Audit Highlights

Highlights of performance audit report on Compliance with Procurement Standards for Clark and Washoe County School Districts, and State Public Charter School Authority, issued on August 20, 2026.

Legislative Auditor report # LA26-12.

Background

The Clark County School District is the largest district in Nevada with a total of 377 schools and 301,697 students at the beginning of the 2024-25 school year.

The Washoe County School District is now the third largest school district in Nevada with 114 schools and 63,559 students at the beginning of the 2024-25 school year.

The State Public Charter School Authority is a state agency that was created through legislative action in 2011 to provide oversight of state-sponsored charter schools. The SPCSA had a total of 81 campuses and 63,609 students at the beginning of the 2024-25 school year.

Procurement standards for CCSD and WCSD are governed by Chapter 332 of the Nevada Revised Statutes, under the Local Government Purchasing Act. SPCSA is a state agency whose procurement standards are governed by Chapter 333 of the Nevada Revised Statutes, Chapter 333 of the Nevada Administrative Code, and the State Administrative Manual.

Purpose of Audit

The purpose of the audit was to determine whether CCSD, WCSD, and SPCSA complied with state laws, regulations, policies, and best practices related to the procurement of goods and services. Our audit included a review of contract procurements, contract payments, and procurement card purchases made during fiscal year 2023.

Audit Recommendations

This audit report contains 48 total recommendations to improve controls over procurement standards.

CCSD accepted the 20 applicable recommendations.

WCSD accepted 22 applicable recommendations and rejected 1.

SPCSA accepted the 5 applicable recommendations.

Recommendation Status

Each district's 60-day plan for corrective action is due on November 17, 2026. In addition, the 6-month report on the status of the audit recommendations is due on May 17, 2027.

Compliance with Procurement Standards

Clark County and Washoe County School Districts, and State Public Charter School Authority

Summary

While we found general compliance with statutes for procurement, CCSD, WCSD and SPCSA need to implement stronger controls over contracting practices and payments for goods and services. Our testing included 124 contracts with significant total contract values at CCSD, WCSD, and SPCSA. We found that CCSD and WCSD sometimes used noncompetitive procurement activities where competition should have been solicited. In addition, procurements frequently lacked documentation to support the procurement methods used, or to show proper approval was obtained. Competitive procurement methods are established and promoted to help ensure public funds are appropriately used and public entities receive the best value or price for services and items procured. Finally, we tested over $36 million in contract payments and found areas for improvement in payment approval processes and compliance with contract terms.

SPCSA did not provide adequate oversight and guidance regarding charter school and Education Management Organizations' (EMO) contract provisions and payments. Although we observed EMO contracts included many appropriate contract provisions, we also found EMO contracts were missing important provisions and contained others that were unallowed or inappropriate. In addition, better oversight of the contracting practices and activities between charter schools and their EMOs is needed. These contract conditions leave charter schools at risk of noncompliance with state law, unfavorable contract terms, and misappropriation of state education funds. Furthermore, required contract and payment information between charter schools and their EMOs was not always properly reported. When contract payment information is not properly reported, it undermines public confidence in charter schools use of state education funds.

CCSD and WCSD need stronger procurement card controls to limit misuse, ensure accountability, and realize cost saving opportunities. After testing over $1 million in general funded procurement card transactions, we found over $189,000 (19%) to be inappropriate or in violation of district policies. In addition, we observed a lack of proper administrative controls, including inadequate documentation and review of transactions. Finally, we observed opportunities for cost savings to help ensure better use of state education funds when using procurement cards. Without stronger procurement card controls, there is risk for inappropriate purchases. In addition, a lack of proper administrative controls may lead to reduced accountability, increased financial risk, and missed opportunities for cost savings. At SPCSA, our testing found general funded procurement card purchases complied with law and policy. However, we identified some internal control weaknesses.

Key Findings

- Procurement activities at CCSD and WCSD sometimes included processes that limited competition and did not provide evidence the best value was received. Specifically, we observed noncompetitive solicitations and contract lengths exceeding standards, which also resulted in situations of noncompetitive procurement. Competitive procurement practices help ensure fair competition and favorable contract terms at the best value. (pages 9-15)

- Goods and services were procured without appropriate supporting documentation to justify the approval of a noncompetitive procurement for 28 of 41 (68%) contracts tested at CCSD and WCSD. Some additional contracts did not have required approval or were operating without a formal executed agreement. This included contracts regularly being allowed to expire through lapses in contract agreements and using a purchase order in place of a contract despite the cost and complexity in deliverables. (pages 15-23)

- Agreements between charter schools and EMOs had missing or inappropriate contractual provisions for all 5 schools tested. Schools also did not properly report required EMO contract and financial information, including payments made to affiliated entities of the EMO. (pages 30-40)

- Procurement card purchases were identified as being inappropriate or in violation of district policy for 177 of 600 (30%) general funded procurement card transactions that were judgmentally selected. There was also a lack of proper administrative controls and missed cost saving opportunities. (pages 41-55)