



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, BOOKER, and KELLEY

ALSO PRESENT: SUSAN HELTSLEY, Chief Financial Officer; NECHOLE GARCIA, Chief Deputy City Attorney; CHEYENNE LARANCE, 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 October 6, 2025

Motion made by Marilyn Booker to Approve

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

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

5. Discussion for possible action regarding the election of Chair and Vice-Chair officers to the Audit Oversight Committee for calendar year 2026

Minutes:

MEMBER BRUNE nominated CHAIR PREISS to remain as Chair, and CHAIR PREISS nominated MEMBER BOOKER to serve as Vice-Chair, to which they both accepted.

Motion made by Nancy Brune to Approve the nomination of Eric Preiss as Chair

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

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

Motion made by Eric Preiss to Approve the nomination of Marilyn Booker as Vice-Chair

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

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

6. Discussion for possible action regarding Audit of Las Vegas Municipal Court - Witness Fee Funds (CW019-2526-01)

Minutes:

JAMES BURNETT, Senior Internal Auditor, utilized a PowerPoint presentation, a copy of which was submitted for the record, and stated the audit of the Witness Fee Funds involved a \$4,900 petty cash fund issued by the Finance Department and managed by the Municipal Court on behalf of the City Attorney's Office. MR. BURNETT said petty cash was considered one of the most vulnerable areas for theft or loss if proper internal controls were not in place. In conducting the audit, they evaluated the adequacy of the internal control surrounding the safeguarding and use of the fund. Witnesses who appeared before the Municipal Court were entitled to be paid a fee of \$25 plus mileage for travel to the courthouse, based upon their residential zip code. To ensure the payments were only dispersed to those entitled to the payment, the court required that a witness present their subpoena signed by a Deputy City Attorney to a Municipal Court Cashier. Upon presentation of the signed subpoena, the cashier would verify the information and validate the identity of the witness against a government-issued ID (identification) and a listing of witnesses scheduled to appear. All payments made to witnesses are recorded in the City's Atlas receipting system and during the fiscal year ending on June 30, 2025, the Municipal Court processed 897 payments for \$34,070.

The audit objectives included confirming the existence of the witness fee funds through an unannounced count and determining whether a signed custodian form existed for the funds; determining whether the funds were properly secured in accordance with City policy; determining whether the Municipal Court Cashiers and Accounting Unit employees were following established department and City cash handling procedures for payment of the witness fees; and determining whether Municipal Court Cashiers were properly reconciling the witness fee funds daily in accordance with department and City policy.

Audit staff completed an unannounced visit to the Municipal Court, confirmed the existence of the witness fee funds, reviewed the daily process being followed by the cashiers, and accounted for the accuracy of the witness fee funds, including cash on hand and replenishments in transit. Additionally, the total amount of witness fee funds exceeded what was needed in relation to recent activity. To address this, they recommended the following: that management adjust the procedures being performed by front counter operations to ensure daily reconciliations of the witness fees are completed, replenishment funds are added to the witness fee funds when received from the armored courier service, and the correct general ledger is being used for recording payments. Further, management should evaluate alternative methods for storing and tracking witness fee funds to improve efficiency through automation, while maintaining security and accountability for the funds, and evaluate activity in the witness fee fund to adjust cash being maintained to match activity.

Finding #1 - Staff found the witness fee funds were properly secured in a safe located in the access restricted count room; however, in reviewing access to the count room there were employees who did not need access. Staff recommended that management terminate the count room access to individuals who should not have access and establish procedures for periodically reviewing the badge access report to ensure that authorized employees had access.

Finding # 2 - Staff found that the combination of the safe was not being changed in accordance with City policy. Staff recommended management should have the safe combination changed and begin tracking those who have the safe combination and dates the combination was changed.

Finding #3 - Staff found that Municipal Court Cashiers were following established procedures for paying witnesses; however, the Municipal Court Accounting staff were not following certain established department procedures. Staff recommended management ensure that Accounting Unit staff performs audits and reconciliations of the witness fee funds as outlined in their departmental procedures and update the procedures to accurately reflect roles and responsibilities over the witness fee funds.

MR. BURNETT expressed appreciation for the support received from Municipal Court management and staff, noting that representatives from management were in attendance.

For MEMBER BOOKER, MR. BURNETT confirmed a log was maintained of who accesses the safe, and the issue was that the safe combination needed to be changed periodically, which had not been done.

Motion made by Kara Kelley to Accept the report

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

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

7. Discussion for possible action regarding Audit of Human Resources Department - Employee Separation Process (HR006-2526-02)

Minutes:

NANCY CARDOZA, Senior Internal Auditor, utilized a PowerPoint presentation, a copy of which was submitted for the record, and reported that the City of Las Vegas (City) had approximately 3,700 active employees that were categorized as appointive, classified, hourly, and elected. During the 2024 calendar year, 935 employees separated from employment with the City. Most of the employee separations occurred with hourly employees, such as Parks & Rec (Parks, Recreation and Cultural Affairs Department) instructors, lifeguards, and Safekey staff. She noted when an employee separated from employment with the City there were operational, financial, legal and security risks; therefore, it was important that departments were compliant with the City's Separation Policy and Procedure and that the policies were effective to minimize risks.

The audit objectives included determining whether HR (Human Resources) and City departments were in compliance with the City's Separation Policy and Procedure; determining whether final payments to separating employees were accurate and being made in accordance with Nevada Revised Statutes (NRS) and that benefits were being appropriately terminated; and determining whether electronic badge and system access and procurement cards were appropriately terminated or deactivated upon separation with the City. Key audit results to the objectives were noted along with recommendations.

Finding #1 - Staff identified files with missing and incomplete documentation after reviewing the employee separation files for compliance with the City's Separation Policy and Procedure. Additionally, the need for improvements was noted for the separation clearance form used in the separation process. Staff recommended that HR improve the form and its related instructions to provide greater reliability, uniformity and consistency of information provided to HR by departments completing the form. HR should also consider creating a single separation form that could be used for all employee classifications.

Finding #2 - Staff found that final payments to employees were being calculated correctly and benefits were being terminated appropriately and in a timely manner. Further, final payments to non-hourly employees were made in accordance with the timelines required by NRS; however, staff identified instances where hourly employees were not paid within that timeline, which is seven calendar days from the separation date for voluntary separations and three days for involuntary separations. The instances were due to delays by departments in notifying HR of a separation or HR not processing the separation in a timely manner. Thus, staff recommended that HR management formally remind departments of the need to process separations in a timely manner to comply with NRS timelines and to update the Separation Policy and Procedure to emphasize the importance of departments notifying HR about employee separations in a timely manner.

Finding #3 - Staff found the Innovation and Technology (IT) Department appropriately terminated badge and system access for separating employees; however, staff identified that there were non-working hourly employees that typically retained their assigned badge and system access. For example, Safekey employees who worked for the school year and did not work in the summer would be considered a non-working hourly employee, and although the employees could indicate their intent to continue working after the summer there was a possibility of them not returning. Departments that typically had these types of non-working hourly employees did not communicate with IT as there was no policy or procedure to address badge and system access for those employees; as such, those employees had badge access to City buildings and systems until they formally notified their department of their separation and IT was notified. This created a potential risk for the City that needed to be evaluated and addressed by IT and HR. Staff recommended HR management work with IT to evaluate what measures could be taken to reduce the risk associated with non-working hourly employees retaining their badge and system access, which could include having departments evaluate which employees should have their badge or system access temporarily deactivated or deactivating access for all non-working hourly employees.

Finding #4 - Staff identified three ex-employees whose procurement cards (p-cards) were still active due to p-card staff not being notified of employee separations and incomplete documented procedures on the return of p-

cards to Finance (Finance Department) upon employee separation. Although the p-cards were active, staff identified they were not used by the employees since their separation date with the City. Finance was also informed about the finding, and the cards were subsequently deactivated. Additionally, Finance would receive e-mail alerts for separating employees. Staff recommended that HR management update their Separation Policy and Procedure and Separation Clearance form to include requirements that departments notify Finance about separating employees with p-cards and that the cards be returned to Finance prior to separation. Furthermore, staff recommended that Finance management update the Procurement Card Policy and Procedure to include instructions to be followed by employees with p-cards and their supervisors when separating from the City. MS. CARDOZA thanked HR, Finance, and IT management and staff for their help and support during the audit. HR representatives were also present to answer questions.

MEMBER KELLEY asked if the badge was physically taken when an employee separates, and MS. CARDOZA responded that may not always be case as an employee may not show up on their separation date. The Member questioned if all separations were required to give prior notification to HR, and MS. CARDOZA said departments did have to notify HR of a separation. SUE BROWN, Human Resources Director, stated notification was recommended and preferred but they did not always get a notification, especially with hourly employees. Sometimes employees did a no-call-no-show and were eventually separated. MEMBER KELLEY wondered if this correlated to the instances when the paperwork was not efficiently filled out. MS. BROWN confirmed that most instances involved hourly employees with fluctuating schedules.

MEMBER BOOKER wondered if there was a requirement to return City property prior to an employee receiving their final payment. MS. BROWN noted that was typically the process; however, there were administrative separations where they did not return and the badges were deactivated but not collected.

CHAIR PREISS thought badges had different authorities, and he assumed the hourly employees mainly had access to the building, which would present greater audit risks. MS. CARDOZA said access would vary from employee to employee with access to City Hall, community centers or storage areas. The Chair understood with the many no-call-no-show turnovers they were doing the best they could do in a timely manner with limited information.

Motion made by Kara Kelley to Accept the report

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

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

8. Report by staff regarding current audits and outstanding recommendations

Minutes:

BRYAN SMITH, City Auditor, utilized a PowerPoint presentation, a copy of which was submitted for the record, to report their office was working on bringing the IT (Innovation and Technology Department) - Oversight of Mobile Communication Devices audit to a close. Additionally, they initiated an audit in the Public Works Department - Facilities Division and would be completing a performance audit for the Municipal Court, which they were evaluating where value could be provided.

MR. SMITH stated there was a previous request to provide a status update on all previously issued outstanding audit recommendations at each Committee meeting. In the past, departments attended every other meeting; however, he did not request the departments be present. Out of the six outstanding audit recommendations, three were considered Not Due as the estimated completion date provided by management had not yet passed. The Community Development Department was working with IT to address the three Not Due recommendations, but they experienced some delays and kept staff informed of their progress.

MEMBER KELLEY wondered if there were instances where the outstanding items were not addressed in a timely manner. MR. SMITH responded they had experienced that in the past with certain departments; however, he believed the Committee assisted by motivating the departments to address the recommendations in a timely manner. In addition, he noted sometimes the fault lied within IT issues or instances that were not anticipated. For the Member, MR. SMITH confirmed they worked in partnership with the departments to explore alternative solutions for the issued recommendations. MEMBER KELLEY wondered how a disagreement between a finding or recommendation was remedied, and MR. SMITH said they try to reach a consensus before the report is

released. Further, management had an opportunity to explain whether they did not support recommendations in an audit report.

9. Report by staff regarding current staffing

Minutes:

BRYAN SMITH, City Auditor, utilized a PowerPoint presentation, a copy of which was submitted for the record, to provide an update on current staffing, noting JOE THRONEBERRY accepted another position and BONNIE MOCEK retired after 29 years with the City. He recognized MR. THRONEBERRY'S contributions during his six-year tenure working with the Audit Oversight Committee and his several years at the City Auditor's Office (Audit). With his fraud investigation background, MR. THRONEBERRY was instrumental in implementing the fraud hotline. There are four Audit employees and MR. SMITH'S previous position as Internal Audit Section Manager was frozen due to budget issues. MR. SMITH received authorization from the City's Position Justification Committee to underfill the two vacant positions, and by doing so they would meet the requested decrements required of the departments. His intent was to open recruitment for Internal Auditor II and Management Analyst I positions to replace MR. THRONEBERRY and MS. MOCEK.

For MEMBER KELLEY, MR. SMITH confirmed that the organization chart listed Acting City Auditor by mistake.

CHAIR PREISS acknowledged the essential work performed by Audit staff does and was impressed with their ability to do comprehensive jobs through proper controls; however, he wondered about the risks the City was subjected to with limited staffing and asked if the staffing was comparable with other municipalities. He wanted to ensure the Audit Department was adequately staffed to address the City's needs. MR. SMITH believed in the importance of auditors and the role they play, but he thought filling the positions would be a step in the right direction. Further, he noted that the City of North Las Vegas did not have an audit department, the City of Henderson had six or seven auditors, and the County (Clark County) had a large audit department with 14 or 15 auditors; however, the County was considered a more complex organization. CHAIR PREISS thought station casinos had a revenue similar to the City and had approximately 15 auditors. He opined staff did an amazing job, and he wanted to ensure resources were available to get the job done properly.

MR. SMITH emphasized the importance of Audit working with City management to guarantee internal controls were being followed, policies and procedures were updated, employees were being trained, and there was a proper oversight of transactions. He stated CHIEF FINANCIAL OFFICER SUSAN HELTSLEY understood the importance of Audit and the role of the Finance Department, and he recently worked with her to update policies and procedures. CHAIR PREISS opined that everyone worked well together.

10. Closed Session - A closed meeting is called in accordance with NRS 241.015(4)(c) to receive information from the City Auditor about existing litigation

Minutes:

CHAIR PREISS announced at 10:39 a.m. that the Committee would go into Closed Session and announced their return at 11:41 a.m.

11. **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:

MEMBER KELLEY inquired whether the public comment portion of the agenda could be scheduled before future closed sessions to avoid making citizens wait for the completion of private briefings, and DEPUTY CITY ATTORNEY NECHOLE GARCIA thought this was feasible.

12. **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.

13. **Adjournment**

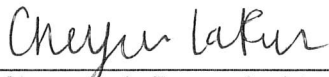
Minutes:
CHAIR PREISS announced the next Audit Oversight Committee meeting was scheduled for April 20, 2026.

The meeting was recessed from 10:39 a.m. to 11:41 a.m. and adjourned at 11:44 a.m.

Respectfully submitted:



Yvett Lozoya, Deputy City Clerk



Cheyenne LaRance, 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