



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

September 29, 2014

Tami Miramontes
Kafoury, Armstrong & Co.
8329 West Sunset Road
Suite 210
Las Vegas, NV 89113

Dear Ms. Miramontes:

The Office of Inspector General is committed to improving the quality of non-Federal audits. In accordance with our responsibilities for audit work performed by non-Federal auditors on Federal programs, we have reviewed the single audit reporting package and related audit documentation of Clark County, Nevada, for the fiscal year ended June 30, 2013. We initiated our review to ensure the audit was conducted in accordance with the requirements of the Single Audit Act, as amended.

In our opinion, based on our review of the reporting package and related audit documentation, the audit for the fiscal year ended June 30, 2013, is technically deficient. An audit that is technically deficient is an audit for which the documentation contains quality deficiencies that affect the reliability of the audit results and require correction for the audit under review. Except for the following deficiency, the audit documentation contained sufficient information to enable an experienced auditor who has no previous connection with the audit to ascertain from the audit documentation the evidence that supports the auditors' significant judgments and conclusions.

Deficiency – Compliance Testing of Procurement Requirement

The auditor tested procurement during the financial audit and referred to those procedures in the Single Audit Planning Memo. The various procurement testing workpapers, however, do not identify each sampled transaction as federal or non-federal or specify the individual federal program, if applicable. Therefore, the procurement testing in the financial audit does not provide sufficient evidence to conclude on compliance with the procurement requirement for those major programs where procurement is a direct and material requirement.

Criteria

In addition to the requirements of GAGAS, the auditor shall determine whether the auditee has complied with laws, regulations, and the provisions of contracts or grant agreements that may have a direct and material effect on each of its major programs. (OMB Circular A-133 §__.500(d)(1))

The auditor should design and perform further audit procedures, including tests of details (which may include tests of transactions) to obtain sufficient appropriate audit evidence about the entity's compliance with each of the applicable compliance requirements in response to the assessed risks of material noncompliance. (AU-C 935.19)

Corrective Action

Perform additional testing of the procurement requirement in order to obtain sufficient evidence to conclude on compliance for those major programs where procurement is a direct and material requirement. If the transactions that have already been tested provide sufficient evidence, please identify each federal transaction and respective program in the testing documentation. Submit to our office a copy of the audit working papers documenting the completed work.

Closing

Please submit the requested documentation to our office by Friday, November 21, 2014. Submission by e-mail is acceptable. If you have any questions or concerns regarding our review and conclusions, please contact me at morgan_aronson@doioig.gov or 703-487-8058.

Sincerely,

A handwritten signature in dark ink, appearing to read "Morgan Aronson", with a long horizontal flourish extending to the right.

Ms. Morgan Aronson, CPA, CGFM
National Single Audit Coordinator