

# AUDIT REPORT

Clark County  
Imprest and Petty Cash Funds  
Fiscal Year 2021 Audit  
*January 26, 2022*



**CLARK COUNTY** *Nevada*  
Audit Department

Angela M. Darragh, CPA, CISA, CFE  
Audit Director  
[countyauditor@clarkcountynv.gov](mailto:countyauditor@clarkcountynv.gov)

# Audit Executive Summary

## Imprest and Petty Cash Funds Fiscal Year 2021 Audit

January 2022

**Background** | NRS 354 provides for the Board of County Commissioners to establish petty cash accounts, imprest accounts, and revolving accounts to assist in the administration of government activities.

While the majority of County cash and investments are in custody of the County Treasurer, these accounts are in the custody of other officials and fully managed at the department level.

Petty cash accounts are funds of a fixed amount used to make small, authorized cash payments at the department level.

Imprest accounts are identical to petty cash funds except they consist of a bank account rather than a cash fund. Imprest accounts are typically used for handling minor disbursements.

Revolving accounts are typically cash funds kept at the department level for the purpose of making change where cash is collected.

Clark County has approximately \$1.6M in custody of other officials for petty cash, imprest accounts and change accounts as of June 31, 2021.

Proper accounting, recording and operation of these accounts are essential for a healthy, functioning organization.

Further, it ensures the County maintains adherence with fiscal mandates, NRS and the requirements of the resolutions of the Board of County Commissioners

**Purpose of Audit** | We conducted this engagement in accordance with our annual audit plan. The objectives of this audit were to:

- Verify that imprest account balances agree to the Board approved amounts and that these accounts are reconciled monthly in accordance with Fiscal Directive 16;
- Verify that petty cash and change fund balances agree with the Board approved amounts and that change funds are reconciled monthly and petty cash accounts are reconciled monthly, in accordance with Fiscal Directive 16; and
- Review departmental written policies for adherence to Fiscal Directive 16 requirements and Board resolution requirements.

**Summary and Key Findings** | Overall, the balances of the various imprest checking accounts, petty cash accounts and revolving change bank held by County departments are in agreement with the Board approved resolution amounts.

We found that most departments are properly reconciling their accounts. We also found that most accounts are being replenished in a timely manner.

The Las Vegas Justice Court has made improvements in their reconciliation procedures and is working to finalize their total imprest account variance.

We found one department that did not have full written policies and procedures and a Court that inadvertently failed to count/reconcile their cash account for two months.

*See audit report for full details.*

**Recommendations** | The audit report includes five recommendations to improve compliance with FD16. Management agrees with the recommendations and action is scheduled to be taken.

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



**CLARK COUNTY** *Nevada*  
**Audit Department**

## Audit Team

---

Angela Darragh, Director  
Cynthia Birney, Audit Manager  
Felix Luna, Principal Auditor  
Scott Routsong, Internal Auditor

## Audit Committee

---

Commissioner Michael Naft  
Commissioner William McCurdy II  
Commissioner Ross Miller

## About the Audit Department

---

The Audit Department is an independent department of Clark County reporting directly to the County Manager. The Audit Department promotes economical, efficient, and effective operations and combats fraud, waste, and abuse by providing management with independent and objective evaluations of operations. The Department also helps keep the public informed about the quality of Clark County Management through audit reports.

You can obtain copies of this report by contacting:

Clark County Audit Department  
PO Box 551120  
Las Vegas, NV 89155-1120  
(702) 455-3269

CountyAuditor@ClarkCountyNV.gov

Or download and view an electronic copy by visiting our website at:

<https://www.clarkcountynv.gov/audit/Pages/AuditReports.aspx>

Cover Photo by Jeff Scheid



## Table of Contents

---

Background.....	1
Scope and Objectives .....	4
Methodology .....	4
Conclusions .....	5
Findings, Recommendations, and Responses .....	6
Las Vegas Justice Court Continues Efforts to Identify Amounts Needed to Reconcile Imprest Account. Two Reimbursement Requests were Untimely (Medium Risk) .....	6
District Court Monthly Cash Count Missed Twice in FY21 (Low Risk).....	7
Public Administrator’s Office Petty Cash Fund Policies are Not Documented (Low Risk).....	7

---

## Background

---

NRS 354.609 provides for the Board of County Commissioners to establish petty cash accounts, imprest accounts, and revolving accounts to assist in the administration of any activities a local government is authorized to engage in. Clark County has numerous departments with these types of accounts. While the majority of County cash and investments are in custody of the County Treasurer, these accounts are in the custody of other officials and fully managed at the department level.

Petty cash accounts are funds of a fixed amount used to make small, authorized cash payments at the department level. Petty cash accounts are typically used to purchase items or services on an urgent and infrequent basis when it is not feasible or practical to submit a purchase order, submit a request for payment, or use a procurement card. The cash payments out of the account are reimbursed through periodic claims submitted to the Clark County Comptroller.

Imprest accounts are identical to petty cash funds except they consist of a bank account rather than a cash fund. Imprest accounts are typically used for handling minor disbursements, where a fixed amount of money is set aside for this purpose. Disbursements from imprest checking accounts are supported by original invoices, just as any other County claim. At certain intervals, or when the imprest account is completely expended, the account is replenished through a departmental request submitted to the Clark County Comptroller.

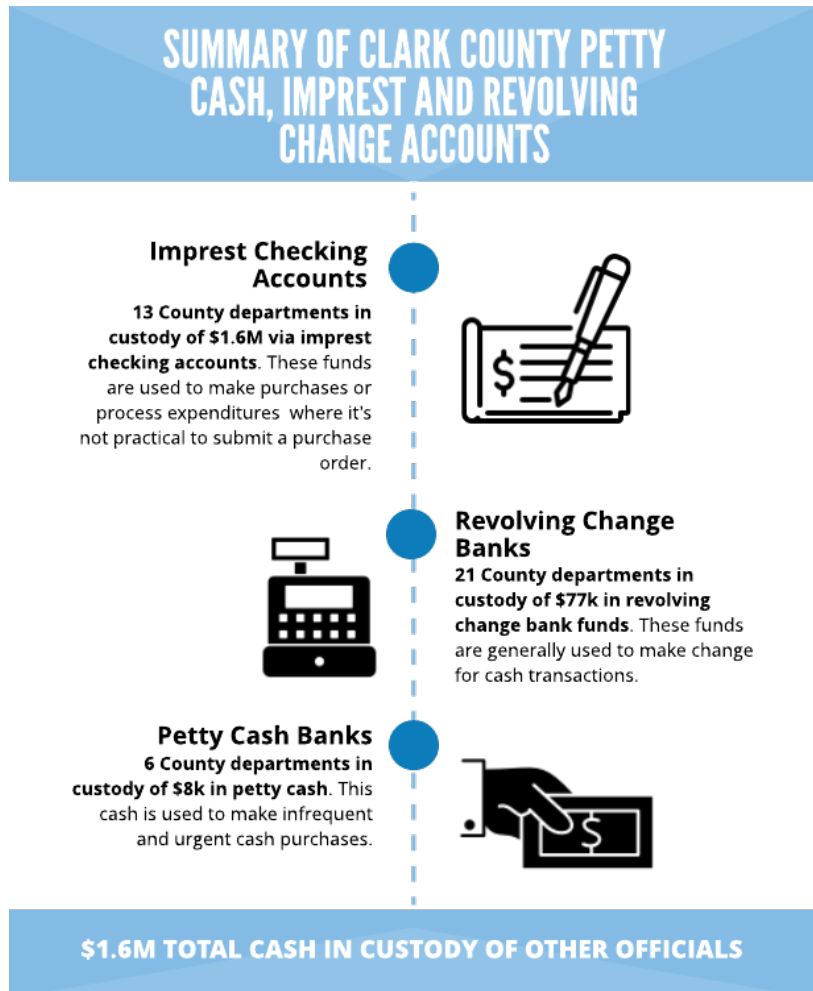
Revolving accounts are typically cash funds kept at the department level for the purpose of making change where cash is collected.

All petty cash accounts, imprest accounts, and revolving accounts are established by a resolution of the Board of County Commissioners. The Board also approves modifications to existing account resolutions (*i.e., department responsibility, changes to account balances, account purpose, or maximum single expenditure*) and the dissolution of these accounts.

These accounts are all managed at the department level and assist departments with performing their core functions.

Clark County has approximately \$1.6M in custody of other officials for petty cash, imprest accounts and change accounts as of June 31, 2021. These funds are held between various departments as summarized in Exhibit 1.

## Exhibit 1: County Departments in Custody of \$1.6M in Petty Cash, Imprest and Revolving Change Accounts



Source: Auditor prepared

Clark County Fiscal Directive 16 outlines the operational policies for petty cash, imprest, and revolving accounts. The Directive outlines reimbursement procedures, documentation requirements, a general written procedures requirement, reconciliation requirements, and requirements to have policies regarding account variances. Some accounts have additional requirements outlined in the Board resolutions that established the accounts.

We perform a yearly audit of the County's petty cash accounts, imprest accounts and revolving bank accounts. Exhibit 2 illustrates the account balances, as of June 30, 2021, for each department that maintains an account.

**Exhibit 2: Imprest, Petty Cash and Revolving Bank  
Balance Per Department FY21**

Department Name	Petty Cash	Imprest Account	Change Bank	Total
Assessor's Office	\$ -	\$ -	\$ 2,897	\$ 2,897
Business License	1,500	-	2,000	3,500
Clerk's Office	-	-	8,500	8,500
Comprehensive Planning	-	-	250	250
Building & Fire Prevention	-	-	2,000	2,000
District Attorney's Office - Administration	-	3,000	-	3,000
District Attorney's Office - Family support	-	1,000	-	1,000
District Attorney's Office - Victim Witness <sup>(1)</sup>	-	-	-	-
District Court	-	-	5,700	5,700
District Court - Jury Services	-	255,000	-	255,000
Juvenile Justice Services	500	3,935	360	4,795
Election	-	-	200	200
Family Services	-	40,000	-	40,000
Fire Department	5,000	-	-	5,000
Henderson Constable	-	-	400	400
Henderson Justice Court	-	3,000	850	3,850
Las Vegas Constable	-	-	600	600
Las Vegas Justice Court	-	500,000	10,000	510,000
Las Vegas Metropolitan Police <sup>(2)</sup>	-	235,250	5,450	250,700
North Las Vegas Constable	-	-	200	200
North Las Vegas Justice Court	-	1,400	1,000	2,400
Outlying Justice Courts <sup>(3)</sup>	-	17,150	900	18,050
Parks & Recreation	-	-	11,500	11,500
Public Administrator	200	1,000	-	1,200
Public Guardian	-	1,000	-	1,000
Public Works	-	-	350	350
Recorder	150	-	4,000	4,150
Regional Flood Control <sup>(4)</sup>	500	-	-	500
Social Services	-	500,000	100	500,100
Treasurer	-	-	20,100	20,100
<b>Total Imprest, Petty Cash and Change Bank Funds</b>				<b>\$1,646,942</b>

Source: Auditor Prepared Based on Work Performed in FY21

<sup>(1)</sup> This revolving account is self-funded and self-sustained. Initial and continuing funding come from donations and receipts to the account. Balance not included in our schedule but is part of our annual audit.

<sup>(2)</sup> LVMPD performs quarterly audits for all of their cash in custody and the information is provided and reviewed by Metro personnel.

<sup>(3)</sup> Imprest and revolving accounts are distributed among eight outlying Justice Courts.

<sup>(4)</sup> The Regional Flood Control District is an independent local governmental agency that contracts with Clark County for various legal and administrative services provided by departments such as the Comptroller, District Attorney, General Services, Human Resources, Information Systems and Treasurer.

Proper accounting, recording and operation of these accounts are essential for a healthy, functioning organization. Further, it ensures the County maintains adherence with fiscal mandates, NRS and the requirements of the resolutions of the Board of County Commissioners.

## Scope and Objectives

---

The objectives of this audit were to:

- Verify that confirmed imprest account balances agree to the Board approved amounts and that these accounts are reconciled monthly in accordance with Fiscal Directive 16;
- Verify that petty cash and change fund balances agree with the Board approved amounts and that change funds are reconciled monthly and petty cash accounts are reconciled monthly, in accordance with Fiscal Directive 16; and
- Review departmental written policies for adherence to Fiscal Directive 16 requirements and Board resolution requirements.

Our procedures considered the period of July 1, 2020 to June 30, 2021. The last day of fieldwork was October 7, 2021.

## Methodology

---

To accomplish our objectives, we performed the following:

- Reviewed the various Board resolutions establishing each imprest, petty cash and change account to identify the amount of the account and requirements for managing the funds;
- Affirmed the cash on hand for all departments by requesting that the department perform a cash count and/or provide a reconciled account balance;
- Agreed the general ledger account balances to the Comptroller's Quarterly Schedule of Funds in Custody of Other Departments and department affirmed balances;
- Performed in-person surprise counts of petty cash and change bank fund counts using a judgmentally selected sample of departments;
- For imprest accounts, we reviewed randomly selected departmental prepared reconciliations and supporting schedules, to determine whether reconciliations are performed at least monthly and account balances are in agreement with affirmed totals;
- For imprest accounts, we re-performed at least 1 account reconciliation to verify the accuracy of the department's work and determine whether replenishment requests are timely;
- For petty cash and change funds, we reviewed 3 randomly selected cash reconciliations to ensure funds are periodically reconciled, in agreement with



the affirmed totals and any shortage/overage was investigated; and

- Reviewed each department's written policies for their imprest, petty cash, or revolving change fund accounts to determine adherence with Fiscal Directive 16 (FD16) and any resolution requirements.

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

Our work is performed throughout the fiscal year. For each completed department audit, we communicated the results of our procedures to the Clark County Comptroller and affected Department Heads.

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, the balances of the various imprest checking accounts, petty cash accounts and revolving change bank held by County departments are in agreement with the Board approved resolution amounts.

We found that most departments are properly reconciling their accounts in accordance with Fiscal Directive 16. We also found that most accounts are being replenished in a timely manner. However, we did note the following:

- The Las Vegas Justice Court continues its efforts to identify the final amount needed to properly reconcile their imprest bank account;
- The Las Vegas Justice Court had one reimbursement request that was slightly delayed due to short staffing;
- The Eighth Judicial District Court did not reconcile their Juror and Witness fee cash imprest account for more than 30 days; and

- The Public Administrator’s Office does not have written policies for its Petty Cash Fund.

Auditee responses were not audited, and the auditor expresses no opinion on those responses.

## Findings, Recommendations, and Responses

---

### Las Vegas Justice Court Continues Efforts to Identify Amounts Needed to Reconcile Imprest Account. Two Reimbursement Requests were Untimely (Medium Risk)

In last year’s cash audit, we identified a series of events that led to the Court’s imprest account being off-balance, including \$300,000 that should have been remitted back to County Finance.

Since that time, the Court has improved its bank reconciliation process. However, for the FYE 2021 audit, we found that the Court has not yet remitted the total account variance, including the \$300,000, back to County Finance. There continues to be an unidentified variance(s) when reconciling the ending bank balance to the Board approved fund amount (*approximately less than \$60,000*).

We found that imprest reimbursement requests for the period of June 1-15, was not filed until July 28, 2021, representing a minor delay from the required 30-day reimbursement period established by Fiscal Directive Number 16.

The Court lost three of seven staff members from their Finance Division in May of 2021, including the staff member responsible for reconciling the imprest fund. The Court has since hired replacement staff. The new staff started in August 2021. The turnover and subsequent training was the reason that the reimbursement requests for June 2021 were not filed timely.

---

### Staffing Shortage Resulted in Slightly Delayed Reimbursement Requests

The Court hired a temporary staff member to address the issues with the imprest fund including identification of the unknown variances. This person started work in March 2021. This work has been delayed due to implementation and configuration of the Court’s case management financial module. Nonetheless, the Court has a tentative net variance amount and has done mock reconciliations with this amount to ensure that the tentative remittance (to County Finance) will not result in a negative account balance (*when accounting for outstanding checks and pending deposits*). It is important to maintain accurate accounting records as required by County Fiscal Directives. The Court has taken steps to remedy the root cause. We rated this finding a

medium risk because we believe the Court's efforts will reduce the likelihood of this event occurring in the future.

*Recommendation*

- 1.1 We Recommend the Court continue its efforts to identify the total variance needing to be remitted back to the County.
- 1.2 Once identified, notify the Comptroller's Office
- 1.3 Continue to reconcile the imprest account on a monthly basis and remind staff that reimbursement request must be timely.

*Management Response*

- 1.1 - 1.3  
A response to the finding's noted above was provided by the Court during a meeting on October 28, 2021.
- The Court committed to continue to work to identify the net variance amount and will remit once the implementation of the case management financial module is completed.

District Court Monthly Cash Count Missed Twice in FY21 (Low Risk)

The Eighth Judicial District Court maintains various imprest and cash accounts. Cash is maintained in a vault and periodically counted.

We found that the bank account portion of the Juror and Witness Fee imprest account was always reconciled. However, the cash portion of the fund, as well as the petty cash fund, was not counted/reconciled in June and July 2021.

The Board resolution for these funds requires a monthly reconciliation.

We rated this is a low risk finding because it was a result of inadvertent oversight due to department changes.

*Recommendation*

- 2.1 Remind staff to reconcile and count the witness and juror cash imprest fund and the petty cash on a monthly basis.

*Management Response*

- 2.1 The vault count is usually performed consistently but in June and July there were some department changes and the count was missed. Since that time, the process has been updated/changed to ensure the vault is counted at least monthly.

Public Administrator's Office Petty Cash Fund Policies are Not Documented (Low Risk)

At the onset of our departmental review, we found that the Public Administrator's Office had not formally documented their imprest and cash accounts written policies and

procedures. Towards the end of our review, the Office provided a draft copy of these policies and procedures.

Upon review, we found that the written procedures did not include provisions for the operation of the petty cash fund.

In addition, the Office's written procedures for their imprest fund stated that the fund is to be reconciled every 60 days, instead of 30 as required by resolution.

We rated this finding a low risk because we believe this is a minor oversight that will be remedied by our next review. Further, we do not believe the lack of full policies and procedures hinder the operation of the funds.

*Recommendation*

3.1 Draft written policies to address the petty cash fund and amend the existing written policy for the imprest fund to state that reconciliations are to be performed every thirty days.

*Management Response*

3.1 A response for this finding was not obtained as this topic was discussed during a meeting between Budget Director and the Office on October 20, 2021. We will follow-up during the FY2022 Imprest and Petty Cash Audit.