



Audit Oversight Committee Minutes

1. **Call to Order and Roll Call**

Minutes:

CHAIR SEAMAN called the meeting to order at 10:00 a.m.

PRESENT: CHAIR SEAMAN and MEMBERS PREISS, GAUGHAN, ALLEN-PALENSKE, and KAERCHER

ALSO PRESENT: GARY AMELING, Chief Financial Officer; JOHN CURTAS, Deputy City Attorney IV; LUANN D. HOLMES, City Clerk; and ASHLEY FOSTER and VANESSA CHAVEZ-HOLMAN, Deputy City Clerks

2. **Announcement Regarding: Compliance with Open Meeting Law**

Minutes:

ANNOUNCEMENT MADE: This meeting has been properly noticed and posted at the following locations in accordance with the noticing standards as outlined in NRS 241.020: City Hall, 495 South Main Street, 1st Floor; the City of Las Vegas website – www.lasvegasnevada.gov; and the Nevada Public Notice website – notice.nv.gov.

3. **Public Comment:** Comment during this portion of the agenda must be limited to matters on the agenda for action. If you wish to be heard, come forward and give your name for the record. The amount of discussion, as well as the amount of time any single speaker is allowed, may be limited.

Minutes:

None.

4. For possible action to approve the Final Minutes by reference of the Regular Meeting of July 10, 2023

Motion made by Eric Preiss to Approve

Passed For: 5; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

For-Eric Preiss, Victoria Seaman, Brendan Gaughan, Francis Allen-Palenske, Chad Kaercher;

5. Discussion for possible action regarding Audit Oversight Committee quarterly meeting dates for calendar year 2024

Motion made by Brendan Gaughan to Approve

Passed For: 5; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

For-Eric Preiss, Victoria Seaman, Brendan Gaughan, Francis Allen-Palenske, Chad Kaercher;

Minutes:

CHAIR SEAMAN read the quarterly meeting dates for 2024, which were shown on the PowerPoint presentation

slide included as backup. All of the meetings will be held at 10:00 a.m. Prior to the meeting, BONNIE MOCEK, Senior Management Analyst, distributed copies of the 2023 and 2024 meeting calendars to the Members, copies of which were submitted and attached as backup.

6. Report by staff regarding a follow-up on unaccounted-for gift cards

Minutes:

JOSEPH THRONEBERRY, Senior Forensic Auditor, said that during the October 2022 Audit Committee Meeting, questions were focused on gift cards that were not accounted for. Following the presentation of the audit reports within the departments of Neighborhood Services, Municipal Court, Parks, Recreation and Culture Affairs, and Youth Development and Social Initiatives, CITY AUDITOR RADFORD SNELDING advised that his office would conduct additional follow-up.

Finding #1 – The follow-up with Neighborhood Services identified 117 unaccounted for gift cards, valued at \$4,095, that were purchased with City funds by City employees. MR. THRONEBERRY stated the Director of Neighborhood Services approved the purchases as incentives for COVID testing. Over several months the audit reports, along with corresponding documentation, were reviewed and contact was made with the affiliated merchants. The results showed all but 10 of the original 117 gift cards had been used based on Walmart’s transactional data history. The purchases that were made from the 107 gift cards were consistent with all other gift card distribution. Walmart provided additional transactional details and activity on approximately 600 gift cards, which allowed for comparison for outlier detection. Based on the review, MR. THRONEBERRY said while individual theft or misuse could not be eliminated, no major fraud or theft patterns were identified.

Finding #2 – The results of the Municipal Courts showed that between May 2017 and March 2023, a total of 1,422 gift cards were purchased. MR. THRONEBERRY noted that of that total, 1,116 gift cards were distributed to court program recipients, 294 were still on hand and 12, totaling \$274.50, remained unaccounted for. He stated the gift cards had not been linked to any specific court program, merchant or custodian. The review did not identify any loss or theft patterns and the gift cards where merchants provided usage data did not suggest internal misappropriation.

Finding #3 – Parks, Recreation and Cultural Affairs (Parks) identified 120 gift cards purchased from July 2019 to June 2021, totaling \$2,664. MR. THRONEBERRY stated 62 of the gift cards were recorded within Parks’ documentation while 58 were not recorded at all, 13 of which were still on hand or internally used. Eight of the gift cards were used to purchase annual Play Station subscriptions for devices owned by Parks and 45 unaccounted for gift cards, totaling \$650, were identified as needing further review. The 45 gift cards were identified as low value cards that were purchased from various merchants by different custodians for multiple programs and purposes. The review found while individual theft or misuse could not be eliminated, no fraud or theft patterns were identified.

Finding #4 – As for Youth Development and Social Initiatives, excluding the gift cards identified under Neighborhood Services audit that were used as COVID testing incentives, the scope for this audit was limited to six gift card purchases, totaling 27 gift cards at a value of \$436 between July 2019 and July 2021. Based on the audit, there was incomplete documentation due to administrative deficiencies; however, no gift cards were unaccounted for nor was there any evidence of theft or fraud.

MR. THRONEBERRY concluded with informing the Members that each department, except for Neighborhood Services, has closed out their audit recommendations without finding additional unaccounted for gift cards at the time of closure.

7. Report by staff and discussion for possible action regarding an update on the Audit Recommendations with a Status of Incomplete

Minutes:

BRYAN SMITH, Internal Audit Section Manager, reported that twice a year staff briefs the Audit Oversight Committee on incomplete audit recommendations. Following a brief review of the audit recommendation follow-up procedures, MR. SMITH stated that over the past year City departments have completed 57 audit

recommendations. There are currently 10 recommendations that are not due and 15 that are incomplete. The incomplete recommendations are in three different departments which include Finance, Neighborhood Services and Parks, Recreation and Cultural Affairs (Parks). He presented the Committee with a chart that showed how long the audit recommendation for each department has been incomplete. Subsequent to the finalization of the charts, Parks completed five of the 13 shown recommendations, and only have eight pending. MR. SMITH went on to review the incomplete recommendations as follows:

Finance – There is one incomplete recommendation from the gift card audit, which is that Finance document and implement their procedures for monitoring and auditing department compliance with the gift card policy. MR. SMITH noted there was a representative from Finance was in attendance to provide an update on their efforts addressing the recommendation. SUSAN HELTSLEY, Director of Finance, said they have implemented the procedures and trained all staff. She is expecting the audit findings to be closed out some time in January.

Neighborhood Services – MR. SMITH stated there are six incomplete audit recommendations in Neighborhood Services regarding implementing and documenting procedures on the handling and improving management of the gift cards. A representative of Neighborhood Services is in attendance to provide the Committee with an update on their efforts. ASHLEY STRAIGHT, Grant Program Coordinator, said they have been working closely with MR. SMITH and NANCY CARDOZA, Sr. Internal Auditor, to develop a policy and facilitate trainings. She anticipates adequate oversight within the next few months.

Parks – There are eight incomplete audit recommendations for payment collection from the following sites: Floyd Lamb Park, West Las Vegas Arts Center, Veterans Memorial Community Center, Mirabelli Community Center and Doolittle Community Center. The first slide MR. SMITH presented to the Committee was the incomplete audit for payment collection at Floyd Lamb Park, which included the need for management to complete periodic cash handling audits as well as changing the locks at the Floyd Lamb gatehouse upon employment separation from the city. MR. SMITH illustrated on the slides that the cash handling audit at Veteran’s Memorial Community Center, Doolittle Community Center and Las Vegas Arts Center were all pending. In addition to the pending cash handling audit recommendation, Mirabelli Community Center is also pending the documentation and implementation of management notifying park system administrators when Parks employees leave the department. A representative of Parks was in attendance to provide the Members with an update on their efforts. MAGGIE PLASTER, Acting Director, stated the two remaining incomplete recommendations for Floyd Lamb Park were in the process of being finalized. MS. PLASTER advised the same can be said regarding their community centers.

Motion made by Eric Preiss to Approve

Passed For: 5; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

For-Eric Preiss, Victoria Seaman, Brendan Gaughan, Francis Allen-Palenske, Chad Kaercher;

8. Report by staff regarding current audits

Minutes:

BRYAN SMITH, Internal Audit Section Manager, reported that the office is currently auditing payment collections, parking and special events to verify payments are properly recorded in accordance with the City’s cash handling policy and procedures. Additionally, they are completing audit of Innovation and Technology assets hardware.

9. **Discussion regarding topics for future agenda items.** Comments made during this portion of the agenda by individual members shall refer solely to proposals for future agenda items and any discussion shall be limited to whether or not such proposed items are within the purview of the Committee and/or whether such proposed items shall be placed on a future agenda. No discussion regarding the substance of any such proposed topic shall occur and no action shall be taken.

Minutes:

None.

10. **Citizens Participation:** Public comment during this portion of the agenda must be limited to matters within the jurisdiction of the Committee. No subject may be acted upon by the Committee unless that subject is on the agenda and is scheduled for action. If you wish to be heard, come forward and give your name for the record. The amount of discussion on any single subject, as well as the amount of time any single speaker is allowed, may be limited.

Minutes:
None.


11. **Adjournment**

Minutes:
CHAIR SEAMAN announced that the next Audit Oversight Committee meeting is scheduled for Monday, January 8, 2024.

The meeting was adjourned at 10:21 a.m.

Respectfully submitted:



 Ashley Foster, CMC, Deputy City Clerk


LuAnn D. Holmes, MMC, City Clerk

Minutes Prepared by:
Vanessa Chavez-Holman, Deputy City Clerk

THIS MEETING WAS PROPERLY NOTICED AND POSTED AT THE FOLLOWING LOCATIONS
IN ACCORDANCE WITH THE NOTICING STANDARDS AS OUTLINED IN NRS 241.020:

The City of Las Vegas website – www.lasvegasnevada.gov

The Nevada Public Notice website – notice.nv.gov

City Hall, 495 South Main Street, 1st Floor