of a request.

Mr. Boley said there is a process, and the turnaround time of a special request depends on the urgency of the request and staffing levels.

Mr. Rogers asked if the department was on track in terms of meeting their engagement targets.

Mr. Boley said he believes they are close to being on target, but Ms. Scott could give a more definitive answer.

Mr. Patin said he would contact Ms. Scott.

UPDATE FROM THE CLARK COUNTY SCHOOL DISTRICT'S FINANCIAL MANAGEMENT DEPARTMENT

Presentation, discussion, and possible action regarding an update from the Clark County School District's financial management department on the current and future expected financial conditions, the budget, and the District's budget visualization tool known as "Open Book."

Ms. Thorn said Open Book would be updated within the next four to six weeks with the most recent budget information. She said staff is currently finishing the Amended Final Budget for this year and planning for the Tentative Budget for next year, and the Board has approved Revision 18 to the bond program, which includes deferred maintenance and modifications to existing buildings.

FUTURE MEETING PLANNING

Mr. Patin restated that the Board and Audit Advisory Committee joint meeting would be held on Friday, November 14, at 1:00 p.m.

Motion to hold the next Audit Advisory Committee meeting on January 14, 2015, at 9:30 a.m. at the CCSD Administrative Center.

Motion: Rogers Second: Morris Vote: Unanimous

AGENDA PLANNING: ITEMS FOR FUTURE AGENDAS

Mr. Patin said at the Committee's next meeting, they will have an update on the control environment; an agenda item related to the Internal Audit Department's staff qualifications; a continued discussion of the Committee's performance; a brief presentation of the new GASB requirement; and possibly a discussion on reviewing the Board's EL policies.

PUBLIC COMMENT PERIOD

None.

ADJOURN: 10:28 a.m.

Motion: Rogers Second: Boyle Vote: Unanimous