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AUDIT PLAN

2026

JANUARY 2026

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CISA, CFE
AUDIT DIRECTOR
CLARK COUNTY AUDIT DEPARTMENT



Clark County Audit Department

AUDIT PLAN

CALENDAR YEAR 2026

Background

The Clark County Audit Department is staffed with one Director, one Manager, and one Principal Auditor who supervises audits, two Information Systems Auditors, four Internal Auditors, and one Executive Assistant. Auditors are assigned to work on audits in teams.

The Audit Manager is also the Privacy Officer for Clark County, responsible for overseeing compliance with the Health Insurance Portability and Accountability Act (HIPAA).

We conduct our audits 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. Our department is independent per the GAGAS requirements for internal auditors and undergoes a peer review every three years.

The current plan is based on maintaining the current staffing level. Total estimated hours available for 2025 are 8,980.

Audit Selection Methodology

service integrity respect accountability excellence leadership

2025 Completed Audits |

Social Services Financial Assistance
 Johnson Controls Contract
 Fire Planscheck
 Virtual Private Network
 Eagle Quest Contract
 Countywide Compliance with FD6 FU
 24 Hour Vehicle FU
 2025 Crowe LLP Assistance
 2025 Imprest and Petty Cash Account Review
 Election Mail in Balloting FU

Ongoing Audits |

Social Services ACES Application FU
 Tyler Technology Contract
 Public Administrator Safeguarding Property
 Center for Internet Security Control 1: Inventory and Control of Enterprise Assets
 Social Services CHAP FU

2026 Planned New Audits

Fire EMS Inventory
 Juvenile Justice Payment Center
 Center for Internet Security Control 2: Inventory and Control of Software Assets
 Center for Internet Security Control 11: Data Recovery
 Purchasing Card
 Payment Works
 First Med
 Brightview

2026 Required / Annual Audits

Annual External Audit Assistance
 Annual Imprest and Petty Cash Account Review

2026 Planned Follow Up Audits

Social Services Financial Assistance FU
 Johnson Controls Contract
 Fire Planscheck
 Virtual Private Network
 Eagle Quest Contract

2026 Other Activities

HIPAA Compliance and Investigations

Audits on this audit plan were selected based on special requests by County management and a periodic risk assessment and an evaluation of changing risks. The following factors are considered as part of the risk assessment:

- Management Interest
- Financial Risk
- Strategic Risk
- Reputational Risk
- Compliance Risk
- Number of Locations
- Audit Frequency
- Staffing Issues
- Risk to Life
- Recent Major Changes

Approximately 1 year after an audit report is issued, we conduct a follow up audit to determine whether corrective actions were implemented and the conditions identified in the report corrected.

Audits in this Audit Plan may be deferred or canceled due to auditee scheduling issues, special requests, or changing risks.

Audit Team

Angela Darragh, Director
Cynthia Birney, Audit Manager
Felix Luna, Principal Auditor
Chris Hui, Information Systems Auditor
Joshua Cheney, Information Systems Auditor
Tracy Banks, Internal Auditor
Scott Routsong, Internal Auditor
Daniel Partida, Internal Auditor
Mary Yanez, Internal Auditor
Ariana Garay, Executive Assistant

Audit Committee

Commissioner Michael Naft
Commissioner April Becker
Commissioner William McCurdy II

About the Audit Department

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:

Clark County Audit Department
PO Box 551120
Las Vegas, NV 89155-1120
(702) 455-3269

CountyAuditor@ClarkCountyNV.gov

Or download and view an electronic copy by visiting our website at:

<https://www.clarkcountynv.gov/audit/Pages/AuditReports.aspx>



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Background

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. The Audit Department includes the HIPAA Program Management Office, responsible for overseeing HIPAA compliance in the hybrid entity. Audits on this audit plan were selected based on special requests by County Management and a periodic risk assessment that evaluates changing risks, including: management interest, financial risk, strategic risk, reputational risk, compliance risk, number of locations, audit frequency, staffing issues, risk to life, and recent major changes. This plan is based on maintaining the current staffing level.

Calendar Year 2025 - Completed Audits

Social Service Financial Assistance

The Social Service department has adequate internal controls over the provision of community support and financial assistance. However, we identified 11 areas where internal controls can be improved. We found the following:

- One unlicensed HHHA Provider;
- Plan of Care hours vary between the handwritten Plan of Care and hours approved in ACES;
- There is no review of Plan of Care hours provided to clients;
- Requests for additional home health hours are made outside of the normal approval process;
- Manual check controls can be improved.

Johnson Controls Contract

We found Johnson Controls is not invoicing in compliance with contract terms and conditions. They were unable to support charges for labor hours. We also found Real Property Management is not verifying vendor costs to invoices. Finally, we found a wide variation in contract terms, including markups in excess of what we consider reasonable. We identified net overcharges of \$50,3271 on \$1,178,816 in invoices reviewed. We also identified an additional \$30,495 paid in excess of the contract price increase allowance. We believe Clark County can save a significant amount of money by implementing additional controls and re-evaluating future contract terms. There were 8 findings.

Fire Planscheck

We found that plans are Fire Code compliant, but Fire Prevention should implement additional processes to ensure prompt, fair, and unbiased plan reviews. This includes starting a quality control process and completing heat loss/freeze protection guidance. We found one plan that did not include a heat loss calculation, some plan fees were incorrectly assessed, and some approved permits had unpaid balances. We also found that Accela user rights are not reviewed, and the user grouping should be revisited.

Virtual Private Network

- No risk assessment for VPN
- Security requirements do not apply to all users
- Dormant accounts are not disabled after 45 days of inactivity

- Criteria for log reviews needs to be updated
- Some policies and procedures did not have up to date information
- VPN related issues are not resolved in accordance with department guidelines
- VPN backups are not tested periodically

2025 Imprest, Change Bank, and Petty Cash Audit

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.

Eagle Quest (The Harbor) Contract

Determine whether contract terms and conditions are reasonable and the vendor is complying with the contract.

24 Hour Vehicle Follow Up

We found that 6 of the 10 original audit findings have been fully resolved while the other 4 have been partially resolved. Some of the implemented corrective action include:

- A new telematics monitoring solution with automated safety alerts and driving history;
- Driver's license verification process for take-home vehicle applications;
- Proposed updates to the administrative guidelines that cover take-home vehicles;
- A standardized commuting usage form; and
- Drafting a written vehicle utilization procedure.

Purchasing FD 6 Follow Up

All six findings from the original audit were fully resolved. Some of the implemented corrective actions include:

- Quarterly reviews of non-purchase order payments for compliance with FD6;
- Updated policies and procedures covering after-the-fact purchase orders, contract changes, and contract ratification;
- Enhanced purchasing training, including for purchase requisitioners;
- Updates to RPM's contract change procedures; and
- Semi-annual review of the SAP vendor listing to deactivate duplicate accounts.

2025 Crowe LLP External Audit Assistance

No report was issued or prepared as a result of this work. Our department completed several sections of the audit, including cash and investment confirmations, budget compliance testing, interfund balance and transfers testing, and property tax revenue testing.

Election Mail in Balloting FU

All of the findings from the original audit were resolved or partially resolved.

Calendar Year 2025 - Ongoing Audits

Tyler Technology Contract

Determine whether contract terms and conditions are reasonable and the vendor is complying with the contract.

Public Administrator Safeguarding Property

Determine whether the Public Administrator's office properly protects decedents assets.

Center for Internet Security Control 1: Inventory and Control of Enterprise Assets

Determine whether Clark County complies with CIS Control 1 related to inventory and control of enterprise assets.

Social Services ACES Application FU

Determine whether corrective actions were implemented to address findings included in the report.

Social Services CHAP FU

Determine whether corrective actions were implemented to address findings included in the report.

Calendar Year 2026 - New Audits

Brightview Contract

Determine vendor compliance with contract terms and conditions for debris removal services.

Fire Medical Supplies Inventory

Determine whether the Fire Department has adequate controls over their medical supply inventory.

Juvenile Justice Payment Center

Determine whether the Department of Juvenile Justice has appropriate controls over the collection of fines and fees and is collecting as required.

Countywide P Card (requested by Colvin 1/9/25 for late 25/early 26)

Determine whether there are sufficient controls over the countywide use of purchasing cards and whether those controls are working as designed.

Payment Works (requested by Colvin 1/9/25 for early 26)

Evaluate security and operational effectiveness of the vendor self service online portal.

First Med

Verify that services are provided and billed in accordance with contract terms and conditions.

Annual External Audit Assistance

Complete sections as required by the external auditors.

Annual Imprest and Petty Cash Account Review

Verify that departments have appropriate written procedures for imprest, revolving, or petty cash accounts; the amounts agree to BCC approved amounts; accounts are reconciled as required by County policy; and department expenditures are handled in compliance with County policy. Departments are selected on a rotating basis detailed review, including surprise in person observation of cash counts. Memos are provided to department heads as the work is completed for their department, and a final report is provided to the Audit Committee annually.

Center for Internet Security Control 2: Inventory and Control of Software Assets

Determine whether Clark County complies with CIS Control 2 related to inventory and control of software assets.

Center for Internet Security Control 11: Data Recovery

Determine whether Clark County complies with CIS Control 11 related to data recovery.

Follow Up Previously Issued Reports

Determine whether corrective actions were implemented to address findings included in the reports issued during the previous year, including:

- Social Services Financial Assistance (Issued 1/29/25)
- Johnson Controls Contract (Issued 4/23/25)
- Fire Planscheck (Issued 4/23/25)
- Virtual Private Network (Issued 7/23/25)
- Eagle Quest (The Harbor) Contract (Issued 10/29/25)

Future Years - New Audits

Parks and Recreation Shooting Complex Operations and Cash Controls

Wetlands Park Gift Shop

RPM Park Maintenance

Fire Warehouse

Automotive Maintenance Shop

Building Revenue

CIS Controls

SAP Server Security

SAP HANA

The Club at Sunrise

Renaissance Festival

Development of Parks

Public Works Revenue

Recorder Exemptions

RPM Inventory

First Med

Crossroads

Customer Service

Fire Automotive and Maintenance Shop

RPM Park Maintenance and Facility Maintenance

Las Vegas Paving

HIPAA Program Management Office

The HIPAA Program Management Office (PMO) is a division of the Audit Department responsible for overseeing HIPAA compliance at Clark County. The HIPAA PMO investigates all compliance complaints and performs periodic reviews of covered areas. Quarterly reports are made to the HIPAA Executive Steering Committee, made up of two individuals from UMC and three individuals from County departments.

HIPAA covers County departments that conduct certain types of electronic transactions and departments that support those departments. Current departments affected by HIPAA include:

- UMC
- Fire
- Social Services
- Risk Management
- Audit
- Information Technology
- County Manager's Office
- Board of County Commissioners
- Civil DA
- Finance (Purchasing and Comptroller)

Audit Authority

The Clark County Audit Department was created by ordinance 2729 on March 19, 2002. The ordinance requires the Audit Department to conduct audits in accordance with government auditing standards. The Audit Department has the authority to:

Conduct financial, performance or other audits to the extent allowed by law, of all departments, offices, boards, activities and agencies of the County in order to independently and objectively determine whether:

- a. *Activities and programs implemented have been authorized by government Charter or Code, state law, or applicable federal law or regulations;*
- b. *Activities and programs are being conducted as prescribed by the appropriate elected officials to accomplish the objectives intended by government Charter or Code, state law, or applicable federal law or regulations;*
- c. *Activities or programs efficiently and effectively serve the purpose intended by government Charter, Code, state law, or applicable federal law or regulation;*
- d. *Activities and programs are being conducted and funds expended in compliance with applicable laws;*
- e. *Revenues are being properly collected, deposited and accounted for;*
- f. *Resources, including funds, property and personnel, are adequately safeguarded, controlled and used in an effective and efficient manner;*
- g. *Financial and other reports are being provided that disclose fairly and fully all information that is required by law, that is necessary to ascertain the nature and scope of programs*

and activities and that is necessary to establish a proper basis for evaluating the programs and activities;

h. There are adequate operating and administrative procedures and practices, systems or account internal controls systems and internal management controls which have been established by management; or

i. There are indications of fraud, abuse, or illegal acts, which need further investigation.

As part of the ordinance, the Department is required to undergo a peer review every 3 years. This review is typically performed by the Association of Local Government Auditors (ALGA) and determines whether the department is appropriately following Government Auditing Standards. The department successfully passed our peer review in October 2024. The next peer review is scheduled to be completed in the fall of 2027.

Audit Process

Audit Standards

We conduct our audits 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 must 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.

Entrance Conference

Department heads are asked to participate in an entrance conference to discuss the audit steps and primary objectives of the audit, and to be introduced to the audit staff who will be conducting the review. The department head is also asked to assign a liaison to be responsible for assisting the auditors in obtaining information and to immediately communicate any significant findings.

Preliminary Survey

The preliminary survey phase may involve reviewing organizational charts, state statutes, policies and procedures, information technology enhancement plans, or any other type of information that will help the auditors obtain a good understanding of the department being reviewed. This step may also include obtaining information from the department, making inquiries, or interviewing departmental personnel. At the end of the preliminary survey phase, any changes to audit objectives will be discussed with the department head.

Fieldwork

This part of the audit usually includes tests of transactions and/or analysis to provide reasonable assurance that the audit objectives are met. Depending on the situation, the information received from the department may be confirmed by a third party. Any significant conclusions or opinions reached during this phase will be relayed to the liaison to prevent any surprises at the time of draft report issuance.

Draft Report

The draft report is prepared based on the findings of the audit. Generally, the auditors meet

with the auditee to discuss the draft report. At this time, the auditee may present additional evidence or new information that may change a finding or cause modification of report wording. Suggestions for report improvement are also welcomed during this phase. Auditees are asked for a written response to the report, which will be included as an appendix to the final report.

Audit Committee

The Clark County Audit Committee meets quarterly to review the reports completed during that period. The Audit Committee includes three members of the Board of County Commissioners and is a posted public meeting. A representative from the audited department is expected to attend the meeting to discuss actions taken by the department to correct the findings.

Final Report

Once the Audit Committee accepts the report, the final report is issued to the auditee, Board of County Commissioners, County Manager, and other interested parties. All audit reports are also posted on the Audit Department's website.

Audit Feedback Survey

The final phase is the audit feedback survey form. At the conclusion of each audit, a questionnaire is sent to the auditee. It includes questions on whether the audit conformed to the audit process and whether the auditee was kept informed of the status of the audit and major issues as they were developed. This is an important quality control step to help us improve our services.

Audit Department Staff

