

Audit Committee

CLARK COUNTY, NEVADA

Michael Naft
Chair
William McCurdy II
Ross Miller

CALL TO ORDER

The public meeting of the Clark County Audit Committee was called to order by Commissioner Naft on Wednesday, July 26, 2023, at 9:30am in the Pueblo Room, Clark County Government Center, 500 South Grand Central Parkway, 1st floor, Las Vegas, Nevada. This public meeting was properly noticed and posted.

COMMISSIONERS PRESENT:

Michael Naft
William McCurdy II
Ross Miller

ALSO PRESENT:

Angela Darragh, Audit Director
Cynthia Birney, Manager, Audit/HIPAA
Felix Luna, Principal Auditor
Abigail Frierson, Deputy County Manager
Jessica Colvin, Deputy County Manager
Lisa Logsdon, County Counsel
Jeff Share, Director, Budget & Finance
Hilarie Grey, CEO, Animal Foundation
Terran Tull, COO, Animal Foundation
Michael Pearse, Animal Foundation
Jeanine D'Errico, Director, Administrative Services
Jim Andersen, Code Enforcement Manager
Lisa Kremer, Director, Real Property Management
Shauna Bradley, Assistant Director, Real Property Management
Jeff Benites, Manager, Automotive
James Cordero, Asst. Manager, Automotive
Lorena Portillo, Registrar of Voters, Elections
Dan Kulin, Manager, Election Administration
Kelly Blackmon, Sr. Deputy Fire Chief
John Baynes, Asst. Fire Chief

1. **Approval of Minutes**

It was moved by Commissioner Naft and carried unanimously that the minutes of April 26, 2023, meeting be approved.

2. **Approval of Agenda**

It was moved by Commissioner Naft and carried unanimously that the July 26, 2023, agenda be approved.

3. Receive and discuss CY 2023, 2nd Quarter Report – The Animal Foundation Contract

In 2003, Clark County entered into a services agreement with The Animal Foundation, a local non-profit, to provide animal care and shelter services at the Lied Animal Shelter. The agreement has since been extended with the most recent agreement having been approved in July 2020.

The County, along with the Cities of Las Vegas and North Las Vegas contribute funding to The Animal Foundation for the operation of the Lied Regional Animal Shelter. In 2022, the County paid \$2.5M for their share of the funding and contributed \$128K towards The Animal Foundation's capital reserve.

The objective of the audit was to determine whether The Animal Foundation and Clark County Animal Protection Services are complying with the terms of the Animal Care and Shelter Services agreement. The audit did not include review of finances.

The audit procedures included three Lied Animal Shelter site visits and case review of 15 animals surrendered.

The findings and responses are as follows:

- 1) Support for shelter capacity calculations not provided to Animal Protective Services. Stated capacity reduces shelter accessibility. (High Risk)
 - *The Animal Foundation has made significant advances in hiring and retention.*
 - *The Animal Foundation no longer uses the color-coded system to communicate the capacity of the shelter to Animal Protection Services.*
 - *The Animal Foundation will instruct Animal Protection Services on how to utilize the shelter software to access the "Space Report."*
 - *Documentation is archived and retained for a year.*

Completion date: In progress
- 2) Requirement for 24-hour veterinary care not followed. (Low Risk)
 - *New contract was executed with third-party providers for emergency care service after hours.*
 - *Assigned schedule for a staff veterinarian to be on-call between 6am and 7am on weekdays, and between 6am and 8am on weekdays.*

Completion date: In progress
- 3) Required annual reports not provided to Clark County. (Low Risk)
 - *One time lapse in reporting attributed to staff and leadership vacancies. A new system is now in place to facilitate the timely submission of the annual budget, audited financial statements, a report of all expenditures from the shelter capital reserve; annual calculation of the capital reserve fund total amount and allocation.*

Completion date: July 2023
- 4) Shelter agreement is vague and lacks detailed requirements. (Low Risk)

Areas for improvement and clarification include:

 - General Public Animal Intake Accessibility.

- Definition of Emergency Situations.
 - Availability to Answer Public Inquiry.
 - Notice for Public Meeting.
 - Accounting for Discounted Fees.
- *The Animal Foundation will work with Animal Protection Services in future contract discussions. The current contact language will be updated to improve and clarify standard operating procedures and also address the following:*
 - *Capacity and parameters.*
 - *Best practices for shelters.*
 - *Provisions for handling wildlife (non-pet animals).*
 - *Strategies to better respond to public inquiry and provide information on programs and services.*

Anticipated completion date: December 2023.

4. Receive and discuss CY 2023, 2nd Quarter Report – FY 23 Imprest and Petty Cash

Clark County has approximately \$1.6M in custody of other officials for petty cash, imprest accounts and change funds. The objectives of this annual audit were to determine whether County departments are following the Fiscal Directive regarding the funds and that petty cash, imprest accounts and change bank balances agree with the County’s Enterprise Resources Application and Board resolutions for managing imprest accounts, petty cash and change funds.

For 2023, a sample was selected that included the Assessor, Fire, Henderson Constable, Las Vegas Constable, Las Vegas Justice Court and Public Works. Petty cash and change funds will be done on a three-year cycle and imprest accounts will be done yearly.

There were three low risk findings:

- The Clark County Fire Department’s petty cash fund was not reconciled for a brief period due to staff turnover.
- The Public Administrator’s Office did not remit a small amount of interest earnings due to new staff.
- The Eighth Judicial District Court imprest and petty cash fund reconciliations and reimbursement request were slightly untimely due to staff turnover.

Departments agreed with the findings and are implementing corrective action to be verified during next year’s cash audit.

5. Receive and discuss CY 2023, 2nd Quarter Report – Automotive Services 24-Hour Vehicles

Clark County Automotive Services provides vehicle, equipment, and fueling support services to County departments and other local agencies. The County fleet consists of over 2,700 vehicles. The purpose of the audit was to determine whether employees assigned 24-hour vehicles are complying with County guidelines, policies, procedures and applicable state, federal, and local statutes and usage was appropriate, and vehicles are indeed being utilized.

There were 10 findings: 1 High Risk, 6 Medium Risk and 3 Low Risk:

- 1) Employee driver’s licenses not verified as standard practice. (High)

- 2) Unsafe driving behavior not being monitored and one sampled driver had a poor driving score. (Medium)
- 3) One instance of improper usage and some employee stops could not be verified. (Medium)
- 4) Policies and procedures for employees on leave are not being followed. (Medium)
- 5) One department has no procedures for monitoring take-home vehicles. (Medium)
- 6) Departments are not notifying automotive services of changes in vehicle assignments. (Medium)
- 7) Two employees with a take-home vehicle were not current on the Defensive Driving Course requirement. (Medium)
- 8) Employees are not following commuting usage policies. (Medium)
- 9) Automotive Services is not reviewing vehicle utilization. (Low)
- 10) Separated employees and inactive users retained access to the GPS application. (Low)

Automotive Services agreed with the findings have implemented corrective action with a few pending completion between December 2023 and October 2024.

6. Receive and discuss CY 2023, 2nd Quarter Report – Election Department Mail-in Balloting (Part 2)

The objectives of the audit were to determine whether mail-in ballot processes identified during the first part of the audit are in place and whether controls over the mail-in ballot processes are working as intended. Procedures considered operational processes in place during the 2022 General Elections. The last day of fieldwork was April 26, 2023.

Overall, the Clark County Election Department implemented appropriate controls related to the chain of custody, accountability, safeguarding and processing of mail ballots. There were three findings (1 high risk and 3 low risk).

- 1) While adjudications are logged and all actions taken on a ballot are recorded in that log, the election system allows a supervisor access to adjudicate ballots without additional system authorization. (High)
- 2) The Election Department does not separately log the sum of signatures verified or the Total Population. (Low)
- 3) Adjudication team assignments are not documented. (Low)

Lorena Portillo, Registrar of Voters reported that the Election Department agreed with the findings and have begun implementing corrective action to address the adjudication log and improved reports and documentation. The Election Department is committed to working for transparency and adding clarity to the election processes. Anticipated completion: 2024 Election.

Audit observations that were not findings because the County did everything correctly but are presented to public interest as defined by Government Auditing Standards:

- 1) Continuing additional voter education/outreach on marking ballots may be beneficial.
- 2) Continuing additional voter education on mailing procedures and postmark deadlines may be beneficial.
- 3) Post-election work is labor intensive and gives a false impression of untimeliness.

Commissioners Naft and McCurdy proposed to communicate to the Nevada Secretary of State 's office the Election observations for potential adjustments to policies and procedures at the next legislative session.

Commissioner Naft expressed appreciation to the Audit team for the meticulous work that went into completing these audits that were labor intensive and required a long period of time.

There were no comments from the general public.

There being no further business, the meeting was adjourned at 9:50 am.