



AUDIT COMMITTEE MEETING

THURSDAY, NOVEMBER 9, 2023





Board of Directors



JIM GIBSON

Chair

Commissioner
Clark County
Commission Office



ANTON NIKODEMUS

Vice Chair

President and COO CityCenter
Aria Resort & Casino/
Vdara Hotel & Spa



PAMELA GOYNES-BROWN

Secretary

Mayor
City of North Las Vegas



SCOTT DEANGELO

Treasurer

EVP &
Chief Marketing Officer
Allegiant Travel Company



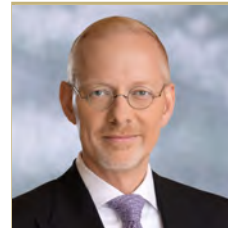
CEDRIC CREAR

Councilman
City of Las Vegas



CAROLYN G. GOODMAN

Mayor
City of Las Vegas



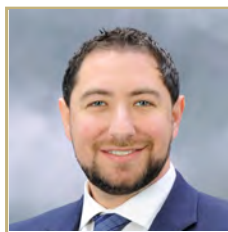
BRIAN GULLBRANTS

COO
Wynn North America



JAN JONES BLACKHURST

Caesars Entertainment
Board of Directors
Chief Executive in Residence,
UNLV International
Gaming Institute



MICHAEL NAFT

Commissioner
Clark County
Commission Office



MICHELLE ROMERO

Mayor
City of Henderson



MARY BETH SEWALD

President and CEO
Vegas Chamber



STEVE THOMPSON

Executive Vice President
Operations
Boyd Gaming Corporation



STEVE WALTON

Councilman
City of Boulder City



BRIAN WURSTEN

Councilman
City of Mesquite



NOTICE OF PUBLIC MEETING AND AGENDA

AUDIT COMMITTEE MEETING

THURSDAY, NOVEMBER 9, 2023
1:00 P.M.

Las Vegas Convention Center – Board Room
3150 Paradise Road
Las Vegas, Nevada 89109

Audit Committee:

Commissioner Michael Naft, Chair
Mayor Michelle Romero, Vice Chair
Mayor Pamela Goynes-Brown
Mr. Steve Thompson
Councilman Steve Walton
Councilman Brian Wursten

THIS PUBLIC MEETING IS PROPERLY NOTICED AND POSTED AT THE FOLLOWING LOCATIONS:

Las Vegas Convention and Visitors Authority (LVCVA) – 1st Floor Administration Offices
3150 Paradise Road, Las Vegas, NV 89109

LVCVA Website: www.lvcva.com/agenda

Nevada Public Notice Website: <https://notice.nv.gov/>

*THE AUDIT COMMITTEE (COMMITTEE) MAY: CONSIDER AGENDA ITEMS OUT OF ORDER;
COMBINE TWO OR MORE AGENDA ITEMS FOR CONSIDERATION; AND
REMOVE OR DELAY DISCUSSION ON ANY AGENDA ITEM AT ANY TIME.*

AGENDA

OPENING CEREMONIES

Call to Order

Roll Call

Pledge of Allegiance

COMMENTS FROM THE FLOOR BY THE PUBLIC

The first public comment period is limited to comments on items on the agenda. Items raised under this portion of the agenda cannot be deliberated or acted upon until the notice provisions of the Nevada Open Meeting Law have been met. If you wish to speak to the Committee at this time, please step up to the podium and clearly state your name and spell your first and last name for the record. Comments are limited to three (3) minutes in length.

APPROVAL OF AGENDA AND MINUTES

Approval of the Agenda.

For possible action.

Approval of the Minutes from the March 13, 2023, Audit Committee Meeting.

For possible action.

STAFF REPORTS - DISCUSSION AND POSSIBLE ACTION

A. **Internal Audit Reports**

That the Committee receive a report on the LVCVA's internal audit program.

This is an informational item and does not require Committee action.

B. **Proposed 2024 Audit Plan**

That the Committee consider recommending to the Board of Directors approval of the proposed calendar year 2024 audit plan.

For possible action.

SET NEXT MEETING DATE

The next Committee meeting will be at the call of the Chair.

COMMENTS FROM THE FLOOR BY THE PUBLIC

This public comment period is for any matter that is within the jurisdiction of the Committee. Items raised under this portion of the agenda cannot be deliberated or acted upon until the notice provisions of the Nevada Open Meeting Law have been met. If you wish to speak to the Committee at this time, please step up to the podium and clearly state your name and spell your first and last name for the record. Comments are limited to three (3) minutes in length.

ADJOURNMENT

Persons are invited to submit written remarks for all matters, both on and off the agenda. Written remarks presented for inclusion in the Committee's minutes must be flat, unfolded, on paper of standard quality, and 8½ by 11 inches in size. Written remarks shall not exceed five (5) pages in length. The LVCVA will not accept for filing any submission that does not comply with this rule. On a case-by-case basis, the Committee may permit the filing of noncomplying [sic] written remarks, documents, and related exhibits pursuant to NRS 241.035(1)(e).

To submit ideas to the LVCVA, please visit <https://www.lvcva.com/who-we-are/meetings-and-minutes/>

The Committee's meeting rooms are accessible to persons with disabilities. If special arrangements are required, please contact the Customer Safety Department at: 702-892-7400, which is a 24-hour Dispatch Control Center, or contact Silvia Perez in the Board Office at: 702-892-2802 or sperez@lvcva.com

Members of the Committee may participate in this meeting via telephone conference call.

For information or questions regarding this agenda please contact:
Silvia Perez, Executive Assistant to the Board
3150 Paradise Road, Las Vegas, Nevada 89109
702-892-2802 or sperez@lvcva.com

Supporting materials for this meeting are available at 3150 Paradise Road, Las Vegas, NV 89109 or by contacting Silvia Perez at 702-892-2802 or sperez@lvcva.com

MINUTES

Audit Committee Meeting

March 13, 2023



**Audit Committee Meeting
March 13, 2023
Minutes**

The Audit Committee Meeting of the Board of Directors of the Las Vegas Convention and Visitors Authority (LVCVA) was held on March 13, 2023, at the Las Vegas Convention Center, 3150 Paradise Road, Las Vegas, Nevada 89109. This meeting was properly noticed and posted in compliance with the Nevada Open Meeting Law.

Audit Committee (Committee) Members:

Present virtually unless otherwise noted.

Commissioner Michael Naft, Chair
Mayor Michelle Romero, Vice Chair
Councilwoman Pamela Goynes-Brown
Mr. Steve Thompson
Councilman Steve Walton
Councilman Brian Wursten.....*absent*

LVCVA Executive Staff in Attendance

Caroline Bateman, General Counsel
Ed Finger, Chief Financial Officer
Lori Nelson-Kraft, Senior Vice President of Communications
Brian Yost, Chief Operating Officer
Nadine Jones, Senior Vice President of People & Possibilities

OPENING CEREMONIES

Chair Michael Naft called the meeting to order at 8:30 a.m.

ROLL CALL

Caroline Bateman, General Counsel, acknowledged that quorum had not yet been met.

Members Steve Walton and Michelle Romero confirmed their virtual presence.

Chair Naft and Member Pamela Goynes-Brown joined the virtual meeting. The attendees established a quorum and the meeting proceeded.

COMMENTS FROM THE FLOOR BY THE PUBLIC

APPROVAL OF AGENDA AND MINUTES

**APPROVAL OF
THE AGENDA**

Vice Chair Romero moved, and it was carried by unanimous vote of the voting members to approve the March 13, 2023, Audit Committee Meeting agenda.

**APPROVAL OF
THE MINUTES**

Member Walton moved, and it was carried by unanimous vote of the voting members to approve the minutes of the November 7, 2022, Audit Committee Meeting.

STAFF REPORTS – DISCUSSION AND POSSIBLE ACTION

ITEM A. **Appointment of External Audit Firm**

Ed Finger, Chief Financial Officer, outlined the requirements under the Local Government Budget and Finance Act (Chapter 354 of the Nevada Revised Statutes) regarding the selection of the LVCVA's audit firm, and the Audit Committee Charter's further provision that the Audit Committee select the LVCVA's audit Firm.

Mr. Finger reported that Staff recommends the appointment of Eide Bailly as the LVCVA's fiscal year 2023 external audit firm, exercising the second-year option of the five-year RFP award. Mr. Finger requested that the Committee consider recommending to the Board of Directors: 1) Reappointment of Eide Bailly as the independent audit firm for the fiscal year ending June 30, 2023, in the amount of \$62,000; 2) Reappointment of Eide Bailly to conduct the annual third-party audit on the receipt and use of lodging tax revenues for the Las Vegas Convention Center District (LVCCD) expansion and renovation as imposed by the Southern Nevada Tourism Improvements Act, in the amount of \$8,000; 3) Appointment of Eide Bailly for the audit of federal grant proceeds in the amount of \$10,000; 4) Authorizing the Chief Financial Officer to execute the agreements; and 5) Authorizing any residual unexpended balances from this approved expenditure to revert to available general funds.

Fiscal Impact

FY 2024: \$80,000 Expenditure

Member Goynes-Brown moved, and it was carried by unanimous vote of the voting members to recommend to the Board of Directors the approval of: 1) Reappointment of Eide Bailly as the independent audit firm for the fiscal year ending June 30, 2023, in the amount of \$62,000; 2) Reappointment of Eide Bailly to conduct the annual third-party audit on the receipt and use of lodging tax revenues for the LVCCD expansion and renovation as imposed by the Southern Nevada Tourism Improvements Act, in the amount of \$8,000; 3) Appointment of Eide Bailly for the audit of federal grant proceeds in the amount of \$10,000; 4) Authorizing the Chief Financial Officer to execute the agreements; and 5) Authorizing any residual unexpended balances from this approved expenditure to revert to available general funds.

Ms. Bateman acknowledged that the first public comment portion had been inadvertently skipped and confirmed that there were no comments from the floor by the public.

ITEM B. **Audit Services Staffing and Organizational Structure**

Mr. Finger outlined the Committee's Charter requirements regarding the Committee's review and concurrence with leadership staff appointments. Mr. Finger discussed Staff's recommendation based on the success of the third-party internal audit services strategy and noted that the LVCVA's return to normal operations provides an opportunity for a management position to directly oversee the third-party efforts. Mr. Finger stated that the return to full operations has also created a demand for additional audit work that the proposed position of Senior Director of Audit will assume upon position approval and appointment. The Senior Director of Audit Services will have a dual reporting responsibility to the CEO and to the Audit Committee. Mr. Finger confirmed that the proposed position was included in the approved 2023 staffing levels and requested that the Committee consider recommending to the Board of Directors, the approval of a staffing change to the LVCVA's Audit Services function to add a Senior Director of Audit Services.

Fiscal Impact

This position was included in the Board-approved fiscal year 2023 budget.

Chair Naft noted that the proposed position brings the LVCVA close to the [Clark] County's and the City's [of Las Vegas] audit structure.

Member Walton moved, and it was carried by unanimous vote of the voting members to recommend to the Board of Directors, the approval of a staffing change to the LVCVA's Audit Services function to add a Senior Director of Audit Services.

ITEM C. **Internal Audit Reports**

Mr. Finger stated that the Committee approved the LVCVA's three-year audit plan at its November 2022 meeting and that the information presented today would focus solely on the 2023 plan beginning with the Purchasing Audit.

Sucheta Atre, partner at BDO USA, P.C., (BDO) presented the scope of the Purchasing Audit to the Committee, including assessing Purchasing Department processes for purchase requisitions, sole source procurements, requests for quotations, competitive bids, requests for proposals, new vendor set-up, and Purchase Orders.

Ms. Atre discussed BDO's observations of the Purchasing Audit including the following: conflict of interest declarations not always being required; competitive procedures not required for professional services procurements; a missing defined end date on a contract that was tested; cumulative actual spend not being tracked against a Purchase Order (PO); unclear rationale for responses marked "not applicable" on the PO checklist; and not requiring purchase requisitions for purchases made with a PO.

Mr. Finger stated that Staff agrees with BDO's observations and provided its response to the observations including the following: requiring departmental staff with material selection duties to sign conflict of interest declarations when participating in any type of purchasing procurements as well as being required to sign an annual declaration related to conflict of interest; Management will modify the LVCVA's Purchasing Policy to include criteria for competitive procurement of professional services; Purchasing will review all contracts with the requesting department's Management at the end of their defined end date, or in the case of perpetual contracts, at a minimum of every five years to mitigate the noted risk; as of March 1, 2023, LVCVA implemented a process to ensure all actual spending, including extensions, is considered when determining compliance for all revised or new Purchase Orders; the LVCVA will document the rationale when "N/A" is utilized on the PO checklist; the LVCVA will implement the requirement for a requisition for each Purchase Order beginning April 1, 2023.

Mr. Finger concluded that the LVCVA followed the state law at all points and came at odds with its own internal policy in a couple places in a fairly immaterial level, but a well observed level. Mr. Finger expressed appreciation for BDO's ideas about how the LVCVA we can make its purchasing policies and processes better.

Chair Naft requested that the LVCVA inform the Committee of what the threshold will be set at for professional services contracts, to which Mr. Finger confirmed.

Mr. Finger provided background and historical information regarding the LVCVA's purchase of the Las Vegas Monorail System (Monorail) and provided information on the Monorail's operating and net income generated since the re-opening of Las Vegas. Mr. Finger acknowledged the aging of the Monorail system and its need for significant maintenance, and noted the importance and risk factor of the maintenance of the Monorail.

Mr. Finger stated that the LVCVA added an audit of the Monorail's contractors' ((Western Management Group (WMG)) maintenance efforts that was performed by Lea+Elliott. Mr. Finger provided information on Lea+Elliott's services and experience.

Mr. Finger detailed the scope of Lea+Elliott's review of the Monorail system during the due diligence phase of the LVCVA's acquisition of the Monorail system.

Mr. Finger shared Lea+Elliott's key observations including the following: WMG's operation and maintenance of the Monorail is professional and consistent with contractual expectations; the Monorail has major subsystem obsolescence, and the system has limited life without significant reinvestment; employees are trained well and receive periodic testing and retraining; there are vacant vehicle technician positions that should be filled; WMG has satisfactory procedures, manuals, policies, and instructions for maintenance, and operations and maintenance manuals appear technically correct; and public address announcements need better attention.

Mr. Finger detailed Lea+Elliott's observations of the Trains subsystem including the following: no significant findings or observations on gearbox, brakes, and load arms; there is a Clark County Correction Notice for a retention device that has not been resolved; the need to manage against parts obsolescence for power and conversion units, and HVAC units; current repair of the Maintenance Recovery Vehicle, noting that other vehicles can be used in the meantime.

Mr. Finger detailed Lea+Elliott's observations of the Train Control and Communication subsystem which includes radios, servers, and the public address system, noting parts obsolescence issues and the need to manage existing inventory to maintain system life.

Mr. Finger detailed Lea+Elliott's observations of the Power Distribution subsystem including the following: an overvoltage issues that negatively impact equipment; power rails pitting due to age and bouncing of train shoes; and obsolescence issues requiring parts and subsystem management.

Mr. Finger detailed Lea+Elliott's observations of the Stations Platform Doors subsystem including obsolescence issues requiring parts and subsystem management.

Mr. Finger discussed LVCVA Management's response, in collaboration with WMG's executive team, to Lea+Elliott's findings, including the following: WMG is actively recruiting for two recently vacated vehicle technician positions; WMG will review the public announcement script and operator training curriculum; WMG is working with Clark County Building Department and the LVCVA's third-party engineer to finalize the design and obtain County approval of the retention device; WMG continues to work with the radios' original equipment manufacturer (OEM) to locate additional spare devices and has obtained a quote from the OEM to upgrade the train communication system; WMG is in discussion with NV Energy to determine ways to address the overvoltage issue, including upgrading Monorail electrification equipment; WMG repairs equipment in-house and is working with the OEM on a cost-effective way to replace or upgrade obsolete equipment.

Mr. Finger expressed appreciation for the LVCVA's in-house Transportation team and WMG for their efforts in ensuring the successful operation of the Monorail system.

Chair Naft asked Mr. Finger if he ever thought he'd be an expert on a monorail system, to which Mr. Finger stated he never thought he'd be so involved with the Monorail system, and recalled his involvement with the Monorail during his tenure at Clark County.

This was an informational item and did not require Committee action.

SET NEXT MEETING DATE

Mr. Finger noted that the building partners audit would be presented at the November 2023 Audit Committee Meeting.

COMMENTS FROM THE FLOOR BY THE PUBLIC

There were no comments from the floor by the public.

ADJOURNMENT

Chair Naft adjourned the meeting at 8:58 a.m.

Respectfully submitted,

Date Approved: November 9, 2023

Silvia Perez
Executive Assistant to the Board

Michael Naft
Audit Committee Chair

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
AUDIT COMMITTEE MEETING
AGENDA DOCUMENTATION**

MEETING DATE:	NOVEMBER 9, 2023	ITEM A
TO:	AUDIT COMMITTEE	
FROM:	ANGELA GO SENIOR DIRECTOR OF AUDIT SERVICES	DocuSigned by: <i>Angela Go</i> C97C639A5AB7489...
SUBJECT: INTERNAL AUDIT REPORTS		

RECOMMENDATION

That the Audit Committee receive a report on the LVCVA’s internal audit program.

This is an informational item and does not require Committee action.

FISCAL IMPACT

None.

COMMITTEE ACTION:	
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DocuSigned by:
Steve Hill
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STEVE HILL
CEO/PRESIDENT

PURPOSE AND BACKGROUND

Staff and BDO USA, P.C., the LVCVA’s appointed internal audit firm, will provide a report on completed and in-progress internal audits.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
AUDIT COMMITTEE MEETING
AGENDA DOCUMENTATION**

MEETING DATE:	NOVEMBER 9, 2023	ITEM B
TO:	AUDIT COMMITTEE	
FROM:	ANGELA GO SENIOR DIRECTOR OF AUDIT SERVICES	DocuSigned by: <i>Angela Go</i> C97C639A5AB7489...
SUBJECT: PROPOSED 2024 AUDIT PLAN		

RECOMMENDATION

That the Audit Committee consider recommending to the Board of Directors approval of the proposed calendar year 2024 audit plan.

For possible action.

FISCAL IMPACT

None.

COMMITTEE ACTION:	
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DocuSigned by:
Steve Hill
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STEVE HILL
CEO/PRESIDENT

PURPOSE AND BACKGROUND

The Audit Committee Charter directs the Audit Committee’s review and approval of audit plans. Staff will present the proposed audit plan for the 2024 calendar year, and the risk assessment methodology used to develop the audit plan.

2023 BOARD OF DIRECTORS REGULAR MEETING SCHEDULE



JANUARY

S	M	T	W	T	F	S
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JUNE

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SEPTEMBER

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OCTOBER

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NOVEMBER

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DECEMBER

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- Regular meetings of the Las Vegas Convention and Visitors Authority (LVCVA) Board of Directors (Board) are scheduled for the second Tuesday of each month at 9 a.m., or at the call of the chair.
- All Board meetings of the LVCVA are open to the general public.
- Per NRS 354.596(4): The public hearing on the tentative budget must be held by the governing body not sooner than the third Monday in May and not later than the last day in May.
- Agendas and approved minutes of the Board meetings are posted on the LVCVA website at: www.lvcva.com/agenda.
- Most meetings are held at the Las Vegas Convention Center in the Board Room at 3150 Paradise Road, Las Vegas, Nevada 89109. Locations of meetings are subject to change.

REGULAR MEETINGS

January	10	May	9	September	12
February	14	June	13	October	10
March	14	July	11	November	14
April	11	August	8	December	12

COMMITTEE MEETINGS/OTHER

Audit Committee Meeting – March 13
 Marketing Committee Meeting – April 27
 Public Hearing on the Budget – May 31
 Compensation Committee Meeting – June 26
 Marketing Committee Meeting – October 12
 Audit Committee Meeting – November 9
 Policy Committee Meeting – November 29



COMMITTEES OF THE LVCVA BOARD OF DIRECTORS

AUDIT COMMITTEE

Commissioner Michael Naft, Chair
Mayor Michelle Romero, Vice Chair
Mayor Pamela Goynes-Brown
Mr. Steve Thompson
Councilman Steve Walton
Councilman Brian Wursten

COMPENSATION COMMITTEE

Mr. Anton Nikodemus, Chair
Ms. Mary Beth Sewald, Vice Chair
Mr. Scott DeAngelo
Mr. Brian Gullbrants
Commissioner Michael Naft
Mayor Michelle Romero

LVCCD COMMITTEE

Commissioner Jim Gibson, Chair
Mr. Anton Nikodemus, Vice Chair
Mayor Carolyn Goodman
Mr. Brian Gullbrants
Ms. Jan Jones Blackhurst
Commissioner Michael Naft
Mr. Steve Thompson

LVCVA REPRESENTATIVES ON THE LAS VEGAS EVENTS BOARD OF DIRECTORS

Commissioner Jim Gibson
Mayor Carolyn Goodman

MARKETING COMMITTEE

Mr. Scott DeAngelo, Chair
Mr. Brian Gullbrants, Vice Chair
Councilman Cedric Crear
Ms. Jan Jones Blackhurst
Mr. Anton Nikodemus
Ms. Mary Beth Sewald

POLICY COMMITTEE

Ms. Jan Jones Blackhurst, Chair
Mayor Pamela Goynes-Brown, Vice Chair
Councilman Cedric Crear
Commissioner Jim Gibson
Councilman Steve Walton
Councilman Brian Wursten

