

SENATE NATURAL RESOURCES COMMITTEE

MINUTES OF MEETING
Monday, March 21, 1977

The twelfth meeting of the Natural Resources Committee was called to order on the above date at 2 p.m.

Senator Gary Sheerin was in the Chair.

PRESENT: Chairman Sheerin
Senator Dodge
Senator Neal

It was noted Senator Lamb and Senator Neal joined the meeting after it was opened.

ABSENT: Senator Glaser

OTHERS PRESENT: John Crossley, Chief Deputy Legislative Auditor
with the Counsel Bureau
Robert O. Dimmick, Deputy Legislative Auditor

Chairman Sheerin had requested the Nevada State Audit Division to explain the audit of the State of Nevada, Department of Agriculture, because of complaints from, basically, ranchers of Nevada who feel they have not been getting just treatment from the State Agriculture Department. He asked for the review in hopes the Committee could reach a solution, be it new legislation or a recommendation to that department.

JOHN CROSSLEY and ROBERT DIMMICK reviewed the audit with the Committee. A printed audit report for fiscal year ending June 30, 1975, entered in record, attached as EXHIBIT "A", was presented to the Legislative Commission on April 22, 1976. Mr. Crossley referred to page 30.2 which outlined the basic outcome of the audit: 1) The handling of the public money was not protected by adequate accounting controls; 2) We were unable to determine if all revenues or accounts due had been collected or properly accounted for; and 3) The fiscal controls established by law were not being applied.

Mr. Crossley said most of the time of the audit department was spent in the livestock inspection fund, a special revenue fund as expended for brand inspection activity, brand recording and re-recording, brand transfers, publication of brand books, license livestock sales in yards and handling of estrays. Two sources of revenue, one, the fees and one, the taxes. Taxes are a special tax in accordance with NRS 571.045 which generates around \$120,000 to \$130,000 annually, about 45% of the operating budget of the livestock inspection fund. The other major fee is the brand inspection set forth by NRS 565 which is a fee not set in statutes, but by the department. It is 30¢ per cow and \$2.50 per horse which amounts to \$150,000 to \$170,000 annually, about

55% of the operating budget of the livestock inspection fund. The seven districts in the state each has one inspector who in turn can have one or more deputies.

Mr. Dimmick gave a detailed presentation commencing on page 30.14, as it relates to the brand inspection division of the Department of Agriculture, which pointed out fees did not coincide with inspection receipts and certificates on file with the livestock owner or the district brand inspectors. The report showed irregularities in salary and mileage reimbursements to employees and basically a weakness in internal control. The report continued with recommendations of the audit department to the Agriculture Department as outlined on pages 30.15 - 30.20.

Mr. Crossley said the audit department had to give an adverse opinion because it is difficult to know how much money has been collected in inspection fees and not turned in. There are two known specific instances, however, in the amounts of about \$1,500.00 and another of over \$3,000.00. There are so many loose controls, Mr. Crossley said, that it is indicated that someone has to supervise the area of the brand inspectors by going out in the field.

In reply to Chairman Sheerin's question concerning the recommendations being carried out by the Department of Agriculture, Mr. Dimmick said there had been no follow-up by his department since completing the audit in December, 1975. Mr. Crossley said SB36 has been passed this session which is the repealer of NRS 573.125 as outlined on page 30.23, and AB57 having to do with estrays will be heard before this Committee on March 28, which amends NRS 569.060 as outlined on page 30.23. Mr. Crossley said first on the list of recommendations in importance is: 1) The Procedures Manual for brand inspections, and 2) Account for all four copies of brand inspection certificates.

A Memorandum, dated March 16, 1976, from Thomas W. Ballow, Executive Director, State of Nevada, Department of Agriculture, addressed to Earl Oliver, Legislative Auditor, was read, entered in the record, attached as EXHIBIT "B". The letter stated his department agrees with the recommendations of the audit report and that it will implement them.

Chairman Sheerin said in view of the fact that Mr. Ballow will be appearing before this Committee in the near future on other business, the Committee will discuss the audit report with him in reference to the progress of implementing the recommendations.

SB 212 Provides for local control of land use planning functions.

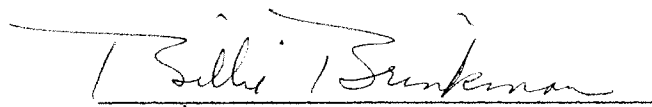
(First reprint) back in Committee for consideration.

SENATOR NEAL outlined his problem with SB212 because it relates directly to the "Buffalo Ditch," a natural run-off ditch in North Las Vegas. He feels the City of North Las Vegas needs someone to appeal to as far as directing run-off water in that area.

SENATOR DODGE said he felt the language of the bill was agreeable; that it is an amendment to the existing legislation, and was not meant to do away with the State Land Use Planning Agency and its advisory and informational functions.

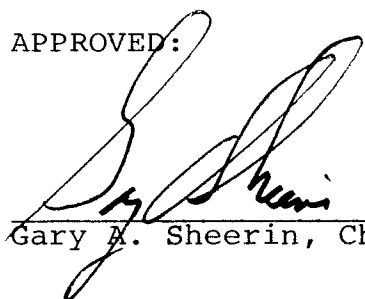
Following further discussion of SB212, there being no further business, the meeting was adjourned at 3:15 p.m.

Respectfully submitted,



Committee Secretary

APPROVED:



Gary A. Sheerin, Chairman

TABLE OF CONTENTS

	<u>Page</u>
Audit Scope and Opinion.....	30.1
Summary of Recommendations.....	30.3
General.....	30.5
Accounting.....	30.6
Agriculture Working Capital Fund.....	30.10
Bad Debt Write-Offs.....	30.12
Accounts Receivable.....	30.12
Accounting Procedures Manual.....	30.12
Brand Inspection Division.....	30.13
Verification of Fees.....	30.14
Unremitted Fees.....	30.15
Voided Brand Inspection Certificates.....	30.15
Deposit of State Receipts.....	30.16
Collection of Fees.....	30.16
Brand Book Master Control.....	30.17
Slaughterhouse Billings.....	30.18
Estrays.....	30.18
Tax Receivable Not Recorded.....	30.19
Identification Cards.....	30.19
Pre-Numbered Receipts.....	30.20
Written Procedures Manual.....	30.20
Plant Industry Division.....	30.21
Tax Receivable Not Recorded.....	30.21
Weights and Measures Inspections.....	30.21

STATE OF NEVADA
DEPARTMENT OF AGRICULTURE

TABLE OF CONTENTS
(continued)

	<u>Page</u>
Administration.....	30.22
Standardized Time Reporting.....	30.22
Biennial Report.....	30.22
Statutory Revision.....	30.23
Livestock Auction Receipts.....	30.23
Care of Estrays.....	30.23
Schedule of Action Taken on Recommendations Made in our Audit Report for the Fiscal Year Ended June 30, 1968.....	30.24
Schedule of Fees and Taxes for the Fiscal Year Ended June 30, 1975.....	Appendix A.... 30.25

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Legislative Commission
Legislative Building
Carson City, Nevada

We have completed our post audit of the State Department of Agriculture as authorized by the Legislative Commission.

The purpose of our audit is to furnish the members of the Legislature with factual information concerning the financial operations and compliance with laws and regulations of the activities and programs of the agencies of the Nevada State Government.

We have examined the various funds and budget accounts of the Department of Agriculture for the fiscal year ended June 30, 1975. Our examination was conducted in accordance with Standards for Audits of Governmental Organizations, Programs, Activities and Functions, except as noted, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As a result of our examination of the fiscal records and accounts of the Department of Agriculture, and as required by NRS 218.770, we are obligated to state:

1. The handling of the public money was not protected by adequate accounting controls.
2. We were unable to determine if all revenues or accounts due had been collected or properly accounted for.
3. The fiscal controls established by law were not being applied.

In our opinion, due to the items described in the preceding paragraph, financial information contained herein does not present fairly the cash receipts and disbursements and the remaining authority at June 30, 1975, for the Department of Agriculture in accordance with generally accepted accounting principles.

We are not reporting on the Department of Agriculture program goals or objectives.

Respectfully submitted,

Earl T. Oliver

Earl T. Oliver, C.P.A.
Legislative Auditor

Robert O. Dimmick
Deputy Legislative Auditor

December 30, 1975
Carson City, Nevada

STATE OF NEVADA
DEPARTMENT OF AGRICULTURE

SUMMARY OF RECOMMENDATIONS

	<u>Page</u>
Obtain approval of Executive Director on all bad debt write-offs and adjustments in writing.....	30.12
Develop procedures to insure all accounts receivable are credited to the appropriate accounts.....	30.12
Develop and maintain accounting procedures manual.....	30.12
Account for all four copies of voided brand inspection certificates.....	30.15
Remit fees for deposit on a timely basis.....	30.16
Collect fees at time of inspection and maintain accounts receivable ledger for uncollected fees.....	30.16
Show individuals to whom brand books are issued and dates they are returned.....	30.17
Develop and maintain procedures for slaughterhouse billings and utilize pre-numbered invoices.....	30.18
Comply with NRS 569.080(1), prepare notice of seizure and appointment of keeper documents and prepare written estray notices for all estrays.....	30.18
Fix and record as receivable the amount of special tax on livestock due from each county.....	30.19
Require Deputy Brand Inspectors to return their identification cards upon termination.....	30.19
Issue pre-numbered receipts for all fees collected.....	30.20

STATE OF NEVADA
DEPARTMENT OF AGRICULTURE

SUMMARY OF RECOMMENDATIONS
(continued)

	<u>Page</u>
Develop and maintain written procedures manual for Brand Division.....	30.20
Fix and record as receivable the amount of special tax on bees due from each county.....	30.21
Record invoice number on all weights and measures inspection certificates.....	30.21
Develop a standardized method of time reporting.....	30.22
Issue the biennial report required by NRS 561.145(3) on a timely basis.....	30.22
Draft legislation to repeal NRS 573.125(2).....	30.23
Request legislation to amend NRS 569.090.....	30.23

STATE OF NEVADA
DEPARTMENT OF AGRICULTURE

GENERAL

Chapter 304, Statutes of Nevada, 1961, created the Department of Agriculture. During the audit period, the Department of Agriculture consisted of the following three divisions:

1. Animal Industry
2. Brand Inspection
3. Plant Industry

The Division of Animal Industry manages the activities of the Department pertaining to the protection and promotion of the livestock industry of the State of Nevada. The Division of Brand Inspection manages the activities of the Department pertaining to the brands and marks and brand inspection in the State of Nevada. The Division of Plant Industry manages the activities of the Department pertaining to the protection and promotion of the agricultural industry of the State of Nevada.

Chapter 262, Statutes of Nevada, 1975, created the Division of Administration within the Department of Agriculture. It is the purpose of the Division of Administration to maintain a central recordkeeping system, keep personnel records of Department employees and administer personnel rules, conduct the fiscal and auditing functions of the Department and perform such other administrative services as are required by the Department. This became effective July 1, 1975.

The Department of Agriculture is governed by a six member State Board of Agriculture. Policy decisions pertaining to the Department of Agriculture are made by the Board.

STATE OF NEVADA
DEPARTMENT OF AGRICULTURE

ACCOUNTING

The following schedule summarizes, by activity, the source and disposition of monies utilized by the Department of Agriculture for fiscal year 1974-75:

ACTIVITY	SOURCE OF CASH RECEIPTS					DISPOSITION OF CASH RECEIPTS		
	PRIOR YEAR BALANCE FORWARD	GENERAL FUND APPRO- PRIATIONS	FEES	OTHER	TOTAL AVAILABLE	DISBURSE- MENTS	ESTIMATED REVERSION TO GENERAL FUND	BALANCE FORWARD
<u>GENERAL FUND ACCOUNTS</u>								
Veterinary Medical Services	\$ —	\$ 182,169	\$ 957	\$ 3,000	\$ 186,126	\$ 185,483	\$ 643	\$ —
Plant Industry	—	632,985	104,280	111	737,376	716,358	21,018	—
Noxious Weed & Insect Pest Control	45,525	—	3,068	—	48,593	8,945	—	39,64
<u>OTHER FUNDS</u>								
Livestock Inspection Fund	13,667	—	183,407	172,720	369,794	353,425	—	16,369
Agriculture Registration & Enforcement Fund	38,552	—	53,884	3,778	96,214	63,309	—	32,905
Apiary Inspection Fund	253	—	4,874	1,478	6,605	5,969	—	636
Beef Promotion Fund	273	—	—	22,894	23,167	22,167	—	1,000
Rural Rehabilitation Fund	26,897	—	—	12,250	39,147	23,830	—	15,317
Total	\$ 125,167	\$ 815,154	\$ 350,470	\$ 216,231	\$1,507,022	\$1,379,486	\$ 21,661	\$ 105,877

ACCOUNTING
(continued)

As shown in the preceeding schedule, \$1,379,486 was disbursed during fiscal year 1974-75. This is summarized by activity in the following schedule:

ACTIVITY	CASH DISBURSEMENTS							
	TOTAL	PAYROLL	TRAVEL		OPERATING	EQUIPMENT	TRANSFERS TO OTHER FUNDS	OTHER
			OUT-OF STATE	IN-STATE				
<u>GENERAL FUND ACCOUNTS</u>								
Veterinary Medical Services	\$ 185,483	\$ 138,380	\$ 1,650	\$ 7,651	\$ 36,693	\$ 631	\$ --	\$ 478
Plant Industry	716,358	552,377	1,695	27,915	113,553	9,300	--	11,518
Noxious Weed & Insect Pest Control	8,945	--	--	--	--	--	--	8,945
<u>OTHER FUNDS</u>								
Livestock Inspection Fund	353,425	252,649	1,940	58,860	31,656	362	--	7,958
Agriculture Registration & Enforcement Fund	63,309	42,874	583	467	13,613	129	5,000(1)	643
Apiary Inspection Fund	5,969	3,321	--	--	--	--	--	2,648
Beef Promotion Fund	22,167	--	--	--	--	--	--	22,167
Rural Rehabilitation Fund	23,830	--	--	--	--	--	23,730	100
Total	<u>\$1,379,486</u>	<u>\$ 989,601</u>	<u>\$ 5,868</u>	<u>\$ 94,893</u>	<u>\$ 195,515</u>	<u>\$ 10,422</u>	<u>\$ 28,730</u>	<u>\$ 54,457</u>

(1) Transferred to Agriculture Working Capital Fund to increase the balance of that Fund to \$10,000 in accordance with NRS 561.335.

DEPARTMENT OF AGRICULTURE

ACCOUNTING
(continued)

The funds and budget accounts of the Department of Agriculture are set forth in the following schedule:

<u>NAME</u>	<u>N.R.S.</u>	<u>CONTROLLER'S ACCOUNT NUMBER</u>
Plant Industry Fund	561.355	101-4540
Agriculture Registration & Enforcement Fund	561.385	227-4544
Noxious Weed & Insect Pest Control Fund	561.375	101-4552
Apiary Inspection Fund	561.365	229-4548
Livestock Inspection Fund	561.344	228-4547
Rural Rehabilitation Fund	561.405	643-4545
Beef Promotion Fund	561.407	755-9999
Livestock Aid Fund	575.050	---
Agriculture County Reimbursement Fund	561.395	---
Veterinary Medical Services	NONE	101-4550

ACCOUNTING
(continued)

During our audit of the Department of Agriculture, we made the following observations regarding the funds and budget accounts:

1. The Agriculture County Reimbursement Fund created by NRS 561.395 is not currently being used. It was last used on September 10, 1970.
2. The Plant Industry Fund created by NRS 561.355 is not being used. The authorized transactions are being recorded in an account in the General Fund by the State Controller.
3. The Noxious Weed and Insect Pest Control Fund created by NRS 561.375 is not being used. Statutory obligations of this fund are handled through the Insect Abatement Account in the General Fund.
4. The Livestock Aid Fund created by NRS 575.050 is not currently being used. This is basically an emergency fund to be used only after an emergency is proclaimed by the Governor.

As part of our "Fund Accounting" project, we will be proposing legislation for the possibility of consolidation, elimination and organization of the State's financial Fund structure. Our recommendations on the funds of the Department of Agriculture will be incorporated into that legislation.

STATE OF NEVADA
DEPARTMENT OF AGRICULTURE

ACCOUNTING
(continued)

AGRICULTURE WORKING CAPITAL FUND

All moneys collected by the Department as provided by law may be deposited into the Agriculture Working Capital Fund and held until transferred to the proper funds in the State Treasury, as required by law and in accordance with the provisions of NRS 353.250. The Agriculture Working Capital Fund is to be used specifically for carrying out the provisions of NRS 569.010 through NRS 569.130, which deals with estrays. It may also be used for the following purposes:

1. A revolving fund for paying expenses of all programs and laws administered by the Department, with the Agriculture Working Capital Fund being promptly reimbursed from the proper funds in the State Treasury.
2. Providing travel advances to the officers and employees of the Department of Agriculture.

The amount of the Agriculture Working Capital Fund was originally established at \$5,000.00. Chapter 177, Statutes of Nevada, 1967, increased the amount to be used as a revolving fund to \$10,000.00. This additional \$5,000.00 was not deposited into the Agriculture Working Capital Fund until October 9, 1974.

The following schedule sets forth the financial position of the Agriculture Working Capital Fund as of June 30, 1975:

STATE OF NEVADA
DEPARTMENT OF AGRICULTURE

ACCOUNTING
(continued)

ASSETS

Cash in Bank		\$41,017
Travel Advances Receivable		5,698
Due From Other Funds		<u>3,080</u>
Total Assets		<u>\$49,795</u>

LIABILITIES AND FUND BALANCE

Transfer to Treasurer's Office	\$35,722	
Outstanding Checks	757	
Estrays Sales Held in Escrow	2,582	
Due to Prior Fiscal Year	<u>734</u>	
Total Liabilities		\$39,795
Fund Balance Per NRS 561.335		<u>10,000</u>
Total Liabilities and Fund Balance		<u>\$49,795</u>

ACCOUNTING
(continued)

BAD DEBT WRITE-OFFS

During the audit we found where several accounts had been written off as bad debts. These had not been submitted in writing to the Executive Director for his approval.

RECOMMENDATION

We recommend that all bad debt write-offs and adjustments be approved in writing by the Executive Director of the Department of Agriculture.

ACCOUNTS RECEIVABLE

Three individuals were billed on five different invoices for \$1,693.26. Four different payments totaling \$605.50 were received but not credited to the accounts receivable ledger.

RECOMMENDATION

We recommend that the Department of Agriculture develop procedures to insure that all accounts receivable are credited to the appropriate accounts.

ACCOUNTING PROCEDURES MANUAL

The Department of Agriculture does not maintain an accounting procedures manual.

RECOMMENDATION

We recommend that the Department of Agriculture develop and maintain an accounting procedures manual.

DEPARTMENT OF AGRICULTURE

BRAND INSPECTION DIVISION

As part of our audit of the Brand Inspection Division, we attempted to determine the brand inspection fees which were collected and remitted to the Department of Agriculture. We were unable to completely verify the brand inspection fees due to the lack of adequate accounting records. Some of the problems which we encountered and our recommendations for correction are set forth in the following narrative.

BRAND INSPECTION DIVISION
(continued)

VERIFICATION OF FEES

During the fiscal period of our audit, the Department of Agriculture did not have procedures to verify that the amount of money remitted by the brand inspectors coincided with the amount of money shown as being collected on the brand inspection certificates. Some of the problems which we encountered as a result of this are set forth as follows:

1. One Brand Inspector had been submitting some fees, but no brand inspection certificates, for a period of approximately fourteen months. When we brought this to the attention of the Department of Agriculture, this individual submitted his brand inspection certificates accompanied with additional undeposited brand inspection fees totaling \$3,440.00.
2. While reviewing deposit books of one of the District Brand Inspectors, an undeposited check for \$79.20 along with all copies of the deposit slips were found. Copies of these brand inspection certificates on file in the main office showed that the money had been collected.
3. We were unable to completely account for the numerical sequence of completed brand inspection certificates on file in the main office.
4. Copies of brand inspection certificates in possession of some of the livestock owners differed from the original brand inspection certificates which were turned into the main office. The certificates examined were all completed by one former Deputy Brand Inspector.

During the course of the audit, a pre-numbered brand inspection summary sheet was developed and is now included as a part of each brand inspection book. Although we did not verify the effectiveness of the brand inspection summary sheet, we feel that its proper utilization should prevent similar problems from occurring.

BRAND INSPECTION DIVISION
(continued)

UNREMITTED FEES

Problems in accounting for the brand inspection fees also led to severe weaknesses in internal control. These weaknesses in internal control resulted in a situation where a former Deputy Brand Inspector failed to remit all of the fees due the Department of Agriculture. There were additional irregularities in salary and mileage reimbursements which were claimed by this employee.

The Department of Agriculture withheld the accrued salary, mileage and per diem due him upon his termination and applied these amounts to the balance which he owed the Department. As near as can be determined, this former Deputy Brand Inspector still owes the Department of Agriculture an additional \$753.55.

The Attorney General's Office has been notified of this situation as well as the State Controller.

VOIDED BRAND INSPECTION CERTIFICATES

Brand inspection books contain the original certificate plus three copies. During the audit, we found brand inspection certificates marked void which did not have all four copies available for review.

RECOMMENDATION

We recommend that the Department of Agriculture account for all four copies of voided brand inspection certificates.

DEPARTMENT OF AGRICULTURE

BRAND INSPECTION DIVISION
(continued)

DEPOSIT OF STATE RECEIPTS

When brand inspection fees are collected in the form of cash, the District Brand Inspectors normally deposit them into their personal bank accounts. At a future point in time, the Inspectors write personal checks depositing this money into the Agriculture Working Capital Fund. We found instances where District Brand Inspectors were not remitting receipts on a timely basis.

RECOMMENDATION

We recommend that the Department of Agriculture require all brand inspection fees to be remitted for deposit into the Agriculture Working Capital Fund by the first Monday of the month following collection.

COLLECTION OF FEES

The brand inspectors and deputy brand inspectors are not always collecting brand inspection fees at the time of inspection. A large number of these fees not collected have never been recorded as accounts receivable, nor have any billing statements been sent.

RECOMMENDATION

We recommend that the Department of Agriculture:

1. Collect all fees at the time of brand inspection unless prior arrangements have been made.
2. Establish and maintain an accounts receivable ledger for all uncollected brand inspection fees.

STATE OF NEVADA
DEPARTMENT OF AGRICULTURE

BRAND INSPECTION DIVISION
(continued)

BRAND BOOK MASTER CONTROL

The brand book master control is designed to show the individual inspectors to whom the brand inspection books are issued. We found numerous instances where the brand book master control showed the district offices to whom the brand inspection books were issued, but failed to identify the individual inspector that the books were issued to. The brand book master control also fails to show the date that the completed brand inspection books were returned to the main office.

RECOMMENDATION

We recommend that the Department of Agriculture:

1. Show in the brand book master control all individuals to whom the brand inspection books are issued.
2. Enter into the brand book master control the date that the completed brand inspection certificates are returned to the main office.

STATE OF NEVADA
DEPARTMENT OF AGRICULTURE

BRAND INSPECTION DIVISION
(continued)

SLAUGHTERHOUSE BILLINGS

Our audit revealed several problems in the billing of slaughterhouses for brand inspections. Some of these problems are as follows:

1. The Department of Agriculture has no uniform procedures for the billing of slaughterhouses on a timely basis.
2. There are no procedures to verify that slaughterhouses have been billed for services rendered. We found one instance where a slaughterhouse had not been billed for seven months. A billing was sent after we brought this to the attention of the Department of Agriculture.
3. Pre-numbered invoices are not used for slaughterhouse billings in some of the district offices.

RECOMMENDATIONS

We recommend that the Department of Agriculture:

1. Develop and maintain written procedures to insure the timely billing of slaughterhouses.
2. Utilize pre-numbered invoices for all billings.

ESTRAYS

We made a 100% review of estray files for the audit period. Our review indicated the following problems in the handling of estrays:

1. Unclaimed estrays were being sold prior to the ten day expiration period set forth in NRS 569.080(1).
2. Only 23% of the files contained a notice of seizure and an appointment of keeper.
3. Not all files contained written estray notices.

RECOMMENDATIONS

We recommend that the Department of Agriculture:

1. Comply with the provisions of NRS 569.080(1).
2. Prepare notice of seizure and appointment of keeper documents for all estrays.
3. Prepare written estray notices for all estrays.

BRAND INSPECTION DIVISION
(continued)

TAX RECEIVABLE NOT RECORDED

NRS 571.035 requires the Department of Agriculture to fix and record as receivable the amount of the special tax on livestock due from each county. This is not being done. This recommendation was also made in our prior audit report.

RECOMMENDATION

We recommend that the Department of Agriculture fix and record as receivable the amount of the special tax on livestock due from each county as required by NRS 571.035.

IDENTIFICATION CARDS

When an individual is hired as a deputy brand inspector, he is issued an identification card by the Department of Agriculture. A review of personnel files of terminated deputy brand inspectors revealed that most of these individuals did not return their identification cards upon termination.

RECOMMENDATION

We recommend that the Department of Agriculture require all deputy brand inspectors to return their identification cards upon termination.

STATE OF NEVADA
DEPARTMENT OF AGRICULTURE

BRAND INSPECTION DIVISION
(continued)

PRE-NUMBERED RECEIPTS

Brand inspectors use pre-numbered brand inspection books during the course of their work. They do not, however, use pre-numbered receipts for non-brand inspection fees which they collect.

RECOMMENDATION

We recommend that the Department of Agriculture issue pre-numbered receipts for all other fees collected.

WRITTEN PROCEDURES MANUAL

The Brand Inspection Division does not have a written procedures manual. We feel that many of the problems previously mentioned could be eliminated and the Division could operate in a uniform manner if a written procedures manual was developed and maintained.

RECOMMENDATION

We recommend that the Department of Agriculture develop and maintain a written procedures manual for the Brand Inspection Division.

DEPARTMENT OF AGRICULTURE

PLANT INDUSTRY DIVISION

TAX RECEIVABLE NOT RECORDED

NRS 552.130 requires the Department of Agriculture to fix an annual special tax on each stand of bees and to record the amount of any such tax as receivable. The Department of Agriculture has not been recording this tax as receivable. This recommendation was also made in our prior audit report.

RECOMMENDATION

We recommend that the Department of Agriculture fix and record as receivable the amount of the special tax on stands of bees due from each county as required by NRS 552.130.

WEIGHTS AND MEASURES

When weights and measures inspections are to be billed, a fee-charge record sheet is prepared and submitted to the accounting office along with the inspection certificate. When the invoice is prepared, the inspection certificate is stamped "Billed" and returned to weights and measures. The invoice number does not appear on the inspection certificate, nor does a copy of the invoice accompany it upon its return to weights and measures.

RECOMMENDATION

We recommend that the Department of Agriculture record the invoice number on all weights and measures inspection certificates.

ADMINISTRATION

STANDARDIZED TIME REPORTING

Each of the divisions within the Department of Agriculture utilize their own method for attendance and leave reporting. Some of the employees report on a bi-weekly basis, but most of them report monthly.

RECOMMENDATION

We recommend that the Department of Agriculture develop a standardized method of time reporting.

BIENNIAL REPORT

NRS 561.145(3) requires the Executive Director to submit a biennial report to the Governor, the Legislature and the State Board of Agriculture. As of November 30, 1975, this report had not been issued for the biennium ended June 30, 1974.

RECOMMENDATION

We recommend that the Department of Agriculture issue the biennial report required by NRS 561.145(3) on a timely basis.

STATUTORY REVISION

LIVESTOCK AUCTION RECEIPTS

NRS 573.125(2) requires operators of a livestock auction to forward a copy of the receipt to the Department of Agriculture within seven days following the sale. This is not being done. We do not feel that this section of the statute is necessary, as NRS 573.110 requires this information to be retained by the operator of a public livestock auction for a period of at least two years.

RECOMMENDATION

We recommend that legislation be drafted to repeal NRS 573.125(2).

CARE OF ESTRAYS

NRS 569.060 states the maximum charge for care of estrays reclaimed by their owners shall be \$1.50 per day. NRS 569.090 fails to set a charge for care of unclaimed estrays sold by the Department of Agriculture.

RECOMMENDATION

We recommend that the Department of Agriculture request legislation to amend NRS 569.090 to concur with NRS 569.060 regarding the maximum charge for care of estrays.

STATE OF NEVADA
DEPARTMENT OF AGRICULTURE
 SCHEDULE OF ACTION TAKEN ON RECOMMENDATIONS
 MADE IN OUR PRIOR AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1968

Recommendation	No Action	<u>Implemented</u>	
		<u>Partially</u>	<u>Fully</u>
6.15 Legislature review the various special funds and programs administered by the Department of Agriculture with the express objective of combining the several special revenue funds in order that the accounting for the programs may be matched with the activities of such funds, and a comparison of program costs may be made to the fees, licenses, and special taxes imposed.	(1) _____	X	_____
6.16 Discontinue the practice of requesting work program revision other than as provided by NRS 353.220.	_____	_____	X
6.17 Discontinue the use of separate receipt accounts for minor administrative fees collected in special revenue funds.	_____	_____	X
6.18 Record special taxes on livestock and bee stands as taxes receivable at the time they are assessed and credit them upon receipt.	(2) X _____	_____	_____
Totals	<u>1</u>	<u>1</u>	<u>2</u>

(1) Recommendation modified and repeated in current audit report.

(2) Recommendation repeated in current audit report.

STATE OF MICHIGAN
DEPARTMENT OF AGRICULTURE

SCHEDULE OF FEES AND TAXES
FOR THE FISCAL YEAR ENDED JUNE 30, 1975
APPENDIX A

ANIMAL DIVISION

Testing Fees	\$ 957	
Total Animal Division		\$ 957

BRAND INSPECTION DIVISION

Livestock Inspection Tax	\$142,836	
Miscellaneous Fees	593	
Brand Recording Fees	4,712	
Brand Transfer Fees	1,535	
Brand Rerecording Fees	20	
Brand Inspection Fees	168,146	
Dealers License Fees	8,200	
Sales Yard Fees	200	
Total Brand Inspection Division		326,242

1681
223
5041000

PLANT INDUSTRY DIVISION

Miscellaneous Fees	\$ 1,397	
Inspection Fees	467	
Nursery License Fees	4,170	
Pest Control Operator License Fees	6,151	
Seed Certification Fees	7,655	
Insect Pest Survey Fees	1,808	
Shipping Point Inspection Fees	68,985	
Egg Surveillance Fees	1,235	
Seed Testing Fees	1,300	
Public Weighmaster License Fees	810	
Weights & Measures Testing Fees	10,302	

DEPARTMENT OF AGRICULTURE

SCHEDULE OF FEES AND TAXES
FOR THE FISCAL YEAR ENDED JUNE 30, 1975

APPENDIX A
(continued)

PLANT INDUSTRY DIVISION (continued)

Pesticide Registration Fees	\$ 39,253	
Fertilizer Tonnage and Registration Fees	12,813	
Antifreeze Registration Fees	1,175	
Apiary Bee Tax	913	
Apiary Inspection Fees	120	
Apiary Registration Fees	4,754	
Grasshopper Fees	<u>3,068</u>	
Total Plant Industry Division		\$166,376
<u>BEEF PROMOTION TAX</u>		<u>22,917</u>
Total Fees and Taxes Recorded for Fiscal Year 1974-75		<u>\$516,492</u>

Exhibit "B"

MIKE O'CALLAGHAN
GOVERNOR

THOMAS W. BALLOW, EXECUTIVE DIRECTOR
JOHN L. O'HARRA, D.V.M., ADMINISTRATOR
DIVISION OF ANIMAL INDUSTRY
HARRY E. GALLAWAY, ADMINISTRATOR
DIVISION OF PLANT INDUSTRY
W. FRED WARREN, DIRECTOR
DIVISION OF BRAND INSPECTION

STATE BOARD OF AGRICULTURE
JOHN RAETZ, CHAIRMAN
DONNELL J. RICHARDS
LOUIE A. GUAZZINI, JR.
HAROLD W. HALL
EYER H. BOIES
ROY SHURTZ



STATE OF NEVADA
DEPARTMENT OF AGRICULTURE

350 CAPITOL HILL AVENUE - P.O. BOX 11100
RENO, NEVADA 89510
TELEPHONE 784-6401

MEMORANDUM

March 17, 1976

Mr. Earl T. Oliver
Legislative Auditor
Capitol Complex
Carson City, Nevada 89710

Dear Earl:

This letter is in response to your letter of March 4, 1976, which provided us with copies of your preliminary audit report of the Department of Agriculture.

We have reviewed the recommendations in the audit report and believe that all of the recommendations should be adopted. I believe that they will result in a substantial improvement in our accounting operations.

Many of the recommendations have already been adopted or initiated as a result of our discussions during the audit and your previous correspondence.

We will review the entire audit report with the Nevada State Board of Agriculture at their next meeting and will report back to the Board at each meeting thereafter on the progress of implementing the recommendations until they are all implemented.

We will provide you with periodic reports of our progress and a final report when the recommendations have all been implemented.

I appreciate the professional, dedicated and helpful attitude of yourself and the members of your staff.

Sincerely,

Thomas W. Ballow
Executive Director

TWB: sm