



Audit Department

500 S Grand Central Pkwy Ste 5006 • PO Box 551120 • Las Vegas NV 89155-1120
(702) 455-3269 • Fax (702) 455-3893

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



September 16, 2015

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

Dear Mr. Burnette:

We recently completed an audit of the Department of Parks and Recreation, Las Vegas-Clark County Urban League Contract. This contract exists for the Urban League operation of the Clark County Dr. William U. Pearson Community Center (Pearson Center). The audit was conducted in accordance with our annual audit plan and covers contract compliance, financial operations, and Pearson Center operations and procedures. The audit period was the contract year of April 1, 2014 through March 30, 2015. The last day of fieldwork was May 22, 2015. The objective of this audit was to determine whether the Las Vegas – Clark County Urban League is complying with contract terms and conditions.

Overall, we found that the Urban League is complying with contract terms and conditions and is operating the Pearson Center in a manner that fulfills Clark County's requirements. However, we did identify several opportunities to improve controls, procedures and compliance related to background check requirements, RecTrac user access, program fee refund procedures, badging procedures, funds deposit procedures, fee discount approval documentation retention, event registration document retention, operating reserve continuance, County furniture, fixture and equipment tracking, Pearson Center injury reporting timeframe, program document retention, and program fee representation in the RecTrac application.

A draft report was provided to the Director of Parks and Recreation and Urban League Management for comment. Their respective responses are included in our audit report.

We appreciate the cooperation and assistance provided by the staff and management of Parks and Recreation, the Urban League, and the Pearson Center.

Sincerely,

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

Angela M. Darragh, CPA
Audit Director



AUDIT DEPARTMENT

Audit Report

Department of Parks
and Recreation
Las Vegas – Clark County
Urban League

September 2015

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

AUDIT COMMITTEE:

Commissioner Steve Sisolak

Commissioner Chris Giunchigliani

Commissioner Lawrence Weekly

Table of Contents

BACKGROUND	1
OBJECTIVES, SCOPE, AND METHODOLOGY	1
RESULTS IN BRIEF	5
DETAILED RESULTS	6
Contract Background Check Requirements Not Followed (HIGH)	6
Generic Users in RecTrac Application (HIGH)	7
No Documented Approvals for Refunds (MEDIUM)	8
Badging Procedures Need Improvement (MEDIUM)	9
Missing Documentation and Approvals for Discounts (MEDIUM)	10
Errors in Event Registration Documentation and Collection (MEDIUM)	10
Increase Deposit Frequency and Security over Checks and Money Orders Collected (LOW)	11
Operating Reserve Erroneously Canceled (LOW)	12
County Provided Furniture, Fixtures, and Equipment Not Tracked (LOW)	12
Non Serious Injury Reports Not Provided within Two Business Days (LOW)	13
Program Documentation was Missing for Some Programs (LOW)	13
Programs Incorrectly Set Up in RecTrac (LOW)	14
MANAGEMENT RESPONSE	15

BACKGROUND The Las Vegas – Clark County Urban League (Urban League) is a non-profit organization and affiliate of the National Urban League. The Urban League focuses on providing economic, social, and environmental solutions that lead to self-sufficiency. Solutions include: after school and track break programs, dance, ballet and exercise classes, youth and adult programming, computer classes, job training, cultural activities, facility rental arrangements, and senior citizen activities. The Urban League’s mission is to empower communities and ensure equal opportunity for low-income people throughout Clark County.

The Board of County Commissioners approved a professional services contract, RFP 603156-13, between Clark County and the Urban League on March 18, 2014. This contract is for the operation and management of the Dr. William U. Pearson Community Center. The Dr. William U. Pearson Community Center is owned by Clark County and is located at 1625 West Carey Avenue, Las Vegas, NV 89032. The 40,000 square foot building offers the following amenities: fitness room, aerobics room, gymnasium, computer lab, classrooms, meeting space, game room, warming kitchen, youth spring/summer camps, community services, educational services, and multi-cultural programs.

The term of the contract is one year and runs from April 1, 2014 through March 31, 2015. The contract contains renewal options for two, one-year periods. Clark County remits \$71,250 on a quarterly basis to the Urban League. If all renewal options are exercised by the Las Vegas – Clark County Urban League, contract RFP 603156-13 will expire on March 31, 2017. The total value at expiration will be \$855,000. As of March 31, 2015, Clark County disbursed \$285,000 to the Las Vegas – Clark County Urban League for their professional services. Other sources of revenue for the Las Vegas – Clark County Urban League include proceeds from federal grants and program fees. For the contract year of April 1, 2014 through March 31, 2015, program activity fee income was \$24,736.50 and facility usage income was \$11,101.00, for a total of \$35,837.50 in program fee and usage income.

OBJECTIVES, SCOPE, AND METHODOLOGY The objective of this engagement is to determine whether the Las Vegas – Clark County Urban League is complying with contract terms and conditions. Specifically, audit evaluated the following:

- Fulfillment of contract objectives.
- Program efficiency and effectiveness.
- Management control systems and internal procedures deployed to meet program objectives.
- Appropriate recording and reporting of financial operations related to programs.
- Accuracy and reliability of periodic performance report submissions to Clark County.
- Program activity's adherence to provisions of local, state, and federal laws and regulations, and the contract.

To accomplish our objective, we performed the following procedures:

- **Facility Reservation and Rental Process.** From RecTrac (the reservation application used by the Las Vegas – Clark County Urban League), we judgmentally selected and examined six (6) fee generating events from October 1, 2014 through December 31, 2014. We recalculated fees and compared them to financial reports from RecTrac.
- **Program Fee Transactions.** We judgmentally selected and examined 12 transactions from October 1, 2014 through December 31, 2014. We examined all transaction documentation and compared fees to the Center's advertised fees. We traced fee collection through to the Las Vegas – Clark County Urban League's bank statements, recalculated discounts, and examined supporting discount documentation.
- **Program Fee Discounts.** We judgmentally selected and six (6) discount transactions from April 1, 2014 through March 31, 2015, examined supporting documentation for discounts, and recalculated discount amounts.
- **Pearson Center Revenue.** We examined monthly profit and loss statements and monthly transaction detail reports from the Las Vegas – Clark County Urban League for October 1, 2014 through December 31, 2014. We compared totals from the two reports and traced them through to the quarterly reports provided to Clark County. We also examined supporting documentation and agreed each revenue line item

to source documents, including cancelled checks, journal entries, invoices, and bank statements.

- **User Fees, Program Schedule and Budget.** We examined the Pearson Center Operation budget for 2014-2015 and tested facility user fees and program fee transactions for October 1, 2014 through December 31, 2015.
- **Records Retention for Gross Revenue Records.** We examined record retention logs for revenue records.
- **Operating Reserve.** We determined the status of the operating reserve required by the contract.
- **Cost of Services.** We examined quarterly financial statements and related correspondence from April 1, 2014 through March 30, 2015 to verify the County's timely receipt of reports from the Las Vegas – Clark County Urban League.
- **Furniture, Fixture and Equipment.** We confirmed, by observation, the items listed in the fixed assets listing.
- **Opportunities to Recreational Services.** We obtained an understanding of how the organization ensures that people of all ages, economic levels, and physical capabilities are provided with opportunities to have access to a broad range of recreational programs and services.
- **Joint Use Scheduling.** We examined the Pearson Center schedule for October 1, 2014 through December 31, 2014 and verified that joint use activity accounts for at least 10% of total center activity.
- **Monthly Operating Statements.** We examined monthly operating statements for April 2014 through March 2015 to determine that statements contained gross receipts received, and itemized expenditures for the month.
- **Facility Maintenance.** We observed the exterior and interiors of the Pearson Center to verify adherence to maintenance and repair obligations.

- **Personal Injury Reporting.** We examined six personal injury reports filed between October 2014 and December 2014. For each report, we traced the filed date to the Clark County receipt date.
- **Fee Schedule Changes.** We examined Pearson Center catalogs covering programs held from April 2014 through March 2015 and monthly activity reports for October 2014 through December 2014 to verify changes to the fee schedule.
- **Alterations to the Pearson Center.** We inquired with the Las Vegas – Clark County Urban League and Pearson Center management to confirm if any alterations were made to the Pearson Center. We also observed the exteriors and interiors of the facility to verify changes made to the facility.
- **Advertisements and Marketing.** We observed Pearson Center signage and examined Pearson Center brochures outlining room reservation and activities for the fall 2014 and winter 2015 sessions.
- **Background Checks.** We examined employment records for all Pearson Center employees to verify the performance of background checks.
- **Vendor Identification Badges.** We reviewed employment information from Clark County and the Las Vegas – Clark County Urban League to determine whether physical access to the Center was appropriate for each employee’s position and employment status (active or separated).
- **Information Systems.** We verified the existence of County owned workstations Pearson Community Center. We also evaluated access to the Pearson Center reservation application for appropriateness based on the user’s position.
- **Insurance and Liability.** We reviewed the Las Vegas – Clark County Urban League’s certificate of insurance for April 28, 2014 through April 28, 2015, to verify that coverage amounts

were in adherence to insurance requirements in Exhibit B of the contract.

- **Business Permits and Licenses.** We examined the City of North Las Vegas business license, Nevada State business license, and Las Vegas Fire and Rescue Use Permit to verify that the Las Vegas – Clark County Urban League was appropriately registered as an organization to do business in Clark County and that permits were maintained as appropriate by local, state, federal, and contract provisions.
- **Safety Plan.** We reviewed the Pearson Center’s safety plans for compliance with the contract.
- **Subleasing.** We confirmed that the Pearson Center does not sublease any part of the facility.
- **Potential Lawsuits.** We examined the Las Vegas – Urban League audited financial statements for periods ending June 30, 2012, 2013, and 2014 and discussed any pending or potential lawsuits with the Las Vegas – Urban League’s management.

Samples selected were not statistically relevant. However, we believe they are sufficient to identify findings related to the population. Our review included an assessment of internal controls in the audited areas. Any significant findings related to internal control are included in the detailed results. The last day of fieldwork was May 22, 2015.

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 the Urban League is complying with contract terms and conditions and is operating the Pearson Center in a manner that fulfills Clark County’s requirements. We were impressed with the documentation provided during the audit. However, we did identify

several opportunities to improve controls related to the maintenance of supporting documentation, management approvals, and standard business operations for various operational elements (human resources, accounting, and reservations) within the Las Vegas – Clark County Urban League. During our testing, we found:

- Correct background checks requirements not followed.
- Generic users in the RecTrac application.
- No documented approvals for refunds.
- Badging procedures need improvement.
- Checks and money orders were not secured daily.
- Missing documentation and approvals for discounts.
- Errors in event registration documentation and collection.
- Operating reserve was erroneously canceled.
- County provided furniture, fixtures, and equipment were not tracked.
- Non serious injury reports are not provided within two business days.
- Program documentation was missing for some programs.
- Programs incorrectly set up in RecTrac.

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.

DETAILED RESULTS

Contract Background Check Requirements Not Followed (HIGH)

The Urban League background check processes do not align with Clark County Human Resources standards, as required by the contract.

Clark County Human Resource standards require Child Abuse Neglect Screenings for individuals working in positions with children. We found the Child Abuse Neglect Screenings were not performed for 10 of 10 (100%) Pearson Center employees. Further, while we believe Pearson Center employees submitted to fingerprint background checks based on Urban League procedures, we could not locate documentation to substantiate fingerprint processing for 9 of 10 (90%) Pearson Center employees.

Clark County Human Resources also requires Clark County approve the selection of an external agency for background checks. The Urban League uses Intellicorp to perform background checks for Pearson Center employees, but we could not locate documentation to support Clark County’s approval of their use.

Finally, Pearson Center volunteers from outside agencies (AARP, OliveCrest, etc.) undergo background investigations; however, the results are not forwarded to Clark County or the Urban League for evaluation.

Recent management turnover appears to be the main issue with locating these documents. Additionally, the contract is vague, requiring only that the “organization shall be consistent with County’s standards in accordance with background checks and hiring procedures”.

Lack of compliance with the contract terms in this area creates a risk that an individual will be put in a position to work closely with seniors and children when they have a history that would preclude such access, putting residents at risk. For this reason, we rated the risk for this finding as high.

Recommendation

1. Obtain Child Abuse and Neglect Screenings and fingerprints background checks for all employees.
2. Maintain appropriate supporting documentation for current and future employees.
3. Collaborate with volunteer organizations and Clark County Human Resources to establish background check standards.
4. Obtain Clark County approval to utilize Intellicorp as a background check company.
5. Identify a Human Resource liaison that will serve as a resource to communicate Clark County standards with the Urban League.
6. Consider updating future contract language to include detailed Clark County Human Resource requirements.

Generic Users in RecTrac Application (HIGH)

Three generic user accounts exist (out of 17 user accounts) in RecTrac, the application used by the Pearson Center to maintain reservations and payments. One user account was a vendor security administrator

account, and the remaining accounts were system accounts utilized for application maintenance and online payment functions. Pearson Center does not accept online payments in RecTrac.

RecTrac is a County application, and users are administered by County employees. Clark County Information Technology directive No.1 §(IV)(C)(2)(e) does not allow the use of generic accounts unless there is an approved exception.

Generic user accounts reduce accountability for actions taken in the application. Generic accounts should never be used for security administration, as these accounts typically allow significant access to the application, including the creation of additional users and the assignment of user rights. Further, vendor accounts should only be active during periods where vendor access is necessary and can be monitored.

These accounts were deactivated immediately when identified by the audit.

Recommendation

1. None. Accounts were immediately deactivated when identified by the audit.

No Documented Approvals for Refunds (MEDIUM)

Pearson center management was unable to provide supporting documentation to substantiate program fee refund reviews and approvals (by either Pearson Center management or the customer receiving the refund). Existing fee refund procedures are not adequate to prevent or deter the potential abuse or misappropriation of fees refunded. Additionally, refund checks are periodically delivered to the Pearson Center to hand deliver to refund recipients. When segregation of functions is lacking between the processing of refunds and the handling of refund checks, unauthorized fee refunds can go undetected. Total refunds for the audit period covering April 1, 2014 through March 31, 2015 amounted to \$1,208.

Recommendation

1. Update refund procedures requiring that all refunds be mailed directly to the recipient's address on file.
2. Management and customer should initial/sign refund request packets prior to Accounting department submission in

accordance with Pearson Center policy.

3. Maintain supporting documentation for refund transactions for two years in accordance with County documentation retention guidelines.
4. Retrain staff as necessary.

Badging Procedures Need Improvement (MEDIUM)

The Clark County Badging Office issues badges to Urban League employees working at the Pearson Center. We reviewed access for 63 badge holders and found issues with 26 active badges (38%).

- Three Urban League employee badges were active although the employees were terminated, and one Urban League employee had an active badge but was never assigned to work at the Pearson Center.
- Twelve badges remained active for Clark County employees that had been terminated.
- Eight badges were issued to vendors that no longer required access.
- Two Pearson Center employees lost their Clark County issued badges, but the badges were still active.

Additionally, we found that Pearson Center volunteers were not issued Clark County vendor identification badges, even though the current agreement requires that badges be supplied to all personnel working at the Center.

Pearson Center policies and procedures do not address the management of badges for separated employees or the provision of badges to volunteers. Badges provide access to the Pearson Center during non-operating hours. The safety of the community members and employees working at the Pearson Center is at risk when access is allowed to unauthorized individuals. The opportunity for theft of Clark County and Urban League assets is also a concern when access is available to unauthorized individuals. Therefore, we rated this medium risk.

Recommendation

1. Update Pearson Center policies and procedures requiring separated employees or Pearson Center management to turn in badges to the Clark County representative.
2. Obtain badges for current and future volunteers.

3. Periodically review access to the center to ensure it is appropriate.

Missing Documentation and Approvals for Discounts (MEDIUM)

Pearson Center did not maintain supporting documentation for four of 18 (22.22%) discount transactions selected for testing. We also found that a Pearson Center employee processed her own program fee discount in one instance.

In addition, we identified that the Pearson Center did not document reviews or approvals for five of six (83.3%) discount requests in discount fee testing (of the summer break camp only) and two of 12 (16.7%) programs other than the summer break camp.

Existing discount fee procedures are minimal and do not address the lack of procedures or controls we found during testing.

Although the Pearson Center Director informed us that each discount transaction discussed above was appropriate and received his verbal approval, written approvals and documentation for discounts are necessary to prevent and detect incorrect or subjectively applied discounts. Incorrectly discounted fees could affect fee revenue projections and actuals, and potentially jeopardize Center operations or future programming decisions. Therefore, we rated this as a medium risk.

Recommendation

1. Update current discount fee policies and procedures to include written approvals for discounts.
2. Maintain documentation related to discounts and fee reductions for two years in accordance with County documentation retention policy.
3. Implement periodic reviews of transactions for employee related activities to ensure proper segregation of duties for processing of program discounts for those employees.

Errors in Event Registration Documentation and Collection (MEDIUM)

We found the Urban League did not maintain adequate documentation to substantiate various changes made for event reservations, such as event cancellations and payments. The Urban League collected \$11,101 in facility event reservation fees for the contract year covering April 1, 2014 through March 31, 2015.

Overall, we found four issues with the six events reviewed, as follows:

- Differences between the actual hours reserved (5) and billed (4) for one event reservation.
- An outstanding balance of \$200 for one of event reservations.
- A payment remained outstanding past 90 days for an event held November 11, 2014 (payment received May 29, 2015).
- We could not locate supporting documentation for an event that was cancelled.

Existing event reservation procedures do not adequately monitor and control reservation transactions to ensure the proper processing, invoicing, and collecting of rental fee transactions, and the retaining of supporting documentation is consistent.

While the overall dollar value of these issues is fairly small, any reduction in revenue could adversely affect operations or programming at the Center. Therefore, we rated this risk as medium.

Recommendation

1. Reassess, amend, and enforce event reservation procedures to ensure that reservations are properly booked (or cancelled).
2. Monitor event reservation activity to ensure rental fees are appropriately charged and collected.
3. Maintain supporting documentation for event reservations, including any discounts or cancellations for two years in accordance with County documentation retention policy.

Increase Deposit Frequency and Security over Checks and Money Orders Collected (LOW)

Front desk personnel at the Dr. William U. Pearson Center have unlimited access to checks and money orders. For the three months of the detail testing period covering October 1, 2014 through December 31, 2014, we noted 21 total checks and money orders amounting to \$1,442. Front desk personnel collect money orders and checks for program fees and facility rentals. Money orders and checks are maintained in the cash register at the front desk until they are prepared for deposit. During payment collection, the register drawer opens, providing access to all the checks and money orders every time a payment is processed.

Further, deposits were not made in a timely manner. Only three (3)

deposits for money orders and checks collected were made during October 2014 through December 2014, indicating that checks remained in the register for extended periods of time.

Inadequate safeguarding of money orders and checks provides the opportunity for theft of money orders and checks. However, due to the low volume, we rated this finding as a medium risk.

Recommendation

1. Secure checks and money orders on a daily basis in a locked safe until they are processed for bank deposit in accordance with Pearson Center policy.
2. Prepare deposits on a weekly basis in accordance with Pearson Center policy.

**Operating Reserve
Erroneously Canceled
(LOW)**

The Urban League did not maintain an operating reserve of \$25,000, as required by the contract, while in operations from December 2014 through March 2015.

During the previous contract with Clark County, the Las Vegas – Clark County Urban League maintained an operating reserve at Nevada State Bank in the amount of \$25,000. The original contract expired on March 31, 2014. A new contract was entered on April 1, 2014. Clark County mistakenly issued a request to Nevada State Bank on December 10, 2014 to cancel the operating reserve, since the previous contract expired. However, the reserve should have simply been renewed and applied towards the new agreement.

The operating reserve is a requirement of the contract and provides the County with a recoverable amount for damages resulting from a breach of contract on behalf of the Urban League. Due to the low amount, we rated the risk for this finding as low.

Recommendation

1. Re-establish an operating reserve in the amount of \$25,000.

**County Provided Furniture,
Fixtures, and Equipment
Not Tracked (LOW)**

The County could not provide sufficient support for an inventory of Pearson Center furniture, fixture, and equipment. As a result, we are unable to conclude if any County owned property was removed from the Pearson Center.

We found the review process for County owned assets at Pearson Center was informal and documentation was not maintained to evidence the performance of a review. The County is in process of finalizing a listing of assets at the Pearson Center and is scheduled to be completed in Summer 2015.

The risk of theft is much higher when assets are not monitored on a frequent basis.

Recommendation

1. Finalize furniture, fixture and equipment listing of assets at Pearson Center.
2. Implement a periodic inventory of assets.

**Non Serious Injury Reports
Not Provided within Two
Business Days (LOW)**

None of the six injury reports reviewed were reported within two business days to Clark County as required by the contract. The Urban League reports only serious injuries (metro or ambulatory intervention) within two business days and non-serious injuries are reported on a monthly basis as part of the monthly operating report submitted to the County.

The Urban League management maintains that current processes in place over injury reporting are reasonable and efficient for Pearson Center operations.

Recommendation

1. Amend contract to reflect current practices.
2. Until other direction is provided by Clark County, update Pearson Center policies and procedures to provide all injury reports within two business days.

**Program Documentation
was Missing for Some
Programs (LOW)**

We could not locate supporting documentation for 9 of 12 (75%) fee revenue transactions selected for testing, as existing departmental procedures were not being followed on a consistent basis. Supporting documentation includes registration/reservation forms and applicable waiver forms.

Although registration forms are useful in identifying participants to program and events in cases of emergency, waiver forms are important to minimize the County and organization's exposure to

liabilities involving accidents or incidents during center programs and events.

Recommendation

1. Update registration policies and procedures so that waiver forms are kept for two years in accordance with County document retention guidelines.
2. Provide training on procedures to all registration staff.

Programs Incorrectly Set Up in RecTrac (LOW)

During our testing, we found that collected fee amounts did not match advertised program fees. Fees collected for two of 12 (16.7%) transactions related to a basketball program were under-collected by \$4. The advertised fee in the center's program catalog was \$30, but only \$26 was collected. We believe the program was set up with the wrong program fee in RecTrac. We found a similar issue with the Summer Break program. For that program, two of six (33.3%) customers were charged incorrect amounts based on the program catalog. However, due to discounts applied to the accounts, only one customer underpaid by \$1.50.

Discrepancies between advertised and collected fee amounts could affect fee revenue projections and actuals, and potentially jeopardize Center operations or future programming decisions. However, due to the small amounts involved, we rated this as a low risk.

Recommendation

1. Establish procedures to periodically verify program fees that are set up in RecTrac.

MEMORANDUM

JANE PIKE
DIRECTOR

Clark County Parks and Recreation

MINDY MEYERS
ASSISTANT DIRECTOR

TO: Angela M. Darragh, Audit Director
FROM: Jane Pike, Parks and Recreation Director
SUBJECT: Las Vegas – Clark County Urban League Audit
DATE: September 11, 2015

Clark County Department of Parks and Recreation (CCPR) operates a number of facilities throughout urban and rural Clark County; providing residents with a wide range of recreation, cultural and enrichment activities. Several facilities, including the Dr. William U. Pearson Community Center (Pearson), are managed and operated through a third party management agreement approved by the Board of County Commissioners and administered by the department's Principal Management Analyst.

The Pearson Center is managed and operated by the Las Vegas-Clark County Urban League (Urban League) under the provisions of a contract established in 2005 and renewed April 1, 2015. Under the terms of the contract, Clark County is responsible for exterior landscaping, repair and maintenance, signage, alarm system, fire system, utilities costs, IT infrastructure, housekeeping and interior facility repair and maintenance while the Urban League is responsible for programming and operating the center in a professional, economical, and business-like manner to meet the needs of the community.

We are always looking for opportunities to improve our processes, policies and systems and appreciate your review of the Clark County Urban League contract. Your audit staff is a pleasure to have in our facilities and we look forward to our next opportunity to work together.

Staff has prepared the following responses to the current audit findings regarding Internal Controls:

BACKGROUND CHECK REQUIREMENTS NOT FOLLOWED

The audit found that the Urban League did not initiate and/or maintain documentation of required volunteer and staff pre-employment background findings including Child Abuse and Neglect Screenings (CANS), fingerprint and criminal background checks. Furthermore, the Urban League had not obtained the required approval to use Intellicorp as a background check company. The Urban League has since developed a point of contact in Clark County Human Resources; has submitted CANS applications for their entire staff and is in the process of ensuring all staff members and volunteers have undergone the appropriate fingerprint and background checks. Clark County Human Resources will generate a letter naming Intellicorp as an approved background check vendor for Pearson Center. Should the contract be renewed in 2017, the department will propose adding detailed Human Resource requirements.

GENERIC USERS IN RECTRAC

The audit found that three generic user accounts existed in the computerized registration application used by Pearson Center staff. The accounts were used in initial testing and training and were immediately deactivated when identified by the audit.

NON DOCUMENTED APPROVALS FOR REFUNDS

The Urban League was unable to provide documentation for refund requests, reviews and approvals. Existing refund procedures are not adequate to prevent or deter potential abuse. CCPR will work closely with the Urban League to ensure that their staff receives additional refund transaction training and the documentation will be reviewed quarterly.

BADGING PROCEDURES NEED IMPROVEMENT

The audit identified that badges were not consistently deactivated following the resignation and/or termination of center employees. In addition, badges were not issued to volunteers as directed by contract. The CCPR Contract Administrator will be responsible for collecting the badges of all separated employees for processing. All volunteers working at the Pearson Center will be required to have a County assigned badge. The contract administrator will conduct quarterly meetings with Pearson staff to ensure compliance.

MISSING DOCUMENTATION AND APPROVALS FOR DISCOUNTS

The audit found that the Pearson Center staff did not accurately maintain documentation for discounts. County staff will work with the Urban League to assist in updating procedures associated with the authorization and documentation of program discounts and associated records retention management. The CCPR Contract Administrator will conduct quarterly meetings with Pearson staff to ensure compliance.

ERRORS IN EVENT REGISTRATION DOCUMENTATION AND COLLECTION

The audit found that the Urban League did not maintain adequate documentation to substantiate changes made for event reservations and did not monitor event activities appropriately. Parks staff will work closely with the Urban League to develop improved procedures for event reservations and will request that Urban League follow Clark County's record retention policies and procedures. The CCPR Contract Administrator will conduct quarterly meeting with Pearson staff to ensure compliance.

INCREASE DEPOSIT FREQUENCY AND SECURITY OVER CHECKS AND MONEY ORDERS COLLECTED

Deposits were not made in a timely manner, in accordance with cash handling and deposit best practices. The Urban League will provide updated policies and procedures that address adequately securing checks and money orders, and provide guidelines related to minimum deposit requirements. The CCPR Contract Administrator will conduct quarterly meetings with Pearson staff to ensure compliance.

OPERATING RESERVE ERRONEOUSLY CANCELLED

The audit found that the Urban League did not maintain an operating reserve of \$25,000, as required by contract. Prior to the conclusion of the audit, the Urban League reestablished the operating reserve in the amount of \$25,000 and provided documentation to Clark County.

COUNTY PROVIDED FURNITURE, FIXTURES, AND EQUIPMENT NOT TRACKED

The audit found that the County did not have sufficient inventory data for the Pearson Center furniture, fixtures and equipment. On July 24, 2015 County staff conducted a physical inspection of the Pearson Center and found all

equipment, fixtures and furniture to be present. In the future, the inventory will be inspected by the CCPR Contract Administrator on a quarterly basis.

NON SERIOUS INJURY REPORTS NOT PROVIDED WITHIN TWO BUSINESS DAYS

The audit found that the Urban League had not been providing the CCPR Contract Administrator with Accident/Incident reports in compliance with the contract language. When the contract comes up for renewal the County will recommend that contract language be amended. Until that time, the Urban League will be advised that all injury reports must be received by the contract administrator within two business days.

PROGRAM DOCUMENTATION WAS MISSING FOR SOME PROGRAMS

The audit found that waiver forms and registration/reservation forms were missing. Clark County staff will assist the Urban League in updating their policies and procedures for record retention. The contract administrator will conduct quarterly meetings with the manager of the Pearson Center to ensure compliance.

PROGRAMS INCORRECTLY SET UP IN RecTrac

The audit pointed out that Urban League did not adequately verify program fees set up in RecTrac. County staff will assist the Urban League in updating their policies and procedures for the collection of program fees. In addition, County staff will provide additional training to Pearson Center and will conduct quarterly meetings to ensure compliance.

Please feel free to contact me should you require any additional information or clarification.



September 14, 2015

Angela M. Darragh, CPA, CFE, CISA
Audit Director
Clark County Audit Department
500 S. Grand Central Pkwy, 5th Floor
Las Vegas, NV 89155

Re: August 2015 Department of Parks and Recreation Las Vegas-Clark County Urban League Audit

Dear Ms. Darragh:

Thank you for the opportunity to formally respond to the Department of Parks and Recreation Las Vegas-Clark County Urban League Audit Report of August 2015. The objective of the audit was to determine whether the Las Vegas – Clark County Urban League was complying with contract terms and conditions outlined in the Clark County, Nevada Contract for Operations and Management of a Community Center (Dr. William U. Pearson Community Center) RFP NO. 603156-13. We are pleased to note that the results found that the Las Vegas-Clark County Urban League was in compliance with contract terms and conditions and is operating the Dr. William U. Pearson Community Center in a manner that fulfills Clark County's requirements.

However, there is always room to improve our operation. Per the audit, there were several areas that needed improved controls related to the maintenance of supporting documentation, management approvals, and standard business operations for various operational elements. Those areas are as follows: correct background checks requirements not followed; generic users in the RecTrac application; no documented approvals for refunds; badging procedures need improvement; checks and money orders were not secured daily; missing documentation and approvals for discounts; errors in event registration documentation and collection; operating reserve was erroneously canceled; county provided furniture, fixtures, and equipment were not Tracked; non serious injury reports are not provided within two business days; program documentation was missing for some programs; and programs incorrectly set up in RecTrac.

The Las Vegas-Clark County Urban League accepts the Auditor's Report. Operations, policies, and procedures to correct each finding have been made or are in process. We expect every improvement to be accomplished promptly. The report and its recommendations will be used to guide our thinking as we develop our yearly operational plan. We would like to acknowledge our partners for their support over the past seven years, Clark County Parks and Recreation Director, Jane Pike and her staff and County Commissioner Office of District D, Lawrence Weekly and his staff.

Thank you and your audit team for their professionalism throughout the process.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Lou Collins', is written over a circular stamp or seal.

Lou Collins
Director
Dr. William U. Pearson Community Center