



**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, January 29, 2025:

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

## TABLE OF CONTENTS

SEC. 1. CALL TO ORDER .....	3
CALL TO ORDER.....	3
SEC. 2. PUBLIC COMMENT .....	3
SEC. 3. AGENDA APPROVAL .....	3
SEC. 3. MINUTES APPROVAL OF OCTOBER 24, 2024.....	4
SEC. 5. RECEIVE PRESENTATION FROM AUDIT STAFF REGARDING THE SOCIAL SERVICE NON-CHAP AUDIT REPORT .....	4
SEC. 6. RECEIVE A PRESENTATION OF AUDIT PLAN 2025.....	11
SEC. 7. PUBLIC COMMENTS .....	13
SEC. 8. ADJOURNMENT.....	13

## SEC. 1. CALL TO ORDER

### CALL TO ORDER

The meeting was called to order at 9:30 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:**

None

**Also Present:**

Nicole Malich, Deputy District Attorney  
Brandon Thomson, Deputy District Attorney  
Jessica Colvin, Chief Financial Officer  
Lisa Kremer, Deputy County Manager  
Eric Greene, Family Services Manager  
Pamela Kowalski, Deputy Director Finance  
Lisa Kremer, Deputy County Manager  
Heather Smallwood, Office Services Manager  
Kaylene, Zielinski, Administrative Specialist  
Jamie Sorenson, Director of Social Services  
James Nance, IT Manager  
Randy Reinoso, Deputy Director Social Services  
Alisha Barrett, Deputy Director Social Services  
Abigail Frierson, Deputy County Manager  
Yesenia Machado, Office Service Supervisor  
Angela Darragh, Audit Director  
Cynthia Birney, Manager, Audit/HIPAA  
Felix Luna, Principal Auditor  
Daniel Partida, Auditor  
Tracy Banks, Auditor  
Mary Yanez, Auditor  
Scott Routsong, Auditor  
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 approve the agenda, items in the agenda can be moved or continued to a different meeting.  
With motion of Mr. McCurdy, all if 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. 3. MINUTES APPROVAL OF OCTOBER 24, 2024.

### MOTION:

**MICHAEL NAFT**

Approval of minutes for the meeting of October 24, 2024. With motion of Mr. McCurdy, all if 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. 5. RECEIVE PRESENTATION FROM AUDIT STAFF REGARDING THE SOCIAL SERVICE NON-CHAP AUDIT REPORT

**MICHAEL NAFT**

This is a discussion item only, and there will be no action at this body. Please be aware that we will be doing things differently. I am going ask the individuals who are here from the department be the ones to respond with the management response rather than the Audit Committee.

**ANGELA DARRAGH**

We conducted this audit to evaluate the effectiveness of internal controls over financial assistance provided by Social Service. This audit covered the following programs:

- Burial & Cremation
- Financial Assistance & Senior Financial Assistance
- Homemaker Home Health Aide (HHHA)
- Long Term Care

For this Audit we identified 11 areas where internal controls can be improved.

**First Finding:** Manual checks written in the Social Service Cashier Office are not recorded on dedicated manual check register. Also, that Social Service does not keep a sequential record of manual checks written. The same individual enters manual checks into Bank of America Cash Pro and reconciles the Imprest bank account. The department is using Imprest Log spreadsheet, that was accessible for entry by

several staff members spreadsheet data is not protected from alternation and any changes made were not tracked.

Recommendations: The department record manual checks issued from the Imprest account in a dedicated check register. Reassign the duties of manual check entry into Bank of America Cash Pro and Imprest bank reconciliation to ensure that they are not performed by the same individual. To review options available to protect data integrity for the data that is entered into the Imprest Log to improve data integrity controls. We have Social Service individuals for the response.

**PAMELA KOWALSKI**

Management Response:

The Cashier's office will record all manual checks into a separate check register to document when they are issued. Primary person responsible for entering data into the Bank of America cash flow does not have access to approve or issue checks the same applies to their back up person. We also have set our Imprest log account with password protection, and we keep track of all changes.

**MICHAEL NAFT**

Are there any questions from the first finding? No, okay thank you.

**ANGELA DARRAGH**

**Second Finding:** One supplier of Homemaker Home Health services did not have a valid license for the State of Nevada Health Department of Health and Human Services, Division of Public and Behavioral Health. Nevada Revised Statutes 449.03005 along with Nevada Administrative Code 449.752 both require a license for agencies that provide non-medical services related to personal care to elderly person or person with disabilities in the home. We believe Social Services just missed this they did not identify the missing license during their evaluation of the provider's initial application. Social Service paid this provider \$192,740 since the contract inception.

Recommendations: To implement a procedure to verify all required licenses prior to adding a Homemaker Home Health Aide Services provider. If the provider discussed above was unable to obtain the required license that they assess the current options for allowing current clients to continue with this provider or moving their clients to another provider.

**ALISHA BARRET**

Management Response:

As mentioned by Angela there is a procedure with the application evaluation committee to look those things over, but for this instance it was missed. As such we instituted a checklist to make sure that all the different components of the evaluation process have a secondary review. This mentioned Homemaker Agency/Home Health provider currently does have clients and we are working with them to get required HCQ license and ensuring that they are getting that process completed.

**MICHAEL NAFT**

I am sorry, though we have identified this, they are still working with clients?

**ALISHA BARRET**

We asked the clients, and they really like the personal care attendant that they have, and they don't want a different one. It is not that they are not in compliance, they just have not completed the process, we have put a deadline and if it is not done by June 30<sup>th</sup>, then we will no longer work with them. They would lose their clients though it is a disruption and can be hard on the clients to do that when they have built that relationship.

**MICHAEL NAFT**

But they all have been made aware?

**ALISHA BARRET**

Yes, they are aware, and they are happy with the provider, and did not want to change as it's just a paperwork matter. Our social worker assigned to each of those cases has had continuous communication with those clients to make sure that things are going well. People change their personal care attendant all the time but, in this instance, the clients did not want to. But if we don't have the documents that we need by June 30<sup>th</sup> we will have to move forward.

**MICHAEL NAFT**

Do you believe they are on track to get that done?

**ALISHA BARRET**

Yes, they have been sending us different communication with the state to get it done. There are things that have to be done in order, and they are making progress and staying on top of it. We talk to them weekly about their progress.

**MICHAEL NAFT**

Both you Social Service and the Audit team believe that the checklist will ensure this doesn't happen again?

**ANGELA DARRAGH**

Yeah, it should help.

**Third Finding:** We found that the hours written on the Agreement for Plan of Care do not match the hours that are approved in ACES for the Plan of Care application. We found instances where hours approved were not indicated on the Agreement for Plan of Care document. In this case Social Service has a social worker that identifies what a client needs and accesses that and enters into the application so that only the number of hours that the client needs are provided. However, in some cases we could not verify the number of hours were approved by Social Services because the number entered into the application was higher than what was approved. Our sample there were 96.5 hours in excess of the hours determined as needed by the Social Worker in the Plans of Care totaling \$2,895 in potential additional billings.

Recommendations: Social Service should require social workers to specify client needed hours on the Agreement for Plan of Care Document. To enter the Agreement for Plan of Care actual hours in ACES that are actually approved. Have a Social Worker re-evaluate and update the forms when a client's needs change.

**ALISHA BARRET:**

Management Response:

We have updated the Agreement for Plan of Care form to include assigned hours and days. This updated form will be an attachment in our upcoming contract effective July 1, 2025. Also, we will enter the agreement for Plan of Care hours in ACES based on the information provided in the updated form. This will be effective July 1, 2025, our current contract ends June 30<sup>th</sup>. Though we currently are using the updated form with specified hours we will add the new form in the upcoming contract cycle instead of amending the current contract.

**ANGELA DARRAGH**

**Fourth Finding:** There is no review of Homemaker Home Health Aide cases. During our testing we found that Social Service fiscal staff who are responsible for processing invoices, do not have access to the Agreement for Plan of Care. The Plan of Care indicates the number of hours approved for services on a weekly basis. There is a check that the number of hours doesn't go over the total number of hours because that number is provided in the application. But on a weekly basis that is not being reviewed. So, it could be possible for a provider to bill and be paid for hours in excess of those accessed as being needed.

Recommendations: Provide fiscal staff with access to the Agreement for Plan of Care to ensure hours on provider time sheets align with the hours in the Plan of Care. Alternatively, designate another individual to review the timesheets included with provider invoices to ensure the weekly hours match. To require any increases in hours be approved by a supervisor.

**ALISHA BARRET**

Management Response: Social Service issued a memo to Human Services Finance with direction to notify Adult Care Services e-mail inbox regarding invoice concerns or discrepancies, since invoices go directly to the finance team. Our team doesn't see them first, but we work really close with the finance team. Social Service is currently assessing staffing options to review timesheets with provider invoices to ensure the weekly hours match prior to sending to fiscal review. The position exists and we are working on filling it right now.

**MICHAEL NAFT**

When do you anticipate it being filled?

**ALISHA BARRET**

We interviewed, made an offer but the candidate declined. It is for an eligibility specialist, and I believe there is a list of candidates for it. We are just in the process of finding the right person to make that offer to.

**ANGELA DARRAGH**

Some of these findings may seem not as significant but Home Health is an area that has a lot of fraud and that is why we are being particularly thorough.

**Fifth Finding:** Technical issues with ACES create operating inefficiencies. Throughout all of our discussions with Social Service staff, we found a common complaint with employees was that they have issues when trying to perform their day-to-day job duties in ACES. For example, there's one form that needs to be printed twice in order for a case to proceed. There's also an issue that when individual wants to create a letter for the first time during the day, it'll work but then after that they have to generate it twice. These are things that make everyone's workday a bit more difficult.

Recommendations: We recommend that the department pursue resolutions in the application to the issues that are experienced by staff. To also include resolutions to common issues when developing detailed requirements for a future application.

**MICHAEL NAFT**

Interested in your response, I realize that there is a lot of history with ACES that maybe we don't know or are familiar with. Could you go into some of that, but is it perhaps time that we need to explore something else.

**ALISHA BARRET**

Management Response: As Angela mentioned ACES serves many different units, this unit is the Long-Term Care Home Maker Unit, and it is a pretty specialized unit. In all honesty ACES has never worked for that unit because it's very financial. In ACES where those payments are being put in for the home maker agencies or the long-term care agencies, that physical component has always struggled in ACES. Over the years we have done different modifications or enhancements to ACES. But enhancing one area ends up breaking or creating an issue over another area. It creates one of those issues where you have to print something twice for it to actually print. For some reason we fixed one part, and it ended up messing the connection with another part. Right now, our training team and a person in our IT team are working with those two units Long Term Care and Home Maker, to detail all of the process they do and what needs to work in ACES. Luckily for us the person in the IT end comes from fiscal, she used to process the invoices in Long Term, she knows well what works and what doesn't. Another issue is that in ACES you have different permissions, program people can see different things in ACES than the fiscal, they don't see the same things. When it was created . . .

**MICHAEL NAFT**

Was this like twenty years ago?

**ALISHA BARRET**

Yeah, around that, when it was created, I think the idea we wanted it to be the brain and do everything, to the level of detail that now it is a hindrance. It's so specialized that as time goes on and they try to enhance if or fix it, it just ends up breaking it even more.

**MICHAEL NAFT**

This system was developed internally just for Clark County's use, correct?

**ALISHA BARRET**

We had a conversation with an agency but instead of using an out of the box product we wanted to create it from the ground up.

**MICHAEL NAFT**

Knowing now what we do, would we do that this time?

**ALISHA BARRET**

No, we would not do that. We have been meeting with IT to go over the different steps to bet different possible data management providers, different agencies that have systems that we can use. I am for looking up systems that already exist to find one that meets our needs instead of trying to create something that meets our needs right now. Let's use a system that can be adaptable to what we need instead of us having to customize it from the beginning.

Some of the people who are reviewing those have experience as what ACES doesn't do well to help us move forward. We have met with a couple of times, and we have said that we need a system that is very nimble, we might even need more than just one system, in my experience one system that serves everyone doesn't serve anyone very well. Maybe we have a couple of different systems depending on where we go.

We know what doesn't work well, moving forward looking at what does work and what we need and the different components and learning form the last time is very much in the fore front of our minds. We have not chosen a system yet, but we have a few high runners group or systems that have some promise.



**WILLIAM MCCURDY II**

How many systems have you identified that could potentially solve the problem? And how long do you anticipate till you bring it in?

**JAMES NANCE**

We have identified seven systems; we are still doing a pre-screening of their technology. Once we are done with the prescreening, we will schedule discovery, demonstrations for department of Social Service. We also need to do some research of the long-term care area, there are probably systems that do that very well, we need to put that out there, have its replacement path be different than the rest of ACES.

**WILLIAM MCCURDY II**

What kind of training do you anticipate will be needed or available once on board?

**JAMES NANCE**

A lot of new systems are software as a service, and the vendor does the development and maintenance, and it will be less of an in-house development, it will be that company that handles that application support and whatever the department needs to make changes.

**WILLIAM MCCURDY II**

Will this require an infrastructure change on our part to make sure that it functions that way we need it to?

**JAMES NANCE**

It's like a base, it can be set from anywhere, it depends on what cloud the vendor puts the system in. That is why holistically they will handle the support in the system. We will have a business analyst supporting the system alongside, but most of the development will go through them.

**ANGELA DARRAGH**

**Sixth Finding:** The next finding also has to do with ACES and has to do with the reporting, it does not provide the kind of reporting the department needs. We've discussed that.

**Seventh Finding:** Social Service fiscal staff approved payment for housekeeping only services. We selected a total of ten cases from 123 invoices of the 10 cases we reviewed; we identified one for housekeeping services only. According to Clark County Social Service Policy, housekeeping services are not to be provided a standalone service. Social Service paid \$118 for housekeeping only services. While this is not significant, this is identified as a control weakness because there was no tracking in place to make sure this was not happening.

Recommendation: Develop policies and procedures for reviewing invoices against payment criteria prior to approval.

**ALISHA BARRET**

Management Response: We have instituted a process that if the finance person sees only housekeeping only invoice, to check in with us. But also, in our end to make sure that this is not happening, we have included that in our checklist.

**ANGELA DARRAGH**

**Eight Finding:** Plan of care hours do not always include the number of hours approved. As mentioned, we reviewed 10 Homemaker Home Health cases and found at least one instance where a client did not have any specific number of hours listed on the physical plan of care sheet.

Recommendation: The department update the Agreement for Plan of Care documents to include a designated area to indicate the hours per week authorized.

**ALISHA BARRET**

Management Response: We have updated the Agreement for Plan of Care form to include assigned hours and days. This updated form will be in an attachment in the upcoming contract effective July 1, 2025.

**ANGELA DARRAGH**

**Ninth Finding:** Reimbursement agreements were not executed for long term care cases. We identified multiple long-term cases where required Reimbursement Agreements were not signed and executed. Reimbursement agreements are agreements between Social Service and the service recipient that if they gain any lump sums of money, they will repay Social Service for the services they were provided. ACES will not process a payment unless a Reimbursement Agreement is included. In the identified cases, individuals were unable to sign the agreement due to various limitations, such as being ventilated, incoherent etc. In order to process the payment, the agreements were generated but remained blank. Conditioning staff to bypass internal controls is a poor business practice and could lead to non-compliance with other controls.

Recommendations: To review the policy requiring a signed Reimbursement Agreement, as an unexecuted agreement does not preclude someone from receiving services if needed. To either enforce or revise the requirement as appropriate.

**ALISHA BARRET**

We are going to revise the policy to no longer require a signed reimbursement agreement in outlined situations.

**ANGELA DARRAGH**

**Tenth Finding:** Skilled nursing rates are entered by the same individual who processes invoices for payment. We found that the same individual both updates the Skilled Nursing Facility rates in the ACES application and reviews and approves invoices for payment. The entry of payment rates for Skilled Nursing Facilities into ACES and the review and payment of invoices for Skilled Nursing Facilities should be performed by separate individuals.

Recommendations: To reassign the duties of entering rates for Skilled Nursing Facilities into ACES and invoice review and payment to ensure that they are not performed by the same individual.

**PAMELA KOWALSKI**

Management Response: We have reassigned the duty of entering the rate of pay for Skilled Nursing Facilities into ACES to a member of the IT team to separate duties.

**ALISHA BARRET**

A little bit of background, on the Skilled Nursing Facilities we based the rate of a quarterly rate that the state put out for each Skilled Nursing Facility. It was not a rate that Medicaid was paying, it was a calculation that the state did to state this facility should be paid this amount. Because of the quarterly change when ACES was set up, it was set up that someone could go update those networks instead of putting in a ticket as you would to change anything in ACES that would take longer. Since the person in the finance team was the contact for the state they would receive that information, update it, and process the invoice. Two things have changed, the state stopped providing that number, since they were not paying that number, their response became to confusing if they provided that out because they did not actually pay that. We were able to figure out the calculation when the state us the information and

were able to take what they do and have a calculation that makes sense for us. We could update it quarterly or every six months, the rate is still based on how many people are in the facility, regardless of they are in a ventilator or not to help get that average number. We are having a different person who put that rate in the system than the one who processes the invoice.

**WILLIAM MCCURDY II**

By doing that has that does it still make it inclusive?

**ALISHA BARRET**

No, we've been very clear to the agencies we work with that this is the contract rate you have with Clark County. But the state's answer was that they would put that rate out for every single facility that they worked with. Those facilities would question Medicaid as to why they were putting these rates out when they were not paying that, but the facilities we work with, we've been very clear that we are basing it on that Medicaid number. And in fact, we are paying an increase percentage so they'll work with us, but no, we haven't had that. We just, we're in a spot since they weren't providing that information easily.

**ANGELA DARRAGH**

**Eleventh Finding:** Skilled Nursing rates are not easily accessible or always accurately provided by the state of Nevada. We calculated payment for ten cases and found that there was one small overpayment.

Recommendations: We recommend Social Service review the basis for the rate of pay for skilled Nursing Facilities and consider updating to a more streamlined/simplified basis of pay rates.

**ALISHA BARRET**

Management Response:

We have made sure that we are not beholden to another entity like the state, that we are able to figure a number that is accurate and fair across the board.

**MICHALE NAFT**

Any other questions regarding this audit?

Since half of the findings are related to ACES, that your respond to this board with a more tangible plan, please make sure to let the board know what you might need to move forward because we've got one software program that's causing so many different problems across so many different fields it is very concerning.

There's no action required on this item, so it'll move to item 6, to receive a presentation regarding the 2025 Audit Plan. Could you Mrs. Darragh provide us the committee with a refresher how audits are selected for the plan and who has the ability to do that.

## SEC. 6. RECEIVE A PRESENTATION OF AUDIT PLAN 2025

**ANGELA DARRAGH**

We conduct our audits according to generally accepted governments auditing standards and our department is considered independent per the GAGAS requirement for internal auditors. We get audited every three years and we had a positive Peer Review discussed last audit committee. We do a risk assessment on all our departments, and we identify the places where the county has the most risk. We look at various areas such as strategic risk, management interest, the amount of time since the last audit, legislative changes, management changes are taken into account. We come up with a tentative plan that we present to the county management to see if they have any recommendations or suggestions and then we present that to you. Also, throughout the year we accept special requests, for example, the CHAP

audit was a request from the external auditors. We previously did Elections and that was a request from the Audit Committee. We have done Animal Foundation contract that was a request; we usually have audit request throughout the year that will replace planned ones.

Last year we completed the following audits:

- Family Services P Card and Gift Card Follow Up
- Social Services ACES Application
- Social Services CHAP
- 2024 Crowe LLP Assistance
- 2024 Imprest and Petty Cash Account Review
- Animal Foundation Contract Follow Up
- Community Outreach Medical Center Follow Up
- Election Application Follow Up

For on going audits we have the following.

- Social Services Financial Assistance
- Johnson Controls Contract
- Fire Plans check
- Virtual Private Network

Jonson Control was a request from an outside identity. Fire Plan Check audit came out of result the settlement agreement with Clark County, we are also looking into VPN. As you can see two out of the four audits we have going are from special requests.

For 2025 we have the following plan:

- Justice Court Traffic Investigation;
- Tyler Technology Contract;
- Eagle Quest Contract;
- Public Administrator Vault;
- EMS Inventory;
- Juvenile Justice Payment Center;
- Center for Internet Security Control 1:  
Inventory and Control of Enterprise Assets;
- Center for Internet Security Control 2:  
Inventory and Control of Software Assets;
- Center for Internet Security Control 11:  
Data Recovery

Then we have the yearly required audits

- Annual External Audit Assistance
- Annual Imprest and Petty Cash Account Review

We also have our planned follow ups:

- Election Mail in Balloting
- Countywide Compliance with FD6
- 24 Hour Vehicle

In addition, to that we also have HIPAA investigations, that is going to require more time this year. As we roll out the new patient treatment center that is currently in the planning process, that will have to be HIPAA compliant. There is also a significant proposed security protocol update that will significantly increase the requirements under that. We are also working on AB50 or the NAS casualty data base and trying to make recommendations to make that proposed bill HIPAA complaint.

## **MICHAEL NAFT**

Any questions about related to the 2025 Audit Plan?

No, thank you,  
If there isn't anything further this item does not require discussion, we can move into the last item for public comment. Does anyone wish to speak?

## SEC. 7. PUBLIC COMMENTS

No public comment was made by the general public.

**END PUBLIC COMMENTS**

## SEC. 8. ADJOURNMENT

This meeting was adjourned by Commissioner Naft at 10:05 a.m.

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