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AB 216

Madam Chair and members of the committee. My name is Bill Chisel, and I am the Chief of the Division of Internal Audits. I am here to speak on Assembly bill 216.

This bill addresses a couple areas. First, it updates the statutes for the recent transition from pre-auditing to post-auditing expenditures for the Board of Examiners.

Before 2002, expenditures were submitted by agencies to a central location for examination by a section called pre-audit. Pre-audit would review the transactions for correctness prior to payment.

Now the expenditure process is automated, through IFS. Agencies input their transactions into IFS at their location and retain the supporting documents. IFS has decentralized the expenditure process, thereby eliminating the pre-audit process. In its place, transactions are now examined by post audit for correctness after payment at the agencies' location.

Transactions are examined for compliance with laws, regulations, guidelines, and contract stipulations. Agencies are then notified of any noncompliance. (Post audit specifically examines— budget accounts, g/l account, date, segregation of duties, amounts, approvals, etc)

- *Amendments to NRS 353.190, 242.211, 331.103, 336.110—addresses change in process*
- *NRS 331.103, 41.010, 333.450, 422.240, 432.080, 463.330, 703.168, 706.1717 v- eliminates redundancies, clarify terminology, and makes grammatical corrections. Basically, Eliminates the misconception when audits are referred to in the text. It may be perceived that every transaction is audited.*

2. AB 216 also, eliminates Post auditing the Controller, Treasurers, and Secretary of State's transactions. As this is in conflict with NRS 353A.055, which states the Division of Internal Audits cannot examine constitutional officers without their request.

- *Alternatively, LCB can perform these reviews. (353A.055 states "The Division shall not provide services to an agency that is under the direct control or administration of a constitutional officer unless the constitutional officer requests such services") **We should not examine constitutional officers expenditures as Post Audit reports to the Board of Examiner (Governor, secretary of State, and Attorney General), Plus, the Internal Audit Section reports to a Committee comprised of the constitutional officers.***
- *Elimination of NRS 353.055 (1) and NRS 225.130—*