



**STATE OF NEVADA
GOVERNOR'S FINANCE OFFICE
Division of Internal Audits**

209 E. Musser Street, Suite 302 | Carson City, NV 89701-4298
Phone: (775) 684-0222 | <http://iaudits.nv.gov> | Fax: (775) 687-0145

Proposed Permanent Regulation

Proposed Change: The proposed NAC 353.090 by the Governor's Finance Office, Division of Internal Audits complies with the requirement for the State Board of Examiners to adopt regulations providing for the use of sampling procedures and postaudit techniques to determine correctness of claims payments from the State Treasury.

The proposed regulation will help ensure payment of claims presented to the Board of Examiners are correct.

CHAPTER 353 – STATE FINANCIAL ADMINISTRATION

353.090 Use of sampling procedures and postaudit techniques

NAC 353.090 Use of sampling procedures and postaudit techniques (NRS 353.090)

1. Claims shall be reviewed using judgmental sampling procedures based on a risk assessment considering, but not limited to, dollar amount and appropriateness of transactions and any other areas of concern.
2. Postaudit techniques include reviewing sampled claims for attributes such as:
 - Supporting documentation
 - Budget authority
 - Compliance with state and federal guidelines
 - Proper classification

Brian Sandoval
Governor



James R. Wells, CPA
Director

Steve Weinberger, CPA
Administrator

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March 23, 2018

Regulation Small Business Impact Statement

The Governor's Finance Office, Division of Internal Audits has determined that the adoption of this proposed regulation does not impose a significant economic burden on small businesses, nor will it restrict the formation, operation, or expansion of small business.

These regulations only impact the sample selection procedures and postaudit techniques used to test transactions performed by Executive Branch agencies.

I certify that to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small business and that the information contained in this statement is accurate.


Steve Weinberger, Administrator

Brian Sandoval
Governor



James R. Wells, CPA
Director

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**NOTICE OF WORKSHOP
TO SOLICIT COMMENTS ON PROPOSED PERMANENT REGULATION**

The Governor's Finance Office, Division of Internal Audits, 209 E. Musser Street, Suite 302, Carson City, Nevada, telephone number (775) 684-0222 is proposing the amendment to a regulation pertaining to Chapter 353 of Nevada Administrative Code (NAC) for permanent adoption. A workshop has been set for 1:00 p.m. on Thursday, April 19, 2018 at the Old Assembly Chambers of the Capitol Building, 101 N. Carson Street, Carson City, Nevada and by video conference at the Grant Sawyer Building, located at 555 E Washington Ave, Ste.5100, Las Vegas, Nevada The purpose of the workshop is to solicit comments from interested persons on the following topic that may be addressed in the proposed regulations:

NAC #

Regulation Deadline

353.090

Use of sampling procedures and postaudit techniques

A copy of all materials relating to the proposal may be obtained at the workshop or by contacting the Governor's Finance Office, Division of Internal Audits at 209 E. Musser Street, Suite 302, Carson City, Nevada, telephone number (775) 684-0222. The agency's small business impact statement is attached.

This Notice of Workshop to Solicit Comments on Proposed Permanent Regulations has been sent to all persons on the agency's mailing list for administrative regulations and posted at the following locations:

Notice of this meeting was posted in the following locations:

1. Blasdel Building, 209 E. Musser Street, Carson City, NV 89701
2. Capitol Building, 101 North Carson Street, Carson City, NV 89701
3. Legislative Building, 401 N. Carson Street, Carson City, NV 89701
4. Nevada State Library & Archives, 100 North Stewart Street, Carson City, NV 89701
5. Grant Sawyer Building, Capitol Police, 555 E. Washington, Las Vegas, NV 89101

Notice of this meeting was posted on the Internet:

<http://budget.nv.gov/Meetings/>

<https://notice.nv.gov>

www.leg.state.nv.us

In addition, this Notice of Workshop to Solicit Comments on Proposed Permanent Regulations has been sent to:

All State Agencies

All Nevada County Public Libraries

Any questions regarding the agenda or supporting material for the meeting please contact the Governor's Finance Office at (775) 684-0222 or you can email us at budget@finance.nv.gov. We are pleased to make reasonable accommodations for members of the public who are disabled and would like to attend the meeting. If special arrangements for the meeting are required, please notify the Governor's Finance Office at least one working day before the meeting at (775) 684-0222 or you can fax your request to (775) 684-0260.

**PROPOSED REGULATION OF THE
STATE BOARD OF EXAMINERS**

LCB File No. R034-18

March 22, 2018

EXPLANATION – Matter in *italics* is new; matter in brackets [~~omitted material~~] is material to be omitted.

AUTHORITY: §1, NRS 353.090.

A REGULATION relating to state financial administration; providing for the use of sampling procedures and postaudit techniques for the examination of certain claims; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law the State Board of Examiners is required to determine the correctness of certain claims for payments from the State Treasury. Existing law also requires the Board to adopt regulations providing for the use of sampling procedures and postaudit techniques for making such determinations. (NRS 353.090) This regulation complies with that requirement.

Section 1. Chapter 353 of NAC is hereby amended by adding thereto a new section to read as follows:

Claims presented to the State Board of Examiners pursuant to NRS 353.090 must be examined to determine their correctness using:

1. Sampling procedures that are established using professional judgment and based on risk assessments of the claims that involve consideration of:

(a) The dollar amount of the claim;

(b) The appropriateness of the underlying transaction; and

(c) Any other area of concern that is deemed to be relevant to the determination.

2. Postaudit techniques that examine claims selected pursuant to the sampling procedures prescribed in subsection 1 for:

(a) The adequacy of supporting documentation;

(b) The existence of budgetary authority for the underlying transaction;

(c) Compliance with any applicable state or federal guidelines;

(d) Proper classification of the claim; and

(e) Any other attribute of the claim that is deemed to be relevant to the determination.