**Policy**

The Business Enterprises of Nevada (BEN) will schedule and conduct financial and operational on-site business practice reviews during each State Fiscal Year to ensure the accuracy and allowability of monthly Profit and Loss Statements and identify operational problems of the vendors or their locations. Business Enterprise Officers (BEOs) shall develop recommendations and/or corrective action plans for each location in response to review findings.

**Procedure**

BEN BEOs will conduct a review of BEN locations to examine business practices and procedures such as customer service, internal controls, merchandising, sanitation, inventory levels and categories and line items listed on the monthly Profit and Loss statements for testing to determine compliance with all applicable NRS, NAC and BEN policies and procedures.

Testing means to examine a representative sampling of business transactions directly related to the Profit and Loss Statement. BEN staff will use a standardized review form and will follow this procedure when conducting on-site business practice reviews:

**Scheduling**

1. The BEO II will submit to the Program Chief on or before June15th, a schedule of on-site business practice reviews for the next State Fiscal Year. The Program Chief will notify the BEO II of approval or modifications by June 30th.
2. The on-site business practice review schedule will identify the operator, operator location, BEO assigned, due date of the review.

3. The minimum level of review and frequency for each operator will be as follows:

1. Operational reviews will be conducted based on individual need and risk assessment.
2. Financial reviews will consist of a review and testing of all categories on the Profit and Loss statements within the state fiscal year.

4. As a result of previous review recommendations, operator, committee, and/or staff concerns, additional reviews may be conducted.

5. The Operator will be notified of the On-Site Business Practice Review no less than five days prior to the scheduled visit. The Operator will be notified which records may be required on site for review.

**Operational On Site Business Practices Review**

Prior to the on-site review the designated BEO will review the most recent report findings, recommendations and actions. Included in this review will be an assessment of previous recommendations and verification of progress. The Operational Review Checklist will include an evaluation of:

1. Hygiene of Operator and Facility Personnel
2. Personal Cleanliness
3. Jewelry
4. Hand washing and Fingernails
5. Clothing and Hair
6. Consumption of Food and/or Use of Tobacco in Food Areas
7. Sanitation and general condition of the facility
8. Marketing and merchandising
9. Consumable and other inventory
10. Customer service delivery
11. Operational concerns and Operator requests

**Financial On-Site Business Practices Review**

Prior to the on-site review the designated BEO will review the Operator’s Financial File and prior report findings, recommendations and actions. Included in this review will be an assessment of previous recommendations and verification of progress toward satisfying those recommendations. The Financial Review Checklist will be prepared designating categories selected for review from previous Profit and Loss Statements.

1. At the site, the designated BEO will review a sample of the supportive documents of each financial category pre-selected from Profit and Loss Statements.

1. Each transaction tested will be reviewed for compliance with NAC 426.
2. Each transaction tested will be reviewed as ordinary and necessary to the type of business
3. Calculations within each category will be checked for accuracy
4. Errors, concerns or questionable transactions will be discussed with the operator for clarification, and may lead to a written request to the operator for verification.

2. The work papers for each review will serve as the permanent record of the review. Work papers include but are not limited to spreadsheets, copies of check ledgers, invoices, payroll documents, copies of cancelled checks, etc. Pursuant to this:

1. Work papers will be indexed and assembled following the order of the financial Review Checklist;
2. The BEO will sign and date the report and all supporting documents;
3. All documents will be identified as prepared by staff or the operator, i.e.: PBS (Prepared By Staff) or PBO (Prepared by Operator);
4. Tick marks will be used to identify the validity of the transaction verified; and
5. Observations made by the BEO will be noted in the work papers.

**Report of On-Site Reviews**

1. The BEO will submit a standardized written report of the operational and financial

on-site reviews to the Program Chief or designee within five working days following completion of the review. The Program Chief or designee will review the report.

 2. Corrective action plans will include, at a minimum:

1. Specific performance areas needing action or interventions to be initiated;
2. Responsibilities of BEN staff;
3. Responsibilities of the Operator;
4. Suggested technical support or training; and
5. Completion and monitoring schedule.
6. As needed, the Program Chief will develop a written report to the Division Administrator or designee regarding:
7. Findings of on-site operational and financial reviews;
8. Trends;
9. Training plans; and
10. Recommendations