

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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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

MEETING MINUTES

Date and Time: December 14, 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

MEMBERS PRESENT:

Governor Steve Sisolak
Lieutenant Governor Lisa Cano Burkhead
State Treasurer Zach Conine
State Controller Catherine Byrne
Public Member Trudy Dulong

1. Call Meeting to Order/ Roll Call/ Remarks

Governor Sisolak called the meeting to order. Roll call established a quorum was present.

2. Public Comment

There was no public comment offered.

3. Approval of the June 30, 2022 Minutes.

Treasurer Conine moved approval of the minutes. Public Member Dulong abstained. Minutes were approved.

4. Presentation of Audit Reports Pursuant to NRS 353A.085.

- A. (DIA 23-01) Peace Officer Standards and Training Commission – State Support;
Patti Antonucci, Executive Branch Auditor; Craig Stevenson, Audit Manager.

Patty Antonucci, Executive Branch Auditor, noted POST Executive Director Michael Sherlock and Deputy Director Chris Carter were representing the agency.

The audit focused on improving public safety through enhanced peace officer training. The audit found that additional investment in POST will result in better protections for the public. DIA made three recommendations in the audit.

First, DIA recommends assessing additional funding options for public protection training. POST has been assigned an increasing training mission without the funding to support the training requirements. The POST funding model has been insufficient to provide industry-accepted public protection training since fiscal year 2021. POST relies on a legislatively mandated funding model to provide public protection training consisting primarily of revenue derived from traffic citations issued in Nevada. Revenue has decreased since 2020 while the training requirements have increased. Establishing additional funding options would allow POST to provide training for cadets and continuing education for peace officers. One of the important training gaps DIA identified is the Emergency Vehicle Operation Training (EVOC). POST can seek funding for an emergency vehicle operation course through the State's Capital Improvement Program. The EVOC course was previously approved for construction in the 2007 Capital Improvement program. The economic instability stemming from the 2008 recession resulted in statewide budget cuts and the project was postponed. POST is mandated to provide this training but must use a training facility located 40 miles away from the POST Academy. This facility is not a viable long-term solution because of limited availability and associated costs. POST could enhance peace officer training with an in-house facility to provide continuing education for local officers and rural law enforcement agencies that do not have access to an EVOC. The Legislature's training expectations cannot be met under the current mandated funding model.

Second, DIA recommends POST report meaningful public safety performance measures and outcomes. POST performance measures are not used to impact public safety or evaluate the performance of its programs. Effective performance measures will highlight opportunities to improve programs. Reporting meaningful performance measures and outcomes will better inform decision makers of the effectiveness of POST public safety efforts, show where training can be improved, and demonstrate the necessity for increased program funding.

Third, DIA recommends POST develop policies and procedures for audits and follow-ups and report audit results to POST leadership. Statute mandates POST conduct annual audits relating to the operation of academies for training peace officers. The audit process lacks a method for following up on outstanding findings to ensure agencies are implementing recommendations. POST leadership reports there is an informal internal process for highlighting audit results. These processes should be formalized and documented in the POST Administrative Manual to guide more effective use of audit results. Developing audit policies and procedures that include communicating audit results to POST leadership and leadership within the audited agency will increase accountability and help improve peace officer training statewide.

Public Member Dulong asked about POST's funding sources and the amount from registration fees. Ms. Dulong asked to clarify if the fees were what other law enforcement agencies pay for training. Executive Director Sherlock answered yes, POST charges for the

basic academy which is mostly all rural law enforcement cadets. The fee also covers vehicle maintenance for EVOC and rental of the EVOC facility. The fee was increased July 2022.

- B. (DIA 23-02) Department of Conservation and Natural Resources, Division of Water Resources – Fiscal Processes;
Ruby Camposano, Executive Branch Auditor; Craig Stevenson, Audit Manager.

Ruby Camposano, Executive Branch Auditor, noted Michelin Fairbanks, Deputy Administrator was representing the Division of Water Resources (NDWR).

The audit focused on reducing the division's reliance on State General Funds by pursuing self-sustaining funding options. DIA found that Nevadans are subsidizing the cost of water management with State General Funds. DIA made two recommendations to reduce the General Fund subsidy for those who received the benefit.

First, DIA recommends NDWR seek legal analysis of statute to determine allowable charges to water users. The cost of water management monitoring and regulation in Nevada has been subsidized by \$2.9 million annually of State General Funds, on average, since 2019. Statute allows NDWR to charge water users for necessary water management costs. However, the statute is unclear as to what specific expenses are chargeable to the water users. NDWR does not charge all indirect costs. Consequently, the General Fund is paying for those expenses. Determining what costs can be charged and assessing users for those costs could reduce the burden that the General Fund is carrying by \$2.9 million dollars annually and ensure the cost of water management is paid by those who receive the benefit.

Second, DIA recommends NDWR update its fee schedules set in statute. NDWR provides oversight over applications for water rights, dam constructions, flood control, and other water management services. Maps, service, surveys, and measurements of water must be made by a license water rights surveyor. NDWR charges fees for providing oversight and water management activities throughout the state. The fees are established in NRS 533 and 534. Some fees have not been updated for over 30 years while other fees were last updated almost 10 years ago. Updating the fee schedules to reflect current cost due to inflation would generate NDWR additional revenue of \$1 million annually which would, in turn, reduce the burden on the State General Fund.

Treasurer Conine asked for an update on NDWR actions noted in the official audit response that NDWR was proceeding with getting an Attorney General's opinion as well as submitting a BDR that could help solve these problems. Deputy Administrator Fairbanks answered NDWR was in the process of formulating a request for the Attorney General's opinion to not only address specific questions in this audit but also associated questions to include in the opinion. NDWR was on track to meet the December 31st deadline established in the response. With respect to the inquiry into whether or not there's a BDR to update the fee schedule, NDWR was working with the Department of Conservation and Natural Resources' Director's office on that question.

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

- A. (DIA 22-03) Department of Health and Human Services – Transportation Services; Beatriz Mena-Ortiz, Audit Manager.

Beatriz Mena-Ortiz, Audit Manager, noted this is the six-month follow-up to the Department of Health and Human Services Transportation Services audit DIA report number 22-03. Representing DHHS is Deputy Director Marla McDade Williams.

The audit focused on improving and expanding transportation services to provide increased access to food for food insecure households. DIA identified potential savings of up to \$541 million annually or 13% of federal fiscal year 2020 Medicaid payments of \$4.1 billion resulting from health issues linked to food insecurity. Both audit recommendations were partially implemented. DHHS reports having sufficient staff to implement quarterly reviews of the non-emergency medical transportation monthly reports beginning October 31 2022. DHHS is working on establishing requirements to expand the scope of work of the current contractor to include a study on the appropriateness of the per member per month rate. DHHS anticipates including the study as a deliverable when the contract for non-emergency medical transportation terminates in June 2025. DHHS reports it has established the transportation coordination work group with a focus on improving management of transportation services and coordinating with other state and local agencies. The agency also reports the Nevada Governor's Council on food security intends to start a pilot program to provide more food into households based on the expanded food box delivery provided to Jackpot Nevada.

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

Craig Stevenson, Audit Manager, noted this is the six-month follow-up to the Department of Administration, Purchasing Division Audit, DIA report number 22-04. Representing the Purchasing Division is Administrator Kevin Doty

The audit focused on contract monitoring. Both audit recommendations have been partially implemented. To expand post-award contract management training, Purchasing created additional training for the Certified Contract Manager Course and made the training available online for state agency staff. To establish oversight of Purchasing-led agency contracts, the division is reviewing a sample of contracts for compliance with state contracting guidelines. Purchasing anticipates completing the review and establishing an oversight process in December of 2022.

C. (DIA 22-05) Department of Corrections – Fiscal Processes;
Brian Wadsworth, Audit Manager.

Brian Wadsworth, Audit Manager, noted this is the six-month follow-up to our Nevada Department of Corrections audit report number 22-05, which is the second audit focused on fiscal processes. Representing NDOC is Acting Director, William Gittere, Deputy Director of Support Services Lisa Lucas and Michelle Ashcroft, the fiscal chief.

NDOC has taken partial action on two recommendations and no action on the other two. In response to recommendation 3, Improve administrative accountability to reduce use of state resources, NDOC reports implementing distribution of monthly overtime reports to the Director and Deputy Directors; completing an analysis of existing positions to determine which should be eliminated from standby pay eligibility; and implementing new protocols for vehicle usage, including quarterly audits of logs. DIA notes NDOC should consider evaluating appropriate pay types so as not to pay for unwarranted standby pay and being able to track use of callback pay. Additionally, NDOC should consider developing internal policies and procedures for vehicle logs and audits of vehicle usage to ensure staff are aware of the purpose and expectations of the new protocols for vehicle usage.

In November 2022, NDOC announced the closing of the Warm Springs Corrections Center in Carson City. NDOC was quoted in several news articles stating the staff at the closed corrections center would be distributed to other correction centers in the state. NDOC estimates this consolidation of resources would save the state approximately \$42 million annually in overtime and operational costs.

In response to recommendation 4 to improve oversight over weapons purchases, NDOC reports updating its weapons approval process and ordinance manual for weapons purchases. NDOC did not provide a timeline for completing the update to its ordinance manual.

NDOC took no action on two recommendations: one, develop offenders' store fund markup limits and incorporate the methodology into legislatively approved regulations; and two, increase oversight of the prisoners' personal property fund. NDOC reports it intends to present proposed regulations during the upcoming 82nd session of the Nevada Legislature. As of today, NDOC has not submitted a Bill Draft Request for either recommendation.

DIA would expect NDOC to have all four recommendations implemented by the beginning of fiscal year 2024.

D. (DIA 22-06) Department of Public Safety, Investigation Division – Task Force Operations; Brian Wadsworth, Audit Manager.

Brian Wadsworth, Audit Manager, noted this is the six-month follow-up to the Department of Public Safety, Investigations Division audit, report number 22-06. Representing the division is Chief Ryan Miller and Department of Public Safety Deputy Director Sheri Brueggemann.

The audit focused on narcotics task force operations. The division has fully implemented one recommendation and taken no action on the other. First, the recommendation to request collaboration from non-participating local law enforcement agencies is fully implemented, although the desired outcome has not been met. The division reports reaching out to the non-participating counties regarding staff resources to address narcotics task forces. Those counties reported they do not have sufficient staff resources to assign a full-time or part-time position to an existing narcotics task force. The division reports it will continue to provide support and resources as requested or needed. DIA remains concerned the division is conducting investigations in counties that have not or do not plan to contribute to the law enforcement effort.

Second, no action was taken on the recommendation to collect investigative data to optimize decision making. The division reports not currently having the technological resource solution nor staff resources to collect investigative data. While resources are always a challenge, DIA believes the division will benefit from better investigative data. The division did not provide a plan of action to implement this outstanding recommendation.

Governor Sisolak asked Chief Miller what the division was doing to make progress on some of this? Chief Miller responded with respect to recommendation number two to collect investigative data to optimize decision making, the division collected a lot of investigative data. However, collecting specific data on cost accrued per jurisdiction, cost of an investigation, or the average time spent on investigations is difficult because this information is basically referring to what appears to be similar to billable hours. The problem is this involves manual collection and reporting of hours that people are spending on investigations and trying to attach cost. Those costs could be for supplies; it could be how much evidence analysis occurs on a specific case. A homicide case is going to have much more technical type of evidence analysis than a check fraud case. There is a lot of manual collection and analysis and collation of that data that will need to occur to assign cost to investigations. Additionally, multiple detectives often work on a case and trying to collate and do all that requires additional resources. That was part of our philosophy as we approach this budget cycle and we are hopeful that as this budget cycle rolls out that we may be able to address that better in the next biennium.

Treasurer Conine asked Chief Miller to confirm the requests made during the budget cycle would allow the division to collect this data assuming they were approved. Chief Miller answered the budget request would give the division at least have some ability to address the recommendation, yes. Chief Miller stated how far the division can assign costs to investigations will depend on how detailed information can be tracked related to billable supplies and other costs. Chief Miller stated he hoped the division will be able to address investigation costs at least to a sufficient level.

Treasurer Conine commented he understood and contrasted the effort to count post-it notes, which doesn't make sense, and his sense there is a broad space between that and where the division is with tracking costs. Chief Miller responded he hoped the budget request would address the positions that could track costs.

Deputy Director Sheri Brueggemann commented the one thing that the division has not been able to address is the cost accounting and by statute the division is required to do these investigations whether reimbursed or not based on the taxes and the General Fund. The cost accounting is better done by situation where we have accounting assistance, accounting tax, that sort of thing. She stated the department doesn't have enough staff to do its own fiscal budgets let alone gather statistics and that sort of thing. She added the division is very good at collecting investigation statistics and did not want anyone to worry they were not collecting statistics with regard to investigations.

Treasurer Conine asked if other investigative forces in other states are collecting these statistics and how are they collecting the information? Chief Miller responded he was part of the Rocky Mountain Information Executive Board and brought this question up to many of his counterparts in a variety of states and none of them are able to collect cost per investigation. He stated there are so many factors involved that they just do not do it. He added his colleagues have been asked by their various states to collect investigation cost information and they give a ballpark figure but precise cost information is not something that they do on a daily basis as reported by other law enforcement agencies.

Administrator Lowman commented the audit recommendation did not envision collecting cost data as being too hard to do. The audit recommendation was not something that is beyond the division's capability. Collecting investigations data is a management tool and a very effective management tool to have detailed cost data even if ballpark and to be able to align that information with the investigative work, which is what the division did not evidence. The recommendations are an effort to improve the division's operations.

E. (DIA 22-07) Department of Administration, State Public Works Division, Buildings and Grounds Section – Extra Services; Beatriz Mena-Ortiz, Audit Manager

Governor Sisolak: Moving on Department of Administration, State Public Works Division, Buildings and Grounds.

Beatriz Mena-Ortiz, Audit Manager, noted this is the six-month follow-up to the Department of Administration, State Public Works Division, Building and Ground Section Extra Services Audit, report number 22-07. Representing the division is Administrator Kent LeFevre.

The audit focused on implementing transparency and accuracy of charges for extra services. All recommendations have been fully implemented. B&G reported discontinuing the practice of including charges for overhead as part of the chargeback process effective July 1, 2022. Overhead costs were captured through the building rent rates and are not necessary to include as a calculation with the extra services billings. Effective July 1, 2022, B&G discontinued the practice of including charges for labor as part of the chargeback process. Additionally, B&G will discontinue charging for inmate labor. Agencies will be provided an estimate for material and contracted services required to complete a project including a 15% contingency fee. Agencies will be billed the actual cost of materials and contracted services not to exceed the pre-approved quote upon completion of the project.

Treasurer Conine commented it looks like the way that B&G solved the problem of mischarging is simply to not charge anymore but of course there's a charge or cost of labor to the state. The Treasurer asked where is that getting captured, if work is being done and B&G is not charging? He noted the overhead piece makes sense to me but from the inmate labor side and the direct labor side, how is B&G capturing that cost and passing it on to the agencies? Administrator LeFevre answered B&G is capturing the cost through the normal rent payments with the cost of taking care of the buildings built into the rental rate.

Treasurer Conine asked if that means agencies should expect to see a rent increase across the board to absorb these costs? Administrator LeFevre answered these charges are de minimis in nature. The expenses really do not move the needle on rent across the board.

Treasurer Conine asked the division to scope what is de minimis? Administrative Services Division Administrator Daniel Marlow answered that his division calculated the rent and rates for B&G and other agencies. The labor for the extra services is using existing staff so that was really kind of an offset to the B&G rent rate that is charged. It was not any additional cost. The B&G budget account is about \$14 million for the year and extra services costs are about \$100,000 so there is really no impact in that work. In the next biennium agency request budget, there is actually a potential decrease in B&G rent for this next cycle.

6. Presentation of Annual Follow-Up Reports.

- A. (DIA 21-01) Department of Administration, State Public Works Division – Category 13 Projects; Craig Stevenson, Audit Manager.

Administrator Lowman reminded the committee that the first annual follow-ups reflect a year after the six-month follow-up and is approximately a year and a half from the time the audit report was first presented to the committee. There is only a separate report for the first annual follow-up and afterwards the annual status is captured in the ongoing annual follow-ups in the outstanding recommendations report.

Craig Stevenson, Audit Manager, noted this is the first annual follow-up for the Department of Administration, Public Works Division audit report number 21-01. Administrator Kent LeFebvre is representing the division.

The audit focused on category 13 projects, which include tenant improvements and building maintenance. Both outstanding recommendations have been fully implemented. The division defined category 13 projects and established policies and procedures to properly manage and estimate expenditures. The division now uses the agency's four-digit budget account number to track category 13 expenditures rather than the building code where the project took place. This allows for more accurate cost and billing information.

Treasurer Conine thanked Administrator LeFevre for implementing the recommendations. He stated he knew this was a bit of a lift and he and the division went back and forth a year ago about how best to accomplish it. He noted these recommendations will be a big help.

B. (DIA 21-02) Department of Public Safety, Division of Parole and Probation – Caseloads; Beatriz Mena-Ortiz, Audit Manager.

Beatriz Mena-Ortiz, Audit Manager, noted this is the first annual follow-up for the Department of Public Safety, Division of Parole and Probation Caseload Ratios audit report number 21-02. Representing the Department of Public Safety is Deputy Director Sheri Brueggemann and representing the Division of Parole and Probation (NPP) is Major Aaron Evans.

The audit focused on aligning actual and budgeted caseload ratios to improve operational effectiveness. Two recommendations remain outstanding. NPP has partially implemented both recommendations to track caseload ratios based on actual staffing level and develop a plan to enhance retention and recruitment. NPP expanded the pilot program of assigning weighted values to different supervision types throughout the state. NPP has fully implemented weighted caseload assignment for mixed caseloads of moderate, high, very high and enhanced risk in Las Vegas. NPP is unable to determine a date for full implementation for the first recommendation due to high vacancy rates.

DPS recruits for all divisions including NPP. DPS reports it uses a recruit-on-demand approach, which it asserts is not possible to plan and budget for in advance. The DPS recruitment team continues to meet weekly with the Deputy Director to review vacancies, recruitment strategies and target hard-to-fill positions. DPS reported this recommendation was fully implemented, however, did not provide evidence of a formal written plan to improve retention and recruitment for parole and probation officers. DIA noted during the six-month follow-up that a written plan and evidence of implementation will be required to fully implement the second recommendation.

Governor Sisolak asked if DPS was making any progress on this one? Deputy Director Brueggemann answered with regard to recruiting, DPS had lost more officers this year than last year and has been unable to recruit half of that loss so far although DPS has recruited more than last year. She reports DPS efforts are well received; DPS is in the colleges, everywhere. However, middle management staff has been taken by the local law enforcement and DPS cannot compete with the pay structure. There is nothing further DPS can do other than to continue what is being done now. DPS hopes in the near future that pay will be reevaluated and increased pay will give DPS what it needs to really go out there and recruit individuals for a life in the Department of Public Safety.

C. (DIA 21-03) Department of Corrections – Fiscal Processes;
Brian Wadsworth, Audit Manager.

Brian Wadsworth, Audit Manager, noted this is the first annual follow-up for the Nevada Department of Corrections, Fiscal Processes¹ audit report number 21-03. Representing NDOC is Acting Director William Gittere, Lisa Lucas Deputy Director of Support Services, and Michelle Ashcraft, Fiscal Chief.

The audit focused on improving oversight of fiscal management and accounting practices. All four recommendations remain as partially implemented.

Recommendation 1 is to increase oversight of the Offenders' Store Fund. NDOC reports updating its Administrative Regulation 204 Inmate Store System. NDOC projects completion of the updated administrative regulation by December 21, 2022.

Recommendation 2 is to improve the accuracy of budgetary estimates and expenditure projects. NDOC reports staff receiving training from the Governor's Finance Office on the budget expense tracking system to better track its expenses.

Recommendation 3 is to ensure contracting practices comply with state requirements. NDOC reports working with State Purchasing to implement the use of NevadaEPro to ensure compliance with State Purchasing requirements. NDOC projects implementation by December 31, 2022.

Recommendation 4 is to improve oversight over personnel and payroll practices. NDOC reports developing a self-assessment questionnaire tool to evaluate the adequacy of existing procedures. NDOC also reports developing procedures for improved oversight of payroll activities. NDOC's six-month response reported it would review and present Administrative Regulation 326, Shift Bidding and Overtime Policies and Administrative Regulation 322, Types of Leave and Leave Procedure to the Board of Prison Commissioners in July 2022. However, this was not completed and NDOC did not provide a response if the administrative regulations would be presented at a future Board of Prison Commissioners meeting. NDOC continues to work on full implementation of the recommendations.

Governor Sisolak asked if NDOC was going to the Legislative Commission for regulation approval? Acting Director Gittere answered yes for AR 326 and the provisions which will address the muster time that is being added will go before the LCB in January 2023. After legislative action, NDOC will take that regulation to the next Board of Prison Commissioners for authorization. AR 322 is also revised and that will go to the next Board of Prison Commissioners meeting for authorization as well.

Treasurer Conine asked about recommendations 1 and 3. NDOC has timelines for implementation that are in the next 20 days or so; does NDOC feel comfortable that those are going to be met? Acting Director Gittere answered he believed the implementation timelines will be met.

D. (DIA 21-04) Department of Natural Resources, Division of Environmental Protection
– Certified Environmental Manager Oversight; Brian Wadsworth, Audit Manager.

Brian Wadsworth, Audit Manager, noted this is the first annual follow-up for the Nevada Department of Environmental Protection, Certified Environmental Manager Oversight audit report 21-04. Representing NDEP is Jeff Kinder Deputy Administrator and Mike Cabell, Executive Secretary for the Petroleum Fund.

The audit focused on enhancing transparency in Petroleum Fund Cleanup costs paid through certified environmental managers. All four recommendations are now fully implemented, the outstanding three that remained: recommendation 1 was reconcile project costs; recommendation 2 was establish rates for professional services; and

recommendation 4 was to perform random verification of proof of payment. NDEP has submitted new cost guidelines to reconcile project costs, establish rates for professional services and perform random verification of proof of payments. The new cost guidelines were approved at the September 8, 2022 Board to Review Claims meeting and were to go into effect on December 8, 2022. For previously reported full implementation of recommendation 3 to strengthen Certified Environmental Manager Certification Requirements, NDEP has submitted a new Certified Environmental Manager Certification Requirements regulation to the Legislative Commission. The new regulation was approved at the September 27, 2022 Legislative Commission Meeting.

Treasurer Conine complimented NDEP on a great job in getting this thing done within the timeline that you said you were going to get it done. He and the committee really appreciate NDEP's good work.

- E. (DIA 21-05) Governor's Finance Office and Department of Administration, Deferred Compensation Program – Board of Pharmacy Deferred Compensation Match; Warren Lowman, Administrator.

Administrator Lowman noted this is the first annual follow-up of the deferred compensation match audit report number 21-05. Representing the Deferred Compensation Program is Rob Boehmer, Executive Director.

This audit grew out of DIA's work on the Board of Pharmacy and the finding that the Board of Pharmacy was the only state entity that both participated in PEBP and also provided an employee deferred compensation match. He noted the practice was unique to the Board of Pharmacy and appeared to circumvent the statutes limiting compensation to 95% of the Governor's salary. The Deferred Compensation Board reviewed the facts and initiated a BDR to go forward to the Legislature in February to clarify what entities can and cannot offer a deferred compensation match. The BDR also notes that an entity that does not participate in PEBP and provides a match, the total compensation package cannot violate statute.

7. Status of Outstanding Audit Recommendations.

Administrator Lowman noted the next few items are the administrative items normally reported to the committee during the fall meeting. Item 7 is a summary of the outstanding recommendations as of the end of the fiscal year, June 30, 2022. Some outstanding recommendations go back as far as 2016; however, there are appropriate reasons and DIA does not have any concern at this time. These agencies are moving perhaps slowly but steadily to implement the recommendations.

8. Estimated Benefits to Nevadans from Audit Recommendations.

Administrator Lowman noted item 8 is a summary of the benefits to Nevadans from implemented recommendations from past audits. He referred the committee to page 7 of 7 and highlighted in fiscal year 2022 for every dollar invested in the internal audit section, DIA returned \$150 in benefit to Nevadans.

Public Member Dulong commented that as a former auditor, I love to see this. I love these measures. Thank you very much for the detail.

9. Approval of the Division's Annual Report Pursuant to NRS 353A.065.

Administrator Lowman noted item 9 was the Division of Internal Audits' annual report for fiscal year 2022 and per statute requires committee approval. Public Member Dulong moved approval and the committee approved the annual report.

10. Approval of the Annual Audit Plan Pursuant to NRS 353A.038.

Administrator Lowman noted item 10 is the outline of the audits planned for the upcoming year. Those agencies in red are newly requested audits and will require the committee's approval. Lieutenant Governor Burkhead moved approval and the committee approved the annual audit plan.

11. Committee Members' Comments.

Governor Sisolak noted item 11 is committee member comments. The Governor thanked everyone on the committee and said it has been a pleasure serving with all of you and helping the public get through these situations. Warren, you, and your team are doing an incredible job and all I can say is thank you very much for all the work you have put forward, appreciate you.

Treasurer Conine added he would like to echo the Governor's comments. He commented every year around this time when the committee sees how much money the state has actually saved through your efforts, we are reminded about how important it is that you keep doing the work you are doing and thank you for not providing your return on investment at the same time that the Office of the Treasurer needs to provide its return on investment because it makes us look bad. But Governor, it has been a real pleasure. The Executive Branch Audit Committee is one of the most fun meetings we have. So, thanks for having us.

12. Public Comment.

There was no public comment.

13. Adjournment.

Governor Sisolak adjourned the meeting of the Executive Branch Audit Committee.