

CHARTER AUDIT COMMITTEE MINUTES

Tuesday, January 29, 2019
Department of Education
755 N. Roop Street
Carson City, NV

MEMBERS IN ATTENDANCE

James Smack, Chairman, COSAL Committee
CJ Manthe, Commissioner, Public Utilities Commission
Rebecca Feiden, Director, Achievement School District
Michael Shafer, Audit Chairman, Department of Education
Heather Domenici, Executive Branch Auditor, Governor's Office of Finance

MEMBERS EXCUSED

Mike Dang, Management Analyst IV, State Public Charter School Authority

STAFF PRESENT

Suzanne Richards, Charter Audit Committee Secretary, Nevada Department of Education

I. ROLL CALL/CALL TO ORDER

The meeting was brought to order at 9:00 am. Chairman Smack completed the roll call and a quorum was established. Mike Dang was excused.

II. PUBLIC COMMENT I

Chairman Smack asked for comments from the public. There were no members of the public who wished to make comments.

III. APPROVAL OF MINUTES

Chairman Smack asked if there were any comments regarding the minutes from the December 24th meeting.

Ms. Domenici noted some grammatical and spelling errors.

Ms. Domenici motioned in favor to accept the minutes with the noted changes. Mr. Shafer seconded the motion.

Ms. Manthe abstained because she was not in attendance at the meeting. The committee voted in favor of the motion and unanimously passed the minutes.

IV. REVIEW AND VOTE ON THE EXPEDITED REQUEST FOR QUALIFICATIONS (RFQ)

Mr. Smack addressed each RFQ individually.

Bernard Vogler and Company - With no comments from the committee, he asked for a motion to add them to the auditor list.

Mr. Shafer motioned in favor of adding Bernard Vogler and Company to the list.

Ms. Manthe seconded the motion. The committee agreed and Bernard, Vogler and Company was returned to the list.

BDO USA – Ms. Feiden noted that an active business license was not included with the RFQ.

Ms. Manthe stated that she researched the situation and found that BDO USA did in fact have an active business license.

Ms. Feiden suggested that in 2020 the RFQ could include specifically asking for a copy of the Nevada business license.

Mr. Shafer motioned that since BDO USA appears to have a Nevada business license, and since they were already approved the previous year, they should be returned to the list.

Ms. Domenici seconded the motion and the committee approved returning them to the list.

Bradshaw, Smith, and Company - The committee had no comments or concerns about Bradshaw, Smith and Company so Mr. Shafer motioned in favor of returning them to the list.

Ms. Feiden seconded the motion and the committee approved.

Percy, Bowler, Taylor, and Kern (PBTK) - The committee had no comments or concerns about PBTK.

Ms. Manthe motioned in favor of returning them to the list.

Mr. Shafer seconded the motion and the committee approved.

Rife, Silva, and Company - The committee had no comments or concerns about Rife, Silva, and Company.

Mr. Shafer motioned in favor of returning them to the list.

Ms. Domenici seconded the motion and the committee approved.

Rubin Brown - The committee had no comments or concerns about Rubin Brown.

Ms. Manthe motioned in favor of returning them to the list.

Mr. Shafer seconded the motion and the committee approved.

Schmidt, Westergard, and Company – Ms. Manthe noted that Schmidt, Westergard and Company submitted an incorrect form. The committee decided to contingently add them to the list and once the correct form has been submitted, they would be fully approved.

Watkins Jackson – Chairman Smack noted that no actual business license was included with the RFQ.

Ms. Manthe again suggested that confirmation of the business license should be checked when reviewing an RFQ.

Ms. Domenici noted the documentation provided in the RFQ was for the firm, yet the CPA documents were for the partners and not for the firm itself. Everyone agreed with the observation.

Ms. Domenici motioned to approve Watkins Jackson on the contingency that final approval would be given once an actual copy of the firm's Nevada business license and the license issued by the Nevada State Board of Accountancy were both received.

Ms. Manthe seconded and the committee agreed.

V. REVIEW AND VOTE ON NEWLY SUBMITTED RFQ'S

The committee reviewed the newly submitted RFQ's

Eide Bailly – The committee had no questions concerning the submitted RFQ.

Ms. Manthe noted that the CPA license is in current status.

Mr. Shafer motioned to approve Eide Bailly for inclusion to the list.

Ms. Feiden seconded the motion and the committee passed the motion.

Ellsworth and Stout – Ms. Fieden wanted to confirm that there was not any specific documentation contained in the RFQ for the firm regarding not having any late audits other than giving themselves a zero on the scoring sheet. She also commented on how she scored the firm with regards to

“Auditing Any Charter School” as opposed to just “Nevada Charter Schools.” She suggested a revision to clarify the RFQ in that aspect.

Mr. Shafer offered the original authors thoughts and an explanation with regard to the scoring.

Ms. Manthe motioned to accept Ellsworth and Stout to the list.

Mr. Shafer seconded the motion and the committee voted unanimously in favor of motion.

Schettler Macy - Mr. Shafer was concerned that the firm’s business license had expired on October 31, 2015, and the CPA license expired on December 31, 2018. He noted also that the peer review had passed with deficiencies.

Ms. Domenici commented that the firm did not provide the number of audits performed according to the GAGAS requirement, the number of charter schools audited in the previous three years, nor the number of the manager’s years of auditing. She went on to state the peer review deficiencies were significant.

The committee read their scores and agreed that the scores were enough to disqualify them from the auditor list.

Mr. Shafer motioned for the disqualification and Ms. Domenici seconded the motion. The committee agreed not to include them to the list.

VI. PUBLIC COMMENT II

Chairman Smack asked for comments from the public. There were no members of the public who wished to make comments.

VII. ADJOURNMENT

The meeting adjourned at 9:40 am.