

# Charter Audit Committee Minutes

Wednesday June 13, 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

Steve Weinberger, Administrator, Division of Internal Audit

Michael Shafer, Audit Chairman, Department of Education

## **MEMBERS ABSENT**

Will Harty – Somerset Academy of Las Vegas

## **STAFF PRESENT**

Suzanne Richards, Nevada Department of Education

Greg Ott, Deputy District Attorney, District Attorney Office

## **I. ROLL CALL/CALL TO ORDER**

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

He stated that Mr. Harty has resigned and the committee will notify the Nevada State Charter School Authority of the resignation. The Committee will request that a board member be installed to replace Mr. Harty.

## **II. PUBLIC COMMENT I**

There was no public comment.

## **III. APPROVAL OF MINUTES**

CJ Manthe motioned and Steve Weinberg seconded approving the minutes from the June 4 and May 15th meetings. The committee voted and unanimously passed them

## **IV. REVIEW AND DISCUSSION OF SUBMITTED RFQ'S**

Mr. Shafer began by asking legal counsel if a firm has no Nevada Business license or the CPA is not licensed in Nevada, would the firm or CPA be automatically disqualified? Mr. Ott explained that the firms or CPA's would not necessarily be disqualified and the committee could issue a "conditional approval", pending obtaining the proper documents.

Ms Feiden asked for clarification of how the references should be accepted. Mr. Smack suggested that the process will be clarified for next year's submissions.

The Committee began discussing the RFQ's. Mr. Smack recused himself from voting. Questions and Concerns from the committee were discussed.

Greg Ott clarified options available to the Committee regarding additional information from questionable firms versus firms not able to meet minimum qualifications.

Concerns from the committee were heard (see table)

## **V. VOTE OF ACCEPTANCE OF APPROVED RFQ'S**

Mr. Smack asked for a motion to approve eight RFQ's as submitted for consideration to be included on the list of Charter School Auditors. Mr. Shafer motioned to accept the firms and Ms. Feiden and Mr. Weinberger seconded. The committee voted to accept eight of the RFQ's. The eight firms included to the list were as follows:

- Barnard and Boulder and Co
- BDO USA
- Bradshaw and Smith
- Clifton
- Ellsworth and Stout
- Kohn and Co
- Rubin Brown
- Schmidt and Westergard

Mr. Smack listed the firms the committee thought were "provisional pending ability of acquiring proper licenses" and asked for a vote on accepting them if conditions were met.

- Hafen, Bruckner, Everett and Graff - Nevada Business License and a Nevada CPA License
- PKF O'Connor - Nevada Business License

Mr. Shafer motioned to accept the firms and Mr. Weinberger seconded. The committee passed the vote.

Mr. Smack discussed the firms that could not qualify and those who the committee had questions of. They decided to not vote on the firms at this time. The chairman requested that letters be sent asking for further information and after the next meeting letters sent to those who didn't make the list.

## **VI. PUBLIC COMMENT #2**

Beth Kohn noted that a firm cannot provide a peer review until it has been approved by the peer review committee. She offered suggestions to review the committee's requests regarding managers experience and single audits of educational institutions. She felt her suggestions would make it easier for smaller firms to make the list. Mr. Smack noted her comments.

## **V. ADJOURNMENT**

Mr. Smack noted that the committee will address the resignation of Mr. Harty at the next meeting and to include it on the agenda.

Mr. Smack adjourned the committee at 10:47 AM

# Preliminary List of Charter School Auditors

Name	Minimum Qualifications	Concerns and Points
Barnard, Volger and Co	Met qualifications	Met minimum of 50 points standards
BDO USA	Met qualification	Met minimum of 50 points standards
Bradshaw Smith and Co., LLP	Met qualifications	Met minimum of 50 points standards
Clifton, Larson and Allen, LLP	Met qualifications	Met minimum of 50 points standards Additional Information requested. <ul style="list-style-type: none"> <li>• Were any charter schools were audited</li> <li>• Late Audit reports,</li> <li>• Complete criteria fulfillment</li> </ul>
Ellsworth and Stout	Met qualifications	Met minimum of 50 points standards
Hafen, Bruckner, Everett and Graff, PC	No Nevada State Business License or Nevada CPA license. Can be given a conditional approval pending acquisition of licenses	Met minimum of 50 points standards
Houldsworth Russo and Co., PC	Met qualifications	Could not meet minimum point standard of 50. Did not provide a list of Charter Schools Audited, Did not have a statement regarding late submissions.
Kohn and Co	Met qualifications	Met minimum of 50 points standards
Michael Coulson and Assoc.	Has not had GAGAS but has GAS peer review. Has peer review scheduled.	Could not pass with 50 points. 2019 approval pending experience and GAGAS peer review and years of experience.
Piercy Bowler Taylor and Kern	Met qualifications	Met minimum of 50 points standards Additional Information requested. <ul style="list-style-type: none"> <li>• Need explanation for time frame of sanctions</li> </ul>
PKF O'Connor Davies	No Nevada Business License	Met minimum of 50 points standards Additional Information Requested for required license
Rife Silva and Co., LLC	Met qualifications	Met minimum of 50 points standards Additional Information requested <ul style="list-style-type: none"> <li>• Explanations for late report submissions</li> <li>• Experience regarding audits of Out of State Charter Schools</li> </ul>
Rubin Brown LLP	Met qualifications	Met minimum of 50 points standards

Schmidt Westergard and Co., PLLC	Met qualifications	Met minimum of 50 points standards
Schettler Macyand Associates, LLC	Did not meet minimum qualifications	Could not meet minimum point standard of 50 points. Lacked information to acquire points
Squar Milner	Did not meet minimum qualifications	Could not meet minimum point standard of 50 points. Did not address questions requested in RFQ.
Watkins Jackson CPA's	Met qualification	Met minimum of 50 points standards Additional information requested <ul style="list-style-type: none"> <li>• Can they comply with Audit Guide</li> <li>• Clarification of a continuity policy</li> </ul>