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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 or call (702) 455-3269.

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Background

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.

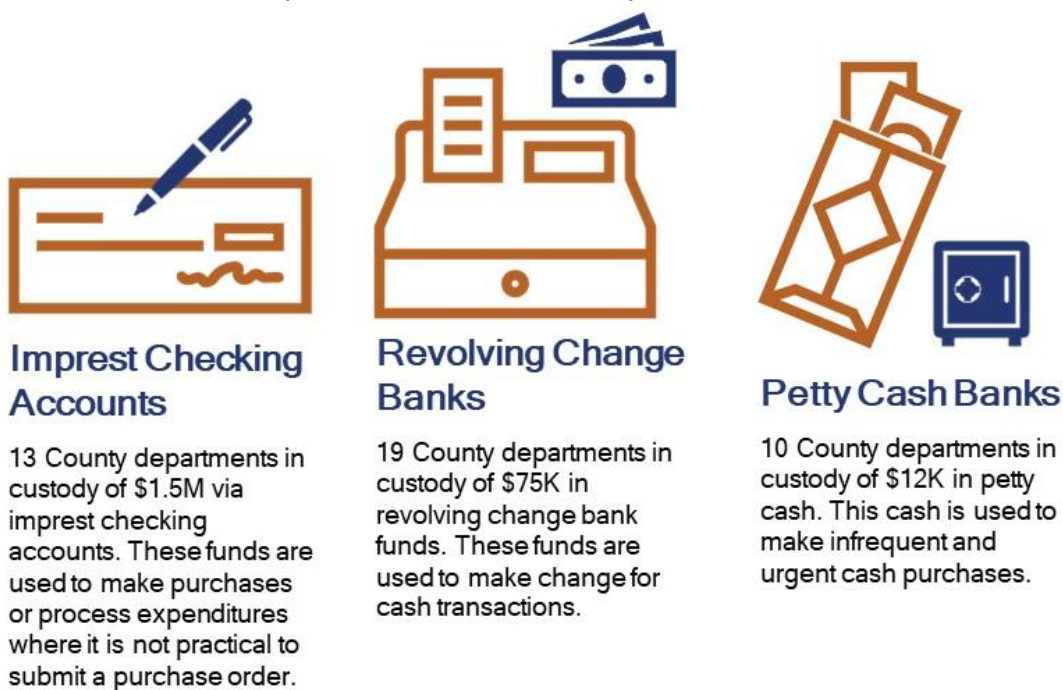
Revolving change banks are cash funds retained by the department and used to provide change where cash is collected.

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.

CASH COUNT OBSERVATIONS

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

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

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 ⁽¹⁾	-	-	-	-
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 ⁽²⁾	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 ⁽³⁾	-	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 ⁽⁴⁾	500	-	-	500
Social Services	-	500,000	-	500,000
Treasurer	-	-	20,100	20,100
Total				\$1,644,142

Source: Auditor prepared based on work performed in FY25.

⁽¹⁾ 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.

⁽²⁾ 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.

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

⁽⁴⁾ 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 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

We requested a response from the Public Administrator on June 26, 2025 and followed up with subsequent requests. However, we were not able to obtain a response in time for inclusion in this report.

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Appendix A: Audit Scope, Methodology, and GAGAS Compliance

Scope

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

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
 - 8th 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

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.