

STATE OF NEVADA  
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING  
401 S. CARSON STREET  
CARSON CITY, NEVADA 89701-4747  
~~Fax No. (775) 684-6600~~



LEGISLATIVE COMMISSION (775) 684-6800  
MO DENIS, *Senator, Chairman*  
Rick Combs, *Director, Secretary*

INTERIM FINANCE COMMITTEE (775) 684-6821  
MAGGIE CARLTON, *Assemblywoman, Chair*  
Cindy Jones, *Fiscal Analyst*  
Mark Krmpotic, *Fiscal Analyst*

RICK COMBS, *Director*  
(775) 684-6800

BRENDA J. ERDOES, *Legislative Counsel* (775) 684-6830  
PAUL V. TOWNSEND, *Legislative Auditor* (775) 684-6815  
DONALD O. WILLIAMS, *Research Director* (775) 684-6825

January 16, 2013

Members of the Nevada State Legislature  
Legislative Building  
Carson City, Nevada

### **Audits of Certain State Boards**

NRS 218G.400 requires certain boards to be audited annually or biennially by contract auditors. The audit report must be filed by the board on or before December 1 of each year in which an audit is conducted. In addition, boards with revenue less than \$50,000 for any fiscal year must complete a self-reported balance sheet and submit it to the Legislative Auditor and the Chief of the Budget Division on or before December 1 following the end of that fiscal year.

#### **Audit Report Not Submitted**

One board did not submit the required audit report:

##### **Board**

**Due December 1, 2012**

Board of Psychological Examiners

Annual audit report not submitted

##### **Additional Information – Board of Psychological Examiners**

On December 20, 2012, we informed the Board that we had not received the required audit report and requested the current status of the audit. The Board indicated the audit was in progress and would be completed soon. We will continue to monitor the status of the pending audit.

#### **Weak Internal Controls**

##### **State Funeral Board**

In the June 30, 2012, audit report, the auditor had three findings regarding weak internal controls. For example, it was noted during the auditor's testing that: 1) the Executive Director was signing checks made out to her personally; 2) the Board was unable to provide proper documentation for several transactions; and 3) general ledger accounts were not reconciled in a timely and/or accurate manner. In its response, the Board acknowledged the findings.

#### **Boards Current With Filing Requirements**

The following boards submitted audit reports or balance sheets for the year ended June 30, 2012, and are current in filing their required reports.

Nevada State Board of Accountancy  
Board of Examiners for Alcohol, Drug and Gambling Counselors  
State Board of Architecture, Interior Design and Residential Design

State Board of Athletic Trainers  
Barbers' Health and Sanitation Board  
Chiropractic Physicians' Board of Nevada  
State Contractors' Board  
State Board of Cosmetology  
Board of Dental Examiners of Nevada  
Board of Dispensing Opticians  
Board of Examiners for Long-Term Care Administrators  
State Funeral Board  
Board of Hearing Aid Specialists  
Board of Homeopathic Medical Examiners  
State Board of Landscape Architecture  
Board for the Regulation of Liquefied Petroleum Gas  
Board of Examiners for Marriage and Family Therapists and  
Clinical Professional Counselors  
Board of Massage Therapists  
Board of Medical Examiners  
State Board of Nursing  
State Board of Occupational Therapy  
State Board of Optometry  
State Board of Oriental Medicine  
State Board of Osteopathic Medicine  
State Board of Pharmacy  
Board of Physical Therapy Examiners  
State Board of Professional Engineers and Land Surveyors  
Board of Registered Environmental Health Specialists  
Board of Examiners for Social Workers  
Nevada State Board of Veterinary Medical Examiners

All other boards not identified are currently in compliance with NRS 218G.400.

**Financial Information – All Boards**

See Attachment A for an overview of financial data on all occupational licensing boards.

Please contact me at (775) 684-6815 if you have any questions regarding this letter.

Sincerely,



Paul V. Townsend, CPA  
Legislative Auditor

PVT:dw

cc: Governor Brian Sandoval

Gerald Gardner, Chief of Staff, Office of the Governor

Jeff Mohlenkamp, Director, Department of Administration

Annalyn Bo Carillo, Boards and Commission Deputy, Office of the Governor

**Attachment A**  
**Occupational Licensing Boards**  
**Financial Information**  
**2012**

Board	Annual Revenues	Annual Expenditures	Fund Balance/Net Assets
1 Contractors	\$ 6,626,565	\$ 5,940,944	\$ 8,554,327
2 Medical Examiners <sup>1</sup>	\$ 4,156,160	\$ 3,346,148	\$ 2,056,976
3 Nursing	\$ 2,609,368	\$ 2,494,579	\$ 4,367,555
4 Pharmacy	\$ 2,367,280	\$ 1,907,448	\$ 483,845
5 Cosmetology	\$ 1,856,515	\$ 2,157,034	\$ 780,865
6 Private Investigators <sup>2</sup> (Biennial audit)	\$ 1,057,580	\$ 1,143,797	\$ 16,230
7 Dental Examiners	\$ 972,427	\$ 1,162,397	\$ 731,824
8 Engineers and Land Surveyors	\$ 955,000	\$ 848,063	\$ 617,590
9 Architecture, Interior Design & Residential Design	\$ 921,856	\$ 849,890	\$ 1,193,036
10 Massage Therapists	\$ 821,726	\$ 719,014	\$ 232,624
11 Accountancy	\$ 609,169	\$ 521,029	\$ 1,050,206
12 Osteopathic Medicine	\$ 538,045	\$ 393,683	\$ 767,881
13 Chiropractic Physicians <sup>3</sup>	\$ 397,157	\$ 340,456	\$ 123,297
14 Veterinary Medical Examiners	\$ 329,851	\$ 326,087	\$ 530,569
15 Liquefied Petroleum Gas	\$ 314,465	\$ 304,566	\$ 278,821
16 Physical Therapy Examiners (Biennial audit)	\$ 298,586	\$ 267,311	\$ 479,199
17 Long-Term Care Administrators	\$ 281,866	\$ 184,351	\$ 74,709
18 Social Workers <sup>4</sup>	\$ 256,281	\$ 279,327	\$ (102,619)
19 Psychological Examiners <sup>2</sup>	\$ 231,959	\$ 119,583	\$ 91,045
20 Optometry (Biennial audit)	\$ 181,374	\$ 163,774	\$ 424,849
21 Occupational Therapy (Biennial audit)	\$ 173,586	\$ 152,247	\$ 591,814
22 Alcohol, Drug, and Gambling Counselors	\$ 172,006	\$ 194,324	\$ 89,751
23 Marriage and Family Therapists and Clinical Counselors	\$ 127,214	\$ 120,727	\$ 25,250
24 Dispensing Opticians	\$ 107,775	\$ 91,320	\$ 23,818
25 Certified Court Reporters <sup>2</sup> (Biennial audit)	\$ 97,169	\$ 70,968	\$ 82,218
26 Funeral Board	\$ 77,025	\$ 80,920	\$ (7,029)
27 Landscape Architecture	\$ 66,184	\$ 78,101	\$ 93,364
28 Barbers' Health and Sanitation Board (Biennial audit)	\$ 62,745	\$ 56,907	\$ 76,529
29 Podiatry <sup>2</sup> (Biennial audit)	\$ 61,967	\$ 57,665	\$ 194,364
30 Audiology and Speech Pathology <sup>2</sup> (Biennial audit)	\$ 48,998	\$ 22,448	\$ 268,799
31 Oriental Medicine	\$ 43,356	\$ 19,816	\$ 128,569
32 Homeopathic Medical Examiners <sup>5</sup>	\$ 33,057	\$ 30,469	\$ (117,923)
33 Athletic Trainers	\$ 32,025	\$ 25,137	\$ 55,206
34 Hearing Aid Specialists	\$ 28,707	\$ 29,099	\$ 7,868
35 Registered Environmental Health Specialists	\$ 16,725	\$ 9,487	\$ 25,060

<sup>1</sup> - Amounts listed are from the December 31, 2011, audit report.

<sup>2</sup> - Amounts listed are from the June 30, 2011, audit report.

<sup>3</sup> - Revenues listed are an average of fiscal years 2011(\$724,279) and 2012 (\$70,035).

<sup>4</sup> - Fund balance deficit is because the Board has assets of \$42,843 and liabilities of \$145,462.  
The majority of liabilities relate to unearned license revenue.

<sup>5</sup> - Fund balance deficit is because \$130,222 is owed to the Office of Attorney General.