



MINUTES

SOUTHERN NEVADA DISTRICT BOARD OF HEALTH FINANCE COMMITTEE MEETING

November 17, 2020 – 1:00 p.m.

Southern Nevada Health District, 280 S. Decatur Boulevard, Las Vegas, NV 89107
Meeting Hosted via Webex Event

MEMBERS PRESENT: Scott Nielson – Chair – At-Large Member, Gaming
Bobbette Bond - At-Large Member, Regulated Business/Industry
Olivia Diaz – Council Member, City of Las Vegas
Marilyn Kirkpatrick – Vice Chair, Commissioner, Clark County (*joined at 1:20 p.m.*)
Brian Knudsen – Council Member, City of Las Vegas
Tick Segerblom – Commissioner, Clark County

ABSENT: Dan Stewart – Council Member, City of Henderson

ALSO PRESENT: None
(In Audience)

LEGAL COUNSEL: Annette Bradley, General Counsel

EXECUTIVE SECRETARY: Fermin Leguen, MD, MPH, Acting Chief Health Officer

STAFF: Heather Anderson-Fintak, Andria Cordovez Mulet, Andrea Green, Amy Hagan,
Norlon Munroe, Larry Rogers, Christopher Saxton, Jennifer Sizemore, Karen
White

I. CALL TO ORDER AND ROLL CALL

Chair Nielson called the Finance Committee Meeting to order at 1:25 p.m. Andria Cordovez Mulet, Executive Assistant, administered the roll call.

II. PLEDGE OF ALLEGIANCE

III. FIRST PUBLIC COMMENT: A period devoted to comments by the general public about those items appearing on the agenda. Comments will be limited to five (5) minutes per speaker. Please clearly state your name and address and spell your last name for the record. If any member of the Board wishes to extend the length of a presentation, this may be done by the Chair or the Board by majority vote.

Seeing no one, Chair Nielson closed this portion of the meeting.

IV. ADOPTION OF THE NOVEMBER 17, 2020 MEETING AGENDA (for possible action)

A motion was made by Member Knudsen seconded by Member Diaz and carried unanimously to approve the November 17, 2020 Agenda as presented.

V. REPORT / DISCUSSION / ACTION

1. **Approve Finance Committee Meeting Minutes – November 10, 2020**; direct staff accordingly or take other action as deemed necessary (*for possible action*)

A motion was made by Member Knudsen seconded by Member Bond and carried unanimously to approve the minutes from the November 10, 2020 Finance Committee meeting, as presented.

2. **Receive and Discuss Audit Report and Approve Recommendations to Board of Health on November 19, 2020**; direct staff accordingly or take other action as deemed necessary (*for possible action*)

Chair Nielson thanked staff for providing the draft Audit Report for review in advance of this meeting. Chair Nielson further thanked Member Knudsen for submitting follow-up questions to the draft Audit Report and staff's subsequent response.

Karen White, Acting Chief Financial Officer, provided a brief overview of the recent audit and confirmed that the Findings from the previous two years have been resolved. As one of the Findings from the current audit related to Finance Department staffing, Ms. White provided the Committee with an overview of the Finance Department staff and a breakdown of Health District activities. ([Attachment #1](#))

Member Kirkpatrick joined at 1:20 p.m.

Chair Nielson requested that Ms. White elaborate on her view of staffing in the Finance Department. Ms. White advised that as it may appear there are a lot of new positions, the positions are not new, there are simply new people in those positions. Ms. White further advised that as the Health District continues to grow rapidly, she believes that additional positions should be added to the Finance Department, mainly due to the number of grants and additional workload. She advised that she anticipated including additional positions into the budget for later this or next year. Chair Nielson indicated that staffing in the Finance Department had been an issue for several years and encouraged Ms. White to speak with Dr. Leguen in advance of budget preparations.

Member Kirkpatrick requested clarification on whether there is additional training provided to new staff. Ms. White confirmed that the Finance Department creates a training schedule for all new staff, which is normally carried out by the predecessor. Member Kirkpatrick further inquired whether staff at Eide Bailey were responsive to inquiries. Ms. White confirmed that Richard Walker at Eide Bailey had been the main point of contact and was responsive and helpful to questions.

Member Knudsen commented on past issues related to coding/billing, the two vacant coding/billing positions and inquired whether the vacancies were a challenge and related to the FQHC challenges with third-party billing. He further commented on only one position assigned to grants. Ms. White advised that there have been challenges in filling the two vacant coding/billing positions. She further advised that once the positions are filled, the coding/billing would be brought in-house. Ms. White confirmed there was only one grant writer position, however, a staff accountant was fulfilling the role of a grant coordinator.

Member Diaz commented on the impact on the economy and the lack of revenue that can potentially impact the operating budget for next year and for the Board of Health members to advocate for the Health District at the legislative session in early 2021. Ms. White advised that budget revisions would be presented to the Board of Health in January 2021.

Chair Nielson requested an update at the next meeting on Finance Department staffing, specifically how staff is progressing, the number of staff, and how staff are functioning in their positions.

Member Segerblom inquired whether there was a mechanism in place to raise possible Findings throughout the year. Ms. White advised that as the audit commenced later than usual, there was no time to determine the Findings until the audit was already in process. Ms. White further advised that if issues arise throughout the year, there is always an opportunity to contact Eide Bailey for their opinion/advice.

Richard Walker and Tamara Miramentes of Eide Bailey joined the meeting to present the draft Audit Report and the following Findings:

- Finding #2020-001 – During the course of performing the audit, Eide Bailey identified multiple material audit adjustments to cash, interfund balances, receivables, and interest income. It was determined that it was due to significant management turnover in the Finance Department near the end of Fiscal Year 2019, that resulted in several reconciliations and adjustments not being completed until the audit process had begun.
- Finding #2020-002 – During the course of performing the audit, Eide Bailey identified non-compliance with Nevada Revised Statute (NRS) 354 related to transfers from the General Fund to the Special Revenue Fund, and vice versa, without obtaining Board approval. In addition, the District's Special Revenue Fund expenditures exceeded the available budget appropriations. It was determined that it was due to controls over adhering to NRS 354 were not properly implemented. It was determined that the original adopted budget did not consider the budget implications of not including the Health District's administrative cost allocation plan. As a result, allocations to the Special Revenue Fund from the General Fund were not adequately budgeted and a budget augmentation was not brought for Board approval.

Chair Nielson requested to hear from Management on how the Findings would be addressed. Chair Nielson advised the Committee that the phrase "Management agrees with the finding" in the draft Audit Report was a standard phrase used by Eide Bailey. To address the Findings, Ms. White advised, to address Finding #2020-221, the Finance Department has created a roadmap of the items that need to be addressed and the timeline for completion, and, to address Finding #2020-002, the Finance Department has planned to do a budget augmentation in early 2021. Ms. White further confirmed that an action plan would be prepared and submitted to Dr. Leguen. The Committee requested an action plan addressing the Findings.

Ms. Miramentes advised that the single audit had not been completed due to the CARES Act and Eide Bailey's restriction in performing the single audit. Ms. Miramentes noted that there may be additional findings as a result of the single audit.

Member Knudsen stated that he was more comfortable with the position of the Health District, however noted the uncertainty of the pandemic and future funding for the Health District. Member Knudsen further noted that a key item that the Health District, and the Board of Health, needed to focus on was the planning of future funding. There should be a discussion at a Board of Health meeting on the budget process and how to strategically plan for either state or federal funding to manage through a pandemic.

Further to questions, Mr. Walker advised that Ms. White and staff responded positively and addressed any items raised quickly and thoroughly.

A motion was made by Member Knudsen seconded by Member Kirkpatrick and carried unanimously to recommend acceptance of the draft Audit Report, as presented, to the Board of Health on November 19, 2020, and direct staff to provide (i) a workplan addressing the Audit Report Findings and management's response, (ii) a strategic plan to address a future pandemic financial/operational issues and (iii) an update on Finance Department staffing needs.

- VI. **SECOND PUBLIC COMMENT**: A period devoted to comments by the general public, if any, and discussion of those comments, about matters relevant to the Board's jurisdiction will be held. Comments will be limited to five (5) minutes per speaker. If any member of the Board wishes to extend the length of a presentation, this may be done by the Chair or the Board by majority vote.

Seeing no one, Chair Nielson closed this portion of the meeting.

VII. **ADJOURNMENT**

The Chair adjourned the meeting at 1:56 p.m.

Fermin Leguen, MD, MPH
Acting Chief Health Officer/Executive Secretary

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