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July 11, 2014

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

Biannual Status Report on 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. Alternatively, boards with revenue less than \$75,000 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.

Nevada State Board of Podiatry

On June 23, 2014, the Executive Director of the Nevada State Board of Podiatry was arrested and charged with embezzling \$34,700 from the Board. The following is a brief chronology of events leading up to the arrest.

- On January 10, 2014, we notified the Legislature and the Governor's Office of difficulties receiving the required balance sheets from the Board of Podiatry. At that time, we indicated that we would continue to monitor the status of the balance sheets that had not been received.
- On January 17, 2014, the Board submitted balance sheets for 2012 and 2013. However, our review of the information submitted identified errors or deficiencies for most items listed on the balance sheets.
- On January 23, 2014, we requested the Board provide all bank statements and copies of cancelled checks from July 1, 2011, through July 31, 2013. We also requested other accounting records.
- On February 3, 2014, we referred the matter to the Attorney General based on concerns regarding the Board's response to our requests for records.
- On June 23, 2014, we learned that an investigation by the Office of the Attorney General resulted in the arrest of the Executive Director.

We will continue to monitor the Board of Podiatry's compliance with financial reporting requirements. The Board's balance sheet for fiscal year 2014 is due on or before December 1, 2014.



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All other boards not identified are currently in compliance with NRS 218G.400. Please contact me at (775) 684-6815 if you have any questions regarding this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul V. Townsend". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Paul V. Townsend, CPA
Legislative Auditor

PVT:dw

Governor Brian Sandoval

Mike Willden, Chief of Staff, Office of the Governor

Julia Teska, Director, Department of Administration

**Annalyn Bo Carillo, Boards and Commissions and Southern Nevada Office Manager,
Office of the Governor**