

Audit Highlights



Office of Lieutenant Governor

Highlights of Legislative Auditor report on the Office of Lieutenant Governor, issued on May 15, 2008. Report # LA08-18.

Background

The Office of Lieutenant Governor (Office) was established by Article 5 of the Nevada Constitution. The Lieutenant Governor is President of the Senate and assumes the duties of Governor if the Governor is impeached, removed from office, unable to discharge the duties of the office, resigns, or is absent from the state.

The Office's mission is to foster and encourage global business and tourism opportunities for the people and the state, while protecting the state's pioneer entrepreneurial spirit. With offices in Carson City and Las Vegas, seven full-time authorized positions existed during fiscal year 2007.

The Office operates under one budget account funded entirely by a general fund appropriation. Fiscal year 2007 expenditures totaled approximately \$586,000.

Purpose of Audit

The purpose of this audit was to determine if the Office's financial and administrative practices were carried out in accordance with applicable state laws, regulations, policies, and procedures. This audit included a review of the Office's financial related activities for fiscal year 2007.

Audit Recommendations

This report contains four recommendations to strengthen the Office's financial and administrative controls. Three recommendations address controls to help ensure fixed assets are properly tagged, all transactions receive proper approval, and travel claims are submitted timely. The remaining recommendation includes updating the Office's policies and procedures to ensure they reflect the Office's actual practices.

The Office accepted the four audit recommendations.

Status of Recommendations

The Office's 60-day plan for corrective action is due on August 11, 2008. In addition, the six-month report on the status of audit recommendations is due on February 11, 2009.

Results in Brief

The Office substantially complied with state laws, regulations, policies, and procedures significant to its financial and administrative activities. However, the Office's existing internal controls can be strengthened. Controls over inventory and expenditures need improvement to ensure transactions are proper. Additionally, the Office needs to update its procedures. Complete and accurate policies and procedures and ongoing monitoring of internal controls will help ensure the Office's transactions are in compliance with applicable state laws and regulations.

Principal Findings

Proper approval was not always obtained on property disposition reports and management did not review the annual inventory. Additionally, asset tags were not attached to many items or were incorrect. Inadequate maintenance of fixed asset inventories increases the risk that theft, loss, or misappropriation of Office assets could occur and go undetected.

Office expenditures did not always receive proper managerial approval. Fourteen of 30 expenditures tested did not receive management approval prior to submission for payment as required by state and Office policies.

Travel claims were not always submitted within timeframes established by state and Office policies. Five of ten travel claims tested were not submitted within one month of travel. A majority of these claims were submitted over 30 days late.

Current practices are not necessarily reflected in the Office's policies and procedures. We found duties being performed by employees other than those specified in written procedures and certain procedures no longer performed by the Office. Travel policies should also be enhanced to address the times in which employees are eligible for meal per diems.