



Audit Department

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Angela M. Darragh, CPA, CFE, CISA, Director

January 29, 2020

Ms. Yolanda King
Clark County Manager
500 South Grand Central Parkway, 6th Floor
Las Vegas, Nevada 89155

Dear Ms. King:

We recently completed a follow up audit of the Department of Family Services (DFS) Safety Intervention Permanency Systems (SIPS) Contract issued October 18, 2017. Our audit objective was to determine whether actions were taken to correct the findings from the original audit report.

In the original audit, we found that expenditures were made prior to Board of County Commissioners (BCC) approval and the consultant did not provide line item deliverables within the contracted due dates and dollar limits. We also found the consultant did not always bill amounts incurred under the correct deliverable, allowing costs to exceed contract limits. Lastly, the consultant's staff did not undergo background checks in accordance with contract requirements and were issued generic badges without a background check.

In order to accomplish our objective, we interviewed personnel from the Department of Family Services, reviewed consultant contracts and amendments, examined documentation related to services performed, and reviewed consultant fees and travel expenses. We obtained detailed invoices for March 2019 and April 2019 totaling \$87,675 and \$55,587, respectively. For each month, we judgmentally selected 10 line items totaling \$57,000 (65%) and \$48,087 (87%), respectively for detailed testing.

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. Our scope included the period March 1, 2019 to April 30, 2019. The last day of fieldwork was 12/2/2019.

Based on our review, we believe the Department of Family Services fully resolved the following three of the six findings from the original audit. These included:

- DFS obtained BCC approval on April 17, 2018 for the current Action contract in the amount of \$2,241,680, dated April 17th 2018. A Fiscal Directive No. 6 Competitive Bidding Exception was also approved per the BCC agenda item. The current contract term is 4/17/18 – 6/30/20.

Ms. Yolanda King, County Manager

January 29, 2020

Page 2 of 2

- DFS implemented procedures to monitor contract compliance and authorized payments appear to be for services provided and are billed under the correct contract deliverables.
- Amounts billed to DFS for other deliverables appear to be within the current contract due dates and line item limits.

The following two findings were partially resolved by the Department of Family Services:

- Although amounts billed to DFS for training deliverables appear to be within the current contract line item limits, an analysis in regards to a potential refund due to payments made in excess of deliverable line items was not performed.
- DFS implemented procedures to monitor contract deliverables and deliverables are being provided in accordance with contract due dates. However, this has been achieved by extending the contract due dates multiple times. When deliverable due dates were not met, a new completion date was targeted. When that completion date was not met, an additional contract was requested, along with additional fees.

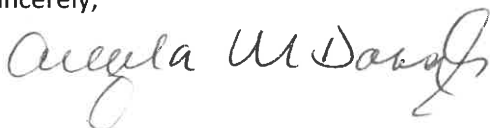
The following finding was not resolved by the Department of Family Services:

- Background checks were not performed, and background checks are not included in the current contract.

We conducted this performance audit in accordance with generally accepted government auditing standards. 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.

We thank the Department of Family Services team for their assistance and cooperation in conducting this review.

Sincerely,



Angela M. Darragh, CPA, CISA, CFE, CHC
Audit Director