



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 BRUNE (excused until 10:19 a.m.), BOOKER, and KELLEY

EXCUSED: MEMBER KAERCHER

ALSO PRESENT: SABRA NEWBY, Deputy City Manager, NECHOLE GARCIA, Deputy City Attorney V;
JACQUIE MILLER, Assistant 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: Civic Center Building A, 525 South Main Street, 1st Floor; 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 21, 2025

Minutes:

MEMBER KELLEY wondered if she should abstain since she was not present at that meeting and DEPUTY CITY ATTORNEY NECHOLE GARCIA confirmed she could still vote.

Motion made by Marilyn Booker to Approve

Passed For: 3; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 2

For-Eric Preiss, Marilyn Booker, Kara Kelley; Excused-Chad Kaercher, Nancy Brune;

5. Discussion for possible action regarding Audit Oversight Committee quarterly meeting dates for calendar year 2026

Minutes:

CHAIR PREISS read the quarterly meeting dates for 2026 from the PowerPoint presentation, which was submitted for the record. All of the meetings will be held at 10:00 a.m.

Motion made by Marilyn Booker to Approve

NOTE: Due to technical difficulties, the video did not display the vote for this item.

Passed For: 3; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 2

For-Eric Preiss, Marilyn Booker, Kara Kelley; Excused-Chad Kaercher, Nancy Brune;

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

Minutes:

BRYAN SMITH, City Auditor, welcomed MEMBER KELLEY and expressed appreciation for her service on the Committee, noting he looked forward to working with her. MR. SMITH 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 over the past three years their office has issued a total of 84 recommendations to departments to improve efficiency, internal controls, policies and procedures, and 76 of the recommendations were successfully completed. Further, no recommendations were incomplete, seven recommendations were classified as Not Due as the date provided by management had not yet passed, and one recommendation was in process of being verified by the City Auditor's Office. He applauded City departments for their efforts in completing the audits and their work that went into addressing the recommendations.

The recommendation in process of being verified was with the Finance Department (Finance). The Payment Collection audit in 2023 identified the need for Finance to clarify cash handling procedures within the citywide cash handling policy. Finance updated their policy and were awaiting final approval by the City unions for finalization of the policy, which will be known as the Payment Collection Policy. The recommendation will be closed out once the policy and procedure plan has been approved. MR. SMITH applauded Finance's efforts in addressing the recommendations and in updating the citywide policy and procedure.

For MEMBER KELLEY, MR. SMITH confirmed that once the policy is approved by the union there will be a total of three recommendations completed for Finance. MEMBER KELLEY wondered about the timing process since the audit was from 2023. MR. SMITH explained that in 2023 multiple audits were conducted of various payment collection locations, which included several community centers, a cultural center, and Floyd Lamb Park, and challenges were identified with policy directions provided to the departments. Although the audits were focused on parks and recreation operations at the centers, recommendations were also issued to Finance requesting clarification on procedures within the citywide cash handling procedure. MR. SMITH acknowledged it took an extensive amount of work to update a policy, and Finance had updated their entire policy upon feedback received from staff. Lastly, he noted a formal approval process needed to be followed in the City for adopting any policy.

MEMBER KELLEY asked what training is offered for employees to be educated in the process. CORY DEMILLE, Treasury Section Manager, responded once the policy is completed that he would meet with all departments one on one to compare the changes made from the old policy to the new one. Additionally, he would review the new section of the policy that addressed the finding, which was a checklist for the departments to confirm that they understood the internal controls. MR. SMITH commended MR. DEMILLE for his training approach, noting the cash handling was unique for each department and the policy Finance created was an umbrella policy with only the required minimal standards for cash handling in the City. MEMBER KELLEY wanted to ensure people were properly trained and informed since they would be held accountable.

MR. SMITH said each auditor would provide a brief summary of the department's recent accomplishments in addressing audit recommendations over the last several years.

LOUIS HLAD, Senior Information Technology Auditor, reported that an audit was completed for the IT (Innovation and Technology) Department where seven recommendations were issued and completed regarding the inventory and tracking of important hardware assets. Improvements included clearly labeling hardware assets that required a higher level of inventory tracking inside the hardware register that IT maintains, indicating whether each device is a fixed asset, a sensitive item, or other. Further, IT management defined what is considered a sensitive item by the department. All inventory-controlled processes were also documented in the form of a guidebook for new and existing employees, and the new guidelines were implemented. Additionally, IT completed a full inventory of all capitalized or sensitive hardware assets across the City and overhauled its reconciliation process with Finance to ensure the two departments were in regular communication. Finally, IT provided a full and accurate update of all the capitalized assets to Finance as requested. MR. HLAD appreciated the efforts from both departments, noting better records and complete processes helped protect important hardware assets across the City.

JAMES BURNETT, Senior Internal Auditor, reported that the Parking Services Division fully implemented the 14 audit recommendations from the March 2024 audits. By implementing the recommendations, they improved management oversight of cash collections by creating procedures for periodic audits and improved physical security over count room access, as well as implemented procedures designed to improve controls over keys for the safety deposit boxes. In addition, they improved management oversight over system permissions to reduce the risk of inappropriate access and to improve identification of transactions if an issue arose. Moreover, through an improved tracking and management review of discrepancies, they improved management's ability to identify and detect errors and potential misappropriation of parking fees. MR. BURNETT appreciated Parking Services' efforts in addressing the recommendations.

MR. BURNETT announced that the Community Development Department fully implemented six recommendations from the June 2025 audit of their Business Licensing Compliance Section. By implementing the audit recommendations, Community Development improved management oversight by developing performance metrics and reports that better reflected the work that was being performed by their license officers and improved coordination with Fire Prevention to licensed fourplex apartment homes. As of August 28, 2025, Community Development reported they had successfully licensed 88 percent of the identified fourplex homes. Additionally, they improved communication with citizens by updating the guidance provided to fourplex applicants by documenting the inspection process for getting licensed, and they improved oversight over system access changes. Four outstanding recommendations remained; however, they were Not Due. MR. BURNETT appreciated Community Development's efforts in addressing the recommendations.

MEMBER KELLEY asked if the Business Licensing audit included a review to see how customers were being served. MR. BURNETT explained the audit worked with the business licensing officers to see their day-to-day operations and upon discussion with the officers, an audit program was created to address deficiencies with the ultimate goal to better serve constituents and citizens. MEMBER KELLEY had an understanding of what they were doing but wondered if any audit included the interaction between the employees and customers or if that was considered management oversight. MR. SMITH explained the scope of the Business Licensing audit focused on their compliance section, and one of the recommendations related to the metrics that the department tracked. Some of the metrics included how quickly Compliance staff responded to a business complaint and how quickly it was resolved. Moreover, there was a need to improve their metrics to provide information to management regarding their activities and there was an opportunity to identify the number of complaints by ward and business type. MR. SMITH said a community survey could be conducted to receive feedback from business owners as to how well they were treated by the licensed officers; however, MEMBER KELLEY did not deem that necessary. Additionally, MR. SMITH suggested an opportunity within the City's annual survey to inquire about the public's interaction with the compliance officers.

MEMBER BRUNE congratulated the Business Licensing division for their quick action as many of the recommendations were completed in a short amount of time.

NANCY CARDOZA, Senior Internal Auditor, stated that the YDSI (Youth Development and Social Initiatives) Department completed all recommendations from the Batteries Included Youth Programs report. In response to the audit recommendations, youth travel procedures and documentation improved, reducing the risk associated with travel. Staff now communicated with the City's Risk Manager prior to their trips to confirm insurance requirements and safety measures that may be needed. In addition, software was being implemented to enhance record keeping and reporting on their programs, and management began internally evaluating policy and procedure compliance within their other programs.

JOE THRONEBERRY, Senior Forensic Auditor, said the Department of Public Safety (DPS) implemented and completed six recommendations from the September 2024 audit related to the Deputy City Marshals Evidence Unit, as well as the Corrections and Administrative Services Inmate Commissary Contract (Commissary Contract) with Keefe Commissary Network, LLC (Vendor). Regarding the Evidence Unit audit, highlights included recommendations to terminate unnecessary access and generic user accounts within their electronic inventory system, and instituting quarterly system access reviews, which resulted in DPS reducing cyber security risk and aligning permissions to specific users and job functions. Additionally, staff confirmed that DPS addressed the Evidence Unit's recommendations from a 2018 external consultant report, which was requested by the City Manager, and they embedded the practices into their daily operations. MR. THRONEBERRY noted all items within the Evidence Unit matched the description location and data that was in the electronic case management system; therefore, they were 100 percent compliant with the identified audit sample. Regarding the Commissary Contract, staff documented procedures related to the purchasing, expense monitoring, and

price reconciliation that the Vendor was charging the inmates. The audit identified areas of opportunity in regard to the contract monitoring and procedures, and DPS made the corrections. Overall, the improvements created consistency amongst the staff and allowed for individual training and cross training to improve efficiency.

MR. THRONEBERRY stated that the Fire & Rescue (Las Vegas Fire & Rescue Department) audit was completed in June 2025, and Fire & Rescue completed three out of the six recommendations as they related to the controlled substance management process within the EMS (Emergency Medical Services) Division. They updated and posted their operational policy that addressed and included their quality assurance program. Additionally, there was a reconciliation process between Finance, administrative services, and the Vendor. Further, Oracle data matched the DEA (Drug Enforcement Administration) 222 forms, as well as tracking the items received by fire operations. The processes aligned and provided independent assurance over the controlled substance inventory within the City. Lastly, MR. THRONEBERRY said that during the audit, staff was out in the stations verifying the controlled substance logs and identified that all controlled substances purchased by the City were accounted for.

MEMBER BOOKER asked when the Not Due recommendations for Fire & Rescue and Community Development would be due. MR. THRONEBERRY responded there were technology reviews involved for the Fire & Rescue open items, noting ImageTrend was the case management system for medical and fire incidences and the administration of controlled substances, which had not been recently evaluated to pose any new functionalities the Vendor may have. Further, the evaluation to assess the case management system would be due in 2026. However, the second component involved reviewing and changing the manually automated processes to an automated case management system that would provide real-time information into the financial system in Oracle, but this would be delayed past 2027 due to fiscal impact. For the Community Development Not Due recommendations, MR. BURNETT said they would be due in May 2026.

MEMBER BRUNE questioned the compliance with the Oracle system and MR. THRONEBERRY explained the DEA 222 form was the order form that the medical director placed to the controlled substance Vendor. During the audit, staff found the operational processes were 100 percent compliant; however, due to Vendor issues the invoice numbers did not match in Oracle, and a process was placed in order to address that. In addition, an automated DEA 222 form could be integrated into Oracle instead of the manual process.

MR. SMITH thanked the City Manager's Office and City department directors and their staff for their assistance and efforts in addressing the recommendations to improve the City's operations.

See Item 7 for related discussion.

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, Nancy Brune, Marilyn Booker, Kara Kelley; Excused-Chad Kaercher;

7. Report by staff regarding current audits

Minutes:

BRYAN SMITH, City Auditor, utilized a PowerPoint presentation, a copy of which was submitted for the record, to report their office is involved in the following audits: HR (Human Resources) - Employee Separation Process, Municipal Court - Subpoena Witness Fee Fund, and IT (Innovation and Technology) - Mobile Communication Devices. Upcoming audits based on the approved audit plan included: Finance - Purchasing, Municipal Court, and Public Works. The nature and the scope of the audits would be defined in the planning process after meeting with the department directors in those areas.

MEMBER BRUNE wondered when the scope of the upcoming audits would be shared. MR. SMITH detailed the planning process to solicit input from department directors and City Councilmembers, and he confirmed the scope would be shared at the next Committee meeting.

CHAIR PREISS referred to Item 6 and suggested a handout summarizing the outstanding open recommendations from the different departments for each quarterly meeting. MR. SMITH assured the Chair that could be done and that this status was unique since all of the audit recommendations had been addressed and there was only one pending policy approval. However, everything that management notified staff they

would have addressed by their estimated date of completion was addressed. Additionally, he noted he would look into a better way to share the statuses. CHAIR PREISS stated the audits were in good shape, and he understood some audits were significant, took more time, or the recommendations were unequal such as the cash policy recommendation versus other recommendations that had simple updates. The Chair acknowledged there were not many outstanding recommendations since the departments were doing an excellent job and coming together. Lastly, he thought the City Auditor and City Attorney departments were necessary in keeping the City out of trouble by preventing issues and reviewing their own internal procedures.

MEMBER BRUNE wondered if a press release could highlight the good work that the departments were doing and the clean findings or how the departments moved with the recommendations. MR. SMITH responded that in the past there was an annual follow-up report that became public, similar to the audit reports, and that a formal press release was possible. Although he was unsure how much the press paid attention to the agenda, he recalled occasions the press had shown up and reported on elements of the audits. CHAIR PREISS believed the press tended to show up when things were going wrong and expressed gratitude about things going right.

See Item 6 for related discussion.

8. Report by staff regarding the fraud prevention and detection program

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 individuals to submit reports in multiple languages. The current fraud policy was being updated and was originally created in the early 2000s and directed individuals to DPS (Department of Public Safety) marshals, which was not user friendly and did not have an easily accessible way to report anonymous tips. Currently the fraud hotline is accessible anonymously and available internally and externally for anyone who wishes to report information that the City should be aware of. He explained that a report goes through the Ethics Point system which sends an e-mail to the City Manager, City Attorney, and City Auditor who then review and delegate the report to the appropriate staff. Additionally, fraud Speak Up posters were distributed to all departments for posting, along with other mandatory HR (Human Resources) Department information, and the hotline was promoted via the weekly e-mail to employees. Further, they were looking into partnering with the City Manager to include additional communications such as IT (Innovation and Technology) pop-ups focusing on fraud, waste, and abuse reporting. The Fraud Committee, comprised of the City Manager, City Attorney, and City Auditor, meet monthly or as needed to review activities related to fraud, waste, and abuse and were actively working to update the City's Fraud Policy to align it with related procedures based upon best practices from across the nation for government reporting.

Since launching the hotline, 36 reports have been received, in which action was taken on all complaints either by initiating an investigation or making a referral to HR if it involved an employee. Issues that involved vendors or contractors were directed to the City Manager or the Finance Department for purchasing contract review. In addition, most of the complaints were referrals or an external person reporting an issue such as identity theft or another complaint, and were directed to the most appropriate resource, which was usually the Las Vegas Metropolitan Police Department (LVMPD). MR. THRONEBERRY stated the City Auditor's Office would continue to promote the hotline further amongst employees by partnering with the City Manager and City Attorney, and where appropriate they would participate in fraud investigations to ensure that any citywide or department systemic issues were addressed and to identify control failures, look at policy enhancements, and make improvements.

For MEMBER BRUNE, MR. THRONEBERRY confirmed the 36 incidents were reported once the hotline opened and there was only one open outstanding issue that was being reviewed. He advised the Member that the City Auditor's Office was looking into providing an annual report based upon the calendar year to outline the actions taken. Nearly all of the reports were issues related to policy and procedure that were HR related or issues of a criminal nature that did not involve the City.

MEMBER BRUNE asked if their office handled and responded to every referral and wondered about the average response timeline for a case that would be meant for LVMPD. MR. THRONEBERRY stated the hotline disclosed that it was for non-emergencies and that in the event of an emergency the reporter should dial 911. In

addition, he noted that e-mails were reviewed in less than a 12-hour period and the communication response was less than 24 business hours. BRYAN SMITH, City Auditor, reiterated that any time a report was received the City Attorney, City Manager, and himself would receive an e-mail and they could quickly decipher whether the report was under their jurisdiction or outside, allowing a quick response to the reporter. MR. SMITH was working on how best to communicate a case of confirmed fraud with the City Council and the Members. During their next Fraud Committee meeting he wanted to discuss potentially sharing that type of information through private City Council briefings and he welcomed input from the Members. Lastly, there was an ongoing investigation that would be reported to the Members at the proper time.

MEMBER KELLEY wondered if there were metrics that other municipalities or government organizations used to validate the efficacy of a fraud report system. MR. THRONEBERRY responded there were vendor standards based upon full-time equivalent hours that would be looked at for an organization, and the City having nearly 4,000 employees was below the average based upon what the vendor stated. Additionally, he said each jurisdiction may have different issues or a unique format and while other city auditors' offices may be independently elected or under city manager's structures, the City's auditors reported to the Mayor and the City Council. Further, the City Auditor worked collaboratively with the City Manager and City Attorney. Lastly, he noted they would work on their KPIs (key performance indicator) once they received this year's data and he confirmed for MEMBER KELLEY that they were looking into an end of year calendar report.

CHAIR PREISS expressed appreciation of the speed at which they responded and stated there were many calls to the hotline that were not related and could be correctly directed. He believed it was important that the reporter felt acknowledged and received a response in order to provide closure and to add legitimacy to the hotline that everything was reviewed.

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**

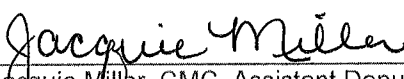
Minutes:
CHAIR PREISS announced the next Audit Oversight Committee meeting was scheduled for January 12, 2026.

The meeting was adjourned at 10:58 a.m.

Respectfully submitted:



Yvet Lozoya, Deputy City Clerk



Jacquie Miller, CMC, Assistant 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

Civic Center Building A, 525 South Main Street, 1st Floor

City Hall, 495 South Main Street, 1st Floor