



Audit Department

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

October 4, 2013

Mr. Don Burnette
Clark County Manager
500 South Grand Central Parkway, 6th Floor
Las Vegas, Nevada 89106

Dear Mr. Burnette:

We recently performed a follow-up audit of the Drug Court Administration Choices Group audit dated June 22, 2012. Our audit procedures consisted of interviewing personnel to determine the status of findings. We obtained supporting documentation and performed detail testing to assess the adequacy of the corrective actions taken. Our last day of fieldwork was September 16, 2013.

Choices Group and District Court took adequate corrective action on all three findings reported in the original audit. The Court Executive Officer and the Specialty Courts Manager have new practices in place for invoice review. A new contract for the Drug Court Treatment Program was approved by the BCC on July 16, 2013, at which time the Business Associate clause was removed. Operating expenses are now being reviewed in more detail with each submitted Choices Group invoice. We believe the invoice review practice, in conjunction with the new contract, effectively addressed each finding included in the original report. We appreciate the cooperation and assistance provided by Choices Group and the District Court staff during the course of this audit.

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.

The auditor's role in follow-up engagements is to compile corrective actions taken from effected Department/Division management, assess whether these responses are adequate or not adequate to correct reported deficiencies, and relay to management. It is the Department/Division management's responsibility to decide if any appropriate action should be taken in response to reported audit findings. It is also their responsibility to assume the risk by not correcting a reported condition because of cost or other consideration.

Sincerely,

A handwritten signature in blue ink that reads "Angela M. Darragh".

Angela M. Darragh, CPA
Audit Director

DRUG COURT ADMINISTRATION
CHOICES GROUP INC. VENDOR AGREEMENT - Follow Up Audit
Findings, Recommendations, and Corrective Actions Status
As of September 16, 2013



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

Original Report Issuance Date: June 22, 2012

Summary Audit Findings & Recommendations			Summary Management Response		Summary Status		
Ref	Finding	Recommendation(s)	Concurrence	Corrective Action Status	Implemented	Not Implemented	Other
1 Monthly Invoices Not Verified							
	Drug court administrators do not review invoices to determine whether billed counseling, drug screening, or support services were provided to persons with active drug court cases. In addition, administrators do not request supporting documentation to verify that invoiced operating expenses were reasonable or proper.	Select a sample of listed items from each monthly invoice and verify supporting documentation from Choices Group. Routinely verify that clients billed by Choices Group to the drug court contract have active drug court cases.	Y	The Specialty Court Manager now reviews a sample of listed items from each monthly invoice and verifies their validity. In addition, the Specialty Court Manager routinely verifies that clients billed by Choices Group to the drug court contract have active drug court cases. Audit also verified that the previous rent overcharge amount of \$7,973 was credited back to the District Court.	✓		
2 Contract Criteria Vague							
	Amendment 8 to the contract, in effect since July 2009, states that the drug court program will pay for Choices Group's operating expenses related to the drug court program, but does not specify the appropriate type or amount of operating expense to include in monthly invoicing.	Include specific, clear pricing criteria for billable services or other allowable expenses in any new contract.	N	While the Court Executive Officer did take this recommendation into advisement, he decided to have the Specialty Court Manager review the monthly invoice operating expense line items for propriety, rather than update the contract with all possible expenses that could be charged. The Choices Group invoices now contain clear line item charges of operating expenses. Any questionable items identified based on the Specialty Court Manager review would be contested.			✓

Summary Audit Findings & Recommendations			Summary Management Response		Summary Status		
Ref	Finding	Recommendation(s)	Concurrence	Corrective Action Status	Implemented	Not Implemented	Other
3	Business Associate Agreement Should Be Removed						
	The current drug court contract contains a HIPAA business associate agreement with Choices Group that is not necessary and could cloud the issue of responsibility if a breach of personal health information occurs. The agreement is not necessary because no clients referred to Choices Group under the drug court contract are from a department included in the HIPAA-defined Clark County hybrid entity.	Remove the Business Associate Agreement from the contract.	Y	Upon review of the new contract approved by the BCC on July 16, 2013, it was noted that the clause regarding Business Associated Agreements was no longer included.	✓		