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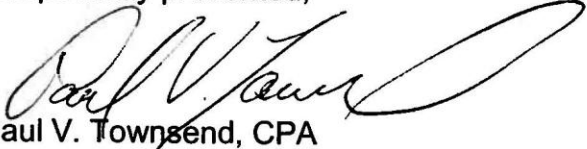
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Legislative Commission
Legislative Building
Carson City, Nevada

We have completed an audit of the Public Utilities Commission. This audit is part of the ongoing program of the Legislative Auditor as authorized by the Legislative Commission. The purpose of legislative audits is to improve state government by providing the Legislature, state officials, and Nevada citizens with independent and reliable information about the operations of state agencies, programs, activities, and functions. The results of our audit, including findings, conclusions, recommendations, and the Commission's response, are presented in this report.

We wish to express our appreciation to the management and staff of the Public Utilities Commission for their assistance during the audit.

Respectfully presented,


Paul V. Townsend, CPA
Legislative Auditor

July 28, 2010
Carson City, Nevada

STATE OF NEVADA
PUBLIC UTILITIES COMMISSION

AUDIT REPORT

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EXECUTIVE SUMMARY

PUBLIC UTILITIES COMMISSION

Background

The Public Utilities Commission was created in 1919. The Commission regulates public companies engaged in electric, natural gas, telephone, water and sewer services; gas and electric master meter service at mobile home parks; and some propane systems. In addition, it monitors gas pipeline and railroad safety.

The Commission's mission is to supervise and regulate the operation and maintenance of utility services in Nevada. The Commission is comprised of three commissioners who are appointed by the Governor to four-year terms.

The Commission maintains offices in Carson City and Las Vegas, and had 93 authorized positions in fiscal year 2009. The Commission is self-funded with two budget accounts, funded primarily from annual assessments collected from public utilities. During fiscal year 2009, the Commission received about \$10.7 million in revenues.

Purpose

The purpose of this audit was to determine whether the Commission's financial and administrative practices were carried out in accordance with applicable state laws, regulations, policies, and procedures, and whether information technology security controls were adequate to protect the confidentiality, integrity, and availability of its information and information systems. This audit focused on the Commission's financial and administrative activities and information technology controls for fiscal year 2009, and included certain activities through February 2010.

Results in Brief

The Public Utilities Commission substantially complied with state laws, regulations, policies, and procedures significant to its financial, administrative, and information technology activities. However, better monitoring and updating of internal controls is necessary. Improved controls are needed over receivables to ensure unpaid accounts are actively pursued and properly reported. In addition, timely action needs to be taken on delinquent assessment and fee reports. Better financial and administrative controls are also needed to ensure revenue received in Las Vegas is properly safeguarded, out-of-state travel is accurately billed, and certain expenditures and assets are sufficiently reviewed. Furthermore, information technology control weaknesses existed in password controls and training designed to protect Commission data.

Principal Findings

- The collection of administrative fines was not actively pursued by Commission staff. During fiscal year 2009, 27 fines totaling \$28,000 were assessed. Three months after the fiscal year, 24 fines totaling \$24,000 remained outstanding. Timely and sufficient collection efforts are needed to remind companies of their obligations and consequences for nonpayment. (page 7)
- The Commission did not properly report fine receivables to the State Controller as statutorily required. As of June 30, 2009, Commission records indicate it had \$24,500 in outstanding fines. A majority of Commission receivables are from assessed fines, which are included in the state's definition of an accounts receivable. (page 8)

EXECUTIVE SUMMARY

PUBLIC UTILITIES COMMISSION

- Enforcement actions were not timely on delinquent assessment and fee reports. Our analysis of delinquent reports revealed none of the ten reports we tested were pursued in a timely manner. They were pursued 2 to 13 months after the due date. These reports show how companies calculated fees due to the Office of Consumer Protection and the Office of Disability Services. The Commission should actively pursue delinquent assessment and fee reports to increase collections and ensure statutory compliance with established deadlines. (page 8)
- Controls over certain financial activities can be strengthened. Specifically, additional controls are needed over revenue received in Las Vegas. Improved controls are also necessary to ensure the accuracy of travel billings. In addition, better monitoring is needed over certain expenditure transactions to ensure cell phone use and employee travel is adequately reviewed. Further, improvements are needed over the tracking of agency owned vehicles. Good control systems provide reasonable assurance that an agency's objectives are achieved by ensuring the efficiency and effectiveness of operations, reliability of financial information, and compliance with laws and regulations. (page 9)
- Controls over the Commission's information systems also need improvement. The Commission did not ensure strong computer password controls were in place. The system permitted passwords to be set at a minimum of seven characters and to never force a change. State security standards require that passwords be a minimum of eight characters and be changed at least every 90 days. Shorter passwords and never requiring passwords to be changed creates a greater risk of unauthorized access to the Commission's network and data. (page 12)
- Management indicated the Commission does not conduct periodic security awareness training or require employees to sign security awareness

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PUBLIC UTILITIES COMMISSION

statements. State standards require each agency conduct ongoing security awareness training. The intent of this training is to ensure that all employees, consultants, and contractors are aware of their responsibilities in protecting the state's information systems and data processed through them. (page 12)

Recommendations

This audit report contains seven recommendations to improve the Commission's financial and administrative activities and information technology controls. Two recommendations address improving controls over receivables to ensure accounts are actively pursued and reported, and timely action is taken on delinquent assessment and fee reports. We also made three recommendations to strengthen controls over revenue received in Las Vegas, and certain expenditures and assets. In addition, we made two recommendations to improve controls over the Commission's information systems. (page 18)

Agency Response

The Commission, in response to the audit report, accepted the seven recommendations. (page 17)

Introduction

Background

The Public Utilities Commission was created in 1911. The Commission regulates public companies engaged in electric, natural gas, telephone, water and sewer services; gas and electric master meter service at mobile home parks; and some propane systems. In addition, it monitors gas pipeline and railroad safety.

The Commission's mission is to supervise and regulate the operation and maintenance of utility services in Nevada. The Commission is comprised of three commissioners who are appointed by the Governor to four-year terms. In 2009, a new position of Executive Director was created to direct the daily operations of the agency, previously performed by the Commission's Chairman.

The Commission maintains offices in Carson City and Las Vegas, and had 93 authorized positions in fiscal year 2009. The Commission is self-funded with two budget accounts. Regulatory operations are recorded in a special revenue fund primarily consisting of annual assessments collected from public utilities. During fiscal year 2009, approximately \$10.1 million was collected in assessments, \$385,000 in federal funds relating to gas pipeline safety, and \$150,000 in other fees. Administrative fines assessed from statutory violations are recorded in the other budget account. During fiscal year 2009, about \$22,000 in administrative fines was collected and transferred to the General Fund in accordance with NRS 703.380. Exhibit 1 shows the Commission's fiscal year 2009 expenditures.

**Commission Expenditures
Fiscal Year 2009**

Description	Amount
Personnel	\$ 8,425,423
Travel	154,645
Operating ⁽¹⁾	1,102,953
Information Services	236,496
Purchasing Assessment	5,864
State Cost Plan Recovery	58,132
Reserve for Reversion	800,000
Total	\$10,783,513

Source: State accounting system.

⁽¹⁾ Includes equipment, expert consultants, out-of-state audits, vehicle operation, training, and other operating costs.

Scope and Objectives

This audit is part of the ongoing program of the Legislative Auditor as authorized by the Legislative Commission, and was made pursuant to the provision of NRS 218G.010 to 218G.350. The Legislative Auditor conducts audits as part of the Legislature's oversight responsibility for public programs. The purpose of legislative audits is to improve state government by providing the Legislature, state officials, and Nevada citizens with independent and reliable information about the operations of state agencies, programs, activities, and functions.

This audit focused on the Commission's financial and administrative activities and information technology controls for fiscal year 2009, and included certain activities through February 2010. The objectives of our audit were to determine whether:

- The Commission's financial and administrative practices were carried out in accordance with applicable state laws, regulations, policies, and procedures.
- The Commission's information technology security controls were adequate to protect the confidentiality, integrity, and availability of its information and information systems.

Findings and Recommendations

Financial and Administrative Controls Can Be Strengthened

The Public Utilities Commission substantially complied with state laws, regulations, policies, and procedures significant to its financial, administrative, and information technology activities. However, better monitoring and updating of internal controls is necessary. Improved controls are needed over receivables to ensure unpaid accounts are actively pursued and properly reported. In addition, timely action needs to be taken on delinquent assessment and fee reports. Better financial and administrative controls are also needed to ensure revenue received in Las Vegas is properly safeguarded, out-of-state travel is accurately billed, and certain expenditures and assets are sufficiently reviewed. Furthermore, information technology control weaknesses existed in password controls and training designed to protect Commission data.

Better Controls Needed Over Receivables

The Commission can improve controls over receivables by actively pursuing and properly reporting outstanding fines. In addition, timely enforcement actions should be conducted on delinquent assessment and fee reports. Improving the Commission's receivable controls would help maximize collections and ensure statutory compliance.

Collection of Fines Not Actively Pursued

The collection of administrative fines was not actively pursued by Commission staff. During fiscal year 2009, 27 fines totaling \$28,000 were assessed. Three months after the fiscal year, 24 fines totaling \$24,000 remained outstanding. Timely and sufficient collection efforts are needed to remind companies of their obligations and consequences for nonpayment.

NRS 703.380 allows the Commission to assess administrative fines for statutory violations and deposit fine revenue into the state's General Fund. The Commission's policies and procedures require outstanding fines to be pursued on an annual basis. However, we found no evidence of collection efforts. Untimely collection efforts decrease the likelihood of successful collections. Furthermore, not actively pursuing

delinquent fines may result in a loss of General Fund monies and potential interest earnings.

Authority to pursue outstanding accounts is provided by NRS Chapter 353C. State Accounting Policies and Procedures also detail different collection methods that may be used, including the use of collection letters. Additionally, the 2009 Legislature revised statutes requiring the State Controller to act as the collection agent for all agencies that do not have specific debt collection statutes or have not obtained a waiver to engage in their own collection efforts. All such agencies are now required to turn over debts 60 days delinquent to the State Controller for collection. Hence, the Commission should revise its procedures to ensure outstanding fines are actively pursued, including the use of the State Controller's Office when needed.

Fine Receivables Not Properly Reported

The Commission did not properly report fine receivables to the State Controller as statutorily required. As of June 30, 2009, Commission records indicate it had \$24,500 in outstanding fines. NRS 353C.120 requires each agency to submit to the State Controller periodic reports of debts owed to the agency. State Accounting Policies and Procedures require agencies to report accounts receivable on a quarterly basis. A majority of Commission receivables are from assessed fines, which are included in the state's definition of an accounts receivable.

Receivables were not properly reported because fines were not included in the Commission's definition of an accounts receivable. Submitting complete accounts receivable reports will allow the Commission the ability to efficiently track amounts due while complying with state law. When accounts receivable are not properly reported, the State Controller and other users of this information are not informed of all debts owed the State.

Better Enforcement Actions Needed Over Delinquent Assessment and Fee Reports

Enforcement actions were not timely on delinquent assessment and fee reports. Our analysis of delinquent reports revealed none of the ten reports we tested were pursued in a timely manner. They were pursued 2 to 13 months after the due date.

The Commission should actively pursue delinquent assessment and fee reports to increase collections and ensure statutory compliance with established deadlines.

NRS 704.033 requires the Commission to levy and collect an annual assessment from public utilities under its jurisdiction. A portion of the amount collected is deposited into the Attorney General's budget account to fund the operations of the Office of Consumer Protection. In addition, the Commission receives a surcharge from telephone carriers to assist individuals with hearing and speech impairments. These funds are transferred to the Department of Health and Human Services, Office of Disability Services. With each payment, companies are required to submit a report showing how the submitted amount was calculated. Since some of these funds are deposited to other state agencies, the Commission has an obligation to actively pursue delinquent assessment and fee reports to ensure the other agencies are receiving their funds timely so program operations are not affected.

The filings are not considered to be receivables because the Commission does not know the total amounts due, since the companies calculate their payments based on Commission approved rates. Therefore, Commission staff wait until the end of each calendar year, compile a listing of companies that are delinquent, and submit the list to the Commission's General Counsel for enforcement action. General Counsel sends demand letters, and although this is an effective enforcement practice, the letters are sent several months after the reporting due date. In September 2009, 92 companies were submitted to General Counsel for enforcement. We tested ten of these companies and noted that eight promptly responded after receiving a late notice from General Counsel. Therefore, enforcing assessment and fee reporting requirements would increase collections and result in fewer delinquencies at year-end.

Certain Revenue and Expenditure Controls Need Improvement

Controls over certain financial activities can be strengthened. Specifically, additional controls are needed over revenue received in Las Vegas. Improved controls are also necessary to ensure the accuracy of travel billings. In addition, better monitoring is needed over certain expenditure transactions to ensure cell phone use and employee travel is adequately reviewed. Further, improvements are needed over the tracking of agency owned vehicles. Good control systems provide reasonable

assurance that an agency's objectives are achieved by ensuring the efficiency and effectiveness of operations, reliability of financial information, and compliance with laws and regulations.

Inadequate Revenue Controls in Las Vegas Office

Revenue processing duties are not adequately segregated in the Commission's Las Vegas office. An administrative assistant prepared the cash receipt, bank deposit slip, and took the deposit to the bank for 15 of 19 payments received during fiscal year 2009. In addition, access to payments is not properly restricted. Receipt forms and the safe key are kept in unlocked filing cabinets readily accessible to unauthorized personnel. Although the office received less than \$4,000 during the year, having one employee conduct most revenue duties and not securely storing cash receipts increases the risk that a payment could become lost, stolen, or misappropriated. This risk increases with the number of people who have access to cash receipts.

The Commission's policies and procedures lack guidance on what positions will be performing revenue duties in the Las Vegas office, as well as the importance of restricting access to cash receipts. State Accounting Policies and Procedures recommend the responsibilities for receiving, accounting, and depositing of funds be segregated between employees to provide adequate internal control. Entry to safekeeping devices should also be limited to as few people as possible. Furthermore, NRS 353A.020 requires agencies to appropriately segregate duties to safeguard the agency's assets and limit access to persons who need the assets to perform their duties.

Travel Billings Not Accurate

The Commission did not accurately bill public utilities for out-of-state travel expenses. During fiscal year 2009, staff made three trips totaling \$3,160. Staff inaccurately calculated the reimbursable amount, which led to the companies being under-billed by about \$970. NRS 703.145 authorizes the Commission to assess an amount equal to the per diem allowance and travel expenses of Commission members and staff for investigations, audits, and appearances required to be performed out of the State. The per diem allowance and travel expenses must be at the rate established by the State Board of Examiners.

Commission policies and procedures reiterate state law. However, staff did not follow policy and billed companies as done in previous years. Staff were unaware that, in 2007, the law was revised changing the reimbursable amount from the excess of out-of-state travel over in-state travel costs to the actual costs incurred. After discussing this law change with management, staff recalculated the additional amount owed the Commission for calendar year 2009. In February 2010, an additional \$670 was collected.

Improved Monitoring Needed Over Certain Expenditures

The Commission can improve the monitoring of certain expenditures. Specifically, cell phone use was not adequately reviewed. We noted an employee used about 1,300 minutes of a plan for 6,000 minutes per month and had over 46,000 minutes available from previous months. Changing to a plan better suited for the employee's needs would have resulted in a \$100 monthly cost savings. Further, our testing of employee travel revealed three of five travel claims did not comply with state and agency policies. We found parking fees not properly reimbursed, and incidental charges and per diem amounts not properly claimed.

State agencies should adequately monitor all expenditure transactions to ensure charges are appropriate, to avoid any unnecessary additional costs. While the Commission has policies and procedures over expenditures, these procedures do not mention the monitoring of cell phone use.

Vehicles Not Physically Inventoried

The Commission did not physically inspect agency owned vehicles during their annual inventory. As a result, the Commission's property and equipment records were inaccurate. Of 13 vehicles tested, 4 were located at a different office than specified on the Commission's inventory. This happened because staff did not follow established inventory procedures. Instead, staff relied on vehicle maintenance and operating invoices to confirm vehicles existed.

Accurate property records are important to maintain accountability and enhance loss prevention. NRS 333.220 requires that agencies conduct annual physical inventories and reconcile the results to the state's inventory records. In addition, agencies are required to notify the State Purchasing Division when changes to property

records occur. Reportable changes include transfers, additions, corrections, and deletions.

Improvements Over Information Technology Controls Needed

Controls over the Commission's information systems also need improvement. Weaknesses existed in password controls designed to protect the confidentiality, integrity, and availability of agency data. Additionally, staff lacked adequate security awareness training, which also helps reduce information security risks.

Password Controls Need Strengthening

The Commission did not ensure strong computer password controls were in place. The system permitted passwords to be set at a minimum of seven characters and never forced employees to change passwords. State security standards require that passwords be a minimum of eight characters and be changed at least every 90 days. Shorter passwords and never requiring passwords to be changed creates a greater risk of unauthorized access to the Commission's network and data. Commission management indicated that, on a prior network, they required seven characters for passwords, and had not changed the requirement for the current network.

Staff Lack Required Security Awareness Training

Management indicated the Commission does not conduct periodic security awareness training or require employees to sign security awareness statements. State standards require each agency conduct ongoing security awareness training. The intent of this training is to ensure that all employees, consultants, and contractors are aware of their responsibilities in protecting the state's information systems and data processed through them.

In addition, all employees should sign security awareness statements to document they understand their responsibilities regarding the confidential nature of the information to which they have access. Such statements also inform employees of the penalties associated with the unauthorized disclosure or use of this sensitive information.

Recommendations

1. Revise procedures to ensure reasonable and timely collection efforts are taken on outstanding fines and all accounts

receivable are properly reported to the State Controller when required.

2. Revise procedures to ensure prompt enforcement actions over delinquent assessment and fee reports.
3. Update revenue procedures to ensure adequate segregation of duties and restricted access to revenue received in Las Vegas.
4. Improve expenditure controls by developing procedures to adequately monitor cell phone use and ensure employee travel reimbursements are accurate.
5. Ensure staff follow inventory procedures to physically inspect Commission vehicles.
6. Set passwords to be a minimum of eight characters and to change at least every 90 days.
7. Conduct periodic security awareness training and require employees to sign a security awareness agreement after receiving training.

Appendices

Appendix A

Audit Methodology

To gain an understanding of the Public Utilities Commission, we interviewed staff and reviewed state laws, regulations, policies, and procedures significant to the Commission's operations. We also reviewed financial information, prior audit reports, budgets, legislative committee minutes, and other information describing the activities of the Commission. Furthermore, we documented and assessed the Commission's internal controls over accounts receivable, property and equipment, revenues, expenditures, personnel and payroll, information systems, and performance measures.

To determine if the Commission's financial and administrative practices were carried out in accordance with state laws, regulations, policies, and procedures, we tested the accuracy of accounts receivable records by tracing ten accounts and ten payments to Commission records and source documents. We then determined if fines assessed during fiscal year 2009 were actively pursued, and if receivables were properly reported to the State Controller. We also determined if adequate enforcement actions were taken on ten randomly selected delinquent assessment and fee reports.

We then determined if the Commission performed an annual physical inventory during 2009 and tested the accuracy of inventory records. Based on the inherent risk of loss or misuse, we judgmentally selected 15 assets on the Commission's inventory lists, including all agency owned vehicles, to verify their physical existence. We also judgmentally selected 15 assets in a similar manner to determine whether these assets appeared on the inventory lists. In addition, Commission records were reviewed to ensure all vehicles were properly insured.

To evaluate the effectiveness of revenue controls, we randomly selected 25 payments to ensure amounts were properly deposited and recorded. We then accounted for all used, voided, and unused cash receipts and judgmentally selected

ten voided receipts to review for propriety and document retention. Next, we randomly selected ten transactions to determine if amounts were recorded in the correct fiscal year, and the ten largest debit transactions to determine their propriety. Fiscal year 2009 out-of-state travel billings were also reviewed for compliance with NRS 703.145. Additionally, we observed the Commission's revenue process in its Las Vegas office to determine if adequate controls exist, including the proper segregation of duties.

To determine the appropriateness of the Commission's expenditures, we randomly selected 25 transactions and tested for proper recording, approval, and compliance with laws, regulations, policies, and procedures. Transactions included at least five cell phone and five fuel card transactions. Additionally, we judgmentally selected five transactions and determined if costs were recorded in the proper fiscal year. We also reviewed five randomly selected journal vouchers and five randomly selected credit entries to determine their propriety.

To evaluate compliance with personnel and payroll laws, we randomly selected ten of the Commission's unclassified employees and verified their salaries agreed to the amount authorized in statute. We also verified these employees were not receiving compensation for overtime. From a listing of classified employees with accrued compensatory time during fiscal year 2009, we selected five classified employees and determined compliance with personnel requirements including whether performance evaluations had been conducted timely and work performance standards had been communicated.

We then determined if the Commission's information technology (IT) security controls are adequate to protect the confidentiality, integrity, and availability of its information and information systems by examining the Commission's adherence to the state's IT standards. We tested security settings to determine if state password standards were being followed, and network access was properly monitored. We determined if the Commission had developed required security and data recovery plans, and determined if vital data was adequately protected, including periodic backups and testing. Additionally, we determined whether the Commission conducts and documents periodic IT security awareness training.

Our audit work was conducted from July 2009 to March 2010. We conducted this performance audit in accordance with generally accepted government auditing standards. 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.

In accordance with NRS 218G.230, we furnished a copy of our preliminary report to the Executive Director of the Public Utilities Commission. On July 20, 2010, we met with agency officials to discuss the results of the audit and requested a written response to the preliminary report. That response is contained in Appendix B which begins on page 17.

Contributors to this report included:

Tammy A. Goetze, CPA
Deputy Legislative Auditor

Jane Bailey
Audit Supervisor

S. Douglas Peterson, CISA
Audit Supervisor

Appendix B
Response From the Public Utilities Commission



JIM GIBBONS
Governor

STATE OF NEVADA
PUBLIC UTILITIES COMMISSION

SAM THOMPSON
Chairman

REBECCA WAGNER
Commissioner

ALAINA BURTENSHAW
Commissioner

CRYSTAL JACKSON
Executive Director

July 28, 2010

Paul V. Townsend, CPA
Legislative Auditor
Legislative Counsel Bureau
Legislative Building
401 S. Carson Street
Carson City, Nevada 89701-4747

Dear Mr. Townsend:

I am in receipt of a copy of the preliminary audit report on the Public Utilities Commission. Pursuant to NRS 218G.230, I hereby submit a written statement of explanation concerning the audit report findings.

The Commission has taken immediate action to revise and implement procedures addressing the preliminary audit report recommendations.

The recommendations and written reply to each are as follows:

1. Revise procedures to ensure reasonable and timely collections efforts are taken on outstanding fines and all accounts receivable are properly reported to the State Controller when required.

The Commission has revised its procedures to ensure reasonable and timely collection efforts are taken on outstanding fines and to ensure all accounts receivable are properly reported to the State Controller when required.

2. Revise procedures to ensure prompt enforcement actions over delinquent assessment and fee reports.

The Commission has revised its procedures to ensure prompt enforcement actions over delinquent assessment and fee reports.

3. Update revenue procedures to ensure adequate segregation of duties and restricted access to revenue received in Las Vegas.

The Commission has updated its procedures to ensure adequate segregation of duties and restricted access to revenue received in Las Vegas.

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4. Improve expenditure controls by developing procedures to adequately monitor cell phone use and ensure employee travel reimbursements are accurate.

The Commission has developed procedures to adequately monitor cell phone use and ensure employee travel reimbursements are accurate.

5. Ensure staff follow inventory procedures to physically inspect Commission vehicles.

The Commission staff has been advised to follow the inventory procedures and physically inspect Commission vehicles. Commission management will ensure staff follow inventory procedures.

6. Set passwords to be a minimum of eight characters and to change at least every 90 days.

The Commission has set passwords to be a minimum of eight characters and to change the passwords at least every 90 days.

7. Conduct periodic security awareness training and require employees to sign a security awareness agreement after receiving training.

All Commission staff have completed the security awareness training and signed a security awareness agreement after receiving training. Commission management will ensure periodic security awareness training is conducted and require employees to sign a security awareness agreement after receiving training.

The Commission strives to ensure its financial and administrative practices are carried out in accordance with applicable state laws, regulations, policies, and procedures. The results of this audit and its recommendations are appreciated and have been taken seriously by the Commission. We would like to extend our appreciation to Ms. Goetze and Ms. Bailey who were extremely helpful during the course of the audit. The Commission accepts all seven (7) of the audit recommendations provided in the preliminary audit report.

Sincerely,


Crystal Jackson
Executive Director

cc: Stacy Woodbury, Deputy Chief of Staff, Governor's Office
Andrew Clinger, Director, Department of Administration
Donna Skau, Commission Secretary, PUCN

**Public Utilities Commission
Response to Audit Recommendations**

<u>Recommendation Number</u>		<u>Accepted</u>	<u>Rejected</u>
1	Revise procedures to ensure reasonable and timely collection efforts are taken on outstanding fines and all accounts receivable are properly reported to the State Controller when required	<u> X </u>	<u> </u>
2	Revise procedures to ensure prompt enforcement actions over delinquent assessment and fee reports...	<u> X </u>	<u> </u>
3	Update revenue procedures to ensure adequate segregation of duties and restricted access to revenue received in Las Vegas.....	<u> X </u>	<u> </u>
4	Improve expenditure controls by developing procedures to adequately monitor cell phone use and ensure employee travel reimbursements are accurate.....	<u> X </u>	<u> </u>
5	Ensure staff follow inventory procedures to physically inspect Commission vehicles.....	<u> X </u>	<u> </u>
6	Set passwords to be a minimum of eight characters and to change at least every 90 days	<u> X </u>	<u> </u>
7	Conduct periodic security awareness training and require employees to sign a security awareness agreement after receiving training.....	<u> X </u>	<u> </u>
	TOTAL	<u> 7 </u>	<u> 0 </u>