



togetherforbetter

Clark County Audit Committee

Clark County, Nevada

Michael Naft, Chair
April Becker, Vice Chair
William McCurdy II

The committee members of Clark County Audit Committee, met in joint regular session at the regular place of meeting in Clark County, Nevada, on Wednesday, October 29, 2025:

CLARK COUNTY GOVERNMENT CENTER
PUEBLO ROOM
500 S GRAND CENTRAL PKWY
LAS VEGAS, NEVADA 89106

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SEC. 1. CALL TO ORDER

CALL TO ORDER

The meeting was called to order at 9:32 a.m. by Chair Commissioner Michael Naft with the following members present:

Commissioners Present:

Michael Naft, Chair
April Becker, Vice Chair
William McCurdy II

Absent:

Also Present:

Abigail Frierson, Deputy County Manger
Jeffrey Rogan, Deputy District Attorney
Laurie Iscan Deputy District Attorney
Tyler T. Smith, DA Civil
Rita Reid, Assistant Public Administrator
Noraine Pagdanganan, Sr Estate Coordinator
Anna Danchik, Comptroller
Jennifer Green, Director of Budget and Financial Planning
Jeff Benites, Manager of Automotive Services
Brett Wood, Deputy Director Purchasing
Adriane Garcia, Purchasing Manager
Darren Relyea, Senior Financial Analyst
Jill Marano, CCS Director
Daniel Stewart, Deputy County Manager
Shauna Bradley, Director of Real Property Management
John Advent, RPM Deputy Director
Dave Doyle, Eagle Quest Director
Samantha Day, Eagle Quest Harbor Manager
Patrice Key, Senior Financial Analyst
Asumi Sawa, HR Manager
Christina Ramos, HR Deputy Director
Lisa Kremer, Deputy County Manager
Angela Darragh, Audit Director
Cynthia Birney, Manager, HIPAA & Audit
Felix Luna, Principal Auditor
Mary Yanez, Auditor
Tracy Banks, Auditor
Daniel Partida, Auditor
Scott Routsong, Auditor
Chris Hui, Information System Auditor
Joshua Cheney, Information System Auditor (remote)
Les Lee Shell, Deputy County Manager (remote)
Ariana Garay, Executive Assistant

SEC. 2. PUBLIC COMMENT

There were no comments from the general public.

SEC. 3. AGENDA APPROVAL

MOTION

MICHAEL NAFT

Move to approval, all in favor say aye.

VOTE

VOTING AYE: Michael Naft, April Becker, William McCurdy II

VOTING NAY: None

ABSENT: None

ABSTAIN: None

MICHAEL NAFT

Motion carries.

SEC. 4. MINUTES APPROVAL FROM AUDIT COMMITTEE MEETING ON JULY 23, 2025.

MOTION:

MICHAEL NAFT

Move for approval, all in favor say aye.

VOTE

VOTING AYE: Michael Naft, April Becker, William McCurdy II

VOTING NAY: None

ABSENT: None

ABSTAIN: None

MICHAEL NAFT

The motion carries.

SEC. 5. RECEIVE AN UPDATE FROM STAFF REGARDING THE JOHNSON CONTROLS AUDIT

ANGELA DARRAGH

This is a real quick update; I wanted to let you know that County received a check from Johnson Controls for a little bit over \$50,000 dollars for the overcharge we identified during the audit.

MICHAEL NAFT

That's great, thank you very much. Any questions regarding this update, seeing none, moving to next item in the agenda.

SEC. 6. RECEIVE AN UPDATE FROM STAFF REGARDING THE PUBLIC ADMINISTRATOR'S TRUST ACCOUNT

RITA REID

I apologize for not getting this status to you earlier, but we are very excited to say that we are caught up with interest posting. With this six-step process that we have gone through, in the last two months we were actually able to get all of that including posting all the backlog. As of today, they are posting September's interest, therefore we are going to be current as the end of today.

MICHAEL NAFT

Do you want to run through more details?

RITA REID

No, those are all the steps that we took. The department pulled all the resources that we could, and the Public Guardian staff also helped. They actually do our accounts receivable; they were very much involved during our testing when we needed to go through our test system. This past week and as of today they have been doing all the posting.

MICHAEL NAFT

I just got this but has management or Audit staff seen this update?

ANGELA DARRAGH

No, we just got it.

MICHAEL NAFT

I will open it up to the committee, but I have a couple of questions, if you could explain how you got this done? This is one of the many things your office does, did anything else fall through while this was getting up to speed?

RITA REID

Well of course we had to put some things aside, but this was a six-step process, we had to go through all the cases that we had closed and opened, which were over nine thousand cases. As I shared with you last time the coding in our system was not updated. We had to see if each interest was applicable to each individual case. We pulled staff for mandatory overtime and with everyone focused on it we were able to get the cases properly coded. Then we ran it in our test system, so we know exactly which cases earned interest whether they were previously closed or currently opened. In the meantime, we were trying to do our regular work, we have a handful of part-time investigators, we utilized them for case review to help us out during the time the staff were working on the interests.

MICHAEL NAFT

Thank you. Out of the hundred cases were all of them resolved? Were there any implications or anything else?

RITA REID

We are working with the CPA now, many of the cases are still open, they are going to be interest earning cases. They are going to get a list, they have some of the cases now, of cases that were previously closed. They started looking at those so maybe they could do a tax return, if any taxes are due/owed get those paid. Then they can do the distribution if any remains.

MICHAEL NAFT

This has described how we got to today, but how moving forward is there any operation procedure in place to prevent this from happening again?

RITA REID

I can share that with you as well, we had one in place prior to 2021, we are just reverting back to that monthly procedure.

MICHAEL NAFT

Okay, thank you just so we could have that for the record as well. Unless Mr. Rogan tells me to stop asking questions, I have some questions that are not immediately related to the audit. Your office was given some additional positions for the 2026 fiscal year, if you could just inform us how has recruiting gone for that?

RITA REID

First and foremost, that was a great gift and we were very appreciative of that. We have five positions we are recruiting for; looking for two full-time investigators, those interviews were completed last week. We have one clerical position those interviews were done yesterday. We got approval for the two Estate Coordinators whose interviews are being conducted next week.

MICHAEL NAFT

Out of the eight none of them are in place?

RITA REID

We got five, two Estate Coordinators, two Investigators, and one clerical. They are all in process but none of them have been offered.

MICHAEL NAFT

The next three weeks will you be ready to offer those positions?

RITA REID

We are offering two Estate Investigators by next week and let them know background checks are being done. We are certainly hopeful that by the end of the year we will have three out of the five, but hopefully all five.

MICHAEL NAFT

Any questions? Mrs. Darragh, I understand your staff haven't had the chance to review this, not sure if you have any questions?

ANGELA DARRAGH

No, I don't have any other questions right now.

MICHAEL NAFT

We reserve our right to bring this back then, since you haven't had the opportunity to review it.

ANGELA DARRAGH

Yes.

MICHAEL NAFT

That would not require any action, right Mr. Rogan?

JEFFREY ROGAN

No Chair, you just put it on the agenda.

MICHEL NAFT

Thank you very much, we were glad to see this resolved at least and hope we can get everything else under control very soon.

SEC. 7. RECEIVE A PRESENTATION FROM STAFF REGARDING THE RPM 24-HOUR VEHICLE FOLLOW UP AUDIT

ANGELA DARRAGH

In July 2023, Audit audited the County's Take Home Vehicle Program and identified the following ten findings:

- Driver's license not verified as a standard practice.
- Unsafe driving not consistently monitored.
- An employee used a take-home vehicle for personal use.
- Department procedures for employees on extended leave were not being followed.
- Discrepancies in take-home vehicle and driver assignments when comparing department records to Automotive records.
- Two employees who were not current on the required defensive driving course.
- A standard commuting use form was not in place, and some employees were not following commuting usage policies.
- Automotive Services was not reviewing vehicle utilization.
- Department procedures for employees on extended leave were not followed.
- Former employees and inactive users who retained access to the GPS application and the application's password configuration did not meet County security standards.

Our objective for this audit was only to determine whether Automotive Services and corresponding departments have implemented corrective action to resolve the original audit findings.

We found six of the ten original findings have been fully resolved while the other four have been partially resolved. Some of the implemented actions include

- A new telematics monitoring solution with automated safety alerts and driving history;
- Driver's license verification process for take-home vehicle applications was implemented;
- Proposed language updates to the administrative guidelines that cover take-home vehicles (that policy is currently in final stages of being revised.);
- A standardized commuting usage form;
- Establishment of a written vehicle utilization procedure.

Now I am going to jump to slide number 11 and go over the partially resolved findings unless you want to go over all the findings. No, okay the first partially resolved finding Departments are not notifying automotive services of changes in vehicle assignments. In the original audit, we found that departments were not consistently communicating vehicle assignment changes to Automotive Services. As a result, there were several discrepancies in vehicle classification and unit number assignments when comparing department records to Automotive Service's Take Home Vehicle Master Log.

We found that this was partially resolved. Automotive Services reminds departments to notify them of any vehicle or driver assignment changes in the approval memo that all departments received. However, during our testing we selected 3 departments representing 134 of the 198 take home vehicles in the automotive master log. Of the 134 tested drivers/ vehicle assignments, there were 3 discrepancies.

Because of this we consider this finding partially resolved. However, we do not offer additional audit recommendations, it is more of an issue of the departments complying with the policies.

The second partially resolved finding, employees are not following commuting usage policies
We found:

- no standard commuting usage verification form;
- 3 commuting use submittals where we were unable to verify submission timeliness;
- 1 employee who did not report commuting usage;
- Minor discrepancies in commuting usage reporting and benefit calculation.

We also found this one partially resolved. Since the original audit, Automotive Services has implemented a standard commuting usage form with a submission date field and examples of reportable commuting events. In addition, they have proposed language to Administrative Guideline 6 that indicates that departments shall implement a process to verify the accuracy of commuting usage report. However, during our testing we found that all forms were submitted on time. However, we found three minor variances totaling \$7.50. We do not offer additional audit recommendations.

The third partially resolved finding we found was that Automotive Services is not Reviewing Vehicle Utilization. During the original audit we found that Automotive Services had not performed a take home vehicle utilization analysis since fiscal year 2020. They stopped it during the pandemic and had not restarted the review at the time of the original audit.

This finding is also partially resolved, Automotive Services indicated that they did do an annual vehicle utilization analysis for FY24 however they did not have documentation, and they believe it may have been lost because of staff turnover. We do not offer additional audit recommendations we believe it to be sufficient.

Fourth partially resolved finding separated employees and inactive users retained access to the GPS application. In the original audit we found:

- 2 former employees with access to the GPS software;
- 30 users that had not logged into GPS within the past 60 days but still retained access;
- No formal policy for reviewing access to the application;
- Password complexity/expiration configuration for the GPS software did not meet Clark County Technology Directives

We found this to be partially resolved. Since then, Automotive has moved to a new telematics monitoring solution. We tested and found that all previous issues (related to the GPS software) will be resolved except for the password change frequency. The new application does meet the County's password complexity requirement but does not have a password expiration setting. Automotive was looking into whether or not they could implement single sign-on option for this application which will resolve that issue.

MICHAEL NAFT

Is there somebody here to speak to Telematics monitoring?

ANGELA DARRAGH

Yes, we have an individual from Automotive.

MICHAEL NAFT

Can you specifically go over what that is, the new system?

JEFF BENITES

The new system basically will tell us anything about the vehicle speed, whether the vehicle speeds over 11 mph over speed limit, if the vehicle is going over 80 mph, hard braking, hard cornering will all be documented. The vehicles that have forward-facing dash cameras will let us know if they run a stop sign, if they are following too close or if they do any unsafe lane changes will all be reported.

MICHAEL NAFT

Thank you very much, it sounds like that is automatically reviewed?

JEFF BENITES

Yes well, the department can review each individual vehicle that is assigned to their department.

MICHAEL NAFT

Are they required to review that?

JEFF BENITES

Typically, they are required to do that for take home vehicles.

ANGELA DARRAGH

That is one of the recommendations that Guideline 6 be updated to require more monitoring by departments, that policy is in the process of being finalized.

MICHAEL NAFT

Thank you very much, is there anything else you would like to add?

SEC. 8. RECEIVE A PRESENTATIONA FROM STAFF REGARDING THE PURCHASING FISCAL DIRECTIVE 6 FOLOW UP AUDIT

ANGELA DARRAGH

In April 2023, we audited purchasing and contracting activities of Clark County departments to determine compliance with Fiscal Directive 6. We identified the following six findings:

- Some non-purchase order payments did not comply with Fiscal Directive 6.
- Procedures governing purchasing and contracting activities were not formally documented.
- Purchasing policies and procedures were not being followed.
- Contract changes and ratifications procedures were not documented/approved properly.
- Real Property Management’s contract change directive allowed work to commence on changes prior to obtaining Board approval.
- Periodic vendor account reviews in SAP were not performed.

We conducted this audit to determine whether corresponding departments (Purchasing, Finance, Real Property Management) implemented corrective actions to resolve the original audit findings. We found that all six findings from the original audit have been fully resolved. Some of the implemented corrective actions include:

- Finance updated the exceptions listing in the most recent issuance of Fiscal Directive 6.
- Finance implemented a quarterly review of non-purchase order payments.
- Purchasing and Contracts Division has adopted or updated written policies including ‘After-the-Fact’ purchase orders, contract changes, and contract ratifications.

- Purchasing and Contracts Division is documenting 'After-the-Fact' purchase orders and contract ratifications on a quarterly basis.
- RPM has updated their contract work change policies and procedures to ensure changes receive the appropriate Fiscal Directive 6 approvals prior to commencing work.
- Finance has implemented a twice-year review of the SAP vendor listing; disabling duplicate and inactive vendors.
- Finance has implemented a process to ensure that 1099 reporting includes vendors with multiple entries (due to payment addressing) whose individual payments do not exceed thresholds but collectively require reporting.

We have individuals from Purchasing here if you have any questions.

Michael Naft

Are there any questions, anything you would like to add?

BRETT WOOD

No sir.

MICHAEL NAFT

Thank you for being here, we will move to item nine.

SEC. 9. RECEIVE A PRESENTATION FROM STAFF REGARDING THE JJS EAGLE QUEST CONTRACT AUDIT

ANGELA DARRAGH

The Harbor Juvenile Assessment Center is a public-private partnership between Clark County, other governmental agencies, and Eagle Quest. The mission of The Harbor is to be responsive to the well-being of youth and families by providing meaningful services to the community through coordinated prevention, intervention and diversion programs. Clark County contracts with Eagle Quest to provide services for The Harbor Juvenile Assessment Center. There are 3 Harbor locations covered by the Eagle Quest contract.

Our Audit objectives were to review Eagle Quest's compliance with contractual terms and conditions, including general responsibilities and delivery of services, scope of work, and invoicing for work performed. Determine whether contract terms and conditions are reasonable and Juvenile Justice and the Clinical and Community Services Department provide adequate oversight of the contract(s).

While Eagle Quest complies with many requirements of the contract, we identified 7 findings related to The Harbor operations and contract.

First Finding: Facility staffing did not meet contractual requirements. The contract requires Eagle Quest to include four staff on duty for each shift and provide additional employees at peak times when needed. We selected 41 days when CCSD schools were in session. We found Eagle Quest met contract staffing requirements based on the schedule for only 16 days. We further tested a sample of the schedules to payroll records to verify that staff worked on the days scheduled. We found the schedule does not accurately reflect who worked the shifts. On the next slide you have a list of the days that we looked at and the number of employees for each shift.

Reduced staffing may lead to reduced ability to meet the community needs and the contract pricing is based on providing staffing as required by the contract.

Recommendations: We recommend that;

- Provide the four (4) minimum required staff per shift at each location for The Harbor.
- Reevaluate the staffing level, discuss with County management, and mutually agree on terms if the current levels are not correct.
- Create and maintain supporting documentation to evidence the minimum required staff were present at each shift and keep for the duration of the contract.

We have the individuals from Eagle Quest here and they will respond.

DAVE DOYLE

Management Response: Good morning, I am Dave Doyle, the Director of Operations for Eagle Quest. We really appreciate the value of the work, the audit review brought light on a lot of things. What we wanted to do today is pose a question. While we agree with the factual findings of the audit, we don't believe it shows the whole picture. For example, during time of the review we covered several hundred shifts free of charge in the Mojave Harbor. It is very true that sometimes our numbers were low but often, even tomorrow, every single Thursday we cover shifts in Mojave so that Mojave Harbor will stay open. That is not a Eagle Quest Harbor, that is a County Harbor, none of our sites have waiting lists.

What we have always done at the direction of the director whoever is the director at the time, we take their direction. "Hey we need two more of the staff" and run two short since there is not a wait list there. We tried to be flexible to meet the needs of children, that is the most important thing. However, it poses this difficult question for us if we keep with the interpretation of the contract it does not allow us to be flexible. We are hoping that from this audit we can work together to devise more flexible language to meet the needs of children and families when they arise.

Since 2017 we have not requested coverage assistance from the county, though we have assisted with the Mojave Harbor. It is tough for us and we are trying to figure it out, with children and families you have to be there when they need you. It is a balance and sometimes we are out of contractual compliance because we move staff around, when we are doing outreach events. I will be honest with you we do have call outs, but we are here to take accountability, we are here to work together as partners to develop solutions. Any questions I will be happy to answer.

MICHAEL NAFT

Any questions?

WILLIAM MCCURDY

Have you cross referenced the days that in which you were short to the days that you provided coverage at Mojave site to verify that you were not able to meet minimum staff.

DAVE DOYLE

Yes, Commissioner McCurdy, we have cross referenced those dates and to self report on some days we were short because of call outs, or we had a position vacancy, those things did happen. Most of them are explained by Mojave coverage or outreach events in the community where they have to be off site. We can definitely improve, we can do for, it is not a problem. But we were really trying to meet the needs so there are zero waiting lists, none of our sites have waiting lists at all. If you call today you would be seen today and that is what we try to achieve.

SAMANTHA DAY

I would like to interject and state that at the timeframe of the audit was during the time we were losing the Charleston location so we did initiate a hiring freeze at the time so that the 16 employees at Harbor Charleston did not end up without a job. Some of those dates that we were short happened almost intentionally so that we could have openings when that location did close. Our biggest philosophy is that no family goes unheard, and we don't say no to any family they walk in the door, and we make sure that they are served. I ask you all if there is something you need to see from us at the Harbors to better improve our relationship in the community or increase services to the families to please communicate that with us.

I can speak to each of the shift, but it is a collaboration of different reasons as to why on each of those specific dates. It doesn't show the collective across the board on a certain day you see the North Las Vegas location but you don't see what is going in the Henderson sites and it is possible that one those sites was busier that day. If Henderson was our slower site we might have shifted staff to go over another Harbor location.

DAVE DOYLE

We did not do this out of our own free will; this was always with the partnership with the county to have flexibility. The Harbor has helped tremendously since its inception. I don't want you to think we do this without permission. I take accountability for the contract language that it doesn't allow flexibility of the staffing.

MICHAEL NAFT

Before we move on does the department have anything to add?

JILL MARANO

We did look back at those dates to determine if those were dates that had coverage needs at Mojave Harbor. It did not look like that to us, that there was coverage needed, but I do appreciate that staffing challenges we all have them, I get the struggle with that. Another thing I will point out is that the contract does indicate that there is a requirement to help us with staffing at Mojave Harbor or when necessary, it does not indicate that it can be at the cost of staffing in the other Harbors.

That being said we are looking closer and right now, we are pulling data when appointments happen, when are walk-ins, the police drop offs when appointments are happening, to determine what appropriate level of staffing is. It might be that four might not be necessary. I think we typically at Mojave try to have two for safety purposes. But there are times that we feel we don't need more than two so we might need to adjust the contract.

DAVE DOYLE

And we have the flexibility to work with them to adjust the contract.

MICHAEL NAFT

Let us know when you are ready to do that.

ANGELA DARRAGH

Second Finding: Some supervising employees did not have the required education & experience when placed in the position.

- The contract requires that, "overall management and direct supervisors shall have a minimum of a bachelor's degree in social work, psychology, marriage and family therapy, psychiatric nursing or other closely related field, and a minimum of four (4) years of experience

- We reviewed all 10 (100%) supervisory/management employees to determine whether they had the required education and experience when hired. Of those, 5 (50%) employees did not have the minimum of a bachelor's degree and the minimum of 4 years of experience as a service provider serving youth.

Recommendations

- Update hiring / promotional practices to ensure supervisors have the minimum required education and experience as included in the contract.
- Discuss concerns or difficulty finding qualified staff with the County and amend the contract if there are any changes to requirements or the ability to request an exception.

SAMANTHA DAY

Management Response: For every supervisor and manager that we hired or promoted within our Harbors of those who did not meet qualification they were all staffed by the County Harbor Manager at the time. We are with our fifth manager at this time; Jessica has had consultations with some of them but some of them were promoted before she stepped in. The staff who were internally promoted that were hired at Harbor worked as family resource specialists and directed for at least a year or two. We saw leadership skills, we saw their work ethic, we collectively agreed that they would be the next best person to take those positions.

Where I can take accountability is that I don't have a chain of e-mails about those conversations. Throughout the time with the different Harbor managers, we built a relationship with them, and we picked up the phone and were having these conversations by phone. Through this audit process I learned different things that we might need to look back at in the contract to make sure we are upholding contract terms. I can definitely say that these people were not promoted ignorantly we made sure that they had the necessary skill set and knowledge and the passion behind the Harbor to make sure they are doing the right work.

ANGELA DARRAGH

Third Finding: There are three different parts to this finding; the first one was passwords were not changed every 90 days/format not as required by Technology Directive #1. We found users are not changing passwords. Now this is for the application that Eagle Quest uses at the Harbors to track all of their clients, every 90 days and passwords are not following required character conventions. Clark County IT performed a risk assessment on the Enterprise Application and identified mitigating controls. One of these mitigating controls was that "Adherence to Clark County password security policies and protocols should further minimize the risk of account breaches occurring in this manner."

The contract requires Eagle Quest to "follow County's standard procedures as followed by County's and departmental guidelines". There is a risk that a compromised user's password is not detected on a timely basis, resulting in the reduction of the integrity, availability, or confidentiality of protected data.

Recommendation:

We recommend that Eagle Quest require users to change passwords every 90 days in accordance with Clark County Information Technology Directive 1. Consider updating the Enterprise Supervision application to force password changes at 90 days, and to include characters as required by Clark County's Information Technology Directive 1.

Second part was the Eagle Quest Information Technology Agreement requires users to share passwords In order to maintain confidentiality, integrity, and availability of data, each user must have a unique user ID and password or multifactor authentication method that is only known or held by that person.

The Eagle Quest Information Technology Agreement for their staff includes the following language: "All passwords for computer/email/phones must be kept on file with Administration."

Now Eagle Quest told us that this does not refer to user login passwords, but to codes or PINs that unlock computers or company-issued cell phones. But we believe users could misconstrue this policy to mean they should share their unique user login password with Eagle Quest administration – this could lead to compromised security and unauthorized system access.

Recommendation: Update the Information Technology Agreement to differentiate between unique system login passwords and codes or PIN numbers that unlock computer or cell phone devices. Ensure employees are aware of the difference.

The last part of this finding - user login and user activity reports are insufficient for monitoring exceptions. The contract requires Eagle Quest to "follow County's standard procedures as followed by County's and departmental guidelines". Clark County policy requires that systems and network logs be monitored for exception anomalies, and that access activities be monitored and recorded. The reports available for user monitoring are not detailed enough for this purpose, and there is no process in place to review the logs.

While County management can obtain reports listing the number of failed login attempts, it does not indicate the date or time they were made.

Recommendation: Continue to pursue obtaining user login and user activity reports that contain pertinent information to conduct meaningful security reviews. Implement a regular review process for user logins and user activities in the Enterprise Supervision application. Update the risk assessment for the Enterprise Supervision application based on the current reporting available.

MICHAEL NAFT

Can we pause this as these findings seem really easy to resolve.

SAMANTHA DAY

Management Response: Yes absolutely, the system we are utilizing is a county operating system so as Eagle Quest is a contractor we have limited capacities within it. When we speak to our user agreement and the things that they pointed out we are actively working on making those adjustments in our forms.

MICHAEL NAFT

You are saying that you do not have the authority with the software provider?

SAMANTHA DAY

Correct. When we talk about updating the passwords we have implemented processes on our side like Outlook Calendar e-mail that will go out to all my staff but from the system software we are limited.

JILL MARANO

The same thing applies internally to the Juvenile Justice case management system, as the system does not have the technology to match the requirements that the County needs. It has just been my policy that people change their passwords to comply with the requirements. I will say that as we do transition to a new department we are going to be purchasing a new case management system. This is one of the business requirements that we ask that ours will be password protected to be compliant with County.

MICHAEL NAFT

Is that part of a requirement when purchasing software programs?

BRETT WOOD

Yes sir.

ANGELA DARRAGH

Fourth Finding: The contract does not include a data breach clause and has overlapping requirements in multiple sections

- Contract does not have a data breach clause.
- Due to the sensitive information maintained by the contractor, any contract should include provisions addressing required notification and steps to take in the event of a data breach.
- Currently the contract does not include a provision for data breaches.
- A data breach by one of the County's business partners would reflect negatively on the County, especially if the County is unaware of the breach or the business partner does not handle it promptly.

Recommendation

Update the contract to include guidelines and timelines for notifying the County of any data breach or suspected data breach.

The second part of the finding is the contract has overlapping requirements in multiple sections. One example shown is they have similar clauses in different places in the contract. Having overlapping or different clauses in different places in the contract makes it difficult all difficult to remain consistent.

Recommendation: County and Eagle Quest review the entire contract and revise it to eliminate duplicate requirements and group similar requirements together for clarity.

BRETT WOOD

Management Response: We understand the requirement and we will work with the department to get it done.

ANGELA DARRAGH

Fifth Finding: We could not verify training is provided as required. The Eagle Quest contract for The Harbor specifies 20 hours of training must be provided on an annual basis for employees. Eagle Quest maintains a spreadsheet to track training for The Harbor employees. The worksheet details the types and length of trainings attended. It does not include the date of the training or who provided the course. A sign in sheet is used when attending sessions. However, it is discarded once the tracking worksheet is updated. Eagle Quest provides most of the training in-house, and does not provide certificates of attendance, therefore we could not independently verify training was provided as required.

Recommendation

Update the training schedule to include dates trainings were attended and retain copies of sign-in sheets or other evidence of training attendance for 3 years, as required by the contract.

MICHAEL NAFT

Is that something you could improve?

SAMANTHA DAY

Management Response: Yes absolutely, we have already started doing things to be reflective of what they are asking.

ANGELA DARRAGH

Sixth Finding: The Harbor contract does not include details on client record retention. This is the one of the areas we had difficulty finding the clause the includes retention We believe the clause that applies to juvenile records is as follows:

Provider shall retain all books, records, logs, and other documentation relevant to this contract for three (3) years. Federal, State and County auditors and persons duly authorized by the COUNTY shall have full access to and the right to examine and copy any said materials during said period. Disposal of client records shall include shredding and/or removing any identifying client data from records.

If that is the appropriate contract requirement, we do not believe 3 years is appropriate for these records, since juveniles may be using services for longer than that period of time. Based on our discussions with Eagle Quest staff, we do not believe electronic records are being disposed at all. Retaining records indefinitely unnecessarily increases the risk of exposure due to a data breach.

Recommendation: The department consult with the District Attorney and any other needed sources to determine an appropriate records retention schedule for youth records housed in the Enterprise Application system and update the contract based on that information.

Seventh Finding:

Satisfaction surveys provided to families are not tracked - this is a low finding. The contract requires The Harbor to report on the percentage of youth and caregivers who received and completed satisfaction surveys. The Harbor sends a satisfaction survey link through text message to youth and caregivers after the screening/assessment process. The Harbor also uses a displayed QR code for youth and caregivers to complete the survey. However, the surveys provided to the families are not tracked for the numbers that are returned.

Recommendation: Management should reevaluate the contract terms to determine whether data collection and reporting the percentage of families who received and completed the satisfaction survey is feasible and update the contract accordingly.

SAMANTHA DAY

Management Response: They have a utilize a system that has a satisfaction survey for assessment centers and we utilize their programming, it is outsourced so we don't have access to certain information.

ANGELA DARRAGH

The next two findings are related more to the County than they do with Eagle Quest.

Eighth Finding: No process in place to ensure timely submission and follow-up of conflict of interest forms. Clark County requires various conflict of interest and additional employment forms for staff involved in awarding contracts. We identified 9 employees involved in the contract process and requested their financial disclosure and additional employment forms for the audit period. Three (3) employees did not complete the financial disclosure form, and after additional consideration, we do not believe they were in positions that would require them to do so. For the remaining 8 employees, 4 did not have all the requested years returned for 2023-2025.

Additional Employment Forms: 2 separated from the County before the end of 2025 and therefore did not submit additional employment forms. For the remaining 9 employees, none were returned for 2025, although there were Additional Employment forms on file for previous years. Personnel Directive #8 does not specify an annual requirement for Notice of Additional Employment.

We found there are no processes in place to ensure timely submission and follow-up of Financial Disclosure and Additional Employment statements.

Recommendations: To update Personnel Directive No. 8 to include an annual submission date for the Additional Employment forms for all employees. Implement a process to ensure timely submittals of all Conflict of Interest Forms and conduct follow-ups of all Conflict of Interest forms not received by the deadline.

CHRISTINA RAMOS

Management Response: We completely agree our system is antiquated and everything is done on paper right now. Additional employment goes to Records, and the financials go to Clerk. We are trying to automate the system, as for Personnel Directive 8 we are working on that right now. Also, Asumi is working on making that automated if you want to make any comments about that.

ASUMI SAWA

Yes, we are going to reach out to IT to see if we could automate the system, right now it is individually e-mailed to each of the department heads who then distribute it to their staff. They are required to sign it, print and then send it back to the individual collecting it and they send it to Records and Clerk. We are trying to work with IT to create a process to use the automated signature forms that will be able to follow up with those who have not signed in time and follow up with who has not signed so we can ask for it back.

MICHAEL NAFT

Does HR have a timeline for that?

ASUMI SAWA

Not yet, we are still waiting to discuss it with the County Manager's office.

Ninth Finding: The Original Agenda Item Fiscal Impact was Incorrect. In the initial agenda item for the Eagle Quest contract for the Juvenile Assessment Center dated 4/16/2024, the projected contract cost should all renewal options be exercised was incorrectly calculated. The fiscal impact amount was listed as \$9,478,564.48, when the actual impact was \$16,448,858.60, an understatement of \$6,970,021.12 or 73.53% of actual projected costs. The amount was corrected to \$13,658,657.87 when the contract was amended to remove services at The Harbor Charleston.

Recommendations

When creating agenda items, departments clearly delineate all important details of the contract, including items such as a detailed breakdown of contract costs (including monthly fees and annualized costs, as well as projected cost should all renewal options be exercised), specific location addresses for services to be provided, and the dba name for contracted entities. Consider also adding the total amount spent with the vendor in the previous fiscal year so that the Board of County Commissioners has a high-level view of the County's business relationship with the vendor.

BRETT WOOD

Management Response: We one hundred percent agree when we discovered the error we brought it back to the board. As we went through the process of removing one of the Harbor locations we were trying to make sure that numbers balanced and we couldn't understand what we eventually discovered there was a miscalculation at the very beginning of the process so all the numbers built from that were incorrect. But that miscalculation was honestly human error, and we brought it back as soon as we became aware of it and we agree we want to present as much clear and precise information to the board

as possible. We work with senior management on a regular basis to update the templates; any information that is presented to the board for your review, we will continue to do the same.

MICHAEL NAFT

Thank you. Not sure if senior management wants to speak to this, but do you agree that we can update agendas?

Absolutely

SEC. 10. PUBLIC COMMENTS

No public comment was made by the general public.

END PUBLIC COMMENTS

SEC. 11. ADJOURNMENT

This meeting was adjourned by Commissioner Naft at 10:21 a.m.

RESPECTFULLY SUBMITTED BY: _____
ANGELA DARRAGH, DIRECTOR OF THE AUDIT DEPARTMENT