

CHARTER AUDIT COMMITTEE MINUTES

October 21, 2025
Department of Education

MEMBERS IN ATTENDANCE

James Smack, Chairman, Chief Deputy Controller, Nevada State Controller's Office
Michael Shafer, Audit Manager, Department of Education
CJ Manthe, Retired State Employee
Jessica Young, Accountant II, Nevada State Controller's Office
Amelia Thibault, Management Analyst III, Department of Education

MEMBERS EXCUSED

Mike Dang, Charter School Sponsoring Officer, City of Henderson

STAFF PRESENT

Braden Hudnall, Administrative Assistant II, Department of Education
Greg Ott, Chief Deputy Attorney General, Nevada Attorney General's Office
Melissa Willis, Director of Office of Pupil-Centered Funding, Department of Education

I. ROLL CALL/CALL TO ORDER

The meeting was called to order at 1:30 pm.
All members were present except Mr. Dang, who was excused by Chair Smack.

II. PUBLIC COMMENT I

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

III. APPROVAL OF MINUTES

The committee briefly reviewed the minutes from the January 29, 2025 meeting.
With no changes needing to be made, Ms. Manthe motioned in favor to accept the minutes as written. Ms. Thibault seconded the motion.
The committee unanimously voted in favor of the motion and passed the minutes. Ms. Young abstained from voting as she was not present for the meeting in question.

IV. REVIEW PRIORITIES AND PROCEDURES FOR RFQ SUBMISSIONS

Chair Smack began the discussion on the necessary changes to the RFQ that should be made in the creation of the 2026 RFQ.
Chair Smack said that any mention of FYE 2025 should be changed to FYE 2026 in the RFQ.
All committee members agreed.
Ms. Thibault asked Chair Smack about the scope of the ability to make significant changes to the RFQ. Chair Smack informed her that the committee reserves the right to change the RFQ however they see fit, if said changes are approved by a majority.
Ms. Thibault said she would like for the RFQ to be expanded to include a documented section that says what kind of testing and review of documentation there is going to be.
Chair Smack told Ms. Thibault to start drafting up the language she would like to see on page 5, section 4 while the committee continued to look through the RFQ.

Chair Smack said that the number of charter holders would need to be changed on page 2. He asked Mr. Shafer and Ms. Thibault if they knew the accurate number of charter holders for FY26. A discussion among the committee was had as to what constitutes a charter holder, which resulted in Chair Smack saying that he would prefer to change the language to say "charter schools" as opposed to "charter holders" to lessen the confusion. Ms. Willis confirmed that there are 59 charter schools, and Chair Smack said that the RFQ will reflect such.

Ms. Thibault motioned to include this amendment to the 2026 RFQ. Mr. Shafer seconded the motion. The committee unanimously voted in favor of the motion and approved the changes to be made.

Ms. Young suggested changing item 2 on page 3 to read "The Offeror must have a GAGAS peer review using GAO standards conducted within the past three years OR with approval of a waiver from the COSAL, a GAAS peer review using AICPA standards."

Ms. Young motioned to include this amendment to the 2026 RFQ. Mr. Shafer seconded the motion. The committee unanimously voted in favor of the motion and approved the changes to be made.

Ms. Thibault suggested changing item 3 on page 3 to read "The Offeror must provide a description of the firm's audit process and a sample audit plan."

Mr. Shafer expressed his concern about how this would affect firms submitting expedited applications. Chair Smack suggested that, due to sample audit plans being submitted, all firms be required to submit a full application for FY26. He also said that firms not submitting a sample audit plan until they have a full application due is an option. The committee agreed that every firm completing a full submission for FY26 makes the most sense.

Ms. Thibault motioned to include this amendment to the 2026 RFQ. Ms. Young seconded the motion. The committee unanimously voted in favor of the motion and approved the changes to be made.

In keeping with the proposal that expedited applications will not be accepted for FY26, Chair Smack suggested adding the phrase "(not applicable for Fiscal Year 2026)" to every mention of expedited applications in the document. He also suggested adding a second sentence at the end of item 4 on page 3 that reads "A full application will be required every three years."

Ms. Thibault motioned to include this amendment to the 2026 RFQ. Ms. Manthe seconded the motion. The committee unanimously voted in favor of the motion and approved the changes to be made.

Ms. Thibault suggested creating a new item L under the checklist section of page 4 that reads "Provide a sample audit plan". Mr. Shafer suggested making this item D and re-ordering the lettering afterward.

Ms. Thibault motioned to include this amendment to the 2026 RFQ. Mr. Shafer seconded the motion. The committee unanimously voted in favor of the motion and approved the changes to be made.

Ms. Young noted that section B on page 4 should be edited to match the language with the addition on page 3.

Ms. Young motioned to include this amendment to the 2026 RFQ. Ms. Thibault seconded the motion. The committee unanimously voted in favor of the motion and approved the changes to be made.

Ms. Thibault shared her proposed amendment to section C of page 5 with the committee. She suggested adding a new requirement that states, "Provide a description of the internal control testing to be completed to include the review of documented policies, procedures, and controls in place for the charter school, and compliance with provisions under NRS and NAC 387." This would be item number 5, and all other items below it would be re-numbered. Ms. Manthe proposed a friendly amendment of adding the phrase "consistent

with government accounting standards" after the word "completed". Ms. Thibault accepted the amendment as friendly.

Ms. Thibault motioned to include this amendment to the 2026 RFQ. Ms. Manthe seconded the motion. Ms. Thibault, Ms. Young, and Ms. Manthe voted in support of the motion, while Mr. Shafer voted against the motion. With a vote of 3-1, the motion was approved for the changes to be made.

Ms. Young and Ms. Thibault discussed the executive order audit that was recently carried out and the Department of Education's role in making sure that schools will have modified accrual accounting for their governmental funds.

Ms. Thibault pointed out that a new section D will need to be added to page 5 titled "Sample Audit Plan". Chair Smack confirmed that this will be required, but the committee will need to decide what that section is going to say.

Ms. Young said coming up with that language may require some additional work outside of the current meeting. Chair Smack noted that the committee might need to schedule another review meeting prior to the RFQ's release. Mr. Shafer asked Chair Smack if putting this new language out for public comment would be necessary. Ms. Thibault suggested drafting up language and reaching out to firms prior to the next meeting.

Chair Smack checked with Mr. Ott to make sure that they would still be in compliance with Open Meeting Law by doing this, or if that would require two additional meetings. Mr. Ott said the only way to avoid two meetings would be for the committee to delegate authority to one member to prepare the drafted language, that said individual would then circulate to the firms for comment.

Chair Smack asked Ms. Thibault if she would like to be the one to draft up the language. Ms. Thibault accepted and requested that Mr. Hudnall send her his audit firm contact list so she could circulate the draft.

Chair Smack asked that Ms. Thibault reach out to him once she has received the necessary comments from audit firms so the next meeting can be scheduled.

The committee began discussing changes to the scoring. Chair Smack suggested revisiting the scoring at the next meeting, once the verbiage for the new section has been confirmed. The rest of the committee agreed.

V. SCHEDULE RFQ RELEASE AND RFQ APPROVAL MEETINGS

Chair Smack said that this agenda item would be moved to the next meeting.

VI. REVIEW AND VOTE ON RFQ SUBMISSION

Chair Smack informed the committee that Ellsworth and Stout had been unintentionally left on the list in FY25 through a series of oversights. He noted that they have been on the list for years and was comfortable with the application they submitted.

Ms. Manthe noted that she would be abstaining from voting on the submission due to previous work with Ellsworth and Stout. Ms. Manthe also informed the committee that she would be leaving the meeting. As the committee still had a quorum, they were able to continue to conduct business.

Chair Smack opened the floor for discussion on the submission. Ms. Young said that the submission missed the total number of charter schools that were not Nevada charter schools and didn't mention how many manager and partner years the firm has. She also noted that none of this was enough to not approve the submission.

With no added discussion from the committee, Mr. Shafer motioned to approve Ellsworth and Stout's submission. Ms. Thibault seconded the motion. The committee unanimously voted in favor of the motion and added Ellsworth and Stout to the approved auditors list for FY25.

VII. 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 2:51 pm.