

CHARTER AUDIT COMMITTEE MINUTES

February 22, 2019
Department of Education
755 N. Roop Street
Carson City, NV

MEMBERS IN ATTENDANCE

James Smack, Chairman, COSAL Committee
CJ Manthe, Commissioner, Public Utilities Commission
Rebecca Feiden, Director, Achievement School District
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

STAFF PRESENT

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

I. ROLL CALL/CALL TO ORDER

The meeting was brought to order at 2:00 pm. Chairman Smack completed the roll call and a quorum was established. Mike Dang was excused.

II. PUBLIC COMMENT I

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

III. APPROVAL OF MINUTES

Chairman Smack asked if there were any comments regarding the minutes from the January 29th meeting.

Ms. Domenici noted some grammatical errors and context changes.

Ms. Manthe motioned in favor to accept the minutes with the noted changes. Mr. Shafer seconded the motion.

The committee voted in favor of the motion and unanimously passed the minutes.

IV. REVIEW AND VOTE ON THE EXPEDITED REQUEST FOR QUALIFICATIONS (RFQ)

Mr. Smack explained that there were two entities which had not submitted the RFQ by the deadline and he felt that they should be allowed to present their applications. Mr. Shafer stated that this time an exception could be made, but going forward, the committee should not have to extend the deadline. Ms. Manthe agreed and suggested that in the future, the committee should reach out and contact firms prior to mailing the RFQ in order to avoid sending information to someone who may have left the firm. Ms. Feiden suggested sending the RFQ to schools in addition to the firms. Mr. Smack proceeded with the review.

CliftonLarson, LLP –The committee had no questions or concerns regarding the submittal. Mr. Shafer motioned to approve the RFQ submitted by CliftonLarson, LLP. Ms. Domenici seconded the motion and it was passed by the committee.

Hafen, Bruckner, Everett, and Graff - The committee had no questions or concerns regarding the submittal. Ms. Domenici motioned to allow Hafen, Bruckner, Everett, and Graff to be added to the auditor list. Ms. Feiden seconded the motion and it was passed by the committee.

V. REVIEW AND VOTE ON APPEALED RFQ.

Mr. Smack recessed the meeting to contact Mr. Macy of Shettler Macy so he could be included in the discussion. Once the contact was completed, the meeting reconvened and the committee reviewed the appeal of the resubmitted RFQ.

Schettler Macy – Zeth Macy presented his appeal to the committee. He addressed the concerns of the committee. The revised version included more in depth information and the committee asked questions of Mr. Macy.

Mr. Shafer was concerned about the peer review deficiencies and what corrections the company has made to correct them.

Mr. Macy explained that the previous practices had been changed and adjustments to those changes did not work as planned. Training on the new practices has since been received and adjustments now are better understood. He went on to state that the firm had used an outside person to do their review and that she lacked proficiencies in single audit reviews. They are no longer using her services.

Ms. Manthe asked for an explanation to the self-scoring rationale regarding the reported late audits which conflicted with him awarding his firm the maximum points in that area.

Mr. Macy stated that he was unaware of any late filed reports.

Mr. Smack inquired about what Ms. Mackedon from Oasis Academy would say about him since he has used her as a reference.

Mr. Macy stated that he and Ms. Macakedon have a very strong relationship and he felt she would say that they were a good firm to work with.

Ms. Domenici asked about the deficiencies regarding the Single Audit in question. After confirming that the firm did not meet the required compliances for all areas of a major program and that top personnel missed it, she asked what controls have been instituted to assure material does not get missed again in a Single Audit.

Mr. Macy explained that the new methodology is working and that managers and partners are more experienced with its use.

Chairman Smack asked for discussion from the committee.

Multiple members of the committee agreed that after their questions were addressed, they were able to raise the firm's scores enough to move the firm to an acceptable status.

Mr. Smack asked for a motion to include Shettler Macy on the Auditor List. Ms. Manthe made the motion and Ms. Feiden seconded. The committee all voted in favor of the motion.

VI. PUBLIC COMMENT II

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

VII. ADJOURNMENT

The meeting adjourned at 2:34 pm.