



Audit Department

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

August 7, 2014

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

Dear Mr. Burnette:

We completed our fiscal year 2014 audit of cash balances held in the custody of other officials. The objectives of our procedures were as follows:

- 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 funds held by various departments agreed with BCC approved amounts.

In order to achieve our objectives, we verified imprest checking accounts by reviewing the account custodian-prepared reconciliations and supporting schedules. This included verifying that reconciliations are performed monthly in accordance with Fiscal Directive No. 16. We verified petty cash and change fund amounts by obtaining confirmation of the amount on hand from the supervisor of the respective fund custodians. Finally, we agreed cash in custody amounts to BCC approved amounts and the general ledger.

Each quarter we communicated the results of our procedures to the Clark County Comptroller and affected Department Heads. Enclosed are copies of the fiscal year 2014 quarterly memos issued to the Comptroller.

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.

We appreciate the cooperation and assistance provided by each of the departments we reviewed.

Sincerely,

Angela M. Darragh, CPA
Audit Director

MEMORANDUM

Angela Darragh, CPA, CFE, CISA
Audit Director

AUDIT DEPARTMENT

TO: Jessica Colvin, Clark County Comptroller
FROM: Angela Darragh, Audit Director *and*
SUBJECT: Fiscal Year 2014 – First Quarter Cash Counts
DATE: January 7, 2014

In accordance with our annual audit plan, we reviewed the imprest account reconciliations for the first quarter schedule of cash counts covering the period July 1, 2013, through September 30, 2013. This consisted of reviewing the current reconciliations on the date of the verification only. In conjunction with this review, prior-year findings were reviewed to determine if these findings were addressed. A memorandum was forwarded to each department head to communicate the results of the imprest verifications. The summary results of the first quarter imprest account verifications -balances shown as of the verification date- are shown below.

In addition to imprest verifications, we sent confirmation memos to selected departments with petty cash and change funds. We asked that an employee independent of the funds count and confirm the amount in custody. We then verified that these petty cash funds agreed with the corresponding BCC approved imprest amounts. The results of our confirmations and verifications are also listed below.

IMPREST ACCOUNT VERIFICATIONS

<u>Fund Custodian</u>	<u>Imprest Balance per GL</u>	<u>Audit Review Total</u>	<u>Over (Short)</u>
Family Services:			
Placement Prevention	\$ 20,000	\$ 20,000	\$ 0.00
Chafee	10,000	10,000	0.00
MGM	10,000	10,000	0.00
TANF	10,000	10,000	0.00
Juvenile Justice	2,885	2,885	0.00
Public Administrator	1,000	645.03	(354.97)
Public Guardian	1,000	1,000	0.00

Other than the departments discussed below, we determined each imprest balance as of August 1, 2013 agreed to the BCC approved imprest amount. We also reviewed six months of reconciliations and verified that each imprest account is being reconciled on a monthly basis, as required by Fiscal Directive No. 16.

Public Administrator

We determined that the imprest balance per the reconciliation, as of September 30, 2013, showed a shortage of \$354.97 from the BCC approved imprest amount of \$1,000. We recommend the account custodian account for the reconciling items that comprise the shortage on the next account reconciliation. Although this account in being reconciled to the bank, it is not being reconciled on a

monthly basis to the approved BCC imprest amount as required by Fiscal Directive No. 16. We recommend that the Public Administrator begin performing this task on a monthly basis.

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 Amount</u>	<u>Confirmation Total</u>	<u>Over (Short)</u>
Air Quality Management Assessor	\$ 1,000	\$ 1,000	\$ 0.00
Business License	3,000	3,000	0.00
Clerk (**Note)	3,500	3,500	0.00
Comprehensive Planning	20,000	13,000	7,000.00
Detention Center	250	250	0.00
Family Services Fund 101*	350	350	0.00
Family Services Fund 237*	2,500	2,500	0.00
Juvenile Justice Services*	600	600	0.00
N. Las Vegas Constable	860	860	0.00
Public Administrator	200	200	0.00
	200	200	0.00

We determined that each petty cash/change fund agreed to its respective BCC approved amount. .

*NOTE: We judgmentally selected this account and verified the amount via observation of hard count.

**NOTE: Per the Comptroller’s schedule dated 6/30/13, the Clerk’s Change fund was decreased by \$7,000 on 6/28/13. Per a note by Mark Gamett on the Comptroller’s schedule, a resolution has not been submitted at this time. Budget will decide if the decrease is to be permanent.

cc: Mark Gamett

MEMORANDUM

Angela Darragh, CPA, CISA, CFE
Audit Director

AUDIT DEPARTMENT

TO: Jessica Colvin, Clark County Comptroller
FROM: Angela Darragh, Audit Director *AMD*
SUBJECT: Fiscal Year 2014 – Second Quarter Cash Counts
DATE: February 20, 2014

In accordance with our annual audit plan, we have reviewed the imprest account reconciliations for the second quarter schedule of cash counts covering the period October 1, 2013, through December 31, 2013. This consisted of reviewing the current reconciliations on the date of the verification only. In conjunction with this review, prior-year findings were reviewed to determine if these findings were addressed. A memorandum was forwarded to each department head to communicate the results of the imprest verifications. The summary results of the second quarter imprest account verifications - balances shown as of the verification date- are shown below.

IMPREST ACCOUNT VERIFICATIONS

<u>Fund Custodian</u>	<u>Imprest Balance per GL</u>	<u>Audit Review Total</u>	<u>Over (Short)</u>
DA, Admin	\$ 3,000.00	\$ 3,000.00	\$ 0.00
DA, Family Support	2,000.00	2,000.00	0.00
Henderson Justice Court	3,000.00	3,000.00	0.00
NLV Justice Court	1,400.00	1,400.00	0.00
Social Services	500,000.00	500,000.00	0.00

CASH VERIFICATIONS

The following table lists BCC-approved petty cash and change fund amounts held at selected departments that were verified by positive confirmation with each respective department:

<u>Fund Custodian</u>	<u>BCC-Approved Amount</u>	<u>Confirmation Total</u>	<u>Over (Short)</u>
Development Services	\$ 1,000.00	\$1,000.00	\$0.00
DA Civil	50.00	50.00	0.00
District Court	217,000.00	217,100.00	100.00
Election	200.00	200.00	0.00
Henderson Justice Court	550.00	550.00	0.00
LV Constable	600.00	600.00	0.00
NLV Justice Court	1,000.00	1,000.00	0.00
Public Works	350.00	350.00	0.00
Social Services	100.00	100.00	0.00

The amount held at Social Services was verified by hard count in person.

District Court

The \$200 Family Court Adjudication Change Fund was closed and was merged with the Clerk of the Court Change Fund. An additional \$100 was discovered in a safe and was also merged with the Clerk of the Court Change Fund, increasing the total Clerk of the Court fund amount from \$15,000 to \$15,300. The current BCC approved amount for the Clerk of the Court Change fund is \$15,000.

An additional \$150 for Drug Court Cash, which has been discovered to be part of the District Court Cash in Custody, was not included on the cash confirmation prepared by the District Court. The additional \$100 discovered in the safe and \$150 Drug Court funds are not included in the SAP Cash in Custody accounts for District Court at this time. The Fiscal Services Manager will re-perform the cash confirmation and determine the adjustments that need to be made to existing accounts. New resolutions will be presented to the BCC at that time.

BCC Resolutions should be submitted for the following funds: Drug Court Fund, Family Adjudication Change Fund, and the Clerk of the Court Change Fund.

The current totals of each of the District Court Funds as of February 4, 2014 are:

<u>District Court Fund</u>	<u>BCC-Approved Amount</u>	<u>Confirmation Total</u>	<u>Over (Short)</u>
District Court Petty Cash	\$ 500.00	\$500.00	0.00
Family Adjud. Chg. Fund	200.00	0.00	(200.00)
Self Help Center Chg. Fund	1,300.00	1,300.00	0.00
District Court Witness/Jury Change Fund	200,000.00	200,000.00	0.00
Clerk of the Court Change Fund	<u>15,000.00</u>	<u>15,300.00</u>	<u>300.00</u>
Total	217,000.00	217,100.00	100.00

cc: Mark Gamett

MEMORANDUM

Angela M. Darragh, CPA, CFE, CISA
Director

AUDIT DEPARTMENT

TO: Jessica Colvin, Clark County Comptroller

FROM: Angela M. Darragh, Audit Director *AMD*

SUBJECT: Fiscal Year 2014 - Third Quarter Cash Counts

DATE: May 27, 2014

In accordance with our annual audit plan, we reviewed the imprest account reconciliations for the third quarter schedule of cash counts covering the period January 1, 2014, through March 31, 2014. This consisted of reviewing the current reconciliations on the date of the verification only. In conjunction with this review, prior-year findings were reviewed to determine if the findings were addressed. A memorandum was forwarded to each department head to communicate the results of the imprest verifications. The summary results of the third quarter imprest account verifications, with balances as of the verification date, are shown below.

In addition to imprest verifications, we sent confirmation memos to selected departments with petty cash and change funds. We asked that an employee independent of the funds count and confirm the amount in custody. The memos were prepared as positive confirmations; the auditee was instructed that a response was required even if no discrepancies were noted. Further, we verified that the amounts of petty cash funds distributed to a sample of judgmentally selected departments agreed with the corresponding BCC approved imprest amounts. The results of our confirmations and verifications are also listed below.

IMPREST ACCOUNT VERIFICATIONS

<u>Fund Custodian</u>	<u>BCC Approved Amount</u>	<u>Reconciliation Total</u>	<u>Over (Short)</u>
LV Justice Court	\$ 800,000.00	\$ 800,000.00	\$ 0

Las Vegas Justice Court

We determined that the imprest balance as of April 8, 2014, agreed with the BCC approved imprest amount of \$800,000. We noted, however, that as of April 8, 2014, the most recent imprest account reconciliation that had been performed was for December 2013. Per Fiscal Directive No. 16, "Petty cash and imprest funds are to be reconciled to the Board approved amount on a monthly basis." We recommend that the reconciliations of the Las Vegas Justice Court's imprest checking account be made current.

We noted that there was one adjustment in the amount of \$117.00 recorded against the reconciled balance for the December 2013 reconciliation. This adjustment was noted on the reconciliation as "adjust to balance, cannot locate". We suggest that the adjustment be reviewed and the appropriate adjustment be made to clear this reconciling item.

We also performed a hard count observation of the Cash in Custody change funds in the possession of the Las Vegas Justice Court on May 16, 2014. Cash on hand was successfully reconciled to the Comptroller's schedule of Cash in Custody of Other Officials, prepared for the third quarter of 2014.

We reviewed six months of reconciliations and verified that imprest account reconciliations are performed on a monthly basis, as required by Fiscal Directive No. 16. However, we do recommend that the reconciliations be made current.

CASH CONFIRMATIONS

<u>Fund Custodian</u>	<u>BCC Approved Amount</u>	<u>Confirmation Total</u>	<u>Over (Short)</u>
LV Justice Court	10,000.00	10,000.00	0.00
LVMPD			
Imprest	225,000.00	225,022.48	22.48
Insurance	10,000.00	10,007.50	7.50
Travel Bank	10,000.00	10,000.00	0.00
Change Fund	8,500.00	8,500.00	0.00
Petty Cash	350.00	350.00	0.00

Las Vegas Metropolitan Police Department (LVMPD)

According to LVMPD staff, the \$7.50 overage represents interest earnings that will be remitted to the County Treasurer in June 2014. Also per LVMPD staff, the \$22.48 overage was corrected in March 2014 through the expense reimbursement process.

cc: Mark Gamett

MEMORANDUM

Angela M. Darragh, CPA, CFE, CISA
Director

AUDIT DEPARTMENT

TO: Jessica Colvin, Clark County Comptroller

FROM: Angela M. Darragh, Audit Director *AMD*

SUBJECT: Fiscal Year 2014 - Fourth Quarter Cash Counts

DATE: August 7, 2014

In accordance with our annual audit plan, we reviewed the imprest account reconciliations for the fourth quarter schedule of cash counts covering the period April 1, 2014, through June 30, 2014. This consisted of reviewing the current reconciliations on the date of the verification only. In conjunction with this review, prior-year findings were reviewed to determine if these findings were addressed. A memorandum was forwarded to each department head to communicate the results of the imprest verifications. The summary results of the fourth quarter imprest account verifications, with balances shown as of the verification date, are shown below.

In addition to imprest verifications, we sent confirmation memos to selected departments with petty cash and change funds. We asked that an employee independent of the funds count and confirm the amount in custody. The memos were prepared as positive confirmations; the auditee was instructed that a response was required even if no discrepancies were noted. Further, we verified that the amounts of petty cash funds distributed to a sample of judgmentally selected departments agreed with the corresponding BCC approved imprest amounts. The results of our confirmations and verifications are also listed below.

IMPREST ACCOUNT VERIFICATIONS

<u>Fund Custodian</u>	<u>BCC Approved Amount</u>	<u>Reconciliation Total</u>	<u>Over (Short)</u>
Animal Control	500.00	N/A	N/A
Parks & Recreation	\$ 2,500.00	\$ 2,500.00	\$ 0.00
Outlying Courts	12,650.00	12,650.00	0.00

Animal Control

During our review, Animal Control staff stated that there was a change in cash custodians during the second half of FY14. The previous custodian retired and the newly appointed custodian was unable to locate the FY14 prepared imprest account reconciliations. When we visited Animal Control on May 28, 2014, the new custodian was in the process of re-performing FY14 imprest account reconciliations. We found that the check register and bank statements were available for re-performance. However, at the time of the audit, we were unable to re-perform reconciliations or review their preparation.

We recommend that the Animal Control Office continue to prepare the imprest account reconciliations monthly to be in accordance with Fiscal Directive No. 16. We also recommend that reconciliations be retained on a shared drive to allow for access.

Outlying Justice Courts

We determined that the imprest balances as of June 1, 2014, agreed to the BCC approved imprest amount of \$12,650. However, there was no supporting documentation for the "bail holding" line item in the bank reconciliation. The Rural Court Administrator is working on a process to reconcile the monthly bail holding amounts for implementation by as early as September 2014. We recommend that a month-end report be produced on a going forward basis to substantiate this line item amount on the reconciliation. Finally, we reviewed six months of reconciliations and noted that the accounts are reconciled on a monthly basis as required by Fiscal Directive No. 16.

CASH CONFIRMATIONS

<u>Fund Custodian</u>	<u>BCC Approved Amount</u>	<u>Confirmation Total</u>	<u>Over (Short)</u>
Outlying Justice Courts	900.00	900.00	0.00
Parks & Recreation	2,500.00	2,500.00	0.00
Parks & Recreation Shooting Complex	6,500.00	6,500.00	0.00
Recorder	4,150.00	4,150.00	0.00
Regional Flood Cont. Dist.	500.00	500.00	0.00
Treasurer	20,100.00	20,100.00	0.00

cc: Mark Gamett