



Audit Report

Clark County Imprest and Petty Cash Accounts Fiscal Year 2019

July 2019

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Audit Director

Audit Committee:
Commissioner James B. Gibson
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REPORT DETAILS

BACKGROUND

NRS 354.609 provides for the establishment of petty cash accounts, imprest accounts and revolving bank accounts to assist in the administration of any activities a local government is authorized to engage in. Clark County has several departments with these types of accounts. While the majority of County cash and investments are in the custody of the Treasurer, these accounts are in the custody of other officials and managed at the department level. As of June 31, 2019, Clark County has approximately \$1.8M in cash held under the custody of other officials.

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

Imprest funds 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.

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

All petty cash accounts, imprest accounts, and revolving bank 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, increase/decrease account amount, account purpose, or maximum single expenditure*) and the dissolution of these accounts.

Clark County Fiscal Directive #16 outlines the operational procedures and policies for petty cash, imprest and revolving accounts. The Directive dictates the reimbursement procedures, documentation requirements, reconciliation requirements, and requirements to have procedures for overages and shortages.

We perform a yearly audit of the County's petty cash accounts, imprest accounts and revolving bank accounts. Schedule 1 illustrates the account balances, as of June 30, 2019, for each department that maintains an account.

Proper accounting, recording and operation of these accounts is essential for a healthy functioning organization. Further, it ensures that the County maintains adherence to fiscal mandates and that Board of County Commissioners resolutions are being followed.



**Cash in Custody of Other Officials
Per Board Resolution
As of Fourth Quarter Fiscal Year 2019**

Schedule 1

Department Name	Petty Cash Funds	Imprest Account	Revolving Change Bank	Total
Assessor's Office	-	-	\$ 2,645	\$ 2,645
Business License	1,500	-	2,000	3,500
Clerk's Office	-	-	8,500	8,500
Comprehensive Planning	-	-	250	250
Building and 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 Court	-	15,000	700	15,700
District Court – Jury Services	-	200,000	200,000	400,000
Juvenile Justices Services	500	3,935	360	4,795
Election	-	-	200	200
Family Services	-	40,000	-	40,000
Fire	5,000	-	-	5,000
Henderson Justice Court	-	3,000	850	3,850
Constable, Las Vegas Township	-	-	600	600
Las Vegas Justice Court	-	500,000	10,000	510,000
Outlying Justice Courts ⁽¹⁾	-	17,150	900	18,050
Las Vegas Metropolitan Police ⁽²⁾	350	235,000	15,450	250,800
Constable, North Las Vegas Township	-	-	200	200
North Las Vegas Justice Court	-	1,400	1,000	2,400
Parks and Recreation	500	2,500	11,500	14,500
Public Administrator's Office	200	1,000	-	1,200
Public Guardian's Office	-	1,000	-	1,000
Public Works	-	-	350	350
Real Property Management	-	-	1,000	1,000
Recorder's Office	150	-	4,000	4,150
Regional Flood Control District ⁽³⁾	500	-	-	500
Social Service	100	500,000	-	500,100
Treasurer's Office	-	-	20,100	20,100
Total Cash In Custody				\$ 1,815,390

Source: Clark County Audit Schedule of Cash in Custody of Other Officials, 4th Quarter FY 2019



⁽¹⁾ Imprest and revolving accounts are distributed among eight outlying Justice Courts.

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

⁽³⁾ 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.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of this audit were to:

- Verify that imprest checking account amounts held by various departments agreed to Board of County Commissioner (BCC) approved imprest amounts and that these accounts were reconciled monthly in accordance with Fiscal Directive No. 16; and
- Confirm that petty cash and change fund accounts held by various departments agreed with BCC approved amounts.

To accomplish our objectives, we verified imprest checking accounts by reviewing the account custodian-prepared reconciliations and supporting schedules. This included verifying that departments perform reconciliations monthly in accordance with Fiscal Directive #16. We also verified petty cash and change fund amounts by obtaining confirmation of the amount on hand from the supervisor of the respective fund custodians. Additionally, we observed petty cash and change fund balances on a sample basis as unannounced surprise counts. Finally, we agreed cash in custody amounts to BCC approved amounts and the general ledger.

Our work is performed throughout the fiscal year, on a quarterly basis. Each quarter we communicated the results of our procedures to the Clark County Comptroller and affected Department Heads. Copies of those memos are included in the appendices section of this report.

Our review was limited to the procedures discussed above, and did not include a comprehensive evaluation of internal controls for the accounts included in this report. Our procedures considered the period of July 1, 2018 through June 30, 2019. The last day of fieldwork was May 23, 2019.

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.

CONCLUSION

Generally, the imprest checking accounts held by various departments are in agreement with the BCC approved resolution amounts. The accounts we reviewed were typically reconciled monthly. We also found that most petty cash and change funds are in agreement with BCC approved resolution amounts. However, we did note the following:



- Work to resolve the Las Vegas Justice Court imprest account reconciliation discrepancy is ongoing;
- A shortage in the Real Property Management change fund needs to be addressed; and
- The Office of the Public Administrator should seek reimbursement for two purchases done from their imprest account.

Each finding includes a ranking of risk based on the risk assessment that takes into consideration the circumstances of the current condition including compensating controls and the potential impact on reputation and customer confidence, safety and health, finances, productivity, and the possibility of fines or legal penalties.

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

FINDINGS, RECOMMENDATIONS, AND RESPONSES

FINDING 1 – WORK TO ADDRESS THE LAS VEGAS JUSTICE COURT IMPREST ACCOUNT DISCREPANCY IS ONGOING (HIGH)

The Las Vegas Justice Court imprest account was established on August 15, 1989 for the purpose of court ordered refunds and cash bail exonerations. The account balance was increased from \$400,000 to \$800,000 on September 20, 2011 and then decreased to \$500,000 on February 16, 2016.

During the Fiscal Year 2017 Cash in Custody of Other Officials audit we determined that the Las Vegas Justice Court imprest account was over by approximately \$370,000. We followed up on this item during Fiscal Year 2018 and determined that the account continued to be out of balance from the Board resolution approved amount. During that audit, preliminary discussions began to engage an external firm to review the mapping and configuration of the case management system’s financial configuration to resolve the account discrepancy.

A purchase order was created on February 6, 2019 for an external accounting firm to review the Las Vegas Justice Court’s accounting practices and examine and reconcile the balances of the imprest account.

Due to the ongoing work that was being performed on this issue during our audit period, we were unable to adequately reconcile the Las Vegas Justice Court imprest account to the Board approved amount.

RECOMMENDATION

1. Implement any and all recommendations related to the imprest account accounting procedures that are provided by the external accounting firm.
2. Work with the Clark County Comptroller and Treasurer to forward any actual overages found in the imprest account.



MANAGEMENT RESPONSE

1. A response for this finding is not needed as the Las Vegas Justice Court is currently in the process of reviewing their imprest account with an external firm. Audit will follow-up during the next imprest and petty cash audit.

FINDING 2 – REGIONAL JUSTICE CENTER METERED PARKING LOT CHANGE MACHINE ISSUES NEED TO BE ADDRESSED (MEDIUM)

Real Property Management requested a revolving change bank account be established for the purpose of providing funding for the operation of a change machine at the Regional Justice Center metered parking lot. The change bank was approved on July 1, 2014 for \$1,000.

The change machine allows customers of the Regional Justice Center Meter parking lot to obtain the coins needed to feed the parking meters. The coin machine was installed on June 3, 2014. The change machine is no longer under warranty and is currently only able to be serviced by one technician.

During the Fiscal Year 2018 Cash in Custody of Other Officials audit, we performed a count of the change fund and noted a shortage of \$346.75. The shortage was a result of a machine malfunction that resulted in a large loss in May 2018. Due to the loss, a lower amount of change is now kept in the machine.

On January 30, 2019, we performed another count of the change fund. This count resulted in an additional \$68 shortage from the prior audit. This count brought the total shortage to \$414.75 from the Board approved amount of \$1,000.

The shortage in this change fund results in nonconformance with Clark County Fiscal Directive #16. Furthermore, the lower amount of cash on hand at the machine results in assigned personnel having to make multiple trips to the bank on a daily basis to obtain additional change to stock the machine. These additional trips result in inefficient use of staff time and increases the risk of further loss. Lastly, because the machine is only able to be serviced by one individual, repairs are sometimes delayed, impacting the delivery of service to the customers that use the metered lot and require change. At times when the machine malfunctions or runs out of coins, customers of the metered lot do not have a means to obtain change to use in the parking meters.

RECOMMENDATION

1. Work with the Clark County Comptroller's Office to replenish the change fund to the approved amount.
2. Work with County Management to determine the feasibility of replacing the change machines or adding weather shelter to prevent the machine from overheating and potentially malfunctioning.
3. Examine the availability of additional technicians to service and repair the machine in a timelier manner.
4. Establish over/short procedures that detail steps to take when a discrepancy is identified so that funds can be replenished to the Board approved change bank amount in a timely manner.



MANAGEMENT RESPONSE

1. On May 8, 2018, as the temperature in Las Vegas got warmer, the change machine located in the RJC metered parking began to malfunction, causing the bill collector to jam. Real Property Management HSP (HSP) contacted the only vendor in Clark County (County), X-Cel Electronics of Nevada (X-Cel), who repairs this machine, and they provided the County with a temporary replacement bill collector for the machine.

However, the machine malfunctioned again on May 15, 2018. This time it was discovered the malfunction caused the machine to randomly dispense quarters, causing a shortage of \$389.75. HSP staff emptied the machine of bills and quarters, placed an "Out of Order" sign on the machine, and requested service for the machine.

X-Cel was able to service the machine and get it to function, but in November 2018, the machine malfunctioned again. The change bank shortage increased to \$414.75. At that time, Management deemed it no longer worth the risk to continue stocking the machine with bills and quarters, and powered down the machine, placed an "Out of Order" sign on the machine, and began to look for options to either repair and/or replace the machine.

In January 2019, HSP was able to obtain a quote from X-Cel and in February 2019, they repaired all of the parts to adequately and thoroughly repair the machine.

On February 26, 2019, the machine was placed back in service in the RJC metered lot. It had run fine and without issues, up until April 2, 2019 when the bill collector malfunctioned and replaced under warranty.

When the machine malfunctions or runs out of quarters, the general public does not have a means to obtain change to use in the parking meters in the parking lot served by this change machine. Therefore, we are requesting the fund be replenished to the \$1000.00 BCC approved amount in accordance with Fiscal Directive No. 16, as the lower amount of cash on hand results in assigned County personnel having to stock the change machine on a more frequent basis. This practice is both inefficient and has an increased risk with the transportation of cash at peak times during the day.

Currently, in order to avoid the problem occurring again, HSP staff is doing their best to keep the machine well maintained and will monitor on a monthly basis in order to reconcile the change fund to the Board-approved amount. However we believe the best solution is to remove the coin operated meters, and replace them with a credit/debit card paying system, but that will require capital funding. RPM will prepare an estimate to conduct these improvements, and will submit for capital funding in 2020.



FINDING 3 – OFFICE OF THE PUBLIC ADMINISTRATOR SHOULD SEEK REIMBURSEMENT FOR OLD IMPREST ACCOUNT PURCHASES (LOW)

The Office of the Public Administrator’s imprest account was approved on December 16, 1997 for \$1,000. The account was established for paying fees related to the initial administration of estates such as fees for obtaining copies of death certificates, titles to real and personal property and other legal documents. The imprest account was established under the presumption that expenses would ultimately be reimbursed once estate funds become available.

The Office also has a revolving bank in the amount of \$200 approved on December 16, 1997. The revolving bank account was established to provide change to customers paying for services for the execution of duties to secure and preserve property.

We identified a \$300 and \$90 note payable to the imprest account for a May 2013 and a March 2014 expenditure, respectively. One expenditure was for an emergency clean-up service done on behalf of an estate and the other was for an emergency locksmith service performed to secure an estate’s real property. Reimbursement to the imprest account has not occurred for the expenditures, as the estates in question do not have sufficient funds.

Because of the unreimbursed amounts, the imprest account is out of balance from the Board approved amount by approximately \$390 (*NOTE: a small amount of interest earnings are due to the Treasurer*). When the account was established it was estimated that the Office would absorb \$120 in unrecoverable costs out of the imprest account.

We also identified a petty cash account purchase for \$49.77 that took place on November 20, 2018. A request to reimburse the petty cash account for the purchase was made on February 1, 2019 – outside of the County’s required timeframe. Clark County Fiscal Directive #16 requires that reimbursement of the account be made no less than monthly. The Directive states:

“C. Operation of Funds

- 1. As mandated by NRS 354.609, reimbursement of any petty cash, imprest or revolving accounts must be made no less often than monthly. Proper evidence of expenditures made from the account must support the reimbursement. Disbursements from petty cash funds shall be supported by petty cash vouchers and other appropriate documentation such as original sales receipts or invoices. Disbursements from imprest checking accounts shall be supported by original invoices as with any general County claim.”*

RECOMMENDATION

1. Confirm that payment of the noted imprest account purchases won’t be possible based on the estate’s value and/or legal hierarchy and request reimbursement from the County Comptroller.
2. Develop and implement procedures to request reimbursement of an imprest account purchase from the County Comptroller when an estate’s assets is unlikely to pay based on the statutory hierarchy and/or the estate’s value.



3. Record the \$0.25 petty cash overage to the over/short account general ledger account when processing the next imprest and petty cash reimbursement transactions.
4. Remind staff that petty cash reimbursement requests should be done no less than monthly.

MANAGEMENT RESPONSE

1. We are creating payment requests for the two outstanding items. Moving forward, my executive assistant will maintain a spreadsheet that tracks the payments made from Imprest to ensure that those items get reimbursement from the estate of the individual or the county within a timely manner. My executive assistant will review this spreadsheet periodically to ensure that reimbursements to Imprest are made within 30 days. For items that are paid by the county and not an estate, based on the estate's lack of funds at that moment, my executive assistant will create an event note to ensure that the estate coordinator assigned to that estate makes a reimbursement to the county when that estate has funds.

The procedures above should ensure that we no longer have outstanding items and that we are in compliance with Fiscal Directive No. 16.



APPENDICES

APPENDIX A – FIRST QUARTER FY 2019 COMPTROLLER MEMO

MEMORANDUM

Angela Darragh, CPA, CFE, CISA
Audit Director

AUDIT DEPARTMENT

TO: Anna Danchik, Clark County Comptroller

FROM: Angela Darragh, Audit Director

SUBJECT: Fiscal Year 2019 – First Quarter Cash Counts

DATE: March 4, 2019

In accordance with our annual audit plan, we recently reviewed a selection of imprest, petty cash, and revolving account fund balances for the first quarter of fiscal 2019. The objectives of our reviews were to verify that cash in the custody of County officials agrees with Board of County Commissioner (BCC) approved amounts, and to verify that imprest accounts are reconciled on a monthly basis in accordance with Fiscal Directive 16. In order to achieve our objectives, we selected departments and reviewed the final balance of imprest accounts and 6 months of reconciliations. We selected the Public Administrator and Clerk departments and conducted a surprise count of petty cash/revolving funds. For the remaining departments with petty cash and revolving funds, we asked that an employee independent of the funds count and confirm the amount in custody. We then verified that these funds agreed with the corresponding BCC approved amounts. We also determined whether departments implemented corrective actions associated with prior-year findings. We sent a memorandum to each department head to communicate the results of the reviews.

Following are the summary results for departments reviewed during the first quarter:

IMPREST ACCOUNT VERIFICATIONS

<u>Fund Custodian</u>	<u>BCC Approved Amount</u>	<u>Audit Review Total</u>	<u>Over (Short)</u>
Family Services			
Chafee	\$10,000	\$10,000	\$0.00
TANF	\$10,000	\$10,000	\$0.00
Placement Prevention	\$20,000	\$20,000	\$0.00
Juvenile Justice	\$3,935	\$3,935	\$0.00
Las Vegas Justice Court	Note 1	Note 1	Note 1
Public Administrator	\$1,000	\$610	\$(390.00)
Public Guardian	\$1,000	\$1,000.50	\$0.50

Other than the issues discussed below, we determined that imprest balances as of September 30, 2018 agreed with the BCC approved imprest amounts and departments are reconciling those accounts in accordance with Fiscal Directive 16. We also found that petty cash and revolving accounts agreed with BCC approved amounts.

Las Vegas Justice Court
(Note 1)

We determined that the imprest balance as of June 30, 2018, was significantly different from the BCC



approved imprest amount of \$500,000. The Las Vegas Justice Court and County Finance are in the process of hiring an external consulting firm to review the mapping and configuration of Odyssey, which could be contributing to unresolved reconciling items in the monthly imprest reconciliation. We will defer additional work on the reconciliation of the account until that project is complete.

Public Administrator

During our testing, we identified two reconciling items that have been outstanding since 2015. These include one payment of \$300 used for a time sensitive biohazard cleanup and another payment of \$90 for locksmith services. There were no estate assets available to reimburse the imprest account.

Because of these outstanding reconciling items, the Public Administrator’s Office does not comply with Fiscal Directive No. 16 for the imprest account. We recommend that the Public Administrator reimburse the imprest account and develop a procedure to periodically review the account and resolve outstanding items belonging to estates with no assets.

Public Guardian

We identified an overage of \$0.50 in the Public Guardian’s imprest account. The overage is the result of monthly-accrued interest amounts. The Public Guardian remits interest from this account to the Treasurer once a year, in July. The accrued interest as of the date of the statement review of 9/30/18 was \$0.50. We believe this practice is appropriate, and do not consider the overage a finding.

CASH CONFIRMATIONS

The following table lists BCC-approved petty cash and change fund amounts held at selected departments as confirmed by the department or verified in person by the Audit Department:

<u>Fund Custodian</u>	<u>BCC Approved</u>		<u>Confirmation</u>
	<u>Amount</u>	<u>Total</u>	
Assessor	\$3,000	\$2,897.50	\$(102.50)
Business License	\$3,500	\$3,500	\$0.00
Clerk*	\$8,500	\$8,500	\$0.00
Comprehensive Planning	\$250	\$250	\$0.00
Juvenile Justice Services	\$360	\$360	\$0.00
Juvenile Justice Services	\$500	\$500	\$0.00
Las Vegas Justice Court	\$10,000	\$10,000	\$0.00
North Las Vegas Constable	\$200	\$200	\$0.00
Public Administrator*	\$200	\$200.25	\$0.25

*NOTE: We judgmentally selected these accounts and verified the amounts via observation of physical count.

Other than the issues discussed below, we determined that each petty cash/change fund agreed to the respective BCC approved amount.



ADDITIONAL ITEM(S) NOTED FOR CASH FUNDS

Assessor

The current amount in use of \$2,897.50 is the total amount outstanding for the department and is within the \$3,000.00 BCC authorized amount. No exception noted.

Public Administrator

We obtained a confirmation of petty cash funds of \$200.25. This amount included an error of \$0.25 and a receipt for Storage America, dated November 20, 2018 for \$49.77. Clark County Fiscal Directive 16 sets forth the criteria relating to establishing, modifying, operating, and dissolving such funds, and the requirements for reconciling and reimbursing the funds. Fiscal Directive 16 states, "As mandated by NRS 354.609, reimbursement of any petty cash, imprest or revolving accounts must be made no less often than monthly." Therefore, the Public Administrator should have requested reimbursement for the \$49.77 in December 2018. Further, while a minor amount, the Public Administrator's Office should record the variance of \$0.25 to the over/short account (#480910) when processing the next imprest and petty cash reimbursement transactions.

cc: Daniel Rushin
Jeff Share



APPENDIX B – SECOND QUARTER FY 2019 COMPTROLLER MEMO

MEMORANDUM

Angela Darragh, CPA, CISA, CFE
Audit Director

AUDIT DEPARTMENT

TO: Anna Danchik, Comptroller
FROM: Angela Darragh, Audit Director
SUBJECT: Fiscal Year 2019 – Second Quarter Cash Counts
DATE: April 26, 2019

In accordance with our annual audit plan, we recently reviewed a selection of imprest, petty cash, and revolving account fund balances for the second quarter of fiscal 2019. The objectives of our reviews were to verify that cash in the custody of County officials agrees with Board of County Commissioner (BCC) approved amounts, and to verify that imprest accounts are reconciled on a monthly basis in accordance with Fiscal Directive 16. In order to achieve our objectives, we selected departments and reviewed the final balance of imprest accounts and 6 months of reconciliations. We selected the District Court and Election departments and conducted a surprise count of petty cash/revolving funds. For the remaining departments with petty cash and revolving funds, we asked that an employee independent of the funds count and confirm the amount in custody. We then verified that these funds agreed with the corresponding BCC approved amounts. We also determined whether departments implemented corrective actions associated with prior-year findings. We sent a memorandum to each department head to communicate the results of the reviews.

Our review was limited to the procedures discussed above, and did not include a comprehensive evaluation of internal controls for the accounts included in this memo.

Following are the summary results for departments reviewed during the second quarter:

IMPREST ACCOUNT VERIFICATIONS

Table with 4 columns: Fund Custodian, BCC Approved Amount, Audit Reviewed Total, and Over (Short). Rows include District Attorney Administration, District Attorney Family Support, Henderson Justice Court, North Las Vegas Justice Court, Social Service, and District Court Jury Services Kiosk.

District Attorney Victim Witness

This account is not included above, as it does not have a set balance approved by the Board of County Commissioners. It is funded through donations and restitution receipts to the District Attorney Victim Witness Assistance Center Unit. We determined that the revolving funds in the custody of the DA Victim Witness division as of December 31, 2018 are appropriately reconciled.

Based on our procedures, we determined that imprest balances as of December 31, 2018 agreed with the BCC approved imprest amounts and departments are reconciling those accounts in accordance with Fiscal Directive 16.



CASH VERIFICATIONS

The following table lists BCC-approved petty cash and revolving account (change fund) amounts held at selected departments as confirmed by the department or verified in person by the Audit Department:

<u>Fund Custodian</u>	<u>BCC Approved Amount</u>	<u>Confirmation Amount</u>	<u>Over (Short)</u>
Building & Fire Prevention	\$2,000.00	\$2,000.00	\$0.00
District Court*	\$215,700.00	\$215,700.00	\$0.00
Election*	\$200.00	\$200.10	\$0.10
Henderson Justice Court	\$850.00	\$850.00	\$0.00
Las Vegas Constable	\$600.00	\$600.00	\$0.00
North Las Vegas Justice Court	\$1,000.00	\$1,000.00	\$0.00
Social Service	\$100.00	\$100.00	\$0.00
Real Property Management	\$1,00.00	\$585.25	(\$415.75)

*NOTE: We judgmentally selected these accounts and verified the amounts via observation of physical count.

Other than the issues discussed below, we determined that each petty cash/change fund agreed to the respective BCC approved amount.

Election

The Election revolving account was over by \$0.10, which is immaterial. We advised the Election Department to remit any overages or shortages to the Treasurer on a monthly basis in accordance with Fiscal Directive No. 16. We did not request a response or corrective action plan for this item.

Real Property Management

Based on the confirmation provided, there is a shortage of \$414.75 when compared to the \$1,000 BCC approved amount for the Real Property Management revolving fund. Our prior audit review conducted on September 20, 2018 also identified a shortage of \$346.75. The shortages are due to losses incurred from the change machine malfunctioning. When the machine malfunctions or runs out of quarters, the general public does not have a means to obtain change to use in the parking meters in the parking lot served by this change machine. We recommended that RPM review and evaluate what can be done to address the continuing issues with the malfunctioning machine.

We further recommend that shortages be charged to the Cash Over/Short account on a monthly basis in order to reconcile the change fund to the Board-approved amount. Further, the fund should be replenished to the \$1,000 BCC approved amount in accordance with Fiscal Directive No.16, as the lower amount of cash on hand results in assigned County personnel having to stock the change machine on a more frequent basis. This practice is both inefficient and has an increased risk with the transportation of cash at peak times during the day. We requested a response and corrective action plan from Real Property Management for this issue.

cc: Daniel Rushin
Jeff Share



APPENDIX C – THIRD QUARTER FY 2019 COMPTROLLER MEMO

MEMORANDUM

Angela M. Darragh, CPA, CFE, CISA
Director

AUDIT DEPARTMENT

TO: Anna Danchik, Clark County Comptroller
FROM: Angela M. Darragh, Audit Director
SUBJECT: Fiscal Year 2019-Third Quarter Cash Counts
DATE: May 24, 2019

In accordance with our annual audit plan, we recently reviewed a selection of imprest, petty cash, and revolving account fund balances for the third quarter of Fiscal 2019. The objectives of our reviews were to verify that cash in the custody of County officials agrees with Board of County Commissioner (BCC) approved amounts, and to verify that imprest accounts are reconciled on a monthly basis in accordance with Fiscal Directive 16. In order to achieve our objectives, we reviewed the final balance of imprest accounts and 6 months of reconciliations. We selected the Boulder Justice Court and conducted a surprise count of the cash bank/revolving funds. For the remaining Outlying Justice Courts with revolving change bank funds, we asked that an employee independent of the funds count and confirm the amount in custody. We then verified that these funds agreed with the corresponding BCC approved amounts. We also determined whether Outlying Justice Courts implemented corrective actions associated with prior-year findings. We sent a memorandum to the department head to communicate the results of the reviews.

Our review was limited to the procedures discussed above, and did not include a comprehensive evaluation of internal controls for the accounts included in this memo.

Following are the summary results for the Outlying Justice Courts reviewed during the third quarter:

IMPREST ACCOUNT VERIFICATIONS

Table with 4 columns: Outlying Justice Courts, BCC Approved Amount, Audit Review Total, Over (Short). Rows include Boulder Justice Court, Baskerville Justice Court, Goodsprings Justice Court, Laughlin Justice Court, Mesquite Justice Court, Moapa Justice Court, Moapa Valley Justice Court, Searchlight Justice Court, and Total.



CASH CONFIRMATIONS

The following table lists BCC-approved revolving change fund amounts held at the selected locations as confirmed by the rural justice court or verified in person by the Audit Department:

<u>Outlying Justice Courts</u>	<u>BCC Approved</u>	<u>Confirmation/Count</u>	<u>Over (Short)</u>
	<u>Amount</u>	<u>Total</u>	
Boulder Justice Court	\$100.00	\$100.00	\$0.00
Bunkerville Justice Court	\$100.00	\$100.00	\$0.00
Goodsprings Justice Court	\$100.00	\$100.00	\$0.00
Laughlin Justice Court	\$200.00	\$200.00	\$0.00
Mesquite Justice Court	\$100.00	\$100.00	\$0.00
Moapa Justice Court	\$100.00	\$100.00	\$0.00
Moapa Valley Justice Court	\$100.00	\$100.00	\$0.00
Searchlight Justice Court	<u>\$100.00</u>	<u>\$100.00</u>	\$0.00
Total	\$900.00	\$900.00	\$0.00

We determined that the Outlying Justice Courts revolving change fund and imprest amounts agreed with the BCC approved amounts as of December 31, 2018. The accounts are appropriately reconciled in accordance with Fiscal Directive No. 16.

cc: Daniel Rushin
Jeff Share



APPENDIX D – FOURTH QUARTER FY 2019 COMPTROLLER MEMO

MEMORANDUM

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

AUDIT DEPARTMENT

TO: Anna Danchik, Clark County Comptroller
FROM: Angela M. Darragh, Audit Director
SUBJECT: Fiscal Year 2019 - Fourth Quarter Cash Counts
DATE: June 30, 2019

In accordance with our annual audit plan, we recently reviewed a selection of imprest, petty cash, and revolving account fund balances for the fourth quarter of Fiscal 2019. The objectives of our reviews were to verify that cash in the custody of County officials agrees with Board of County Commissioner (BCC) approved amounts, and to verify that imprest accounts are reconciled on a monthly basis in accordance with Fiscal Directive 16. In order to achieve our objectives, we reviewed the final balance of imprest accounts and six months of reconciliations. We selected The Club at Sunrise Golf Course, Wetlands Park Gift Shop, and the Fire Department and conducted a surprise count of the cash bank/revolving funds. For the remaining departments with revolving change bank funds, we asked that an employee independent of the funds count and confirm the amount in custody. We then verified that these funds agreed with the corresponding BCC approved amounts. We also determined whether the departments implemented corrective actions associated with prior-year findings. We sent a memorandum to the department head to communicate the results of the reviews.

Our review was limited to the procedures discussed above, and did not include a comprehensive evaluation of internal controls for the accounts included in this memo.

Following are the summary results for departments reviewed during the second quarter:

IMPREST ACCOUNT VERIFICATIONS

Table with 4 columns: Fund Custodian, BCC Approved Amount, Reconciliation Total, Over/ (Short). Row: Department of Parks & Recreation, \$2,500.00, \$2,500.00, \$0.00

CASH CONFIRMATIONS

Table with 4 columns: Fund Custodian, BCC Approved Amount, Confirmation Total, Over/ (Short). Rows: Department of Parks & Recreation (Shooting Complex, The Club at Sunrise Golf Course, Wetlands Park Gift Shop), LVMPD (Imprest Account)



Insurance Liability	\$10,000.00	\$10,000.00	\$0.00
Travel Bank	\$10,000.00	\$10,000.00	\$0.00
Change Fund	\$5,450.00	\$5,450.00	\$0.00
Petty Cash	\$350.00	\$350.00	\$0.00
Recorder	\$4,150.00	\$4,150.00	\$0.00
Regional Flood Control District	\$500.00	\$500.00	\$0.00
Treasurer	\$20,100.00	\$20,100.00	\$0.00
Public Works	\$350.00	\$350.00	\$0.00
Fire Department	\$5,000.00	\$5,000.00	\$0.00

We appreciate your staff's assistance and cooperation.

cc: Daniel Rushin
Nan Bower, LVMPD
Jackson Wong, LVMPD
Jeff Share