

CHARTER AUDIT COMMITTEE MINUTES

January 29, 2024
Department of Education

MEMBERS IN ATTENDANCE

James Smack, Chairman, Chief Deputy Controller, Nevada State Controller's Office
Mike Dang, Management Analyst IV, State Public Charter School Authority
Michael Shafer, Audit Manager, Department of Education
CJ Manthe, Retired State Employee
Jessica Young, Executive Branch Auditor, Governor's Finance Office

MEMBERS EXCUSED

STAFF PRESENT

Braden Hudnall, Administrative Assistant II, Department of Education

I. ROLL CALL/CALL TO ORDER

The meeting was called to order at 10:00 am.
All members were present.

II. PUBLIC COMMENT I

Chair Smack asked for comments from the public.
Zeth Macy of Schettler Macy & Associates introduced himself.
There were no other members of the public who wished to make comments.

III. APPROVAL OF MINUTES

The committee briefly reviewed the minutes from the November 6, 2023 meeting. After reviewing them, and with no added discussion from the committee, Ms. Manthe motioned in favor to accept the minutes as written. Ms. Young seconded the motion.
The committee unanimously voted in favor of the motion and approved the minutes.

IV. REVIEW AND VOTE ON THE EXPEDITED RFQS

BDO USA:

The committee reviewed the RFQ for BDO USA. After review, Ms. Manthe noted that she would like to see an updated CPA license from the firm. Mr. Dang noted that a new license appeared to be in process for BDO, but the current one was still valid until January 31st. Chair Smack proposed that BDO USA be added to the approved auditor list under the assumption that the CPA license is updated. The rest of the committee agreed with Chair Smack's proposal.

With no further discussion from the committee, Ms. Manthe motioned to accept the expedited application. Mr. Shafer seconded the motion.
The committee unanimously voted in favor of the motion and accepted the application.

Ellsworth and Stout:

Before beginning the review, Ms. Manthe disclosed that she is a volunteer treasurer for a nonprofit that uses the services of Ellsworth and Stout and said she would abstain from voting.

The committee reviewed the RFQ for Ellsworth and Stout. After review, with no concerns or added discussion from the committee, Mr. Shafer motioned to accept the application. Mr. Dang seconded the motion.

The committee unanimously voted in favor of the motion and accepted the application, with Ms. Manthe abstaining from the vote.

Rubin Brown:

The committee reviewed the RFQ for Rubin Brown.

Ms. Manthe said that she did not believe they used the proper certification for this application. Chair Smack said he made a note of that, but that Rubin Brown is still in compliance. He said that the firm submitted the certification for a full application rather than an expedited application.

Ms. Young raised some concerns about Rubin Brown doing four audits in 2022 on a full accrual basis and said that the firm had told her they were following the rules as advised by the Nevada Department of Education. Mr. Dang expressed a similar concern and said that the committee would need to try and work out a way to improve the charter school audit guide.

Chair Smack asked if these concerns were enough for the committee to exclude Rubin Brown from the list this time. Ms. Young said that since they appeared to be following the charter school audit guide as written, the audit guide is what would need to be corrected to match the technical guide. Mr. Dang agreed with this statement and said he would schedule a time to sit down Mr. Shafer and make those necessary changes to the charter school audit guide.

Mr. Shafer said that this issue with the charter school audit guide is a separate issue from approving the RFQ for Rubin Brown because what the guide contains doesn't affect whether the firm is in compliance with what the committee is asking them to do. Chair Smack noted that the concerns about the audit guide will be notated and were worth bringing forward, but that it doesn't rise to the point where Rubin Brown should be excluded from the approved auditor's list.

After review, with no additional concerns or added discussion from the committee, Mr. Shafer motioned to accept the application. Mr. Dang seconded the motion.

The committee unanimously voted in favor of the motion and accepted the application.

Silva, Sceirine & Associates, Schettler Macy, and Watkins Jackson:

The committee reviewed the RFQs for Silva, Sceirine & Associates, Schettler Macy, and Watkins Jackson at the same time due to each having an expired license.

Chair Smack suggested that all three firms be approved on the condition that the committee receives a current business license from each. The rest of the committee agreed with that suggestion.

After review, with no other concerns or added discussion from the committee, Ms. Young motioned to accept the applications pending the receipt of a current business license from each firm. Mr. Dang seconded the motion.

The committee unanimously voted in favor of the motion and accepted the applications.

Houldsworth, Russo & Company, P.C.:

The committee reviewed the RFQ for Houldsworth, Russo & Company, P.C.

After review, with no concerns or added discussion from the committee, Ms. Manthe motioned to accept the application. Ms. Young seconded the motion.

The committee unanimously voted in favor of the motion and accepted the application.

CliftonLarsonAllen, LLP:

The committee reviewed the RFQ for CliftonLarsonAllen, LLP.

After review, with no concerns or added discussion from the committee, Mr. Dang motioned to accept the application. Mr. Shafer seconded the motion.
The committee unanimously voted in favor of the motion and accepted the application.

V. REVIEW AND VOTE ON NEWLY SUBMITTED RFQS

Eide Bailly, LLP:

The committee reviewed the RFQ for Eide Bailly, LLP.

Chair Smack recused himself from voting on the application as to not show favoritism due to being entwined with Eide Bailey in a couple different contracts in the Controller's Office but said that he felt the score was satisfactory.

After review, with no concerns or added discussion from the committee, Ms. Manthe motioned to accept the application. Mr. Dang seconded the motion.

The committee unanimously voted in favor of the motion and accepted the application.

Velez & Hardy, LLC:

The committee reviewed the RFQ for Velez & Hardy, LLC.

Chair Smack raised the concern that Velez & Hardy have never had a peer review done.

Ms. Manthe said that their peer review appeared to be scheduled and should be received by June 30th.

Ms. Manthe also raised the issue of whether they used an old application rather than the current one. Chair Smack agreed that they had used the old application, but that they still scored fine on everything aside from the peer review on the current application. Ms. Manthe noted that, by using the old application, Velez & Hardy did not answer the question regarding how many audits were submitted late by the firm within the past year. Chair Smack said that even if they had scored zero on that question, the application still would have passed.

Ms. Manthe said that due to the peer review not being sent until later in the year, the committee should accept the application but still ask that Velez & Hardy send in their completed peer review to the committee once it is received.

After review, with no further concerns or added discussion from the committee, Ms. Manthe motioned to accept the application while requesting a copy of the peer review once completed. Mr. Dang seconded the motion.

The committee unanimously voted in favor of the motion and accepted the application.

FORVIS, LLP:

The committee reviewed the RFQ for FORVIS, LLP.

After review, with no concerns or added discussion from the committee, Mr. Shafer motioned to accept the application. Ms. Young seconded the motion.

The committee unanimously voted in favor of the motion and accepted the application.

VI. PUBLIC COMMENT II

Chair Smack asked for comments from the public.

There were no members of the public who wished to make comments.

The meeting was adjourned at 10:37 am.