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AUDIT REPORT

County
Departments are
Adhering to Petty
Cash, Imprest
Account and
Change Fund
Policies

April 2024

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Audit Executive Summary

Imprest and Petty Cash Funds Fiscal Year 2024 Audit

April 2024

Background | Nevada Revised Statutes Chapter 354 provides for the Board of County Commissioners to establish petty cash accounts, imprest accounts, and revolving change funds to assist in the administration of government activities.

While the majority of County cash and investments are in custody of the County Treasurer, petty cash, imprest accounts and revolving change funds are in the custody of other officials and fully managed at the department level.

Petty cash accounts are funds of a fixed amount used to make small, authorized cash payments at the department level.

Imprest accounts are identical to petty cash funds except they consist of a bank account rather than a cash fund.

Revolving change funds are typically cash funds kept at the department level for the purpose of making change where cash is collected.

Clark County has approximately \$1.6M in custody of other officials for petty cash, imprest accounts and revolving change funds as of December 31, 2023.

Objectives | We conducted this engagement in accordance with our annual audit plan. The objectives of this audit were to determine whether:

- County departments are following Fiscal Directive 16 and the corresponding Board approved resolutions for managing their imprest accounts, petty cash, and revolving change funds.
- Petty cash, imprest accounts and revolving change fund balances are in agreement with the County's enterprise resource planning application, SAP.

Summary and Key Findings

Overall, the balances of the various imprest checking accounts, petty cash accounts and revolving change banks held by County departments agree with the Board approved resolution amounts and SAP.

We found that departments are performing timely and correct reconciliations of their funds.

We also found that accounts are being replenished in a timely manner.

Recommendations | There are no audit recommendations as there were no findings.

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The Audit Department is an independent department of Clark County reporting directly to the County Manager. The Audit Department promotes economical, efficient, and effective operations and combats fraud, waste, and abuse by providing management with independent and objective evaluations of operations. The Department also helps keep the public informed about the quality of Clark County Management through audit reports.

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Background

Nevada Revised Statute 354.609 provides for the Board of County Commissioners to establish petty cash accounts, imprest accounts, and revolving change funds to assist in the administration of any activities a local government is authorized to engage in. Clark County has 28 departments with these types of accounts.

While most County cash and investments are in custody of the County Treasurer, petty cash, imprest accounts and revolving change funds are in the custody of other officials and fully managed at the department level.

Petty cash accounts are funds of a fixed amount used to make small, authorized cash payments at the department level. Petty cash accounts are typically used to purchase items or services on an urgent and infrequent basis when it is not feasible or practical to submit a purchase order, submit a request for payment, or use a procurement card. The cash payments out of the account are reimbursed through periodic claims submitted to the Clark County Comptroller.

Imprest accounts are identical to petty cash funds except they consist of a bank account rather than a cash fund. Imprest accounts are typically used for handling minor disbursements, where a fixed amount of money is set aside for this purpose. Disbursements from imprest checking accounts are supported by original invoices, just as any other County claim. At certain intervals, or when the imprest account is completely expended, the account is replenished through a department request submitted to the Clark County Comptroller.

Revolving change funds are typically cash funds kept at the department level for the purpose of making change where cash is collected.

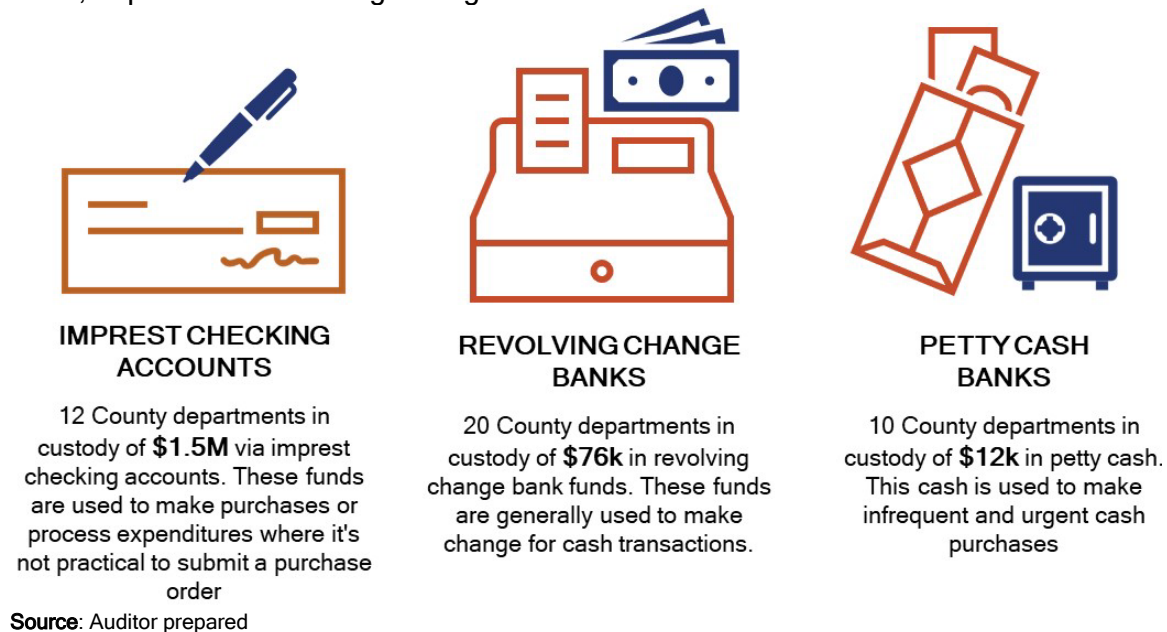
All petty cash accounts, imprest accounts, and revolving change funds are established by resolution of the Board of County Commissioners. The Board also approves modifications to existing account resolutions (e.g., department responsibility, changes to account balances, account purpose, or maximum single expenditure) and the dissolution of these accounts.

These accounts are all managed at the department level and assist departments with performing their core functions.

Clark County has approximately \$1.6 million in custody of other officials for petty cash, imprest accounts, and change funds as of December 31, 2023. These funds are held by

various departments. The bulk of the funds are allocated to departmental imprest accounts as seen in Figure 1.

FIGURE 1. Several Departments in Custody of \$1.6M via Petty Cash, Imprest and Revolving Change Funds.



Clark County Fiscal Directive 16 (FD16) outlines the operational policies for petty cash, imprest, and revolving change funds. The Directive outlines:

- Reimbursement procedures.
- Documentation requirements.
- A general written procedures requirement.
- Reconciliation requirements.
- Requirements to have policies regarding account variances.

Some accounts have additional requirements outlined in the Board resolutions that established the accounts.

Table 1 illustrates the account balances, as of December 31, 2023, for each department that maintains an account.

CASH COUNT OBSERVATIONS

See Appendix A for details on which departments were selected for physical in-person cash count observations and other testing procedures.

TABLE 1. Breakdown of imprest, petty cash and revolving change fund balances, by department - FY24

Department Name	Petty Cash	Imprest Account	Change Bank	Total
Assessor's Office	\$ -	\$ -	\$ 2,897	\$ 2,897
Building & Fire Prevention	-	-	2,000	2,000
Business License	1,500	-	2,000	3,500
Clerk's Office	-	-	8,500	8,500
Comprehensive Planning	-	-	150	150
District Attorney's Office - Administration	2,000	3,000	-	5,000
District Attorney's Office - Family support	-	1,000	-	1,000
District Attorney's Office - Victim Witness ⁽¹⁾	-	-	-	-
District Court	-	500	5,200	5,700
District Court - Jury Services	-	250,000	-	250,000
Juvenile Justice Services	500	3,935	360	4,795
Election	-	-	200	200
Family Services	-	40,000	-	40,000
Fire Department	5,000	-	-	5,000
Henderson Constable	-	-	500	500
Henderson Justice Court	-	3,000	850	3,850
Las Vegas Constable	-	-	600	600
Las Vegas Justice Court	-	500,000	10,000	510,000
Las Vegas Metropolitan Police ⁽²⁾	250	235,000	5,350	240,600
North Las Vegas Constable	-	-	200	200
North Las Vegas Justice Court	-	1,400	1,000	2,400
Outlying Justice Courts ⁽³⁾	-	17,150	900	18,050
Parks & Recreation	1,100	-	10,650	11,750
Public Administrator	500	1,000	-	1,500
Public Guardian	-	1,000	-	1,000
Public Works	-	-	350	350
Recorder	150	-	4,000	4,150
Regional Flood Control ⁽⁴⁾	500	-	-	500
Social Services	-	500,000	-	500,000
Treasurer	-	-	20,100	20,100
Total				\$1,644,192

Source: Auditor prepared based on work performed in FY24.

⁽¹⁾ This revolving account is self-funded and self-sustained. Initial and continuing funding come from donations and receipts to the account. Balance not included in our schedule but is part of our annual audit.

⁽²⁾ LVMPD performs quarterly audits for all their cash in custody and the information is provided and reviewed by Metro personnel.

⁽³⁾ Imprest and revolving change funds are distributed among eight outlying Justice Courts.

⁽⁴⁾ The Regional Flood Control District is an independent local governmental agency that contracts with Clark County for various legal and administrative services provided by departments such as the Comptroller, District Attorney, General Services, Human Resources, Information Systems and Treasurer.

Proper accounting, recording and operation of these accounts are essential for a healthy, functioning organization. Further, it ensures the County maintains adherence with fiscal

mandates, Nevada Revised Statutes and the requirements of the resolutions of the Board of County Commissioners.

Objective

We conducted this engagement in accordance with our annual audit plan. The objectives of this audit were to determine whether:

- County departments are compliant with Fiscal Directive 16 and the corresponding Board resolutions for managing their imprest, petty cash, and change funds; and
- Petty Cash, imprest accounts and change bank balances agree with the County's enterprise resource planning application (SAP) and the Comptroller's Schedule of Cash in Custody of Other Officials.

Conclusions

Overall, the balances of the various imprest, petty cash, and revolving change bank funds held by County departments agree with Board approved resolution amounts.

We found that departments are properly reconciling their funds in accordance with Fiscal Directive 16. We also found that funds are being replenished in a timely manner. Departments are complying with Fiscal Directive 16 and the Board resolutions that govern their imprest, petty cash and change funds.

Any findings are rated based on a risk assessment that takes into consideration the circumstances of the current condition including compensating controls and the potential impact on reputation and customer confidence, safety and health, finances, productivity, and the possibility of fines or legal penalties. It also considers the impact on confidentiality, integrity, and availability of data.

There were no audit findings in this year's audit.

Appendix A: Audit Scope, Methodology, and GAGAS Compliance

Scope

The audit covered the period from July 1, 2023, through April 1, 2024. We considered processes in place as of April 1, 2024. The last day of field work was April 1, 2024.

Methodology

To accomplish our objectives, we performed the following procedures:

- Judgmentally selected the following departments to perform in-person counts of petty cash and change bank funds:
 - Clark County Building Department
 - Department of Business Licensing
 - District Attorney's Office, Administration
 - Clark County Fire Department
 - North Las Vegas Justice Court
- Reviewed the various Board resolutions establishing each imprest and petty cash / change fund to identify the authorized amount of each fund and fund management requirements.
- For each imprest fund, we reviewed three department-prepared reconciliations and supporting schedules, to determine whether reconciliations are performed at least monthly and account balances agree with the Comptroller's Schedule of Cash in Custody of Other Departments and the General Ledger balance in SAP.
- For each imprest account, we reperformed a single month's reconciliation to verify the accuracy of the department's work.
- For each imprest account, we judgmentally selected one month of expenditures and determined whether:
 - The expenditure was business appropriate;
 - The expenditure was supported with appropriate evidence; and
 - Requests for reimbursement was performed within 30 days.
- For selected petty cash and change funds, we reviewed three judgmentally selected cash reconciliations (counts) to verify funds were reconciled in a timely manner. And
- Reviewed each department's written policies for their imprest, petty cash, and/or revolving change banks to determine adherence to Fiscal Directive 16 and any resolution requirements.
- Agreed the general ledger account balances to the Comptroller's Schedule of Funds in Custody of Other Officials.

While some samples selected were not statistically relevant, we believe they are sufficient to provide findings for the population as a whole.

Our work is performed throughout the fiscal year. For each completed departmental audit, we communicated the results of our procedures to the Clark County Comptroller and affected department heads.

Our review included an assessment of internal controls in the audited areas. Any significant findings related to internal control are included in the detailed results.

Standards Statement

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Our department is independent per the GAGAS requirements for internal auditors.