

Charter Audit Committee Minutes

Tuesday, July 24, 2018
Department of Education
755 North Roop Street
Carson City, NV

MEMBERS IN ATTENDANCE

James Smack, Chief Deputy Controller, Office of State Controller
CJ Manthe, Director, Business and Industry
Rebecca Feiden, Director, Achievement School District
Michael Shafer, Audit Chairman, Department of Education

MEMBERS ABSENT

Steve Weinberger, Administrator, Division of Internal Audit

GUESTS PRESENT

Beth Kohn Cole, Owner, Kohn and Co
Patrick Gavin, Director, State Public Charter School Authority
Mike Dang, State Public Charter School Authority

STAFF PRESENT

Suzanne Richards, Nevada Department of Education

I. ROLL CALL/CALL TO ORDER

Chairman Smack called the meeting to order at 9:00 am. A quorum was established.

II. PUBLIC COMMENT I

There was no public comment.

III. COMMITTEE MEMBERSHIP UPDATES

Chairman Smack stated that there were no new membership updates to report this time.

IV. APPROVAL OF MINUTES

CJ Manthe motioned and Michael Shafer seconded approving the minutes from the June 19, 2018 meeting. The committee voted and unanimously passed them.

V. REVISION OF BY LAWS

Chairman Smack stated that due to the resignation of Mr. Harty from the board the bylaws needed be revised to change the definition of a quorum. The new bylaws would state that a quorum shall consist of fifty-one percent of the membership of the committee instead of having a minimum of four members. Mr. Shafer suggested further wording should be added for clarification of the number of persons on the committee. Chairman Smack agreed and changed the wording to state, "A quorum would consist of a minimum of fifty-one percent of the total active membership of the committee". After the addition of the wording, Mr. Shafer motioned to accept the change and the committee approved the change.

Afterwards, Ms. Manthe stated the committee still needed to discuss an additional item of having a non-voting member added to the committee. The committee felt that the item should be discussed again at a later meeting.

VI. SUMMARY OF 2018 RFQ

Chairman Smack stated that Mr. Weinberger, who was unavailable for the meeting, thought that a Self-Scoring sheet should be an added benefit to the document.

Ms. Manthe felt there was also a need for a Self-Certification form in the document as well.

Ms. Feiden then suggested streamlining the introduction to make it clearer for the offerors.

VII. BETH – KOHN COLE IDEAS AND SUGGESTIONS REGARDING THE RFQ

Ms Kohn reviewed her suggestions she previously submitted to the Committee. She pointed out that currently, the NRS does not require that audits of schools be in accordance with Government Auditing Standards. She felt that the Audit Requirements should not include it as well.

She then stated that many of the smaller schools do not qualify to have an A-133 Single Audit completed because of the amount funding they receive. She suggested changing the wording to state that the Single Audit requirement should not have to be performed specifically on a Charter School.

Next, she felt that the late penalty should only apply when the Auditors do not complete the audit in a timely manner. If the school does not comply with providing the necessary items in time, then the Auditor should not be held responsible for being late with the audit.

She continued by stating that not all companies have an Audit Manager. She suggested that the number of hours in which it takes to perform the job of the Manager should be considered instead of the position of the person.

Finally, Ms. Kohn reviewed her suggested changes to the Audit Guide. They were minimal, and her comments consisted mostly of questions regarding the instruction from the guide.

Patrick Gavin, from The Charter School Authority, noted that the law requires a separate “Agreed Upon Procedures” document and a “Compliance Review” and both should be required as part of the requirements.

VIII. DISCUSSION OF GAGAS VERSUS GAS PEER REVIEW

The committee discussed the option of changing the Peer Review requirement. After hearing from all members of the committee, they decided to consider changing the point system to reflect having a GAS requirement instead of a GAGAS requirement.

The committee also discussed the possibility of a waiver for three years so an auditor can obtain a Peer Review in order to meet the minimum criteria as outlined in the RFQ.

IV. CHANGE TO CRITERIA REGARDING UNCONTROLLED LATE ISSUES OF AUDITS

Mr. Smack decided that the previously discussed language regarding late issues is acceptable and should be included in the Audit Guide.

The committee also discussed what level of documentation should be needed for the RFQ.

Ms. Feiden volunteered to make changes to the RFQ which will be voted on at the next meeting of the committee.

X. RETENTION TIMELINE FOR RENEWING AUDIT FIRMS TO THE AUDITOR LIST

The committee discussed whether an Audit Firm should have to complete a full submission of the RFQ when they obtain a new Peer Review.

Ms. Kohn asked the committee for clearer instruction as to when the exact time of the renewal would be required. Mr. Gavin presented the idea that submissions could be the done at the same time as the renewal of the contracts between the Charter Schools and their sponsors.

The committee decided to take action on the question and suggestions during the next meeting.

XI. STREAMLINING THE RFQ FOR APPROVED FIRMS

Comments for this discussion are included with Item XII.

XII. REVISION TO THE RFQ POINT SYSTEM

Mr. Smack felt that both agenda items XI and XII had previously been discussed by the committee and the committee agreed.

XIII. PUBLIC COMMENT

There was no public comment.

XIV. ADJOURNMENT

Chairman Smack confirmed the next meeting for September 4th. He then declared the meeting adjourned.