



Audit Department

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

March 27, 2014

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

Dear Mr. Burnette:

In accordance with our annual audit plan, we conducted an audit of the Social Services Department Bus Pass Process and Controls.

We performed this audit in order to review the controls and procedures relating to the Social Services Bus Pass security and distribution. To accomplish our objectives, we interviewed department personnel, performed procedure walkthroughs, and performed testing of the distribution process. We examined bus pass physical security and access control. In addition we reviewed the Bus Pass Distribution Logs for May 2013 through September 2013 and chose 10 distributed passes for testing and traced them to the Client Information Forms, on which the initial approval for the Bus Pass is given. We reviewed the forms for proper authorization and reviewed for bus pass necessity. We also reviewed the UMC Bus Pass Logs for May 2013 – September 2013 to determine if those clients tested that received passes through Social Services also received bus passes from UMC for the same appointments.

Overall, we found that the Social Services controls over security and distribution of bus passes appeared effective to provide reasonable assurance that bus passes were being secured and distributed appropriately. However, we determined that there are some procedure changes that may allow for enhanced control over undistributed bus passes being stored in secured areas.

A draft report was provided to the Director of Social Services for comment and his response is included. We appreciate the cooperation and assistance provided by the Department of Social Services.

Sincerely,

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

Angela M. Darragh, CPA
Audit Director



AUDIT DEPARTMENT

Audit Report

Social Services Bus Pass Process and Controls

March 2014

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

AUDIT COMMITTEE:

Commissioner Steve Sisolak

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BACKGROUND The Clark County Social Services Department provides services to those County residents that are not able to obtain needed services from local, state, or federal programs. The Social Services Department enables the County to meet its community responsibilities for financial and medical assistance as set forth by the Nevada Revised Statutes and County Ordinances.

Bus passes serve as a supplement to the ongoing programs provided by Social Services. Bus passes are distributed to those that need help obtaining transportation to medical appointments or other essential programs that would allow them to achieve eventual sustainability. Bus passes were last purchased in 2009. Since then, Social Services has greatly reduced the amount of bus passes distributed due to implementing more stringent distribution controls. Currently, roughly 2,000 bus passes are distributed every three months for a total annual expense of \$20,000.

The bus pass process was identified as a high risk area during the 2012 risk assessment due to the susceptibility for fraud in this area. A review was requested by Social Services at that time.

OBJECTIVES, SCOPE, AND METHODOLOGY The audit objective was to determine if there are proper controls and procedures in place with respect to the control and distribution of Social Services bus passes.

To accomplish our objectives, we interviewed department personnel, performed procedure walkthroughs, and performed testing of the distribution process.

We examined bus pass physical security and access control. In addition we reviewed the Bus Pass Distribution Logs for May 2013 through September 2013 and chose 10 distributed passes for testing and traced them to the Client Information Forms, on which the initial approval for the Bus Pass is given. We reviewed the forms for proper authorization and reviewed for bus pass necessity. We also reviewed the UMC Bus Pass Logs for May 2013 – September 2013 to determine if those clients tested that received passes through Social Services also received bus passes from UMC for the same appointments.

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.

RESULTS IN BRIEF Overall, we found that the Social Services controls over security and distribution of bus passes appeared effective to provide reasonable assurance that bus passes were being secured and distributed appropriately. However, we determined that there are some procedure changes that may allow for enhanced control over undistributed bus passes being stored in secured areas.

DETAILED RESULTS

LOW
No Log of Undistributed Bus Passes Social Services Bus Passes that have not been distributed to the Main Cashier's Office for disbursement are stored in a locked and secured cabinet in the Department Fiscal Services Administrator's office. However, there is no written record or accounting of bus passes kept in the cabinet. Two individuals have access to the cabinet, and if bus passes were inappropriately taken from that location but not provided to the Cashier for disbursement, the loss would not be identified. This misappropriation could subsequently put Social Services at risk for financial loss. Because the location is kept secured and restricted, we believe the risk of loss is low.

Recommendation

1. Maintain a log of undistributed bus passes that details receipt from the Regional Transportation Center, those currently stored in the cabinet, and those distributed to the Main Cashier's Office.
2. The log should contain appropriate approval signatures for all receipt and distribution of the passes, as well as documentation of a periodic inventory count.

SOCIAL SERVICES
Bus Pass Process and Controls
Findings, Recommendations, and Management Response



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

Report Issuance Date: March 27, 2014

Finding	Recommendation(s)	Management Response & Action Plan	Due Date
1 - No Log of Undistributed Bus Passes (LOW)			
Bus passes that have not been distributed to the Main Cashier's Office for disbursement are stored in a locked and secured cabinet in the Department Fiscal Services Administrator's office. However, there is no written record or accounting of bus passes kept in the cabinet.	Maintain a log of undistributed bus passes that details receipt from RTC, those currently stored in the cabinet, and those distributed to the Main Cashier's Office. The log should contain appropriate approval signatures for all receipt and distribution as well as a periodic inventory account.	Social Service will create a log of undistributed bus passes that details receipt from RTC, those currently stored in the cabinet, and those distributed to the Main Cashier's Office. The log will contain distribution signatures by the Departmental Fiscal Services Administrator or the Fiscal Management Analyst and a member of the cashiering staff. Quarterly inventory counts will be done by an independent staff member.	3/31/2014