



***Washoe County  
School District***

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# **Washoe County School District**

## **Audit Committee**

### **Biannual Report**

**(Reporting Period Includes: 2023 – 2024)**

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**Internal Audit Department**  
**425 East Ninth Street, Room A-215**  
**Reno, Nevada 89512**

## **Executive Summary**

The Audit Committee (Committee) of the Board of Trustees (Board) of the Washoe County School District (District) offers this Report to provide the Board a synopsis of its oversight, support, and recommendations for its activities from 2023 through 2024.

In each year, the Committee reviewed and approved the District's Annual Comprehensive Financial Report (ACFR) as presented by the independent accountants. The District received unmodified opinions ("clean" opinions) each year.

At each meeting, the Committee continued to receive updates on the activities of the Internal Audit Department (Department) along with the status of the Hotline Program cases. During the Department presentation of audits and its annual follow-up reports, the Committee offered feedback and proposed solutions and continued to encourage full and timely implementation of audit recommendations.

In addition, the Committee received a presentation on the proposed scope and procedures for the audit of the Capital Improvement Program focusing on professional service providers such as architects, engineers, and design firms, offered its suggestions, and approved the proposed procedures.

## **Audit Committee Governance**

The Audit Committee is an advisory public body to the Board of Trustees and serves to assist the Trustees in fulfilling their oversight responsibilities relating to the District's financial activities, operational activities, and compliance with laws, regulations, and internal control processes.

The Committee consists of seven voting members who are appointed by the Board of Trustees to serve two-year terms running July 1 through June 30. The current members include Ben Barteau, Wesley Chewjalearn, Ronald Ellis, Nichole Loar, Vita Ozoude, Todd Shipley, and Jennifer Thomas. Ronald Ellis was selected Chairperson and Ben Barteau Vice-Chairperson through June 30, 2025. Additionally, Debra Yates also served during this reporting period, and we would like to thank them all for their service.

The Committee members are volunteers representing the Washoe County community by generally possessing a background in business, finance, auditing, or the law. These skills are necessary in understanding and evaluating the district's financial statements, the annual external audit, and offering review of the district's Internal Audit Department activities.

The Committee met six times:

January 5, 2023	February 8, 2024
May 11, 2023	May 9, 2024
November 9, 2023	November 7, 2024

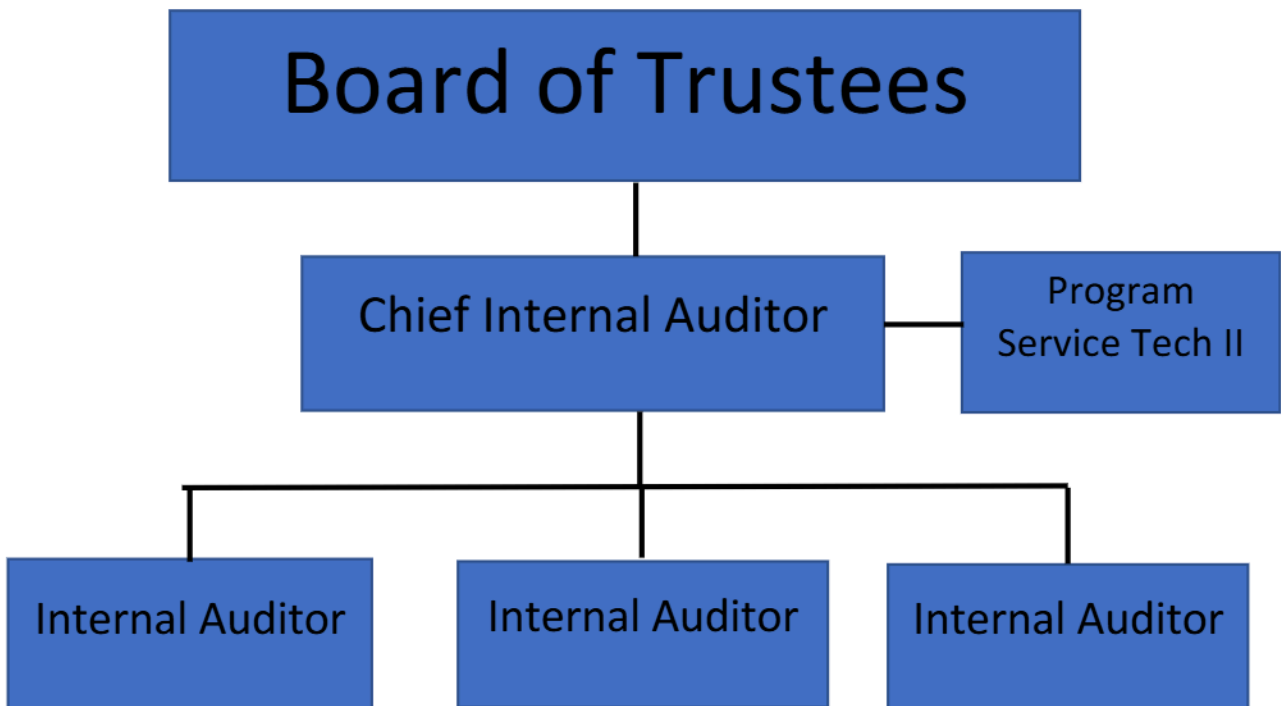
These meetings were open to the public and conducted in accordance with the Nevada Open Meeting Law. Public comment has been offered at the meetings. The Committee members were dutiful in ensuring there was a quorum at each scheduled meeting.

### **Independence**

The Committee and the Chief Internal Auditor report directly to the Board of Trustees. This reporting structure helps ensure the Internal Audit Department remains independent of District management, which is essential to ensure audit results are objective and communicated directly to the Board of Trustees.

In accordance with Standard 7.1 of *The International Standards for the Professional Practice of Internal Auditing*, the Chief Internal Auditor, through the Audit Committee, has annually confirmed the organizational independence of the internal audit activity to the Board of Trustees.

### **Internal Audit Department**



## **Review of Projects Received by the Committee**

- The District's Annual Comprehensive Financial Report (ACFR) was presented to and approved by the Committee for FYE's 2023 and 2024. Each year, the District received unmodified opinions ("clean" opinions). The Committee thanked the Business Office, and the District as a whole, for their efforts.
- Office of Human Resources Sick Leave Bank Audit Follow-up – The objective of the audit was to determine whether procedures were in place to ensure sick leave bank hours are available prior to their approval for use. Although the report found program processes were being followed, there were 4 recommendations including to have the Human Resources Department administer the program and create standardized operating policies and procedures instead of the current decentralized structure. All recommendations determined as not implemented as of May 2023.
- Office of Information Technology Audit Follow-up – The challenges to secure a significant number of user devices and the enterprise-wide security program were discussed between the Committee and the Office's management. The Committee was updated that budgetary constraints play a factor in the Office's ability to implement recommendations. Five recommendations remain open as of this report.
- The Capital Improvement Program Professional Services audit was presented to, discussed, and accepted by the Committee. The report offered two recommendations for improvement that were both accepted by the department. The Committee recommended the report be forwarded to the Board of Trustees for approval.
- Presentation and discussion of the Bailey Charter School Monitoring follow-up report.
- The Committee received and discussed several Student Activity Fund (SAF) audit report presentations, including:
  - Florence Drake ES
  - Elizabeth Lenz ES
  - Roy Gomm ES
  - Peavine ES
  - Silver Lake ES
  - Duncan ES
  - Damonte Ranch HS

## **Other Key Topics Addressed at Audit Committee Meetings**

- Received a presentation and discussion of Nevada's Open Meeting Law and public records for public bodies from the Office of the General Counsel (February 2024).
- Audit Department project status updates and Hotline Program status updates are presented at each Committee meeting.
- The Department's Report *Fraud, Waste, or Abuse Hotline Annual Report* was also presented to the Committee.
- The results of the Department's annual charter school monitoring activities were discussed at the Committee meeting during the project status updates.

- Department staffing level was discussed at meetings and the Committee suggested the Department seek additional internal auditor positions.

### **Audit Planning**

The Committee assists the District in strengthening accountability for the stewardship and efficient and effective use of District funds. The Committee also serves to promote transparency to the public of the District's financial and business operations. This includes supporting the Department's development of an audit plan (work plan).

Prior to the pandemic, a district-wide risk assessment was performed and a risk-based audit plan was presented to and approved by the Committee for the 2020/2021 year. However, with the pandemic, the Department instead focused efforts on SAF audits and placed planned department/program audits on hold to allow staff to best focus efforts on operations during the pandemic timeframe and the subsequent timeframe that included staffing challenges. This was discussed with the Board Presidents and Superintendents at the time.

Additionally, in accordance with Committee recommendations, the Department added SAF audit follow-ups into the audit plan to ascertain implementation status of previously issued audit recommendations for audits perceived to be of increased risk. As a result, a follow-up of the Department's SAF audit of McQueen HS was included in the audit plan and is in process

### **Concluding Matters**

On several occasions, based upon project discussions during the meetings, the Committee recommended the Department work to seek additional staffing resources. The Board of Trustees supported the Department in this request. Following meetings during the standard annual departmental budgeting process, it was cooperatively decided that the Chief Internal Auditor would monitor and evaluate the need for increased resources in the Department if Hotline Program cases and other investigative matters increase in volume and/or complexity and will revisit during the following budget year. If the Department encounters situations where investigations and/or project priority requests exceed the Department's ability to timely complete, the Chief Internal Auditor will immediately seek to engage a third-party service provider with assistance from the Business Office.

Finally, the Committee is proud to continue serving the Washoe County School District with efforts of substance and thought.