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# AUDIT REPORT

County  
Departments are  
Adhering to Petty  
Cash, Imprest  
Account and  
Change Fund  
Policies

July 2025

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CLARK COUNTY AUDIT DEPARTMENT

# 2025 Imprest, Change Bank and Petty Cash Audit

## Audit Executive Summary

July 2025

### Background

Nevada Revised Statutes Chapter 354 provides for the Board of County Commissioners (Board) to establish petty cash accounts, imprest bank accounts, and revolving change funds to assist in the administration of government activities.

While the majority of County cash and investments are in custody of the County Treasurer, petty cash, imprest, and revolving change bank funds are in the custody of other officials and managed at the department level.

Petty cash accounts are funds of a fixed amount used to make small, authorized cash payments at the department level. Imprest accounts are identical to petty cash funds except they consist of a bank account rather than a cash fund. Revolving change banks are issued for the purpose of making change where cash is collected. Clark County has approximately \$1.64M in custody of other officials for petty cash, imprest, and change funds as of December 31, 2024.

### What We Found

Overall, the balances of the various petty cash, imprest, and change bank funds held by County departments agree with the Board approved resolutions and SAP. Departments are performing timely and correct reconciliations of funds and replenishments are timely.

However, the Public Administrator trust account includes accumulated dividends owed to client accounts.

### Recommendations

Public Administrator should implement a procedure to allocate and/or distribute trust fund dividends as received and allocate or distribute the balance of dividends as appropriate. Minor issues were reported in department memos and communicated to department management.



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### Why We Did This Audit

We conducted this audit in accordance with our annual audit plan. The objectives of this audit were to determine whether:

- County departments are following Fiscal Directive 16 (FD16) and the corresponding Board approved resolutions for managing their imprest, petty cash, and revolving change bank funds.
- Petty cash, imprest, and revolving change bank fund balances agree with the County's enterprise resource planning application, SAP and the Comptroller's Schedule of Funds in Custody of Other Departments.

For more information about this or other audit reports go to [clarkcountynv.gov/audit](http://clarkcountynv.gov/audit) or call (702) 455-3269.

## Audit Team

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Cynthia Birney, Audit Manager  
Felix Luna, Principal Auditor  
Scott Routsong, Internal Auditor  
Daniel Partida, Internal Auditor

## Audit Committee

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Commissioner Michael Naft  
Commissioner April Becker  
Commissioner William McCurdy II

## About the Audit Department

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The Audit Department is an independent department of Clark County reporting directly to the County Manager. The Audit Department promotes economical, efficient, and effective operations and combats fraud, waste, and abuse by providing management with independent and objective evaluations of operations. The Department also helps keep the public informed about the quality of Clark County Management through audit reports.

You can obtain copies of this report by contacting:

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## Background

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Nevada Revised Statute 354.609 provides for the Board of County Commissioners (Board) to establish petty cash accounts, imprest accounts, and revolving change bank funds to assist in the administration of any activities a local government is authorized to engage. Clark County has 27 departments with these types of accounts.

While most County cash and investments are in custody of the County Treasurer, petty cash, imprest, and revolving change banks are in custody of other officials and managed at the department level.

Petty cash accounts are funds of a fixed amount used to make small, authorized cash payments at the department level. Petty cash accounts are typically used to purchase items or services on an urgent and infrequent basis when it is practical to submit a purchase order, a request for payment, or use a procurement card. The cash payments from the account are reimbursed through periodic claims submitted to the Clark County Comptroller.

Imprest accounts are identical to petty cash funds except they consist of a bank account rather than a cash fund. Imprest accounts are typically used for paying minor disbursements, such as credit card processing fees. Disbursements from imprest checking accounts are supported by original invoices, just as any other County claim. Account reimbursements are accomplished through a periodic department request submitted to the Comptroller.

Revolving change banks are cash funds retained by the department and used to provide change where cash is collected.

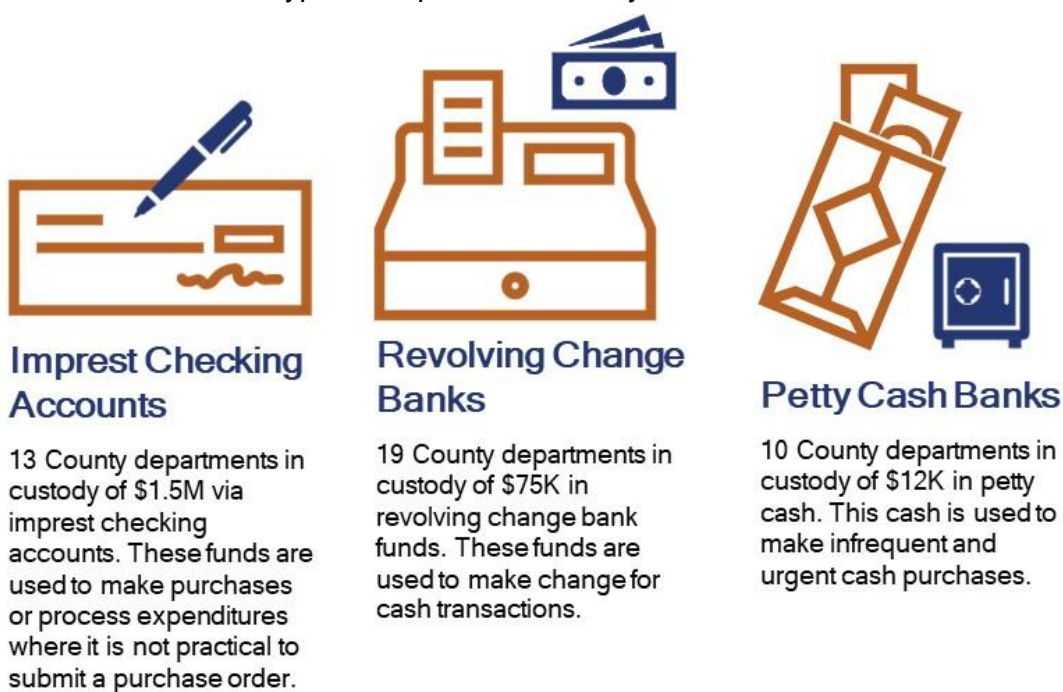
All funds are established by resolution of the Board. The Board also approves modifications to existing resolutions and the dissolution of these funds.

These funds are managed at the department level and enable departments to perform core functions.

Clark County has approximately \$1.64 million in custody of other officials for petty cash, imprest, and change banks as of December 31, 2024. These funds are held by various departments. The bulk of the funds are allocated to departmental imprest accounts as seen in Figure 1.



FIGURE 1: Account types in department custody.



**Source:** Auditor prepared

Clark County Fiscal Directive 16 (FD16) outlines the operations policies for petty cash, imprest and revolving change banks. The Directive outlines:

- Reimbursement procedures.
- Documentation requirements.
- A general written procedures requirement.
- Reconciliation requirements.
- Requirements to have written policies regarding account variances.

Some accounts have additional requirements outlined in the Board resolutions that established the accounts.

Table1 illustrates the account balances, as of December 31, 2024, for each department that maintains an account.

#### CASH COUNT OBSERVATIONS

See Appendix A for details on which departments were selected for physical in-person cash count observations and other testing procedures.

**TABLE 1.** Breakdown of imprest, petty cash, and revolving change fund balances, by department - FY25

Department Name	Petty Cash	Imprest Account	Change Bank	Total
Assessor's Office	\$ -	\$ -	\$ 2,897	\$ 2,897
Building & Fire Prevention	-	-	2,000	2,000
Business License	1,500	-	2,000	3,500
Clerk's Office	-	-	8,500	8,500
District Attorney's Office - Administration	2,000	3,000	-	5,000
District Attorney's Office - Family support	-	1,000	-	1,000
District Attorney's Office - Victim Witness <sup>(1)</sup>	-	-	-	-
District Court	500	-	5,200	5,700
District Court - Jury Services	-	250,000	-	250,000
Juvenile Justice Services	500	3,935	360	4,795
Election	-	-	200	200
Family Services	-	40,000	-	40,000
Fire Department	5,000	-	-	5,000
Henderson Constable	-	-	500	500
Henderson Justice Court	-	3,000	850	3,850
Las Vegas Constable	-	-	600	600
Las Vegas Justice Court	-	500,000	10,000	510,000
Las Vegas Metropolitan Police <sup>(2)</sup>	250	235,000	5,350	240,600
North Las Vegas Constable	-	-	200	200
North Las Vegas Justice Court	-	1,400	1,000	2,400
Outlying Justice Courts <sup>(3)</sup>	-	17,150	900	18,050
Parks & Recreation	1,100	-	10,650	11,750
Public Administrator	500	1,000	-	1,500
Public Guardian	-	1,000	-	1,000
Public Works	-	-	350	350
Recorder	150	-	4,000	4,150
Regional Flood Control <sup>(4)</sup>	500	-	-	500
Social Services	-	500,000	-	500,000
Treasurer	-	-	20,100	20,100
<b>Total</b>				<b>\$1,644,142</b>

**Source:** Auditor prepared based on work performed in FY25.

<sup>(1)</sup> This revolving account is self-funded and self-sustained. Initial and continuing funding come from donations and receipts to the account. Balance not included in our schedule but is part of our annual audit.

<sup>(2)</sup> LVMPD performs quarterly audits for all their cash in custody and the information is provided and reviewed by Metro personnel. The audit is performed by LVMPD Finance, which is independent of the departments which have custody of the cash.

<sup>(3)</sup> Imprest and revolving change funds are distributed among eight outlying Justice Courts.

<sup>(4)</sup> The Regional Flood Control District is an independent local governmental agency that contracts with Clark County for various legal and administrative services provided by departments such as the Comptroller, District Attorney, General Services, Human Resources, Information Systems and Treasurer.

Proper accounting, recording, and operation of these accounts are essential for a functioning organization. Further, it ensures the County is operating in agreement with fiscal mandates. Nevada Revised Statutes and the requirements of the resolutions of the Board of County Commissioners.

## Objective

We conducted this audit in accordance with our annual audit plan. The objectives of the audit were to determine whether:

- County departments comply with Fiscal Directive 16 and the corresponding Board resolutions for managing their imprest, petty cash, and change funds; and
- Petty cash, imprest, and change bank balances agree with the County's enterprise resource planning application (SAP) and the Comptroller's Schedule of Cash in Custody of Other Officials.

## Conclusions

The balances of the various imprest, petty cash, and revolving change banks held by County departments agree with Board approved amounts. However, the Public Administrator trust account includes accumulated dividends owed to client accounts.

Findings are rated based on a 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. It also considers the impact on confidentiality, integrity, and availability of data.

### 1 Total Audit Finding

1 High Risk



High risk findings indicate an immediate and significant threat to one or more of the impact areas.

0 Medium Risk Findings



Medium risk findings indicate the conditions present a less significant threat to one or more of the impact areas. They also include issues that would be considered high if one control is not working as designed.



**0** Low Risk Findings

Low risk findings are typically departures from best business practices or areas where effectiveness, efficiency, or internal controls can be enhanced. They also include issues that would be considered high or medium risk if alternate controls were not in place.

## Findings, Recommendations, and Responses

### Finding #1 - Public Administrator Trust Account Includes Accumulated Dividends Owed to Client Accounts.



The Public Administrator (PA) holds client estate funds in trust. These trust funds are deposited in two accounts, a checking account and an investment account. The PA has a fiduciary responsibility to allocate any interest or dividends earned on funds held in trust to the various estates with funds in the account.

We reviewed monthly reconciliations of the accounts for the months of January, February, and March of 2025.

The reconciled balance of the combined accounts as of March 31, 2025, was \$25,812,775.17. The investment fund balance includes accumulated dividend earnings of \$1,155,792.30 that were not distributed to estate accounts. These dividends were earned from December 2022 through March 2025.

The Public Administrator has not prioritized the complex task of allocating dividends to client accounts.

The Public Administrator has a fiduciary duty to distribute dividends in a timely manner. The longer the funds are held, the more difficult it will be to determine the correct recipient. Additionally, beneficiaries may have a tax liability that they are either unaware of, or for which they did not receive the underlying income.

#### *Recommendation*

The Public Administrator should implement a procedure to allocate and/or distribute trust fund dividends as received and allocate or distribute the balance of dividends as appropriate.

#### *Management Response*

See Appendix B for management response.

## Appendix A: Audit Scope, Methodology, and GAGAS Compliance

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### Scope

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The audit covered the period from July 1, 2024, through June 10, 2025. We considered processes in place as of July 1, 2024. The last day of field work was June 10, 2025.

### Methodology

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To accomplish our objectives, we performed the following procedures:

- Judgmentally selected the following departments to perform in-person counts of petty cash and change bank funds.
  - Clark County Clerk
    - \$8,500 change bank
  - 8<sup>th</sup> Judicial District Court
    - \$500 petty cash fund.
    - \$5,000 Clerk of the court change fund.
    - \$200 UIFSA change fund.
    - \$50,000 Jury services change fund.
  - Department of Juvenile Justice Services
    - \$500 petty cash fund.
    - \$360 change bank.
    - Cash portion of imprest donation fund.
  - Department of Parks and Recreation
    - \$3,250 Community center change banks.
    - \$6,000 Shooting Park change funds.
    - \$1,400 Sunrise Golf Course change fund.
    - \$1,100 Sunrise Golf Course change fund.
  - Clark County Treasurer
    - \$20,100 change bank.
- Observed Las Vegas Metropolitan Police Department Finance department personnel perform in-person cash counts of the cash portions of the \$240,600 total banks in custody of the Department.
- Reviewed the Board resolutions establishing each imprest and petty cash or change fund to identify the authorized amount of each fund and fund management requirements.
- For each imprest fund, we reviewed three department prepared reconciliations and supporting schedules, to determine if reconciliations are performed at least monthly and account balances agree with the Comptroller's Schedule of Cash in Custody of Other Departments and general ledger balance in SAP.

- For each imprest account, we reperformed a single month's reconciliation to verify the accuracy of the department's work.
- For each imprest account, we judgmentally selected on month of expenditures and determined if:
  - The expenditure was business appropriate;
  - The expenditure was supported with appropriate evidence; and
  - Requests for reimbursement was performed within 30 days. (Timely)
- For selected petty cash and change funds, we reviewed three judgmentally selected cash reconciliations (counts) to verify funds were reconciled daily in the case of change banks and monthly in the case of petty cash banks; and
- Reviewed each departments written policies for their imprest, petty cash, and/or revolving change banks to determine adherence to FD 16 and any resolution requirements.
- Agreed the general ledger balances to the Comptroller's Schedule of Cash in Custody of Other Officials.

While some samples selected were not statistically relevant, we believe they are sufficient to provide findings for the population as a whole.

Our work was performed throughout the fiscal year. For each completed department audit, we communicated the results of our procedures to the Clark County Comptroller and affected department heads.

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.

## Standards Statement

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We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). 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. Our department is independent per the GAGAS requirements for internal auditors.

## Appendix B: Public Administrator's Office - Audit Response Letter



**Rita Reid**  
**Clark County Public Administrator**  
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TO: Angela Darragh, Audit Director  
 FROM: Rita Reid, Public Administrator *Rita Reid*  
 DATE: July 22, 2025  
 RE: RESPONSE TO 2025 AUDIT REPORT

First, I would like to extend my appreciation to you and your team. As always, your representatives were considerate, knowledgeable, and professional. It has always been a good experience to meet with them, discuss various issues and procedures, and learn from them, as well. Secondly, I apologize for not meeting the established timeline for providing this response.

The 2025 Audit Report provides accurate details, however, with great respect for the audit team, I am not in agreement that our department has not prioritized the complex task of allocating these dividends. Given the horrific situation that decimated this department in the years leading up to September 2022, this small staff was forced to allocate extremely limited resources to address numerous tasks, each with a level of priority, some statutory and some court-ordered, and each involving a potential risk to the estates, the department, and, potentially, the County. During these past two-and-a-half to three years, the limited resources of this small department have been dedicated in rebuilding and healing the department, while attempting to address the overwhelming backlog of cases and the nearly one hundred percent increase in new cases since 2019.

In September 2022, when the elected PA was arrested and charged with murder, one-half of the full-time staff members immediately transferred out of the department, leaving the department with no director and only four (4) full time staff. Gratefully, a couple of part-time clerical staff and most of the part-time investigative staff remained. Staff worked at an exhaustive pace, and initially Public Guardian and Coroner provided staff to assist in the cleanup and transition. (I don't know how we would have made it through those first few months without them.) Since no dividends had been earned for over a year and a half, all resources were directed toward those assets at risk, such as real properties with notices of default or notice of sales, court orders that had been issued based on faulty petitions, final court orders mandating final distributions, etc. As new staff eventually came on board and were able to learn and contribute to repairing and strengthening the department, I stole the time away to review the most current reconciliation. By that time and unexpectedly, months of earnings had been accruing, which, even by that time, would require hours and days of work to address. We did not have those priceless hours then and did not realize we would still be hurting for resources to this very day.

As noted in the audit report, this is a complex issue, and, as such, it will take tremendous investment of time and resources to resolve and make all parties whole. Many hours have

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**Rita Reid**

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already been invested, methodology tested, discussions held with the accountant, our case management vendor, and our County I.T. liaison. We have a four-step process to address this issue, but our primary challenge is still limited staff time. However, over the past few months, we've also outlined a plan to focus those limited resources on the mandated duties of the department. Part of that plan will be implemented this August, with further steps taken in September. Once these changes have an impact on the operation, addressing these dividends will be one of the top priorities.

Once again, thank you and your team for your hard work and dedication. May your department never experience anything like what this small PA staff has experienced, but it seems you and your team have a keen understanding of having limited resources with high expectations. Great Work!

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