

CHARTER AUDIT COMMITTEE MINUTES

January 22, 2020
Department of Education
755 N. Roop Street
Carson City, NV

MEMBERS IN ATTENDANCE

James Smack, Chairman, COSAL Committee
CJ Manthe, Commissioner, Public Utilities Commission
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
Sarah Nick, Management Analyst III, Department of Education

STAFF PRESENT

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

I. ROLL CALL/CALL TO ORDER

Mike Dang was excused and Sarah Nick was absent.

II. PUBLIC COMMENT I

Chairman Smack asked for comments from the public. There were no members of the public who wished to make comments. Due to technical errors some members of the public tried to call in but were unable to reach the system. The committee administrator contacted those persons via email to call in using a different number.

III. APPROVAL OF MINUTES

The committee briefly reviewed the minutes from the October 23 meeting. After reviewing them, and with no added discussion from the committee, Mr. Shafer motioned in favor to accept the minutes. Ms. Manthe seconded the motion.

Ms. Domenici abstained as she did not attend the meeting on October 23. The committee voted in favor of the motion and unanimously passed the minutes.

IV. REVIEW OF THE EXPEDITED RFQ'S

Chairman Smack asked if anyone from the submitting firms was available and wanted to make a statement regarding the RFQ's. Hearing no responses, he then asked if the committee preferred to pass the expedited RFQ's as one complete group, or if they preferred to discuss them individually. Ms. Domenici stated she preferred to discuss them individually since she had some questions regarding a few of them. The chairman acknowledged the request and continued with the discussion in no particular order.

Eide Bailly

The committee had no questions pertaining to the submission of the Eide Bailly RFQ.

Chairman Smack asked for a motion to include Eide Bailly to the Auditor List

Ms. Manthe motioned to approve the submission and Mr. Shafer seconded the motion. The committee voted unanimously to accept Eide Bailly to be included to the list.

Hafen, Bruckner, Everett, and Graff

Ms. Domenici stated that the peer review that was submitted with the RFQ, appeared to be an old review and that a new one should have been completed as of the current date. The committee noted the discrepancy.

Ms. Manthe suggested that the committee provisionally approve Hafen, Bruckner, Everett, and Graff upon clarification of the updated peer review.

Ms. Domenici agreed and motioned to provisionally approve the submission. Mr. Shafer seconded the motion.

The committee voted unanimously to accept Hafen, Bruckner, Everett, and Graff to be included to the list with the provision outlined.

Rife Silva

There were no questions from the committee pertaining to the submission of the Rife Silva RFQ.

Chairman Smack asked for a motion to include Rife Silva to the Auditor List.

Mr. Shafer motioned to approve the submission and Ms. Manthe seconded the motion.

The committee voted unanimously to accept Rife Silva to be included to the list.

Barnard Vogler

The committee had no questions pertaining to the submission of the Barnard Volger RFQ. Chairman Smack asked for a motion to include Barnard Vogler to the Auditor List.

Ms. Domenici motioned to approve the submission and Mr. Shafer seconded the motion. The committee voted unanimously to accept Barnard Volger to be included to the list.

Schmidt Westergard

There were no questions pertaining to the submission of the Schmidt Westergard RFQ from the Committee. Chairman Smack asked for a motion to include Schmidt Westergard to the Auditor List.

Ms. Manthe motioned to approve the submission and Ms. Domenici seconded the motion. With no further discussion the committee voted unanimously to accept Schmidt Westergard to be included to the list.

Watkins Jackson

Ms. Domenici began the discussion by noting that the copy of the required Business License was actually a copy of the firm's Charter.

Ms. Manthe stated she noticed the same thing and that she followed up by verifying a current Business License via the Secretary of State's Office.

Chairman Smack asked how the committee wished to proceed with the motion.

Ms. Domenici motioned to approve the submission based on Ms. Manthe's verification and Ms. Manthe seconded the motion. With no further discussion the committee voted unanimously to accept the RFQ to be included to the list.

Clifton Larson

Mr. Shafer noted that the Business License which had been submitted will expire by the end of January in 2020. He suggested that the committee ask for further verification from the firm that the license will be updated. A provisional approval

was suggested from the chairman and a motion was made by Mr. Shafer. It was seconded by Ms. Domenici. The committee voted unanimously to approve the motion.

Ellsworth and Stout

There were no questions pertaining to the submission of the Ellsworth and Stout RFQ from the Committee. Chairman Smack asked for a motion to include Ellsworth and Stout to the Auditor List

Ms. Manthe motioned to approve the submission and Mr. Shafer seconded the motion. The committee voted unanimously to accept the RFQ to be included to the list.

Shettler Macy

The Chairman noted that there was an old business license submitted and that the RFQ was the expedited version. He continued by stating that last year, as he recalled, an appeal was made by the firm. The Committee granted the appeal with the provision that the firm obtain a new peer review and submit it along with a full submission of the RFQ in 2020.

In response to the firm not submitting the full RFQ, the committee decided that at the upcoming fall meeting, more clarification needed to be discussed regarding full submissions versus expedited submissions. Clarifications should state that if two expedited RFQ's have been received in the past, then a full RFQ will be expected as the next submission.

A provisional approval was motioned for by the Chairman stating, "Upon receipt of an updated peer review, Shettler Macy would be granted inclusion on the list. Also, a full RFQ submission will be required for 2021."

The motion was approved by the committee unanimously.

V. REVIEW AND VOTE ON NEWLY SUBMITTED RFQ'S.

Rubin Brown

Chairman Smack asked for comments regarding the submission

Ms. Domenici noted that the peer review was more than likely underway and she asked for a provisional approval upon receipt of the peer review.

Ms. Manthe stated that the peer review could be a lengthy process, and while waiting for it to be completed, the firm would not have the opportunity to be included for a long period of time.

Chairman Smack offered that a provisional approval be granted which states that a full RFQ submission will be required for 2021.

He asked for a motion to be made for approval with the provision. Mr. Shafer motion and Ms. Domenici seconded. The committee voted and unanimously approved the motion.

Houldsworth Russo

After the Chairman asked for discussion regarding the RFQ, Ms. Domenici pointed out that GAGAS audits were all included in the counts with Charter Audits and were not identified separately. She noted however, that with the grouping of the audits, the company still met the point requirement.

Chairman Smack suggested that a full submission should be required for next year in order to fully disclose the information needed.

Chairman Smack motioned for an approval being granted with a provision of a full submission of the RFQ in 2021 so as to conduct a complete review of the Charter School Performance in the RFQ.

The Committee voted in favor of the motion.

VI. PUBLIC COMMENT

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

The meeting was adjourned at 9:35 am.