



## Audit Oversight Committee Minutes

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

Minutes:

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

PRESENT: CHAIR PREISS and MEMBERS KAERCHER, BRUNE, and BOOKER

EXCUSED: MEMBER SEAMAN

ALSO PRESENT: SUSAN HELTSLEY, Chief Financial Officer; NECHOLE GARCIA, Deputy City Attorney V; JACQUIE MILLER, Chief Deputy City Clerk; and YVETT LOZOYA, Deputy City Clerk

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](http://www.lasvegasnevada.gov); and the Nevada Public Notice website - [notice.nv.gov](http://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 January 6, 2025

Motion made by Chad Kaercher to Approve

Passed For: 4; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 1

For-Eric Preiss, Chad Kaercher, Nancy Brune, Marilyn Booker; Excused-Victoria Seaman;

5. Discussion for possible action regarding Audit of Department of Youth Development and Social Initiatives - Batteries Included Youth Programs (YD007-2425-03)

Minutes:

NANCY CARDOZA, Senior Internal Auditor, utilized a PowerPoint presentation, a copy of which was submitted for the record, and stated the Department of Youth Development and Social Initiatives (YDSI) is focused on youth, education and the community. YDSI provides various programs, such as Batteries Included and Batteries Included NextGen (BI programs) to help improve educational achievements, attendance, graduation rates, and communities. Batteries Included is a free, youth led high school program that builds personal responsibility and leadership skills through workforce and leadership development, healthy living, and college readiness. Batteries Included NextGen is a free, middle school leadership program that helps youth understand themselves and develop compassion for others. The BI programs provide year-round educational activities at high schools and middle schools, which included social events, career workshops, college preparation classes

and college tours. Photos of students and speakers were shown from a Connections meeting that MS. CARDOZA attended, which was led by students from the hosting school, who found speakers, provided catering within a set budget, and conducted group activities for the event.

The four audit objectives were to confirm the travel policy complied with department procedures, ensure program advisors met employment requirements, review program expenses, and evaluate how program activity is collected and maintained.

Finding #1 - Staff found two trips took place during the audit period without approval documentation from the City's Risk Manager, who was then unable to review insurance policies and student liability waivers or evaluate safety concerns. Staff also noticed missing or incomplete travel documentation, including medical forms. MS. CARDOZA recommended that YDSI management implement procedures or use a checklist to ensure all travel documentation is obtained and submitted to the City's Risk Manager prior to travel. YDSI management should determine if these issues exist in other programs and implement similar procedures.

Finding #2 - Staff found inefficiencies pertaining to program activity information that was not readily accessible, since no software was being used to capture and retain the information from the manual records. Additionally, the use of manual forms could lead to lost documentation if not carefully maintained. Per discussions with BI program management and staff, using software for tracking and reporting program activity would lead to increased efficiencies. MS. CARDOZA recommended that YDSI management evaluate what software could be used to capture and report program information and activity. She noted the Parks, Recreation, and Cultural Affairs Department used Civic Rec software, which had features that could aid the BI programs, and she wanted YDSI management to consider whether the software could meet BI program needs.

Lastly, MS. CARDOZA stated that YDSI completed recommendations 1.1 and 1.2 and was continuing to work with Audit staff to close out the remaining recommendations.

MEMBER BOOKER questioned if the forms given to the Risk Manager were blank or completed with the students who would participate. MS. CARDOZA responded there was a travel binder that contained student information, and there was a checklist for the Risk Manager to review and sign with approval. The Member believed the information needed to be submitted 14 days prior to the activity, and she wondered the process for students who wanted to attend after the 14 days. TARA MANOR, Management Analyst II, said the documentation for the City Risk Manager was turned in ahead of time with the date, time, location, and activities for the field trip.

In response to MEMBER BRUNE, TAMMY MALICH, YDSI Director, stated they were looking at a data management system to address the second recommendation. She said Civic Rec requires equipment, while most BI programs were at Clark County School District sites and community centers. She noted they used Event Brite for some events and were looking at Atlas in partnership with Workforce Connections. In addition, one team member was working with HubSpot's free version that automated 17 systems but would not feed into one; however, they were looking into the paid version. Economic constraints were part of the issue, and MS. MALICH said they were exploring multiple options and considering prices and trial runs.

CHAIR PREISS wondered how many people were able to access the information, and MS. MALICH advised each site was a separate data set and had an adult advisor and youth leadership.

MEMBER KAERCHER inquired if there were guidelines set to ensure the correct documentation was getting to the Risk Manager. MS. MALICH confirmed a new policy had been implemented shortly before their first trip. She explained they did not follow past procedure due to duplicate forms; therefore, they abandoned one form and collapsed forms to create a succinct process. She provided an example of a process they streamlined since responding to the audit, which involved providing basic information to the Risk Manager, such as who would be on the bus with permission, instead of the entire travel binder. She advised that a completed binder would remain in the advisor's and the YDSI offices.

MEMBER KAERCHER said his company was working on back-end integration of a software with a centralized dashboard, and he believed that would be helpful moving forward. He hoped they would find a software service to assist.

MS. MANOR advised CHAIR PREISS the name Batteries Included came from the program's first advisory board, as they believed youth already had the batteries and all they needed to do was charge them.

Motion made by Chad Kaercher to Accept the report

Passed For: 4; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 1

For-Eric Preiss, Chad Kaercher, Nancy Brune, Marilyn Booker; Excused-Victoria Seaman;

6. Report by staff and discussion for possible action regarding an update on issued Audit Recommendations

Minutes:

BRYAN SMITH, Acting City Auditor, utilized a PowerPoint presentation, a copy of which was submitted for the record, to provide the status of previously issued audit recommendations, which occurs twice per year. Following a brief review of the audit recommendation follow-up procedure, MR. SMITH stated that 29 audit recommendations had been addressed by City departments over the past year. He expressed appreciation towards the work that went into addressing the recommendations, and he applauded City departments for improving their operations and controls. He read a quote from the PowerPoint presentation regarding the audit reports value in making fundamental changes, noting throughout his work with the City he saw the principle in action. Audits often sparked examination of procedures by City management and staff, which led to self-driven improvements that extended beyond the scope of audit recommendations found in the audit reports. Further, he read from the PowerPoint improvements made by the Finance Department (Finance), Economic and Urban Development - Parking Division, Public Safety - City Marshals, Public Safety - Administrative Services, and Innovation and Technology Department (IT) in response to audit recommendations over the past year.

In addition to the two remaining YDSI (Youth Development and Social Initiatives) Department recommendations that were being addressed, there was one incomplete recommendation with Finance. The recommendation requested Finance to clarify and provide direction on the City's cash handling policy that required departments to complete periodic audits of their cash handling locations. Although the requirement was in the policy, there was no direction about what the audit entailed and what Finance expected of the departments.

CORY DEMILLE, Treasury Section Manager, stated that Finance was in the process of updating the cash handling policies, which would address the finding. The new policy would increase Finance's oversight by requiring the departments to complete an annual cash handling compliance review through a compliance review checklist developed by Finance. Upon review completion, the checklist will be provided to Finance and all cash counts will be reported to MR. DEMILLE annually to ensure completion.

CHAIR PREISS wondered if they would receive an update regarding completion or implementation of the procedures at the next Committee meeting. MR. DEMILLE expected completion by July but needed to go through the unions. He worked closely with MR. SMITH and would provide an update, which MR. SMITH confirmed.

Further, there were two Not Due audit recommendations issued to IT. The recommendations requested IT management to develop, document, and implement their asset verification process. IT management confirmed the recommendations would be addressed by July 2025 in their management response. MR. SMITH noted IT was on their way to completing the recommendations and were working closely with staff to address all recommendations within the fixed asset report. The final two recommendations involved their annual inventory of controlled assets that needed to be physically identified. As part of the verification process, he said they will be doing sample testing of the assets.

MEMBER BRUNE questioned the responsibility between IT managing and checking the assets versus the individual departments. CHRIS CRAIG, IT Director, explained their department intakes orders and works directly with Finance on reports for fixed and sensitive assets. They reconcile the reports on a regular basis; therefore, it would not be the individual department's responsibility.

Motion made by Marilyn Booker to Accept the report

Passed For: 4; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 1

For-Eric Preiss, Chad Kaercher, Nancy Brune, Marilyn Booker; Excused-Victoria Seaman;

7. Report by staff regarding current audits

Minutes:

BRYAN SMITH, Acting City Auditor, utilized a PowerPoint presentation, a copy of which was submitted for the record, to report their office is involved in the following performance audits: Community Development - Business Licensing Compliance Section, Fire (Las Vegas Fire & Rescue) - Controlled Substances Management, Human Resources - Employee Separation Process, and IT (Innovation and Technology) - Mobile Communication Devices.

8. Report by staff regarding fraud hotline implementation and activity

Minutes:

JOE THRONEBERRY, Senior Forensic Auditor, utilized a PowerPoint presentation, a copy of which was submitted for the record, to report the City's Fraud Hotline went live on September 23, 2024. He stated the fraud hotline was accessible 24/7 via phone, mobile device, and online to allow people to submit reports in English, Spanish, and Tagalog. In November, Speak Up posters were distributed to all departments for posting alongside other mandatory HR (Human Resources) Department information. Additionally, the fraud hotline was communicated via the weekly e-mail to employees, which had gone out twice. Department directors and administrative assistants had the communication distributed to them directly. The Fraud Committee, comprised of the City Manager, City Attorney, and Acting City Auditor, meet monthly to review hotline activity and were in the process of updating the City's Fraud Policy.

Since launching the hotline, 19 reports had been received in Ethics Point, the fraud hotline software, in which ten were actionable by the City and eight cases involved personnel matters and were referred to HR for investigation and resolution. Six of the cases were still under investigation, and one case was referred to the City's Code Enforcement Division and another to Business Licensing; fraud was not confirmed in any of the cases. Nine non-actionable cases were received through the hotline but did not fall within the purview of the hotline or held insufficient details for investigation. Where deemed appropriate, the hotline reporter was referred to a suitable agency, such as the Las Vegas Metropolitan Police Department (LVMPD) for further assistance. MR. THRONEBERRY noted the hotline would be promoted further amongst employees by partnering with the City Manager. He expected fraud investigations would address citywide or departmental internal controls related to fraud, waste, or abuse.

MEMBER BRUNE asked if the reporter could be contacted if there was missing information or if they remained anonymous. MR. THRONEBERRY stated they could confidentially contact the reporter via the third-party software; however, it required the reporter to log back in and view the message. Most of the inactionable cases reported identity fraud and were referred to LVMPD's Crime Unit.

MEMBER KAERCHER expressed concern regarding the marketing and the flyer's message, as it appeared to be based towards employee disputes or incidents that were HR concerns and not fraud. He wondered if there were trainings regarding fraud and abuse. MR. THRONEBERRY responded the Speak Up posters were generic and provided by the vendor, but the website broke down the categories, noting they were specific to fraud, waste, and abuse. Regarding continuing education, he advised they partnered with the City Manager to attend executive meetings and were working with HR to have a presentation with new hire orientation, similar to the safety presentation. Lastly, as they audit various departments, they continued to promote the fraud hotline from the City Auditor's Office.

MEMBER BOOKER wondered if this was the only hotline or if there was a separate HR hotline. MR. THRONEBERRY confirmed this was the only hotline for fraud, waste, and abuse. The previous policy referenced contacting City Marshals, which may have confidentiality concerns for the recorded line. He noted this did not supplement any other process in place, such as reporting sexual harassment through appropriate HR channels or going outside the City for other violations.

CHAIR PREISS inquired if notifications are sent after a claim or report is made. MR. THRONEBERRY responded absolutely, noting after a complaint was made a case number would be sent, which is used to see updates. A notification is sent when the complaint is closed or if the investigator wanted to communicate through the system, which could be continued anonymously. Otherwise, people can identify themselves and provide contact information in the complaint. CHAIR PREISS believed it was important that the individual feels acknowledged.

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:  
CHAIR PREISS was amazed that the City had approximately \$1.5 billion in revenue for the last several fiscal years. He referenced Station Casinos, such as Red Rock Resorts, and Boyd Casino Corporation (Boyd Gaming) had nearly \$1.5 billion in revenue and had 15 to 20 auditors. He had audited casinos his entire career and highlighted the City's five internal auditors. He wanted to scale the City's activities, since this was for the public and not a private corporation. He emphasized the juxtaposition of 20 versus five auditors for \$1.5 billion. The Chair opined staff did an excellent job given the size of the City's operations.

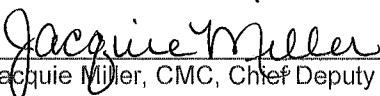
11. **Adjournment**

Minutes:  
CHAIR PREISS announced the next Audit Oversight Committee meeting was scheduled for July 21, 2025.

The meeting was adjourned at 10:44 a.m.

Respectfully submitted:

  
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Yvett Lozoya, Deputy City Clerk

  
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Jacquie Miller, CMC, Chief 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](http://www.lasvegasnevada.gov)

The Nevada Public Notice website – [notice.nv.gov](http://notice.nv.gov)

City Hall, 495 South Main Street, 1st Floor