

Steve Sisolak
Governor
Chairman

Warren Lowman
Administrator
Division of Internal Audits
Governor's Finance Office



STATE OF NEVADA EXECUTIVE BRANCH AUDIT COMMITTEE

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Members

Lisa Cano Burkhead
Lieutenant Governor

Barbara K. Cegavske
Secretary of State

Zach Conine
State Treasurer

Catherine Byrne
State Controller

Aaron D. Ford
Attorney General

Trudy Dulong
Public Member

Date and Time: February 22, 2022, 1:00 PM

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

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

MEETING MINUTES

1. Meeting CALL To Order/ Roll Call/ Remarks

Governor Sisolak, Chairman, called the Executive Branch Audit Committee meeting to order at 1:00 p.m. Roll call established a quorum was present.

Members Present:

Governor Steve Sisolak, Chairman
Lieutenant Governor Lisa Cano Burkhead
Secretary of State Barbara Cegavske
State Treasurer Zach Conine
State Controller Catherine Byrne
Attorney General Aaron Ford
Public Member Trudy Dulong

2. Public Comment

There were no requests to make public comment.

3. Approval of the October 26, 2021 Minutes. (For Action)

Motion: Approve the October 26, 2021 EBAC Meeting Minutes
By: Secretary of State Cegavske
Vote: Passed with two abstentions (Attorney General Ford and Lieutenant Governor Lisa Cano Burkhead)

4. Presentation of Audit Reports Pursuant to NRS 353A.085. (Information Only)

- A. (DIA 22-03) Department of Health and Human Services (DHHS) – Transportation Services; Bety Mena-Ortiz, Executive Branch Auditor; Heather Domenici, Audit Manager.

Bety Mena-Ortiz, Executive Branch Auditor, noted Marla McDade Williams, DHHS Deputy Director, and the administrators of the Divisions of Health Care Financing and Policy, Welfare and Supportive Services, and Public and Behavioral Health were representing the department. The audit focused on DHHS' provision of transportation services to Nevadans enrolled in one or more public assistance program. The audit objective was to develop recommendations to improve transportation services. Research shows that one of the greatest barriers to accessing nutritious food is transportation. Lack of transportation limits food choices and increases food insecurity. Existing public assistance programs offer transportation services for limited purposes. DHHS could expand transportation services offered through its public assistance programs to reduce food insecurity throughout Nevada and potentially reduce Medicaid program costs up to \$2,000 annually for each food insecure individual participating in the program.

The audit made two recommendations for DHHS to improve transportation services. First, improve management of transportation services to increase program efficiencies and access to food. DHHS can achieve efficiencies through consistent practices across the department, actively managing service contracts, understanding the true cost of transportation, and ensuring participants receive consistent services. The audit revealed DHHS does not know the actual cost of providing transportation services through its transportation broker Medical Transportation Management (MTM). DHHS pays MTM based on a \$2.29 per member per month flat rate regardless of actual transportation use. This amounts to \$81.5 million in contracted services over the four-year contract term. Consequently, MTM financially benefits if actual costs are less than contracted rates. Understanding the actual cost of providing transportation services can help DHHS manage current costs and provide data necessary to expand services for Nevadans so that transportation is not a barrier to affordable and nutritious food.

Second, the audit recommended expanding transportation services offered to Nevadans by conducting a detailed review of existing programs, coordinating with other state and local agencies, and updating the state food security plan to reflect expanded services. These actions will help increase access to affordable and nutritious food for individuals living in food deserts or food insecure households. Food insecurity affects children, minorities, and people of color to a greater degree. Adults in food-insecure households are 15% more likely to have a chronic illness and food-insecure children are more at risk for developmental disabilities. Medical costs for food-insecure individuals can be up to \$2,000 greater per year than for people who have better access to healthy food.

Nevada's food insecurity rate is 30% higher than the national average. The state's food security plan addresses food insecurity through availability and affordability but does not address transportation services as a remedy for some Nevadans.

Secretary Cegavske stated she was concerned about not being able to get all of the information from the agencies. She stated she didn't know if transportation issues were being monitored very well and was concerned. The Secretary noted the cost of the passes were unknown as well as who distributes them or how they are distributed. She noted \$20.4 million dollars comes from the taxpayers. She stated she had some real issues with what is going on and would really like to have some more in-depth questions answered.

Marla McDade Williams, DHHS Deputy Director for Programs responded they would be happy to answer those questions and would provide further information separately.

Secretary Cegavske stated she heard about the food deserts and the food insecure households and asked where they take them. She asked how accurate the data was in regard to showing that one in four Nevadans are enrolled in one or more public assistance programs. She also asked what is considered a public assistance program.

Administrator Lowman stated he would forward her specific questions to the department and follow up to make sure she gets the answers.

- B. (DIA 22-04) Department of Administration, Purchasing Division – Contract Monitoring; Craig Stevenson, Audit Manager.

Craig Stevenson, Audit Manager, noted Administrator Kevin Doty was representing the Purchasing Division. Mr. Stevenson stated DIA conducted an audit of contracts that were solicited by the Purchasing Division and managed by agency staff once awarded. The audit focused on increasing transparency of agency contracts, enhancing post-award contract management, and ensuring state agencies followed procurement guidelines.

To improve the contract process, the audit made two recommendations. First, Purchasing Division should expand post-award contract management training. Agency contract management staff are not adequately trained to ensure contracts are effectively managed once awarded to a vendor. The lack of training was evident in fiscal year 2021 as agency staff failed to re-solicit 14% of contracts reviewed prior to expiration. Failure by agency staff to timely resolicit contracts resulted in unnecessary contract extensions and duplication of effort by the Purchasing Division and the Governor's Finance Office. DIA estimates 371 hours of staff time was expended reviewing and approving these contract extensions in fiscal year 2021. Failure to timely resolicit contracts resulted in one agency providing essential food services for two months under an expired contract before the contract was retroactively extended. Failure by agencies to timely resolicit contracts forces the Purchasing Division and the Governor's Finance Office to choose between approving a contract extension or risk denying services essential to agency operations and Nevadans.

Second, the audit recommended Purchasing Division establish oversight of Purchasing-led agency contracts, which they do not do once the contract is awarded. As a result, 36% of contracts reviewed in fiscal year 2021 had either post-award compliance issues or were not resolicited within the original contract term.

The National Association of State Procurement Officials recommends oversight of agency contracts by state central procurement offices. Oversight of agency contracts can be achieved through a minimal effort by Purchasing Division to ensure that Purchasing-led agency contracts due to expire are resolicited timely.

Public Member Trudy Dulong stated she was curious if some of these issues were related to not being able to secure qualified personnel to manage contracts.

Kevin Doty, Purchasing Division Administrator, stated the lack of compliance by agencies when it comes to managing their contracts may very well be impacted by the fact that there are so many vacancies at the agencies. Fortunately, Purchasing does not have a lot of vacancies. Purchasing has 25 approved positions and 24 staff are in those positions. Administrator Doty stated Purchasing Division supports the findings in this audit and will take on the extra work involved in monitoring agencies as they manage the contracts that they put in place for them.

Attorney General Ford noted that in addition to the contracts being ratified retroactively having an impact on the Governor's Office and the GFO, oftentimes it also has an impact on the BOE when the contracts are presented to them for consideration as well. He stated he wanted to ensure that they give the BOE an appropriate amount of opportunity to bid contracts without having to feel they were under the gun to retroactively approve a contract, based on the issues that were raised in the audit here.

Administrator Doty stated he is also put under the gun when agencies let contracts expire and come to him asking for emergency approvals and various solicitation waivers. The failure to timely begin the process to renew a contract causes problems for Purchasing, for the Governor's Finance Office, and the BOE. He stated last fall the BOE approved the largest contracts in the history of the state; the \$11 billion Medicaid contracts were done the way contract renewals should be done. Suzanne Bierman, Administrator of the Division of Health Care Financing and Policy contacted him three years in advance; they had a meeting, they had a consultant in place to help write the RFP. The contracts were put in place months before they were going to expire.

Governor Sisolak stated if they could make that clear to all of our agencies, it would certainly be helpful.

State Controller Catherine Byrne asked Administrator Doty if he could get a list together for the committee of which agencies are chronically late or if there were agencies that were chronically late.

Administrator Doty stated it is a problem that exists across a lot of agencies to a certain extent. Some agencies have had more problems than others and it kind of goes in trends. Department of Corrections has had a lot of problems lately; he thought they lost most of their contracting staff and a lot of things got dropped. Some of it goes to staffing issues but it is something they can look at going forward. Purchasing Division has talked about potentially compiling a list of agencies that fail to properly manage contracts and that could be an item either for this committee to look at, potentially an item for the BOE to review; if the BOE is

interested, and along with approving contracts, seeing a list of agencies that have failed to properly manage contracts.

Governor Sisolak asked Administrator Doty if he could provide it both to this committee and the BOE, it would be beneficial. The Governor stated it would be helpful to get that list on the next BOE agenda.

- C. (DIA 22-05) Department of Corrections – Fiscal Processes.2;
Maria Moreno, Executive Branch Auditor; Heather Domenici, Audit Manager.

Maria Moreno, Executive Branch Auditor noted the director and his leadership team were representing NDOC. She stated this audit was the second audit focusing on NDOC's fiscal processes. The objective was to develop recommendations to improve oversight of fiscal management and accounting practices. The audit found diminished oversight resulted in reduced transparency over \$14.2 million in offender storefront sales, unregulated assessments charged to offender accounts, excessive overtime and standby pay for director's office employees, inappropriate assignment of state vehicles to employees, inaccurate reporting of vehicle use, and decreased transparency and inaccurate accounting for weapons purchases.

The audit made four recommendations for NDOC to improve oversight of fiscal management and accounting practices. First, develop offender store fund markup limits and incorporate the methodology into legislatively approved regulations adopted in the public rulemaking process. These actions will increase transparency and conformance with statutory authority and legislative intent for an average of \$14.2 million in annual sales and help ensure offenders can purchase basic necessities at a reasonable cost. NDOC does not have documented criteria or legislatively approved regulations defining what constitutes a reasonable markup for goods sold to offenders and visitors. A previous audit conducted by the Division of Internal Audits found offender store fund expenditures were not administered through legislatively approved regulations. NDOC still has not yet adopted offender store fund regulations through the public rulemaking process as required by statute and recommended by the audit.

Second, the audit recommended NDOC increase oversight of the prisoner's personal property fund by adopting regulations through the public administrative rulemaking process for deductions from offender accounts. Additionally, NDOC needs to determine a reasonable medical co-pay fee and assessment rates charged to offenders. These charges may significantly reduce amounts in offender's accounts available to purchase basic necessities, which affects disadvantaged offenders the most. Prior to July 2021, NDOC deducted up to 80 percent of deposits made to offender's accounts for restitution payments and other assessments. SB22 of the 2021 legislative session implemented caps on assessments and requires NDOC to administer them with regulations adopted through the public rulemaking process. NDOC has not yet complied with this requirement. NDOC can increase oversight of the fund by adopting regulations through the public rulemaking process and ensure assessments charged to offender's accounts are reasonable and conform with statutory authority and legislative intent.

Third, the audit recommended NDOC improve administrative accountability to reduce use of state resources, which will help ensure state requirements are followed and fiscal reporting is accurate. Director's Office employees were paid excessive overtime and standby pay often associated with travel and internal events with accumulated hours inconsistent with the nature of position duties. Two previous DIA audits found NDOC incurred excessive overtime and standby pay due to inadequate oversight of personnel and payroll practices. NDOC has not yet implemented the audit recommendations to improve oversight of overtime. In addition, NDOC inappropriately assigned state-owned vehicles to Director's Office management staff regardless of need or actual use, and inaccurately reported vehicle use. Vehicle use for 61% of employees assigned a vehicle did not meet the state's minimum usage requirements.

Finally, the audit recommended NDOC improve oversight of weapons purchases by ensuring purchases are not classified as inmate-driven costs and are accounted for at facilities where weapons will be used. These actions will increase transparency in operations and improve accuracy of accounting expenditures and records. Improper accounting misstates NDOC's costs and obscures the purpose of the purchases. The audit noted 40% of weapons purchases were charged to inmate-driven accounts and to inmate transportation during a time when the offender population was declining. In addition, NDOC charged weapon purchases designated for use at other facilities and locations to the Director's Office.

Secretary Cegavske thanked DIA for recommending the public hearing process for the oversight of the offender's store. She stated recommendation three was interesting because there has been no explanation for the staff that has 42% of the overtime in the Director's Office. The Secretary asked if the work vehicles are used just for transportation to and from home or where else they would be stored. In regard to weapons purchases, she asked if the director knows exactly what is needed by each of the correctional officers and if they take the weapons with them when they leave or do they leave them and they are repurposed or given to somebody else.

Charles Daniels, NDOC Director, stated in regard to recommendation number three, the Director's Office overtime will be reviewed and approved when the overtime is warranted and cannot be completed within the employee's normal workweek schedule. Staff shortages and short deadlines by other agencies can place a burden on the department and mandating overtime be used to accomplish tasks. Review of the administrative regulation AR2326, which is posting of shifts/overtime, will be completed to reflect this update in procedures.

Since the audit, the employees currently receiving standby pay are within the office of the Inspector General who are responsible for communicating with institutions and responding to qualifying events 24 hours a day, 365 days a year. The Director's Office will commit to completing an audit of standby pay on a quarterly basis as well as including the language to address standby pay within administrative regulation AR 326, which is posting of shifts and overtime. The Director's Office will review the NAC in detail.

Forms DOC 4512, which is W2 information sheet, home storage of vehicles, and form DOC 4513, which is vehicle information sheet, will be evaluated for updates and changes. All DOC 4512 and DOC 4513 forms will be resubmitted for each vehicle. COVID dramatically

changed the manner in which NDOC operated. An executive team was established that traveled to each major facility to meet with staff individually to also conduct town halls for all staff as well as inmates and offenders, and it was important to have a leadership team from each discipline and leadership from each gender available to answer questions and address concerns. With limited air travel available, this resulted in more frequent trips via state vehicles. These trips can result in upwards of 10 hours of travel time solely. That, in addition to the entire executive team travel, resulted in an increase in travel costs and time.

NDOC will ensure the ordinance committee consisting of four wardens and the Deputy Director of Operations will review weapons purchased throughout the Nevada Department of Corrections. This will need to be submitted for inclusion to administrative regulation 412 at the next revision. In terms of the question that was specific about does he know what weapons they need, the Director responded absolutely. He stated he knows what weapons they need, how many they need, the type and what their utilization is for.

Bill Gittere, Deputy Director of Operations for NDOC, stated currently, weapons purchases throughout the department are addressed from each budget reporting authority. That would be the wardens at the major facilities and then processed up through our purchasing department and of course state Purchasing. The purchase of weapons complies with those that are authorized under AR 412 and then the various operational procedures pursuant to each major institution and facility. He stated in 2016, NDOC transitioned from lethal weapons inside their facility solely to less-lethal weapons or less-lethal tools to maintain the custody and control and the safety of the inmates and staff as they transitioned from lethal weapons inside the institutions. NDOC had to purchase over the last five to seven years enough less-lethal protective gear, equipment, and weapons to maintain the safety and security of inmates and staff. That purchase has been spread out over time, in addition to any lethal weapons and then increasing the number of less-lethal tools to maintain the safety of inmates and staff. He stated they also had to transition from one lethal weapons system to a less-lethal weapons system that was comparable from 40 caliber Glocks, NDOC's standard pistols used outside the institutions to 9 mm pistols because they are less expensive to operate over time because the ammunition is much, much cheaper. Those two initiatives have cost the department some dollars to do those things, but they are designed to afford a limited or as much freedom of movement for inmates inside the institutions as possible, maintaining safety so that they can continue programming efforts towards rehabilitation. He stated if NDOC simply locks those facilities down, and as the audit findings seem to suggest, rely on the overuse of restraints, we run into a case where that is not constitutionally viable and it is not good over time because inmates that are treated that way unnecessarily over a long period of time do the exact opposite of rehabilitation.

Deputy Director Gittere stated NDOC has learned, based on the DOJ's warning, that the department was under review in 2015 and 2016. Those changes were positively made, and he thinks the expenses since then have been efficient and justifiable.

The Governor asked where the weapons are stored and what weapons are stored that are replacing these less-lethal weapons. Deputy Director Gittere stated 40 mm launchers that shoot rubber projectile rounds are stored in the institutions in the control rooms ready for use.

The Governor asked where the lethal weapons are that they did have stored now. Deputy Director Gittere stated the lethal weapons were either in the arms room or they have been turned in or destroyed appropriately.

Secretary Cegavske stated the one question they have not answered or responded to is what happens when somebody leaves the office, what happens to the weapon, does it get reassigned to somebody new that comes in, do they take it with them.

Deputy Director Gittere stated for our line officers, the less lethal tools that they carry, some are retained on their person and they are taken home, such as the ASP baton. They are marked for a chemical dispenser. But the other weapons systems, for instance, the 40 mm grenade launcher that is used to protect inmates and staff inside the housing units, are left inside the institution for the next shift's use.

Secretary Cegavske stated she was asking about the actual weapons that they have on them, that they carry with them, what happens to that weapon.

James Jones, Inspector General, stated the inspector general staff, transportation staff and some other staff members take their firearms home with them. They are assigned to them. They are subject to recall at any time or on standby to respond to institution's escapes or walk-aways, things like that. Firearms that are used for transportation and things like that from the facilities will be turned in upon the completion of the transportation for the next shift to use for future transportation rounds and things like that.

Secretary Cegavske asked when you are given a gun and you have that in your possession, what happens to it if you leave the position, does the gun stay with you, do you take it with you. She asked if they give it to another person that is coming into their position.

James Jones stated when an employee leaves or retires or resigns from the NDOC, they turn that firearm in and it is redistributed to the next person who replaces them in that position.

Attorney General Ford stated there is a lot of context to the report we are hearing right now that probably is not being made known or has been forgotten. He stated he was in the Legislature for a number of years and this overtime issue predates the current government, predates the current administration and it predates the current Legislature. He stated he recalls being in the Legislature when the Governor's predecessor had to come for emergency funds for overtime. He stated he has a little compassion for some of the concerns that are being raised in this audit and some of the responses that you give. He stated he wanted to acknowledge some of the difficulties that he knows NDOC has in the personnel context. We heard at the Board of Prison Commissioner's meeting from one of your officers about personnel issues. He stated when our Governor presents a budget that desires to improve personnel and resources, it is incumbent upon legislators from all over our state to accommodate that request. He stated they hear a lot of complaints about lack of personnel, a lot of complaints about overtime and what not. He stated he recalls vividly hearing from some of his colleagues in the rural areas who simply did not want to accommodate budgetary requests to fulfill those responsibilities. He stated he thinks what is important for

us to note is as a matter of public record, we need to request that those who have concerns be willing to hit the green button when it comes to quote/unquote budget that has been requested that gives the personnel to NDOC that they need. That has to be said, and that is not something that I think has been said to this point, at least in this particular meeting. He stated he wanted to reiterate that.

Attorney General Ford stated he also wanted to acknowledge something that may not be recalled relative to the transition from lethal to nonlethal weaponry. One of the first cases he had as Attorney General when he came in was one that related to the use of lethal weapons in one of our prisons where someone was shot and killed. And so, this transition to nonlethal makes perfect sense. You could have stopped when you said constitutionally viable. He stated that is the test, and if it is not constitutionally viable, he did not care what else comes behind it, then they should not be endorsing it or utilizing it. At the end of the day, this transition to non-lethal weaponry is going to have a cost to it. He stated they have to appreciate that and have to understand again that when the Governor makes a request to pay for those types of things, they would hope that our legislative friends would adhere to that request so that they do not have concerns about this on a going-forward basis. The Attorney General stated he was surprised that it was difficult for NDOC to answer the question about what happens with lethal weapons when people leave employ. He stated it makes perfect sense to him that they should not be able to keep it unless they are purchasing it from them; the answer is simple. The weapon is returned to the agency and reissued and utilized elsewhere.

He stated he would ask a couple questions about this offender's store issue because obviously, the Board of Prison Commissioners has heard about issues that are related but not necessarily the same on this issue. He stated it appears to him that the Nevada Revised Statutes require the offender store fund be, and I quote, expended for the welfare and benefit of all offenders; however, it appears that in practice, the fund shifts the burden to the inmates to pay for certain services. For example, correctional officers' salaries for visitation posts or costs associated with video conference inmate visits. He stated he was wondering if they can give some examples of the fund being used for the welfare and benefit of all offenders rather than simply funding what appears to be operational costs. He stated he was happy to give this list to them all and they can follow up with them.

Director Daniels stated he would be more than happy to provide him in writing line item by line item what has transpired with the storefront. He stated he could do that later or he could at least start addressing some of the questions right now, and then anything we need to respond to later he would be more than happy to do so.

Attorney General Ford stated, in the interest of time, he would give his questions to NDOC and they could follow up in writing. He stated his next question was related to the offender's store fund. The audit report states that some goods are provided to inmates at no charge. For example, toilet paper, toothpaste, and soap. However, the report also states that, and I quote, some basic necessities are only available for purchase by those who can afford them, and it lists, and I quote, hygiene supplies, food, and clothing as examples. He stated he was under the impression food and clothing are provided to inmates and he was curious about what hygiene supplies, food and clothing the auditors considered basic necessities that are

not being supplied to inmates. He asked if a representative from NDOC can explain why those goods are not provided to the inmates free of charge. Attorney General Ford stated it seemed to him that shampoo and deodorant should be essential.

Director Daniels stated he would take a strong look at it and he agreed.

Attorney General Ford noted the first full paragraph of page 6 of the report has a sentence that states quote, in fact, prior to October 2020, NDOC deducted up to 80% of deposits and earnings credited to the offender's accounts as payments for restitution assessments. He stated he recalls having conversations in his role during the Board of Prison Commissioners around this timeframe regarding Marsy's Law, and he wanted to be sure that they are not conflating two separate and distinct issues here. He asked if the 80% deductions referenced here were due to operation of the offender's storefront or is that an effect of Marsy's Law that we have since addressed through the adoption of regulations. He stated he was just not entirely sure this is an offender's storefront issue here and would like some clarification.

Catherine Reynolds from NDOC stated as far as the first question regarding clothing and food, the prison does supply all inmates with food and clothing. They are supplied clothing when they come into intake. They are supplied hygiene supplies when they come into intake, and they are supplied replacement clothing when they wear out and hygiene supplies when they need them. The only hygiene supplies that are not readily supplied are deodorant and shampoo, and I believe the female institution supplies shampoo. The other question was regarding the 80% deduction that was taken in September of 2020. That 80% was taken for victim's specific restitution after the AR was put into place that lessened that amount. All of those transactions were reversed, and the inmates were given back that excessive deduction.

Attorney General Ford asked the auditors if that was their understanding as they drafted up this audit, because he did not want issues conflated here. He stated again, he thought at the end of the day, the Marsy's Law issue has been addressed.

Administrator Lowman stated they understood that at the time and are not conflating issues. There is the 80% in the second finding that is merely for historical context and pointing to the diligence of the Board of Prison Commissioners to take action to in effect force NDOC to take action to comply with law that they had not yet been taking based on Senate Bill 22.

Attorney General Ford asked if the issue was addressed from the auditor's perspective at this point or is there an issue that remains. Administrator Lowman stated as for Marsy's law and the restitution percentage changing from 80% to 50% resulting from the Board of Prison Commissioner's direction to NDOC, that is not an issue for us at this time.

Attorney General Ford stated he wanted to be certain the auditors understood that the issue of clothing provided was part of their report as well because he thought the impression received was that clothing was not provided. Administrator Lowman responded there are other clothing items, shirts, other items that are available through the store that they sell that would not be part of the normal distribution at intake.

Treasurer Conine asked about overtime, specifically the employees who are on standby. He stated now that NDOC has seen there has been at least one year where those employees on standby have not been called in for overtime, is it reasonable to assume that they will not be on standby going forward given that the need was not there? He stated he sees that a lot of the overtime was in relation to internal events and travel. He asked if they had looked if Zoom could work for some of them or perhaps figuring out a way so that they are not using overtime hours to traverse the state.

NDOC Inspector General James Jones stated as far as a standby or on call for not being called in with the Inspector General's office responding to events or emergencies 24 hours a day, 365 days a year, there are 16 investigators that the Inspector General or a supervisor will be contacted who will then dispatch the person appropriate for that area or the type of crime that was committed that they go out on and then they can give advice, send other people, do things like that. And this happens all times of the day and night. It does not happen during business hours. He stated he expects this as well, that some of his staff to be available 24 hours a day to make sure that the institutions get the response they need in a timely manner.

Deputy Director Gittere added that they should keep in mind that over the past year they have conducted very limited operations due to frequent COVID lockdowns for quarantine purposes, isolations, to reduce the chance of infection. The past two years have been very restricted and limited. Because of that, their operations have been subdued and the chance of a big incident happening and having to call in additional personnel on overtime has been very diminished in comparison to years prior to 2020. He stated as they go forward and begin lifting those restrictions and returning to more normal operations, they can probably expect incidents that will occur that will require people who are on standby to be called back in to handle those emergencies.

Director Daniels added that they had no plan prior to COVID. NDOC had a very small executive team. Every single one of the executive team members were tasked with being on the road constantly supporting the wardens, going out on-site, visiting with individuals who wanted more information. There was a lot specific to quarantine, to isolation, people being sick, people being called in. On many days they had below 50 percent of their operational staff to get through those days. They also had individuals while everybody else was doing their thing at home and zooming, their staff had to come to work but yet they also had their children, the people they have to look after, their elderly parents. All of this happened while everything was going on and they did not miss an episode. People wanted to hear from their leadership. They wanted to explain the medical issues related to their personal health and the health of their family. The family members of the offenders wanted the same information, their offenders and their staff wanted the same information.

Director Daniels stated they did all they could to be out there face to face with the staff to ensure that they gave them the attention that they needed when they felt that it was inherently unfair for them to have to deal with these issues. This was not a case of maleficence or anyone taking advantage of vehicles. He stated they had to get all over the state but there are several places they cannot fly to. In addition to that when they could fly,

they had to drive because there were no flights. He stated never once did he decline to go out and meet with his staff anytime, anywhere nor did his team.

Director Daniels noted they have had deputy directors working posts at his facilities because there was no one left to work because of COVID. He stated they did not miss a beat in getting out there, communicating, making a difference. One of the reasons they did not have that many issues with their offenders is that twice a week they met with all staff as well as every single inmate and passed the word out. They answered their tough questions. He stated they started gearing up at the last week of February of 2020 and ever since then it has been nonstop. For those that seem to imply that there may be something amiss, he stated he challenged anyone to work the schedules they worked. The only time they were gone is when they had COVID themselves. He stated they communicated often with the administration and got support from the health services people from all across the (inaudible), but they mobilized and got the job done. He stated some of the ways that these are written are disingenuous in his opinion. He apologized if he offended someone and stated but do not come out here trying to tell me that our staff for some reason, we worked all this overtime and it is out of control. He stated those people worked their butts off and he just wanted to say that for the record.

Governor Sisolak stated he appreciates it and did not want him to take the comments that were made by the auditing staff as being disrespectful. The questions by the committee members are not being made in any accusatory manner, at least that is not my reading of how they are done. There are questions that need to be asked. He stated he appreciated his team has been willing to answer and provide them with these explanations. The strain that was put on NDOC is particularly difficult. He stated they have had family members that come to these meetings complaining they cannot get in and offenders that are complaining that they cannot get services and employees that are complaining that they are working too much time. The Governor stated it is certainly not the intent of this committee and not the intent of their auditors.

Director Daniels wanted to state publicly that they got enormous support from the Governor's office. This was a team effort and it required all hands-on deck, so he wanted to once again extend to Governor Sisolak and his team his appreciation; also, to Attorney General Ford and his team every step of the way. He stated they thank him very much, but the truth has to be said.

5. Presentation of Audit Six-Month Follow-Up Status Reports Pursuant to NRS 353A.090. (Information Only)

- A. (DIA 21-06) Department of Conservation & Natural Resources, Division of Forestry – Overtime; Craig Stevenson, Audit Manager.
- B. (DIA 21-07) Department of Agriculture – Grants Management; Heather Domenici, Audit Manager.

Administrator Lowman stated they have two six-month follow-ups from previous audits. Both of these are good news stories. The agencies, Forestry and Agriculture, are moving forward and they expect full implementation of the recommendations within a few months.

6. Presentation of Annual Follow-Up Reports. (Information Only)

- A. (DIA 20-04) Department of Corrections – Mental Health Services; Heather Domenici, Audit Manager.
- B. (DIA 20-05) Board of Pharmacy – Licensing Process; Craig Stevenson, Audit Manager.
- C. (DIA 20-06) Dept. of Public Safety, Div. of Parole and Probation – Offender Services; Craig Stevenson, Audit Manager.
- D. (DIA 20-07) Department of Administration, Purchasing Division – Foreign Vendor Management; Craig Stevenson, Audit Manager.
- E. (DIA 20-08) Department of Administration, Administrative Services Division – Bond Management and Accounting; Heather Domenici, Audit Manager.

Administrator Lowman stated these follow up reports are 18 months after the original audit was presented to the committee. There are no major issues with any of these annual follow-ups and DIA will continue to follow them until the recommendations are fully implemented.

7. Review of the Annual Audit Plan Pursuant to NRS 353A.038. (For Possible Action)

Administrator Lowman stated the three audits are locked in for the June EBAC meeting and DIA will be working the rest and perhaps adjusting as they go forward.

8. Committee Members' Comments

Controller Byrne stated she wanted to give a shout out to NDOC, the Director, and all the personnel working there because clearly NDOC had enormous difficulties and enormous barriers and hurdles to get over and they did, they were successful. She stated she just wanted to say thank you for their hard work and professionalism and hoped to work with them for many years.

Governor Sisolak stated she was right, they worked with the same issues he did, who needed a vaccine, who did not want a vaccine, who did not want to get tested, who had to get tested, and visitors and offenders. It was that whole plethora of issues that they had to work with.

Attorney General Ford stated he agreed with what was just said because something had been done in retrospect better, differently. He stated they were all operating on the fly and trying to figure this out and he thought a lot of this is attributable to COVID and us trying to figure out how to operate during that time period. He stated retrospectively, hindsight is

20/20. NDOC could have done some things differently and he gets that. He stated they want to hold NDOC accountable for that but they also again have to be considerate of the fact that this was something that had not happened in 100 years. He stated he thought NDOC should be held accountable for things that could have been done differently but at the same time recognize the difficulty that was associated with all of this over the last two years.

Director Daniels thanked them very much, and stated he was going to accept that on behalf of his team. He stated he has very tremendously talented staff who fought the whole fight and they are still fighting it when you look at all of their issues. He stated he appreciated their comments.

Governor Sisolak told Administrator Lowman that they appreciated him bringing some of this to their attention, like the on-call issue. He stated he knew that it is going to be different in the endemic phase that we are entering now as it relates to COVID and the overtime should be reduced accordingly; some of these things we should be able to get back under control, which is what we are looking forward to.

Lieutenant Governor Cano Burkhead stated she wanted to add a thank you on behalf of herself and their state. She thanked them for their leadership, for mobilizing their folks, and stated they really appreciate their leadership.

Director Daniels stated on behalf of his staff, he accepted it. He stated they' are just part of a larger team which is of the executive branch and, of course, of Governor Sisolak, and thanked him for his leadership.

9. Public Comment

There were no requests to make public comment.

10. Adjournment

Governor Sisolak adjourned the meeting.