



Audit Department

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

August 4, 2015

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

Dear Mr. Burnette:

We recently completed our fiscal year 2015 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. Additionally, petty cash and change fund balances were observed by us on a sample basis as unannounced surprise counts. 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 2015 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,

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

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
SUBJECT: Fiscal Year 2015 – First Quarter Cash Counts
DATE: February 6, 2015

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, 2014, through September 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 first quarter imprest account verifications, with balances shown as of the respective verification dates, 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
TANF	10,000	10,000	0.00
Chafee	10,000	10,000	0.00
MGM	10,000	10,000	0.00
Juvenile Justice	2,885	2,885	0.00
Public Administrator	1,000	1,000	0.00
Public Guardian	1,000	1,000	0.00

Other than the departments discussed below, we determined that Family Services and Juvenile Justice imprest balances as of September 30, 2014 and Public Administrator and Public Guardian imprest balances as of July 31, 2014 agreed to the BCC approved imprest amounts. 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.

Juvenile Justice

According to the Board of County Commissioners resolution which established the Donation Trust Fund for the Department of Juvenile Justice Services (DJJS), "The maximum dollar amount of any single expenditure from the account will be \$100, and no provisions will be made for any single expenditure in

excess of this amount.” We noted an expenditure that exceeded the \$100 maximum dollar expenditure threshold. In accordance with Fiscal Directive No.16, section III B. Establishment or Modification of Funds, we recommend that the Department of Juvenile Justice Services submit an amended resolution to increase the maximum amount of a single expenditure to accommodate their needs.

Public Guardian

The Public Guardian’s July 2014 imprest checking account reconciliation showed a check outstanding for interest to be remitted, however it was not a check outstanding on the imprest account, but rather the accumulated interest to be remitted to the County. The check was inadvertently issued from the Public Guardian’s General Account. We recommend that follow-up be done by the Public Guardian to ensure the accumulated interest in the imprest checking account is remitted to the Treasurer’s Office.

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	\$ 1,000	\$ 1,000	\$ 0.00
Assessor	3,000	3,000	0.00
Business License	3,500	3,500	0.00
Clerk	8,500	8,500	0.00
Comprehensive Planning	250	250	0.00
Detention Center	350	350	0.00
Family Services Fund 101*	2,500	2,500	0.00
Family Services Fund 237*	600	600	0.00
Juvenile Justice Services*	360	360	0.00
Juvenile Justice Services*	500	503	3.00
N. Las Vegas Constable	200	200	0.00
Public Administrator*	200	204.28	4.28

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

Detention Center

In accordance with Clark County Fiscal Directive 16, the purpose of a fund should be established by resolution of the Board of County Commissioners (BCC). The Detention Center fund is indicated to be an Imprest Account in the Board Resolution but is actually a petty cash fund. We recommend that the Detention Center submit a request to Budget and Financial Planning to update the resolution to reflect the correct nature of the cash in custody as a petty cash fund, rather than an imprest account.

Family Services

In our review, we noted that monthly reimbursements had not been made for the petty cash funds. Fiscal Directive No. 16 indicates that claims for reimbursement with the attached appropriate documentation are to be made on a regular basis, at least monthly. We recommend that a reimbursement claim be submitted for all outstanding claims, and on a going-forward basis for claims to be made on a monthly basis, in accordance with the Fiscal Directive.

Juvenile Justice

Audit observed a hard count of petty cash funds of \$500, and found that the petty cash account was over the Board approved amount by \$3.00. We recommend that the overage be credited to the Cash Over/Short account on the next reimbursement claim, in order to reconcile the petty cash fund to the Board-approved amount, in accordance with Fiscal Directive No.16.

Public Administrator

We determined that the petty cash balance per the count as of October 13, 2014 showed an overage of \$4.28 from the Board approved amount of \$200. We recommend the account custodian account for the reconciling items that comprise the overage by crediting it to the Cash Over/Short account on the next account reimbursement claim. This account is not being reconciled on a monthly basis to the approved BCC amount as required by Fiscal Directive No. 16. We recommend that the Public Administrator reconcile the account on a monthly basis.

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

cc: Mark Gamett

MEMORANDUM

Angela Darragh, CPA, CISA, CFE
Audit Director

AUDIT DEPARTMENT

TO: Jessica Colvin, Clark County Comptroller
FROM: Angela Darragh, Audit Director
SUBJECT: Fiscal Year 2015 – Second Quarter Cash Counts
DATE: March 27, 2015

In accordance with our annual audit plan, we reviewed the imprest account reconciliations for the second quarter schedule of cash counts covering the period October 1, 2014, through December 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 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

DA Family Support

In comparison to other imprest accounts utilized throughout the county, we noted that DA Family Support (DAFS) has only used this imprest account twice in the last 3 ½ years. Although potential periodic transactions make it necessary to leave this account open, due to changes in DAFS operations as well as the minimal number (and monetarily immaterial nature) of transactions processed through this imprest account, we recommend that DAFS reassess the purpose, need and amount of the imprest account.

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>
Building (Dev. Services)	\$ 1,500.00	\$1,500.00	\$0.00
DA Civil*	50.00	50.00	0.00
District Court	217,000.00	215,850.00	(1,150.00)**
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	1,005.00	5.00
Public Works	350.00	350.00	0.00

Real Property Mgmt.	1000.00	1078.25	78.25
Social Services*	100.00	100.00	0.00

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

**NOTE: The District Court returned a change fund of \$1,300 from the Self-Help Center and has an additional \$150 for a Drug Court Change Fund; see details under District Court below.

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

District Court

A change fund for the Self-Help Center was dissolved but a resolution to formally dissolve the fund was not submitted to the Board of County Commissioners (BCC).

The \$200 Family Court Adjudication Change Fund was closed and was merged with the Clerk of the Court Change Fund and is being used for UIFSA.

An additional \$150 for Drug Court Cash noted on the cash confirmation prepared by the District Court is not reflected in the County’s general ledger and needs to have a BCC resolution formally establishing the fund.

The current totals of each of the District Court Funds as of December 22, 2014 were:

<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	200.00	0.00
Self Help Center Chg. Fund	1,300.00	0	(1,300.00)
District Court Witness/Jury Change Fund	200,000.00	200,000.00	0.00
Drug Court Change Fund	0.00	150.00	150.00
Clerk of the Court Change Fund	<u>15,000.00</u>	<u>15,000.00</u>	<u>0.00</u>
Total	217,000.00	215,850.00	(1,150.00)

BCC Resolutions should be submitted for the following funds: Self-Help Fund (resolution to dissolve); Family Adjudication Change Fund (resolution to change name to UIFSA); and Drug Court Fund (resolution to establish).

Real Property Management

We reviewed the Real Property Management Department’s change fund (parking meter) confirmation received on December 19, 2014. The confirmation showed a variance of \$78.25 when compared to the \$1,000 BCC approved amount. We recommend that the overage be credited to the Cash Over/Short account on the next reimbursement claim, in order to reconcile the change fund to the Board-approved amount, in accordance with Fiscal Directive No.16.

Additionally, we reviewed the Real Property Management Department’s change fund resolution reflecting the \$1,000 BCC approved amount and confirmation received for same, and noted that the

funds are not reflected in the general ledger. We recommend that the Comptroller book the appropriate entry to record the change fund.

North Las Vegas Justice Court

We observed a count of the North Las Vegas Justice Court's change fund on 3/5/15. The count was \$5 over the \$1,000 BCC approved amount. We recommend that the overage be credited to the Cash Over/Short account on the next reimbursement claim, in order to reconcile the change fund to the Board-approved amount, in accordance with Fiscal Directive No.16.

Additionally, we reviewed the North Las Vegas Justice Court's change fund resolution reflecting the \$1,000 BCC approved amount and confirmation received for same, and noted that the general ledger does not reflect that amount. Also, the North Las Vegas Justice Court's imprest resolution and confirmation reflects the amount of \$1,400, while the general ledger does not. We recommend that the Comptroller book the appropriate entry to record the change fund and imprest accounts at the amounts approved by the resolution and in agreement with the actual confirmed balances.

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

SUBJECT: Fiscal Year 2015 - Third Quarter Cash Counts

DATE: May 22, 2015

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, 2015, through March 31, 2015. 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 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 Board of County Commissioners (BCC) approved 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	\$ 0.00
Outlying Courts	\$ 12,650.00	\$ 12,650.00	\$ 0.00

Las Vegas Justice Court

Our prior year recommendation that the reconciliations be made current was resolved.

Outlying Justice Courts

We determined that the imprest balances as of February 28, 2015, 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 June 2015. We recommend that a month-end report be produced on a going forward basis to substantiate this line item amount on the reconciliation, and also that the Court work with the software vendor, Courtview, to correct the bail holdings report issue.

We also noted there were two items on the reconciliations, one for Bunkerville and one for Moapa Valley, that were not adequately accounted for. The Bunkerville bank reconciliation had a charge back amount of \$138 that should not have been included in the deposits in transit; it was a return item and should have been deducted from the checkbook balance. The Moapa Valley bank reconciliation had deposits in transit totaling \$829 which could not be traced to the subsequent month's bank statement. The Bunkerville charge back and Moapa Valley deposits in transit should be followed up with to ensure they are appropriately accounted for and reported on the bank reconciliation.

The Rural Court Administrator indicated that the clerk in Bunkerville will be trained in the handling of charge backs, and she is working with the Moapa Valley court to resolve the deposit in transit issue.

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>
LV Justice Court	10,000.00	10,000.00	0.00
Outlying Justice Courts*	900.00	900.00	0.00

*NOTE: We judgmentally selected three of the Outlying Justice Courts and verified the amounts via observation of hard count. The courts selected were:

Searchlight: \$100 as of March 23, 2015
Laughlin: \$200 as of March 23, 2015
Goodsprings: \$100 as of April 1, 2015

cc: Nellie Symons

MEMORANDUM

Angela M. Darragh, CPA, CFE, CISA
Director

AUDIT DEPARTMENT

TO: Jessica Colvin, Clark County Comptroller
FROM: Angela M. Darragh, Audit Director
SUBJECT: Fiscal Year 2015 - Fourth Quarter Cash Counts
DATE: July 30, 2015

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, 2015, through June 30, 2015. 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 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	N/A

Animal Control

During our review, we noted that the prior year audit finding regarding lack of monthly imprest account reconciliations was addressed in that reconciliations are being performed monthly, however the Animal Control monthly imprest reconciliations are not balanced to the imprest amount.

We recommend that fund custodian review the bank reconciliation process in order to perform accurate imprest account reconciliations in accordance with Fiscal Directive 16.

CASH CONFIRMATIONS

<u>Fund Custodian</u>	<u>BCC Approved Amount</u>	<u>Confirmation Total</u>	<u>Over (Short)</u>
Parks & Recreation	2,500.00	2,490.00	(10.00)
Parks & Recreation Shooting Complex	6,500.00	6,500.00	0.00
LVMPD			
Imprest	225,000.00	224,924.21	(75.79)
Insurance	10,000.00	10,000.00	0.00
Travel Bank	10,000.00	10,000.00	0.00
Change Fund	8,500.00	8,495.00	(5.00)
Petty Cash	350.00	350.00	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

Parks & Recreation

We determined that the change funds in the custody of Parks & Recreation as of May 1, 2015, specifically for the Helen Meyer Community Center change fund confirmation, was short by \$10.

We recommend that the shortage be charged to the Cash Over/Short account, with an A/P check being issued in the amount of the shortage, in order to reconcile the change fund to the Board-approved amount, in accordance with Fiscal Directive No.16.

Las Vegas Metropolitan Police Department (LVMPD)

According to LVMPD staff, the \$80.79 shortage will be corrected in July 2015 through the expense reimbursement process.

The original resolution establishing the Las Vegas Metropolitan Police Department Travel Bank fund established the fund in the amount of \$5,000; the fund was subsequently increased to \$10,000, as confirmed by our cash count, but documentation for the increase could not be located. We recommend that the Las Vegas Metropolitan Police Department submit a request to their Budget and Financial Planning department to update the resolution to reflect the current amount of the cash in custody.

Regional Flood Control District (RFCD)

In accordance with Clark County Fiscal Directive 16, the purpose of a fund should be established by resolution of the Board of County Commissioners (BCC). The RFCD fund is indicated to be an Imprest Account in the Board Resolution but is actually a petty cash fund. We recommend that the RFCD submit a request to Budget and Financial Planning to update the resolution to reflect the correct nature of the cash in custody as a petty cash fund, rather than an imprest account.

cc: Nellie Symons
Jackson Wong, LVMPD