STATE OF NEVADA
EXECUTIVE BRANCH AUDIT COMMITTEE

209 E. Musser Street, Suite 102 | Carson City, NV 89701-4298
Phone: (775) 684-0222 | http://iaudits.nv.gov

Date and Time: July 29, 2025, 1:00 PM

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

Video Conference Location: Nevada Building - Governor's Conference Room
1 State of Nevada Way
Las Vegas, Nevada 89119

MEETING MINUTES

1. Call Meeting to Order/ Roll Call/ Remarks.

Roll call established a quorum was present:

Chair, Governor Lombardo
Lieutenant Governor Anthony
Secretary of State Aguilar
Treasurer Conine
Controller Matthews
Attorney General Ford
Committee Member Babsky

2. Public Comment.

(The first public comment is limited to comments on items on the agenda. No action may be taken upon a matter raised under public comment period unless the matter itself has been specifically included on an agenda as an action item. The Chair of the Executive Branch Audit Committee will impose a time limit of three minutes. Public comment may be provided in person or via telephone. To provide public comment on an item on the agenda via telephone, dial 775-321-6111 or 702-329-3435. When prompted to provide the meeting ID, please enter 891 951 935#. When the Chair opens the public comment period, dial *5 to request to be unmuted. To resolve any issues related to dialing in to provide public comment for this meeting, please call (775) 684-0222.)

No public comment was presented for the Committee's information or consideration. Governor Lombardo closed the first opportunity for public comment.

3. Approval of the October 29, 2024 Meeting Minutes. (For Action)

Motion: Approve the October 29, 2024 Meeting Minutes
By: Secretary of State Aguilar
2nd: Attorney General Ford
Vote: Passed unanimously

4. Presentation of Audit Reports Pursuant to NRS 353A.085. (**<u>Information Only</u>**)

A. (DIA 25-03) Nevada Department of Transportation – Key Processes and Operations Management; Melissa Gardner, Executive Branch Auditor; Heather Domenici, Executive Branch Audit Manager.

Melissa Gardner, Executive Branch Auditor, presented the audit to the Committee, stating the audit focused on developing recommendations to improve oversight of key processes and operations management at the Nevada Department of Transportation.

The audit found the department has reduced oversight in its contracting activities and other key processes, as well as in its personnel and payroll practices. Additionally, the department's flight operations policies allow for practices that do not comply with Federal Aviation Administration rules.

DIA makes three recommendations for the department to improve oversight of key processes and operation management. First, DIA recommends the department increase oversight of its contracting activities and other key processes. The review of department contracting activities and other key processes found an absence of some formal regulations and noncompliance with the Administrative Procedures Act as required by statute.

The Board of Directors has adopted resolutions in lieu of formal rulemaking, including the director’s delegated signature authority for contracts and agreements. The Board is the sole oversight body for most department activities and is exempt from the jurisdiction of other state oversight bodies for most contracting and construction related activities.

Board and regulatory oversight of contracting activities and other key processes is crucial to ensure transparency and accountability. Agency activities and processes affecting private rights must be adopted as formal regulations or rules of practice pursuant to the Administrative Procedures Act. The department can increase oversight of contracting activities and other key processes by adopting formal regulations and rules of practice through the public rulemaking process.

The second recommendation is for the department to improve personnel and payroll practices. The review of departmental personnel and payroll practices revealed issues related to policy violations, timekeeping issues, overtime approvals, and excessive overtime that could cost the state up to $950,000 annually. Employees not covered by a collective bargaining agreement earned overtime on the same day or in the same week as paid leave and 26% of employees with overtime were responsible for almost 60% of overtime incurred for fiscal year 2023 timesheets tested. The department can improve personnel and payroll practices by updating, creating, and monitoring internal pay policies and procedures.

The third recommendation is for the department to enhance policies and procedures for the flight operations program. The department's existing flight operations policies and procedures do not prohibit aircraft from being engaged for any reason other than for Highway Fund activities. Existing policies allow for charging passengers and other state agencies for flight services, which is prohibited by the Federal Aviation Administration for the department's flight operations. Additionally, flight manifests do not document flight and passenger trip purpose, which would help ensure passengers are traveling for official state business only, and federal rules for aerial surveying are enforced. Enhancing policies and procedures for the flight operations program will ensure compliance with statute and Federal Aviation Administration regulations.

In summary, improving oversight of key processes and operations will increase compliance oversight, and transparency, reduce personnel costs related to overtime and could benefit the state up to $950,000 annually.

Ms. Gardner thanked the Nevada Department of Transportation management and staff for their time and input throughout the audit. She stated Transportation Director Tracy Larkin-Thomason and her staff were available to answer any questions the Committee may have.

Governor Lombardo asked if any Committee members had questions on Agenda Item 4A.

Attorney General Ford asked if Deputy Attorney General Ott could advise the Committee on whether the Committee should engage in questions and/or make statements in view of the fact that the state is in litigation related to NDOT on a civil matter and also a criminal matter. The Governor stated he was concerned about the Committee making statements that might be utilized during litigation and court proceedings.

Deputy Attorney General Ott said he thought that was wise, especially in light of the fact this is an informational only item. The Committee cannot take any action at all. Deputy Attorney General Ott said prudence would suggest very limited actions or conversations about this because of the pending litigation. If there is a further need, the members could get those questions answered offline.

Attorney General Ford suggested to the extent there are questions or further conversation to be had on this, that the Committee could re-agendize this report subsequent to a time when litigation is not pending. Attorney General Ford expressed concern over statements made during the meeting that could be characterized as admissions in ongoing litigation.

Governor Lombardo said that sounded reasonable. He said as a matter of practice, if there are some individual questions on this particular audit, bring them to his attention outside of the hearing. He will make the decision whether they will rehear this at a later date or whether they can actually answer the questions offline to the satisfaction of the person asking the question.

Deputy Attorney General Ott said that plan works. One member communicating with the Governor would not be a quorum, so that can happen outside of an open meeting. There are no concerns with open meeting law and that protects the litigation as well, so it is a good solution.

Governor Lombardo asked if flight operations is outside of the litigation. Attorney General Ford confirmed it is.

Governor Lombardo asked if $650,000 would be generated from passenger trip purposes; Ms. Gardner responded that this was incorrect, and the figure referenced earlier related to payroll practices.

Governor Lombardo asked for confirmation that they have not advised flight operations that they cannot charge for past years, was that correct? Ms. Gardner confirmed that was correct.

Governor Lombardo moved onto Agenda Item 4B after receiving no further questions.

B. (DIA 25-04) Nevada Department of Corrections – Correctional Officer Overtime Management 2; Jasdeep Bains, Executive Branch Auditor; Heather Domenici, Executive Branch Audit Manager.

Jasdeep Bains, Executive Branch Auditor, presented the audit to the Committee, stating the audit focused on improving overtime management for correctional officers at the Nevada Department of Corrections. The department has experienced challenges related to high vacancy rates and overtime expenditures.

The audit made three recommendations for the Department of Corrections to improve overtime management. First, the department should strengthen oversight of personnel and payroll practices to help eliminate confusion about pay parameters and ensure timesheets are accurate and coded correctly, improve supervisory and payroll administrator oversight, reduce overtime, and discourage overtime abuse.

The audit found outdated internal pay policies, inaccurate timekeeping, excessive overtime, and improper application of pay types that could cost the State between $4.6 and $18.5 million dollars annually. More than half of all overtime timesheets tested had at least one issue, including policy violations and coding errors. In several cases, employees received overtime in the same week as sick or unpaid leave, or structured shifts to bypass scheduling protocols. Additionally, more than 38,000 overtime hours in fiscal year 2024 lacked a valid reason code. The department can strengthen oversight of personnel and payroll practices by updating internal pay policies, training staff on changes, and monitoring improvements.

The second recommendation is for the department to address the root causes of facility-level overtime variability to improve long-standing issues with staffing, shift coverage, and overtime. From fiscal year 2020 to 2024, overtime increased by more than 508,000 hours and 35 million dollars. However, most of this growth was concentrated in just six facilities, even as offender populations declined statewide.

Analysis shows that facility-level operational demands and not just changes in offender population are key drivers of overtime, including vacancies, medical transportation, and hospital coverage. In fiscal year 2024, nearly 94,000 overtime hours were attributed to medical escort duties alone. The department recently contracted with a consultant to conduct a staffing study of facilities and operations, intended to provide a comprehensive, objective review of current staffing across the department. The department can address long-standing issues with staffing, shift coverage, and overtime by implementing staffing study recommendations and monitoring measures to ensure successful implementation.

The final recommendation is for the department to continue its recruitment and retention efforts to stabilize staffing levels, improve retention, reduce turnover, and reduce reliance on overtime. Correctional officer vacancies and high turnover have led to a reliance on overtime. The department has enhanced recruitment efforts, secured funding for pay grade increases, and obtained additional benefits through legislative measures in addition to benefits afforded to covered employees through collective bargaining agreements. These efforts contributed to a 34% reduction in vacancies and a 39% improvement in turnover in fiscal year 2024.

The department should continue these efforts by maintaining recruitment activities, continued use of third-party recruitment services and implementing the results of the staffing study to support long-term workforce stabilization. Strengthening personnel and payroll practices, addressing facility-level overtime drivers, and continuing recruitment and retention efforts will reduce overtime usage, improve staff retention, and increase efficiency across the department.

Ms. Bains thanked the Department of Corrections and staff for their time and input throughout the audit and said Corrections Director James Dzurenda and management were available to answer any questions the Committee may have.

Governor Lombardo asked if any Committee members had questions on Agenda Item 4B.

Treasurer Conine said what about the idea of perhaps bringing someone from Internal Audits into Corrections for a period of time to help with some of the administrative work, both in this audit and in other audits? The Treasurer stated there are a few outstanding Corrections audits and recommendations that have not yet been implemented and it is not just the staffing. It is that they do not have the individuals around on the admin side to help do the implementation. The Treasurer was curious if that is something they have ever done. Could they do that? Would it be helpful to the Director if they threw some additional resources at the problem?

Administrator Stevenson said statute allows them to take on that type of work and they do have the Committee counsel on hand. He reviewed the statute as well. Administrator Stevenson said his understanding is that if the Committee requests this, if he agrees to it and Department of Corrections agrees to it, then they could take that approach.

Deputy Attorney General Ott clarified that in NRS 353A.045 under the duties of the Administrator, Sub 6 allows him to review each agency that is audited pursuant to Subsection 5 and advise those agencies concerning internal accounting, administrative controls and financial management. Since this is an informational item, the EBAC cannot direct him to do that, but if the tenor of the conversation means that is something that he needs to do, he is certainly able to take those activities outside of a meeting or specific direction from the Committee.

Governor Lombardo said he had this same discussion as Treasurer Conine with Administrator Stevenson as early as yesterday and they have formulated a possible solution to the Treasurer's concern and questions. The Governor will convey that to the Committee and hopefully they come to a consensus on the recommendation. The Governor thinks they can meet in the middle somewhere for the benefit of the Department of Corrections.

Controller Matthews thanked Ms. Bains for the presentation and asked if there was a sense of how many of these cases are genuine bad actors who are intentionally doing this? Maybe some are gaming the system, as opposed to those who simply have challenges understanding what the rules are and may simply benefit from the appropriate training. Has there been any determination of what exactly is at play there in combination of those things?

Administrator Stevenson said he did not think it is bad actors, but that it is employees occasionally gaming the system. For instance, they saw employees gaming the system when they are taking a certain type of leave, say on a Monday, they take four hours of leave, and then they work 40 or more hours after that. And it might look or have the optics of they are gaming the system by working that overtime in the same week that they have leave.

Administrator Stevenson went on to say one of the solutions to this problem is the staffing study that was mentioned in Recommendation 2. It specifically addresses issues with overtime shift coverage, which includes the shift relief factor and other staffing issues. They envision that the staffing study, once NDOC presents it to the Legislature and to the Governor, will resolve some of those issues where employees are gaming the system.

Controller Matthews asked if that staffing study is going to include some best practices for how to reduce some of these overtime expenditures. Administrator Stevenson said yes, it will.

Governor Lombardo had a question for Director Dzurenda. The Governor said there were two things mentioned in the audit. One was coding of the payroll system and the faults that occur on a regular basis out of NDOC. These problems were identified way before the audit results. Have they done anything proactive to try to fix that particular issue?

Director Dzurenda responded that there are two parts to this and one of them was over the years, the coding was adjusted. Codes were added that were probably not even understood in the corrections field. They eliminated a lot of these, probably two thirds of the codes to narrow the list down so that it is easier to understand and broader on the reasons for the overtime. But also, a big problem was the supervisors in charge of monitoring the schedules needed to be trained in what these codes are, how do you code, what is appropriate for what type of post for overtime. So, they have implemented the new codes already. And they have just started implementing training for the sergeants who are actually doing the schedules on how to do coding, what the coding means, how to put it in place, what is appropriate, what is not. And a lot of that is going to monitor those that have had sick leave or leave time that also did overtime because the codes will not match and it will send out an alert to the supervisor that this might be inappropriate use of overtime if that person had a leave day the day before or whenever it was. The Director stated he thinks it will all be corrected once they complete all the recommendations.

Governor Lombardo said another question was on medical transport. It was probably three Board of Examiners meetings ago that the situation was presented as a reason for a significant amount of overtime. And now it is identified in the audit. What has taken place to fix that particular issue between now and then?

Director Dzurenda said the Legislature approved 47 positions to help with the transportation and the guarding. However, that is only a percentage of what is actually used in overtime. There are three pieces of overtime that are used for medical. One of them is the actual hospital guarding at the outside hospitals when someone has been admitted. Then there is the transportation to local medical appointments. And finally, there is emergency transportation for hospital trips. They were only authorized and budgeted for 20 positions to cover all that. They did a study of just six months and came out with 67.7 officers that were involved in just the hospital transportation piece, but not the guarding and everything else. So, the numbers are a lot larger than that. Those additional 47 positions will reduce the burden, but it will not correct it. It will still not be able to cover the entire hospital guarding, hospital trips, and medical trips that they have, and that would be 100% overtime when it has to be covered.

Governor Lombardo asked the Director the reasoning behind the legislative decision not to fund all the positions. The Director said although his testimony was for 67.7 officers, they came up with the number of 47 with no reasoning given.

Governor Lombardo moved onto Agenda Item 4C after receiving no further questions.

> C. (DIA 25-05) Nevada Department of Agriculture – Commodity Foods; Marty Schaefer, Executive Branch Auditor; Craig Stevenson, Administrator.

Marty Schaefer, Executive Branch Auditor, presented the audit to the Committee, stating the audit focused on improving management of nutrition programs. The audit makes two recommendations.

First, the department should assess nutrition program operations for compliance with updated requirements and alignment with legislative intent. A comprehensive review of the statutory provisions and federal regulations governing nutrition programs has been necessary since program authority was transferred to the department in 2013.

During the transfer, the department acknowledged NRS may be unclear and out of date. Certain accounts created in NRS to manage program funds were not established in practice and an inactive state nutrition program created in 1995 may have been rendered obsolete by the creation of the Home Feeds Nevada program in 2023.

Similarly, federal regulations require a dedicated account to track shipping fee receipts, which has not been established in practice, while records of food distribution costs required by federal regulations are not maintained. Assessing nutrition program operations for compliance will ensure the department maintains federal support, while also meeting the department’s own strategic goal to modernize statutory and regulatory framework through a review and update of NRS and NAC.

The second recommendation is to recalculate shipping fees and submit for USDA approval. The department charges schools either $1.50 or $2.50 per case of food delivered for the USDA Foods in Schools program, depending on the method of delivery. The USDA allows state distributing agencies to charge this fee specifically to recover food distribution costs; however, the department has no record of how these rates were determined. Over $400,000 has accumulated from charging the fees since fiscal year 2019, the year the department implemented a dedicated job code to track shipping fee transactions. The accumulation of these funds indicates the fees charged do not properly reflect the actual costs incurred to distribute food.

Additionally, anomalies in state accounting system records indicate the fees have not been properly recorded. Recalculating the shipping fees to reflect the actual costs of food distribution activities will ensure an appropriate fee is charged and will align the process with federal requirements.

Mr. Schaefer thanked the Department of Agriculture management and staff for their time and input throughout the audit. He said Director JJ Goicoechea and his staff were available to answer any questions the Committee may have.

Governor Lombardo asked if any Committee members had questions on Agenda Item 4C.

Public Member Dina Babsky said some of the years there is a decrease in the fund balance. So, what would cause that? What are these funds spent on?

Administrator Stevenson said those decreases would be predominantly allocations. What the department can do is allocate administrative costs to certain programs. For instance, if you have a program coordinator that works on distributing these cases to schools, you could allocate a portion of that position's costs. In some years the allocation might be higher and in some years, it might be lower. It also depends on the shipping activity that is going on in any given year, because the more you ship, the more you are going to be able to spread administrative costs across multiple different cases. And so, you will see a fluctuation. That is why it is so important that when they reevaluate these shipping fees, they are really trying to hit the nail on the head and get it as accurate as possible while also realizing that some years you are going to have a deficit. You do not want to undercharge because then you hit the state General Fund.

Governor Lombardo asked Director Goicoechea about the two recommendations. One being assessing nutrition program operations for compliance with updated requirements and alignment with legislative intent, and the second being to recalculate shipping fees and submit for USDA approval. Was he aware of these two issues prior to the audit?

Director Goicoechea responded that they were operating under aged statutes and regulations. But as the federal programs continued to change, how they were going to exactly align those with the federal programs was going to be a challenge. So, they have agreed to go back and look at that. Obviously, they expect the USDA to continue to make changes in the next couple of years. So, it is going to be difficult for them to go and ask for a legislative fix in two years, not knowing what the USDA may do literally the day after they get that legislative fix. So, they are trying to operate as broadly as they can to remain flexible with the USDA requirements.

Governor Lombardo said that is why he was asking, because it says the time frame for the fix is July of 2026 and that seems like that would be an excessive amount of time. Director Goicoechea said they are going to look at that by 2026 and have some recommendations going forward. And obviously they will work closely with other executive level officers, including the Governor, about how they want to go forward with that and by 2026, hopefully they will have a clearer picture of what the USDA programs are going to look like as well.

Governor Lombardo moved on to Agenda Item 5A after receiving no further questions.

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

A. (DIA 25-01) Department of Administration, Division of Human Resource Management – Collective Bargaining Agreements; Beatriz Mena-Ortiz, Executive Branch Audit Manager.

Beatriz Mena-Ortiz, Executive Branch Audit Manager, presented the six-month follow-up to the Department of Administration, Division of Human Resource Management, Collective Bargaining Agreements audit, DIA Report No. 25-01, which focused on improving oversight and tracking of collective bargaining agreement special pay and benefits to ensure consistency and compliance. There are three recommendations.

Recommendation 1, to standardize and clarify CBA language, has been partially implemented. DHRM reported a comprehensive review aimed at streamlining agreement language was conducted. However, standardization remains limited due to the requirement that all contract language must be mutually agreed upon with labor organizations. Review of the CBAs for the 2025-2027 biennium revealed commonly referenced provisions, such as NACs, were not consistently standardized across CBAs.

Recommendation 2, to develop a database to track and monitor CBA pay and benefit provisions and covered positions, has been partially implemented. DHRM reported they are working with the Office of Project Management to evaluate system capabilities and identify opportunities for process improvement. Additionally, Advantage 4 is being tailored to enable the system to link employee positions with their corresponding bargaining unit.

Recommendation 3, to provide guidance and tools to track and monitor CBAs prior to implementation, has been partially implemented. In June 2025, the Labor Relations Unit began conducting training sessions to provide a detailed review of newly negotiated CBAs. On average, two training sessions are conducted each day, both in-person and virtually for all departments and the Nevada System of Higher Education.

Ms. Mena-Ortiz thanked the Division of Human Resource Management for their assistance in preparing the report. Administrator Bachera Washington and her staff were available for any questions the Committee may have.

Governor Lombardo asked if any Committee members had questions on Agenda Item 5A. The Governor himself asked Administrator Washington if the three recommendations are comprehensive enough to identify some solutions to what has been identified in the recent history of collective bargaining?

Administrator Washington replied yes, as it pertains to the standardization of the CBAs, one thing that they did try to ensure was that the articles, though across the board of many CBAs are different, that they remain consistent in each CBA. So, Article 1 will always be a preamble. They did get pushback for trying to standardize those things, but where they could, they absolutely did. In regard to 2, the fact that they will be able to identify certain benefits, identify the employees, having the job titles in the new Advantage 4 System is going to help them tremendously. It is going to help the departments as well in identifying which employees fall under which CBA job title.

Governor Lombardo asked does the Advantage 4 System have the ability to do that? Administrator Washington affirmed it does. The Governor said he was made aware that they are still having implementation and tracking problems because of the CBAs. Administrator Washington said as far as she is aware, they should be able to identify which jobs by title belong to which CBAs and then of course have any associated benefits attached to it.

The Governor asked if there is a coding or an implementation issue? So, when the legislative process makes the decisions on the approval of the CBAs and the implementation, is there an issue there between that time, a timely implementation? Administrator Washington replied there should not be with the new system.

Governor Lombardo asked how far away are they from full implementation? The Administrator said they go live with the HR system in October, and then they start the next phase, which is employee self-service and manager self-service, which will be a tremendous help as well.

Governor Lombardo asked the Administrator if they gave her any help through the legislative process? The Director replied, yes, a little.

Governor Lombardo moved on to Agenda Item 5B after receiving no further questions.

B. (DIA 25-02) Department of Veterans Services – Southern Nevada State Veterans Home; Marty Schaefer, Executive Branch Auditor.

Marty Schaefer, Executive Branch Auditor, presented the six-month follow-up audit of the Nevada Department of Veterans Services, DIA Report 25-02, which focused on improving operations of the Southern Nevada State Veterans Home. Six recommendations resulted from the audit and the department has made progress implementing the recommendations. Four recommendations are fully implemented, while the other two are partially implemented.

Recommendation 1, to submit applicable past due debts to the State Controller for collections, is fully implemented. The department submitted 75 accounts with a cumulative total of over a $1 million past due to the State Controller’s Office in May of 2025.

Recommendation 2, to pursue an updated MOU with the State Controller’s Office, is fully implemented. The Controller’s Office informed the department that waivers of individual NRS provisions will be issued in lieu of a broad MOU. The department received a waiver allowing it to submit bad debt after 120 days instead of the 60 days afforded by statute. A waiver recognizing the specific budget account in which any recovered debts will be deposited was also provided.

Recommendation 3, to record accounts receivable in accordance with generally accepted accounting principles, is partially implemented. Upon communicating the limitations of the South Home accounting software to the Controller’s Office, the Controller’s Office recognized that the software is standard within the nursing home industry and that flexibility should be provided to continue recording credits to the receivables balance. The department received an exemption from the Controller’s Office policy, that generally accepted accounting principles are followed when recording receivables. Although the exemption allows the department to continue recording credits to receivables, an accurate receivables balance must still be reported at fiscal year-end. Full implementation of this recommendation is dependent upon confirmation the department has a process in place to do so.

Recommendation 4, to revise the admission application to include Medicaid information, is fully implemented. An assortment of informative Medicaid-related documents was added to the admission application packet, including an Actual Cost of Care Acknowledgement form that details the applicant’s financial responsibilities and a Frequently Asked Questions section that provides answers to common concerns regarding Medicaid coverage.

Recommendation 5, to submit Medicaid applications at the start of the admission process and train staff on updated admission processes, is partially implemented. The department increased the presence of the on-site Medicaid representative by one additional day per week to better address Medicaid concerns among both staff and residents. The department is also working to reclassify the admissions team lead, which has been unconventionally filled by a registered nurse. Full implementation is dependent upon confirmation the department has started submitting Medicaid applications at the start of the admissions process for those that qualify after receiving the necessary information from the applicant’s physician.

Recommendation 6, to seek a BDR to join the nurse licensure compact, is fully implemented. Before the department could act in response to the recommendation, a BDR to join the compact was introduced by the Patient Protection Commission in advance of the 2025 legislative session. The BDR received a bill that did not advance out of committee, but its introduction achieved the intent of recommending the department seek a BDR.

Mr. Schaefer thanked the Department of Veterans Services for their assistance in preparing the report. Department management was available for any questions the committee may have.

Deputy Attorney General Greg Ott noted that potential litigation is involved in Agenda Item 5b. And because this is an informational item, perhaps the prior procedure where members go through Governor Lombardo to get any questions answered in lieu of having this in a formal setting would be prudent.

Governor Lombardo asked, with that being said, did any Committee members have any questions outside of the identified litigation issues? The Governor said he thought the only thing that would be outside of that is the MOU with the Controller. Is that correct?

Deputy Attorney General Ott confirmed.

The Governor asked Controller Matthews if he had any additional concerns. Controller Matthews said he did not. He went through the materials very thoroughly and he is satisfied with the direction things are heading.

Governor Lombardo moved on to Agenda Item 6.

6. Approval of the Annual Report Pursuant to NRS 353A.065. (For Action)

Administrator Craig Stevenson presented the Division's request for the Committee's approval of the Division of Internal Audits Fiscal Year 2026 Annual Audit Plan pursuant to NRS 353A.065. All audits on this plan were previously approved by the Committee. They started pre-audit work on the three audits highlighted in green and they intend to open these audits in August. There are four audits highlighted in blue on the bottom half of the page. They plan to open these audits before the next Committee meeting unless instructed otherwise. He said he would be happy to answer any questions.

Governor Lombardo asked if there were any questions. There were none. The Governor noted that the Secretary of State's requested audit is beginning in August. Secretary Aguilar thanked the Governor and said he and the Director spoke about that August start date. He appreciated it.

Motion:	Approve Division of Internal Audits Fiscal Year 2026 Annual Audit Plan pursuant to NRS 353A.065
By:	Secretary Aguilar
2nd:	Attorney General Ford
Vote:	Passed unanimously

Governor Lombardo moved on to Agenda Item 7.

7. Committee Members' Comments

There were no Committee members' comments. Governor Lombardo moved on to Agenda Item 8.

8. Public Comment (This public comment period is for any matter that is within the jurisdiction of the public body. No action may be taken upon a matter raised under public comment period unless the matter itself has been specifically included on an agenda as an action item. The Chair of the Executive Branch Audit Committee will impose a time limit of three minutes. Public comment may be provided in person or via telephone. To provide public comment via telephone, dial 775-321-6111 or 702-329-3435. When prompted to provide the meeting ID, please enter 486 812 006#. When the Chair opens the public comment period, dial *5 to request to be unmuted. To resolve any issues related to dialing in to provide public comment for this meeting, please call (775) 684-0222.)

No public comment was presented for the Committee's information or consideration.

Governor Lombardo moved on to Agenda Item 9.

9. Adjournment (For Action)

Motion:	Motion to Adjourn
By:	Attorney General Ford
2nd:	Secretary of State Aguilar
Vote:	Passed unanimously