




**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://budget.nv.gov/> | Fax: (775) 687-0145

May 31, 2018

To: Nevada County Libraries
State Library and Achieves

From: Steve Weinberger, Administrator 
Governor's Finance Office, Internal Audits Division

Subject: NOTICE OF PUBLIC HEARING – Adoption of Regulation that
Pertain to NAC 353.090

The regulation changes included with this memorandum are being proposed for adoption by the Governor's Finance Office – Internal Audits Division at a public hearing at the Board of Examiners' meeting on July 10, 2018 at 10:00 am, at the Old Assembly Chambers of the Capitol Building, 101 N. Carson Street, Carson City, Nevada 89701. The meeting will be video conference location is the Grant Sawyer Building, 555 E. Washington Avenue, Ste. 5100, Las Vegas, Nevada 89101.

Please circulate and post the attached Notice of Hearing along with the text of the proposed regulation.

The purpose of the hearing is to receive comments from all interested persons regarding the Adoption of regulations that pertain to chapter 353 of the Nevada Administrative Code.

The following information is provided pursuant to the requirements of [NRS 233B.0603](#):

- The proposed additions will define and clarify sampling procedures and required supporting documentation when claims are examined pursuant to NRS 353.090.
- A complete copy of the revisions may be obtained by contacting the Governor's Finance Office at (775) 684 – 0222. A copy may also be viewed and/or downloaded from our website at <http://budget.nv.gov/>.
- This regulation does not have a direct economic effect on any business or the public.
- Enforcement of this regulation will not result in an increased cost.
- To our knowledge, the regulation does not overlap or duplicate the regulations of other State or local governmental agencies.
- The regulation does not establish any new fee or increase an existing fee.

Persons wishing to comment upon the proposed action of Governor's Finance Office – Internal Audits Division may appear at the scheduled public hearing or may address their comments, data, views or arguments, in written form, to Steve Weinberger, Administrator, Division of Internal Audits, 209 E. Musser St. Suite 302, Carson City, NV 89701.

Written submissions must be received by the Governor's Finance Office – Internal Audits Division on or before July 6, 2018. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Governor's Finance Office – Internal Audits Division may proceed immediately to act upon any written submissions.

A copy of this notice and the regulation to be Adopted will be on file at the State Library, Archives and Public Records, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the regulation to be Adopted will be available at Governor's Finance Office – Internal Audits Division, 209 E. Musser Street, Suite 302, Carson City, NV 89701, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations, which is prepared and published monthly by the Legislative Counsel Bureau pursuant to [NRS 233B.0653](#), and on the Internet at <http://www.leg.state.nv.us/>. Copies of this notice and the proposed regulation will also be mailed to members of the public at no charge upon request.

LIBRARIES

Battle Mountain Branch Library ~ 625 Broad Street, Battle Mountain, NV 89820
Carson City Library ~ 900 North Rook Street, Carson City, NV 89701
Clark County Library ~ 1401 E. Flamingo Road, Las Vegas, NV 89119
Churchill County Library ~ 553 South Maine Street, Fallon, NV 89406
Douglas County Library ~ 1625 Library Lane, Minden, NV 89423
Elko County Library ~ 720 Court Street, Elko, NV 89801
Eureka Branch Library ~ 210 South Monroe, Eureka, NV 89316
Esmeralda County Library ~ Fourth & Crook Street, P. O. Box 430, Goldfield, NV 89013
Green Valley Library ~ 2797 N. Green Valley Parkway, Henderson, NV 89015
Humboldt County Library ~ 85 East 5th Street, Winnemucca, NV 89445
Lincoln County Library ~ 63 Main Street, Pioche, NV 89043
Lyon County Library ~ 20 Nevin Way, Yerington, NV 89447
Mineral County Public Library ~ P. O. Box 1390, Hawthorne, NV 89415
Nevada State Library & Archives ~ 100 N. Stewart St., Carson City, NV 89701
Pershing County Library ~ 1125 Central Avenue, Lovelock, NV 89419
Storey County Treasurer & Clerk's Office ~ Drawer D, Virginia City, NV 89440
Summerlin Library ~ 1771 Inner Circle Drive, Las Vegas, NV 89134
Washoe County Library ~ 301 South Center Street, Reno, NV 89501
White Pine County Library ~ 950 Campton Street, Ely, NV 89301

GOVERNMENT AGENCIES

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 following websites:

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

<https://notice.nv.gov>

<https://www.leg.state.nv.us/App/Notice/A/>



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Explanation of Proposed Addition: NRS 353.090 requires the State Board of Examiners to determine the correctness of certain claims for payments from the State Treasury. NRS 353.090 also requires the Board to adopt regulations providing for the use of sampling procedures and postaudit techniques for making such determinations.

The proposed addition will define and clarify sampling procedures and post audit techniques when claims are examined pursuant to NRS 353.090.

CHAPTER 353 - STATE FINANCIAL ADMINISTRATION

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:

- (a) Supporting documentation*
- (b) Budget authority*
- (c) Compliance with state and federal guidelines*
- (d) Proper classification*

Brian Sandoval
Governor



James R. Wells, CPA
Director

Steve Weinberger, CPA
Administrator

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GOVERNOR'S FINANCE OFFICE
Division of Internal Audits

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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

Steve Weinberger, CPA
Administrator

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A Public Workshop was held to solicit comments from affected parties regarding changes in Regulation NAC 353 that are proposed for permanent adoption. The regulation may be considered for adoption by the approving authority, the State Board of Examiners on June 19, 2018.

Date and Time: April 19, 2018 at 1:00 PM

Location: Old Assembly Chambers
of the Capitol Building
101 N. Carson Street
Carson City, Nevada 89701

Video Conference Location: Grant Sawyer Building
555 E. Washington Avenue, Ste. 5100
Las Vegas, Nevada 89101

Attendees:

Steve Weinberger, Administrator, Division of Internal Audits
Lori Hoover, Executive Branch Auditor, Division of Internal Audits
Dale Ann Luzzi, Executive Assistant, Governor's Finance Office
Sara Bradley, Senior Deputy Attorney General, Office of the Attorney General

Public Present:

No Public Comments

The agenda for this meeting was posted in accordance with the Nevada Open Meeting Law and was mailed to groups and individuals as requested.

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING
401 S. CARSON STREET
CARSON CITY, NEVADA 89701-4747
Fax No.: (775) 684-6600



LEGISLATIVE COMMISSION (775) 684-6800
JASON FRIERSON, *Assemblyman, Chairman*
Rick Combs, *Director, Secretary*

INTERIM FINANCE COMMITTEE (775) 684-6821
JOYCE WOODHOUSE, *Senator, Chair*
Mark Krmptic, *Fiscal Analyst*
Cindy Jones, *Fiscal Analyst*

RICK COMBS, *Director*
(775) 684-6800

BRENDA J. ERDOES, *Legislative Counsel* (775) 684-6830
ROCKY COOPER, *Legislative Auditor* (775) 684-6815
MICHAEL J. STEWART, *Research Director* (775) 684-6825

March 22, 2018

Vita Ozoude, CMA, CGMA, CPA, MBA
Executive Branch Audit Manager
State of Nevada Governor's Finance Office
Division of Internal Audits
209 East Musser Street, Suite 302
Carson City, Nevada 89701

RECEIVED

MAR 28 2018

GOVERNOR'S FINANCE OFFICE
BUDGET DIVISION

Re: LCB File No. R034-18

Dear Mr. Ozoude:

A proposed regulation, R034-18, of the State Board of Examiners has been examined pursuant to NRS 233B.063 and is returned in revised form.

We invite you to discuss with us any questions which you may have concerning this review. Please make reference to our file number in all further correspondence relating to this regulation.

Sincerely,

A handwritten signature in blue ink that reads "W. B. Daines".

W. B. Daines
Senior Deputy Legislative Counsel

Eileen G. O'Grady
Chief Deputy Legislative Counsel

Brenda J. Erdoes
Legislative Counsel

WBD/slj
Enclosure



(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.