

AUDIT REPORT

Clark County Parks and Recreation Department
Fiscal Year 2022 Arts Plan Audit
April 27, 2022



CLARK COUNTY *Nevada*
Audit Department

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Audit Executive Summary

2022 County Arts Plan Audit *April 2022*

Background | On July 17, 2012, the Clark County Board of County Commissioners established the Percent for the Arts Program and Art Fund to create art projects throughout the County.

Clark County funds the program through contributions from the Room Tax Collection Commission and Special Ad Valorem Capital Projects Tax. Each source contributes no less than 5% from collected annual amounts. The combined amount of the apportionments shall not exceed \$1.25 million [reference], per County Ordinance.

The public arts program is administered by the Department of Parks and Recreation, Administration. Work entails planning and executing new art projects, initiating repairs for existing artwork, restoring existing public art, operating three public art galleries, conducting community art engagement events, and the development of public art education opportunities. Parks and Recreation has staff dedicated to the program.

The Arts Program and Art Fund are audited annually in accordance with the ordinance that established the program.

Purpose of Audit | The objective of this audit was to determine whether expenditures made from the County Arts Fund meet the Annual Arts Plan and Clark County Ordinance, Chapter 2.90 requirements, and prior findings were addressed. Also, whether expenses incurred for the 1 October Memorial art project are reasonable and supported.

Summary and Key Findings | Overall, we found that Parks and Recreation manages the art program in accordance with County Code and the approved Arts Plan.

In the prior audit we identified five findings relating to the 1 October Memorial Project, which is an approved arts project funded through the Arts Fund. For this audit, we found that the Department fully resolved all prior findings. A highlight of those prior findings and corrective action is as follows:

- The prior audit identified concerns over the memorial project's cost. We felt those costs could overburden the County Arts Fund due to the scale of the project. Since then, a donation fund has been established. Future project costs will transfer to this fund.
- In the prior audit, the Memorial Project's location was not finalized. As such, we were not able to ascertain that the project was within unincorporated Clark County as required by County Code. Since then, the site has been selected and the location is within unincorporated Clark County.
- Previously, the Department did not have an independent record of activities performed by the facilitator services provider. We expressed concerns that this reduced the ability to properly reference work being billed. Since then, an independently maintained ledger has been implemented, allowing for better invoice review.
- In the prior audit we expressed concerns about facilitator services milestones not being met. We felt this increased the risk of cost overrun. Since then, the contract was amended and a tentative timeline for the memorial has been presented.
- In the prior audit we found a small number of invoices for facilitator services that were submitted late. During this audit all reviewed invoices were submitted on time.

See audit report for full details.

Recommendations | There are no further recommendations as a result of this audit.

For more information about this or other audit reports go to clarkcountynv.gov/audit or call (702) 455-3269.

Clark County Audit Department



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Background

On July 17, 2012, an ordinance amending Title 2 of the Clark County Code was passed by the Board of County Commissioners. This amendment established the Percent for the Arts Program and a County Arts fund. Governmental funds, such as the Arts fund, are generally used to account for and record specific tax-supported activities.

The Arts Program established a mechanism to fund public art projects and enhance art education throughout Clark County. The goal of the program is to enrich Clark County with engaging public spaces to complement its urban and rural design. The program also provides funding for a Poet Laureate, public art galleries, and the on-going maintenance of public artwork. The Clark County Parks and Recreation Department administers the County Arts Program.

The County provides funding to the program through contributions from the Room Tax Collection Commission and Special Ad Valorem Capital Projects Tax. Each source contributes no less than 5% from collected annual amounts.

Per County Code, the combined total of distributions for the Art Fund shall not exceed \$1.25 million on an annual basis. The Department must use those funds exclusively for a specified purpose or function relating to a work of art or an artistic program in accordance with an annual County Arts Plan. Unused funds are rolled forward.

Parks and Recreation prepares and presents the County Arts Plan on an annual basis to the Board of County Commissioners for approval. The annual County Arts Plan includes information regarding program administration, selection criteria for art project sites, recommendations for future art projects or programs, and status updates for any art projects or programs that were completed or remain in progress.

The first County Arts Plan included the creation of an Art Committee consisting of seven artists, art professionals, and other County residents with art expertise. The first Art Committee was appointed on August 6, 2013.

Parks and Recreation Works Closely with the Art Committee

The Art Committee reviews possible art project sites with assistance from Parks and Recreation. When the Committee finds a site suitable to be recommended to the Board for an art commission, it evaluates the potential of the site and assigns a budget to the proposed project. If the Board accepts the proposed budget, Parks and Recreation will then assemble a separate jury with representation from the site neighborhood and issue a call for artists. The jury will then select an artist or artists to execute the commission.

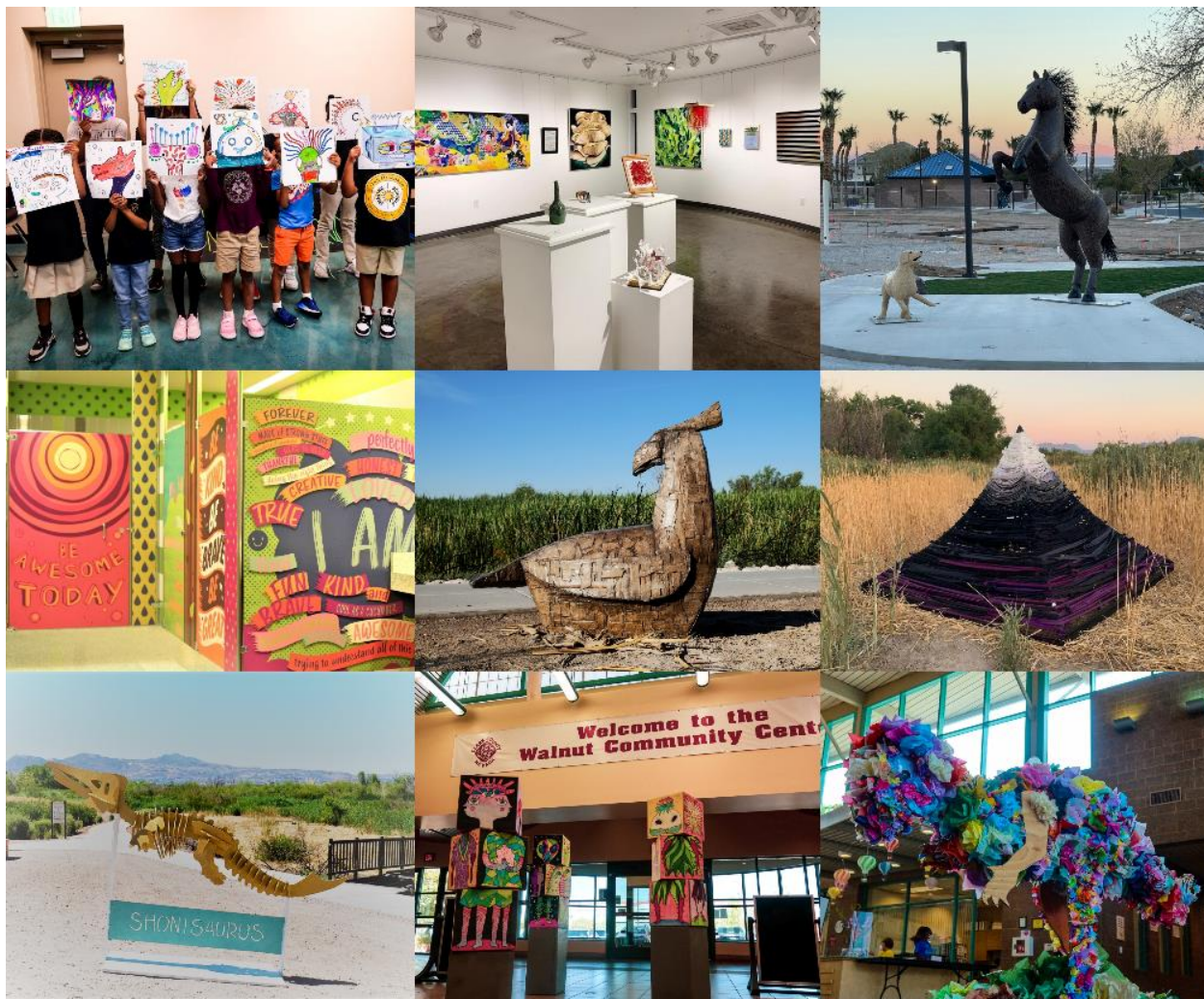
Parks and Recreation assists with issuing calls for artists, artwork installations, the maintenance of artwork in collaboration with artists, and facilitating public art education.

The Department also catalogs and tracks artworks for purposes of maintenance. The Department currently has approximately six part-time employees and two full-time employees assigned to the County Arts Program.

Some of the art projects completed and/or exhibited during our audit period are pictured in Exhibit 1.

A Few of the Art Projects Completed During the Audit Period

Exhibit 1



Pictured top-left to bottom-right: Youth Art Workshop (Walnut Recreation Center), Over & Over & Over Exhibit (Winchester Dondero Cultural Center), Dog & Horse (Lone Mountain Park), Empowerment Art (Parkdale Recreation Center), Pepperwing (Wetlands Park), Untitled (Wetlands Park), Shonisaurus (Wetlands Park), Exquisite Totem (Walnut Recreation Center), Iguanodon (Hollywood Recreation Center)

Since the Art Program’s inception, various art projects of differing size and scope have been proposed and completed. The annual budget proposal for new projects varies every year and is summarized in Exhibit 2.

Proposed Art Project Budgets Fiscal Years 2013 - 2022 ⁽¹⁾ **Exhibit 2**

Year	Art Project Budget
2013	\$ 37,500
2014	675,000
2015	426,000
2016	495,000
2017	1,167,500
2018	550,000
2019	680,000
2020	285,000
2021	319,171
2022	524,481
Total	\$ 4,635,171

Source: Auditor prepared based on annual Art Plan data.

⁽¹⁾ Does not include yearly recurring art project costs such as public art education, galleries, poet laureate, maintenance, or salary expenses.

In the Fiscal Year (FY) 2019 County Arts Plan, approval was granted to begin the process of creating a public art memorial project to remember those who perished or were impacted by the events of 1 October 2017. The Art Committee sought funding to bring in experts to initiate a public engagement process to identify the comprehensive protocols and steps necessary to create a public art memorial. This request was approved along with the other art projects presented in the plan.

County Code requires an annual audit of the arts program. This audit was performed to fulfill that requirement as part of our audit plan.

Scope and Objectives

The objective of this audit was to determine whether expenditures made from the County Arts Fund meet the Annual Arts Plan and Clark County Code of Ordinance, Chapter 2.90 requirements. Also, to verify whether expenditures for the 1 October Memorial Art Project were

supported, appropriate, and made in accordance with any established contracts. Lastly, that previous findings identified in the prior year's audit report were resolved.

Our procedures considered the period of February 1, 2021, through January 31, 2022. The last day of fieldwork was March 8, 2022.

Methodology

In order to accomplish our objectives, we reviewed the Fiscal Year 2022 County Arts Plan dated June 1, 2021. We held discussions with management to obtain updates on various art projects. We then performed the following audit procedures:

- Used professional judgement to select 8 out of 31 office supply purchases, 8 out of 35 operating supply purchases, 9 out of 155 'other' purchases and 1 capital expenditure recorded to the arts fund during the audit period. These purchases were then reviewed to determine whether:
 - The purchase reasonably related to the operation of the art program;
 - The purchase amount was reasonable;
 - The purchase category was disclosed and approved in the annual art plan report;
 - Goods were safeguarded (*when applicable*); and
 - The expense was recorded to the correct general ledger account.
- Used professional judgement to select 5 out of 108 professional services invoices recorded during the audit period and corresponding to an art project. We reviewed each art project to determine that the site was approved by the Art Committee and artists were selected by a jury. We also confirmed the project's existence, and that the location was within Clark County. We confirmed services were performed when billings were for services rendered. We reviewed each corresponding invoice to determine that
 - Amounts billed were in accordance with any established letters of agreement;
 - The corresponding purchase order limit was not exceeded;
 - The corresponding art project was disclosed in the annual arts plan report; and
 - The expense was recorded to the correct general ledger account.
- Reviewed the budgetary figures reported in the FY22 Arts Plan to verify accuracy and determine reasonableness of proposed budgets.

- Confirmed that all FY22 art projects site selections were deliberated, and overall project was approved by the Art Committee.
- Confirmed that the current Art Committee's composition and professional qualifications were in agreement with the Arts Plan requirement.
- Confirmed that all 7 employees that had payroll costs recorded to the Art Fund where indeed involved with the arts program and/or performed work related to the arts program.
- Used professional judgement to select 5 out of 45 invoices corresponding to the 1 October Memorial Project to determine whether:
 - The charges correctly pertain to the 1 October art project;
 - The costs were recorded in the correct general ledger account;
 - The corresponding purchase order was approved and not exceeded; and
 - The amounts billed were reasonably supported and services were actually performed.
- Obtained evidence that the Department implemented an independent ledger to validate work performed by the 1 October Memorial Project Facilitator Services provider. Reviewed six months of entries to confirm work performed is being recorded.
- Selected all (11) invoices for the audit period that were submitted by the 1 October Memorial Project Facilitator Services provider. Then measured the number days between service being provided and invoice submittal to confirm timeliness.
- Confirmed corrective action on previous audit finding by reviewing the amended facilitator services contract for the 1 October Memorial Project to validate that a specific project milestone requirement is no longer part of the agreement.
- Confirmed corrective action on previous audit findings by obtaining evidence that a donation fund has been created for the 1 October Memorial Art Project and donations are being recorded.
- Confirmed corrective action on previous audit findings by reviewing all art projects (16) proposed to the Board since FY19, to determine whether full project costs were included in the proposed budget.
- Confirmed corrective action on previous audit findings by obtaining evidence that the 1 October Memorial Project's location is finalized and within unincorporated Clark County. Also, that all art projects since the 1 October Project have been proposed with

a known location that is within unincorporated Clark County, as required by County Code.

While some samples selected were not statistically relevant, we believe they are sufficient to provide findings for the population as a whole.

Our review included an assessment of internal controls in the audited areas. Any significant findings related to internal control are included in the detailed results.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Our department is independent per the GAGAS requirements for internal auditors.

Conclusions

Overall, we found that Parks and Recreation manages the art program in accordance with County Code and the approved Arts Plan. Purchases and artist billings are reasonable, supported and correctly recorded.

Based on our testing, we believe the Department has fully resolved all prior year audit finding as detailed below.

Prior Year Audit Findings Follow-up

In the 2021 Arts Plan Audit Report, we found:

- When the 1 October Memorial Project was presented for approval, the budget only contained anticipated planning costs. This was not customary as art project proposals usually encompass all anticipated costs - allowing for better forecasting. We felt that the total costs for this large-scale project could overburden the Arts fund and reduce opportunities for other areas of the community to benefit from public art.
- The location for the 1 October Memorial Art project had not been finalized. This prevented us from establishing that the project was within unincorporated Clark County, as required by the Arts Program ordinance.
- The 1 October Memorial Project facilitator services contract - established to assist with the overall

[Prior Year's Audit Report Identified Five Findings](#)

planning of the project - was not on schedule to meet contractual milestones. The contract outlined three major milestone phases. We could not confirm that all of the phase 2 targets had been completed and expressed concerns about future targets.

- Submitted Invoices for the 1 October Memorial project's facilitator services contract did not contain details on the work performed. Further, the Department did not maintain an independent record of the work performed by the provider. We felt this was an area that could be improved to facilitate better invoice reviews.
- A few invoices (3) from the 1 October Memorial Project facilitator services provider were submitted to the Department later than contractually stipulated. Ranging from 9 days to 44 days.

For this audit, we found:

All Prior Audit Findings Were Fully Resolved

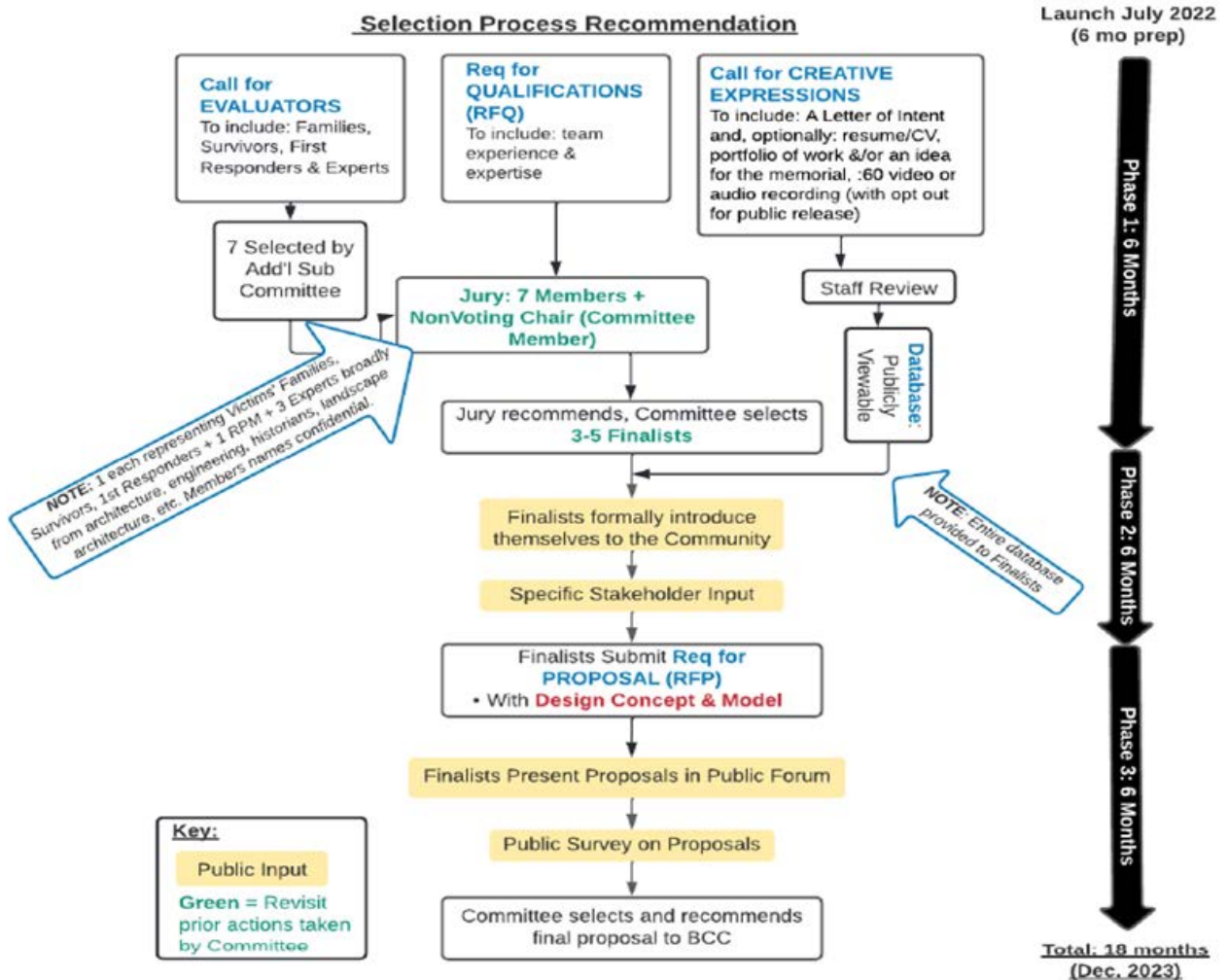
- A donation fund for the 1 October Memorial project was formally established on August 17, 2021. Every art project proposed to the Board since the 1 October Memorial Art Project has included all anticipated costs.
- Future funding for the memorial project will be done through the donation fund, shifting project costs out of the County Arts fund. The donation fund's current balance is \$50,003 as of January 25, 2022. Additional fundraising will take place in the future.
- On August 2, 2021, Clark County announced that MGM Resorts International had agreed to donate approximately two acres for the memorial project. The location is within unincorporated Clark County.
- Every project proposed for approval since the 1 October Memorial Project indicated a location within unincorporated Clark County.
- The Department implemented an independent ledger to record work performed by the 1 October Facilitator Services provider. This ledger is comprehensive and contains pertinent details that allow staff to independently cross-reference and verify work being billed.
- The contract for the 1 October Memorial Project facilitator services was amended. The milestone

language was removed, and the contract will expire on December 31, 2022. Compensation terms remained the same and the total contract value was raised an additional \$120,000 for a total of \$370,000.

- All invoices (8) submitted by the 1 October Facilitator Services provider during the audit period were timely.
- The memorial project selection process is anticipated to be completed by December 2023. Exhibit 3 illustrates the anticipated process.

1 October Memorial Project Selection Process Timeline

Exhibit 3



Source: February 23, 2022, 1 October Memorial Committee Meeting Handout