



LAS VEGAS CONVENTION CENTER AND VISITORS AUTHORITY PROPOSED PROJECT PLAN

Calendar Year 2021

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Purpose

This document provides context regarding the 2021 Risk Assessment and preliminary scoping activities, as well as an outline of proposed areas of evaluation throughout 2021. This risk assessment was conducted in accordance with relevant PCAOB guidance and Institute of Internal Auditors General *Standards*.

Background and Description of Business

The Las Vegas Convention Center and Visitors Authority (LVCVA) is a governmental agency established by Nevada State law created to directly drive tourism to Southern Nevada, and to enhance the marketing, sales, and advertising efforts of resort and industry partners, and to own and operate the Las Vegas Convention Center (LVCC).

The LVCVA operates in what has historically been the number one tradeshow destination in the United States, as rated by the Trade Show News Network. In 2019 Las Vegas hosted 48 of the largest tradeshows held across the nation, including the Consumer Electronics Show (CES), the largest show of the year, as well as MAGIC International, Specialty Equipment Marketing Association, and National Association of Broadcasters, with an estimated attendance of 1.7 million.

Las Vegas Convention Center and Visitors Authority 2021 Risk Assessment

Methodology

The overall risk rating for each identified LVCVA operational area (operational area) was derived through analysis of results of LVCVA specific survey (Survey). The operational areas included in the Survey were identified using our understanding of general business practices, LVCVA specific practices and business arrangements, and preliminary scoping meetings with key members of Management. Initial interviewees included the CEO, CFO, COO, CMO, General Counsel, VP of Finance, and Senior VP of People and Possibilities. See Appendix 1 for Risk Library included in Survey distribution.

Interviewees were asked to respond to items included in the Risk Library in terms of the following criteria using a quantitative scale escalating from “relatively no risk or potential impact” to “very high risk or potential impact”:

Criteria	Definition
Likely Weak	Likelihood that controls are weak in the identified risk area
Dollar Impact	Overall financial impact on company if controls fail in identified risk area
Reputational Impact	Potential Reputational impact on company if controls fail in identified risk area
Management Change	Negative impact due to recent management turnover in identified risk area
Current Management	Negative impact due to maintaining current management in identified risk area
Operation Complexity	Overall complexity of identified risk area
IT Reliance	Overall risk associated with reliance on IT to perform operations in respective operations
Changing Operations	Overall risk associated with new or changing operations

Surveys were distributed and retrieved by BDO where we aggregated the results to ensure confidentiality of individual responses. These aggregated results were then analyzed and presented to LVCVA for their input and consideration on developing the annual audit plan.

Survey Response Analysis

Using the results of the Survey discussed above, BDO completed analysis to drive the proposed 2021 annual audit plan. Analysis completed over data included top average scores by operational area and risk criteria, response range by operational area and criteria, most common response by operational area and criteria, and criteria eliciting the highest quantity of “unsure” responses. See below for example of analysis completed at the LVCVA operational area level:

Specific High-Level Risk Area	By Risk Area					
	Median	Average	Mode	Unsure Count	Low Range	High Range
Monorail Acquisition	5.0	4.6	5.0	6	2	7
Advertising	4.0	4.4	4.0	3	2	7
Information Technology Department	4.0	4.3	4.0	4	2	7
Safety and Security	4.0	4.1	4.0	4	2	7
Business Partner (Vendor) Management	3.5	3.7	3.0	10	2	7
Purchasing Processes	4.0	3.6	4.0	9	2	7
Employee Management	4.0	3.6	4.0	-	2	7
Departmental Segregation of Duties	3.0	3.5	2.0	7	2	7
Room Tax of Paying Authorities	3.0	3.4	2.0	6	2	7
Organizational Governance	3.0	3.4	2.0	4	2	7
Employee Compensation	3.0	3.2	2.0	3	2	7
Promotional Materials	3.0	3.2	2.0	5	2	7
Organizational Compliance	2.0	3.2	2.0	4	2	7
Employee Reimbursement Process	2.5	3.2	2.0	6	2	7
Other Inventory	2.0	2.7	2.0	14	2	6

Proposed Project Plan

Proposed Project Timing

Based on the hour allocation of 1,275 outlined in the 2021 *Agreement to Provide Services* executed September 25, 2020, we believe capacity exists to execute seven projects. The initial estimate accounts for time allocated for project management activities, required follow up, and 2021 risk assessment / planning. Projects are tentatively planned for execution in three to five-week increments, with two additional weeks planned for review and final deliverable preparation. As such, a schedule of proposed timing by project is included below:

Project	Est Hours	Budget %	Start Planning	Complete Fieldwork	Fieldwork Weeks	Report Date
Advertising and monorail inventory	168	14%	2/8/2021	3/12/2021	5	3/26/2021
Employee management	113	10%	3/22/2021	4/9/2021	3	4/23/2021
Purchasing process	184	16%	4/5/2021	5/7/2021	5	5/21/2021
Promotional materials	141	12%	5/17/2021	6/4/2021	3	6/18/2021
Monorail revenue	156	11%	7/5/2021	7/30/2021	4	8/13/2021
General IT audit	112	13%	8/16/2021	9/17/2021	5	10/1/2021
To be determined	112	9%	9/27/2021	10/15/2021	3	10/29/2021
2021 Planning	60	5%	11/22/2021	12/16/2021	3	N/A
Follow Up	55	5%	TBD	TBD	TBD	TBD
Project Management	69	6%	1/1/2021	12/31/2021	N/A	N/A

Proposed Project Topics

Using professional judgement, information obtained throughout interviews / survey process, and data analysis, BDO isolated the top six priority operational areas and corresponding processes. One additional time slot has been left open for an ad-hoc project. With the counsel of Management, BDO detailed proposed project topics for evaluation during the 2021 year, below:

Project 1: Advertising and beginning monorail inventory

Wrap up outstanding 2020 audit and validate beginning monorail inventory

Project 2: Employee management

New hire, termination, employee change processes, and other key employee management processes

Project 3: Purchasing process

Overall process evaluation

Project 4: Promotional materials

Custody of promotional materials, miscellaneous inventory, and underlying processes

Project 5: Monorail revenue

Operator revenue audit and contract compliance

Project 6: General IT Audit

Change management, logical access, backups, segregation of duties by system, security, etc.

Project 7: To be determined

Left open for ad-hoc project

Appendix 1 – 2021 Risk Universe

No.	Risk Area	Examples
1	Employee Reimbursement Process	P-Cards, Expense Reports
2	Employee Compensation	Payroll, benefit dependent audit
3	Business Partner (Vendor) Management	Revenue & cash management, requirements & screening, soul source providers
4	Purchasing Processes	PO Process, Receipt, Inventory
5	Promotional Materials	Promotional inventory, ticket management
6	Information Technology Department	Segregation of duties, general IT controls, PII
7	Advertising	RFP process
8	Monorail Acquisition	Subcontractor compliance, company culture, entity level management
9	Other Inventory	Inventory management practices
10	Employee Management	Termination process, hiring process, I-9 review
11	Organizational Compliance	Record retention, other regulatorily mandates
12	Safety and Security	Domestic terrorism, employee safety
13	Room Tax of Paying Authorities	N/A
14	Organizational Governance	Entity level controls, adequacy of high-level policies and procedures
15	Departmental Segregation of Duties	N/A

Note: This list represents order in which survey questions were posed rather than ranked results.