Audit Department

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

March 31, 2016

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

Dear Mr. Burnette:

We recently completed a review of the County Arts Plan. This engagement was performed as part of the 2016 audit plan to fulfill requirements set in the Clark County Ordinance, Chapter 2.90.040§ (a) (4), which requires the audit of the Arts Plan apportioned funds on an annual basis.

Background

Clark County Parks and Recreation strives is to enrich the community through excellent parks, programs, and services. As part of this goal, the department created the Percent for the Arts Program. The County provides funding to the program through contributions from the Room Tax Collection Commission and Special Ad Valorem Capital Projects Tax. Each source contributes no less than 5% from collected annual amounts. According to the County Ordinance, the combined amount of the apportionments shall not exceed $1.25 million. This apportionment of funds to the County Arts Fund began on January 1, 2013. The department must use these funds exclusively for a specified purpose or function relating to a work of art or an artistic program and be used in accordance with the County Arts Plan.

Parks and Recreation prepares and presents the County Arts Plan on an annual basis to the Board of County Commissioners for approval. The County Arts Plan includes information regarding program administration, selection criteria for art project sites, recommendations for future art related projects or programs, and status updates for any art projects or programs that were completed or remain in progress.

For July 1, 2015 through June 30, 2016, the County Arts Plan expects to receive approximately $775,000, and expenditures are budgeted at $694,707.

Objectives, Scope, and Methodology

The objective of this audit was to determine whether expenditures made from the County Arts Fund meet the Annual Arts Plan and Clark County Ordinance, Chapter 2.90 requirements and whether Parks implemented corrective actions identified in the March 31, 2015 audit.

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In order to accomplish our objective, we reviewed the most recent County Arts Plan dated May 19, 2015, observed the Winchester storage area, and examined jury member listings, artwork proposals, site selection checklists, and documentation of jury art selection.

We also examined documentation for all Arts Plan expenditures made between March 1, 2015 and January 31, 2016 totaling approximately $466,420. We traced invoiced or billed totals to SAP for completeness and reviewed individual items to verify they reasonably related to either the operation of the art fund or the promotion of art projects. We also verified that the department disclosed the related art project, when applicable, in the approved Arts Plan. We conducted observations of works of art to ensure compliance with requirements detailed in the Ordinance, and analyzed the budget for the period ending June 30, 2016.

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 February 19, 2016.

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.

Conclusions

The Clark County Parks and Recreation Department manages the Arts Fund in accordance with the Ordinance and the annual Arts Plan. The County Arts Plan team implemented recommendations identified in the original audit report dated March 31, 2015. For large artwork projects (those in excess of $50,000), the team utilizes jury selection forms to document jury member ratings for each viable artist. The team also implemented site selection checklists for future projects. The team improved the security over art related inventory and maintains a record of inventory. They also implemented a process to review the inventory of art supplies semi-annually.

We identified two minor instances of expenses incorrectly included or excluded from the arts fund. The net effect was an overcharge to the fund of $26.08 (0.01%). We believe these were isolated immaterial errors.

We thank the County Arts Plan team and the Parks and Recreation department for their assistance and cooperation in conducting this review.

Sincerely,

Angela M. Darragh

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Audit Director