

**Annual Report FY2024 – DRAFT**

In accordance with Washoe County Code 15.569 the internal auditor shall submit an annual report to the Audit Committee for review prior to the submission to the Board of County Commissioners indicating audits completed, major findings, corrective action taken, and significant findings which have not been fully addressed. As such, the annual report for fiscal year ending June 30, 2024, is to provide transparency into the internal audit process, demonstrate our commitment to accountability and continuous improvement, and facilitate informed decision-making by the Board. This report will serve as a valuable resource for the Audit Committee and the Board, providing insights into the County's internal control environment and highlighting areas where further attention may be required. We remain dedicated to supporting the County's goals and objectives and look forward to continuing to assist the County in operating more efficiently in the next fiscal year.

An audit of the Washoe County Clerk's Office – Board Records and Minutes Division was completed during the fiscal year ending June 30, 2024. A summary of audit recommendations is below:

- It was determined the Washoe County Clerk's Office – Board Records and Minutes Division employees were experiencing high burnouts from the length and content of the meetings leading to lower productivity levels. There were instances of noncompliance noted with NRS 241.035. A review of the processes and procedures handbook noted it needed to be updated to current.
- It was recommended to build and establish a training program for new employees and to teach how to manage stress, stressful situations, and other applicable topics.
- It was recommended that the Board Records and Minute Division explore transcription technology and review the editing process to increase productivity.
- It was recommended that a checklist of common errors be created to expedite the editing process and increase uniformity.
- It was recommended to update processes and procedures handbook to current processes.
- It was recommended the office follow the record retention schedule to reduce the risk/liability/expense to the County.

Additionally, an audit of the Washoe County Library System's title procurement process was completed during the fiscal year ending June 30, 2024. A summary of the findings is below:



- It was determined that there were nineteen (19) instances where the date stamped as received on the invoice was different than the date processed in the system, later than the closed date in the system, or not stamped at all.
- It was recommended to ensure items are not being processed in the system prior to receiving the materials, and make sure every invoice is stamped before processing the order.
- It was recommended the office follow the record retention schedule to reduce the risk/liability/expense to the County.

The Internal Audit Division also completed an audit of the Washoe County Library System's event programming and expenditures during the fiscal year ending June 30, 2024. A summary of the findings is below:

- It was determined that there are several employees involved in the event programming process from various locations throughout the County and the Excel spreadsheets are difficult to follow with information located in several different places.
- It was recommended since event programming is an ever-growing process, continuously meet with management to determine if there are areas for increased efficiency and create a centralized team to coordinate and conduct events.
- It was recommended to compile all event programming information into one comprehensive spreadsheet.
- It was recommended to formalize a sub-committee or group to evaluate event proposals. If this sub-committee or group is created, create a formal policy to ensure consistency.
- It was recommended the office follow the record retention schedule to reduce the risk/liability/expense to the County.

Furthermore, an audit of the Washoe County Sheriff's Office fees was completed during the fiscal year ending June 30, 2024. The intent of the audit was to provide assurance that the risk and all areas for improvement are identified, provide assurance that there are effective and efficient internal controls, to provide recommendations to improve the control environment, and randomly select fees to test for accuracy, completeness, and fairness. A summary of the recommendations is provided:

- Implement a computerized system, where fees are automatically populating; prohibit OS from being able to adjust fees without the involvement other another person; and increase efficiency by setting up the system to automate.
- Implement a system that would require one person to initiate the change (Office Specialist) and a second person approve the change (Administrative Supervisor – Records).



- Implement procedures to be in compliance with WCC 15.190. Work with the Washoe County Treasurer's Office for an exception to this WCC to ensure compliance.
- Upload supporting documentation for the cash desk entries and associated journal entries. As such, a three-way reconciliation can be performed between the source documents, the bank reconciliation, and the journal entry.
- Process the money within the next business day to ensure all items are reconciled and issues can be corrected in a timely manner.
- The WCSO fiscal department review the detailed findings provided by the Internal Audit Division to correct overpayments, collections, and other errors.
- The Internal Audit Division recommends reimplementing the contract as it will reduce the amount of confusion for sentencing and billing.
- The Fiscal Compliance Officer or Fiscal Manager perform a monthly, quarterly, or annual reconciliation to determine the amounts served, charged, collected, and entered in SAP reconcile appropriately and adequate documentation is maintained.
- To ensure the County is operating on an accrual basis of accounting, follow the matching principle by entering the June payment into the appropriate fiscal year (i.e. June 2023 should be booked in fiscal year 2023). If there are questions regarding booking entries, consult the Comptroller's Office.
- According to the ordinance, the administration and oversight of the CryWolf False Alarm Program should be performed by the WCSO. As such, it is recommended that WCSO reinstate responsibility.
- Adhere to the record retention policy established by the Nevada State Library, Archives, and Public Records and any applicable Nevada Revised Statutes.
- Update manuals and/or policy and procedure handbooks to allow for smoother transitions and adequate completion of a job if someone is on vacation, no longer employed by the County, or working on another assignment.

In conjunction with the Minimum Accounting Standards of the Washoe County Justice Court Audits performed during the fiscal year ending June 30, 2023, the Internal Audit Division completed a review the Washoe County Sheriff's Office bail procedures completed during the fiscal year ending June 30, 2024. The intent of the review was to provide assurance that the risk and all areas for improvement are identified, provide assurance that there are effective and efficient internal controls, and to provide recommendations to improve the control environment. The recommendations are as follows:

- Implement a control is put into place to ensure that the person that collects the cash does not have access to the report that shows the amount of cash until the cash from the machine has been counted and recorded.
- Implement a control is put in place that requires two employees to gain access to the cash box.



- A review of the bank deposit packet should be performed by a person not completing the initial reconciliation.

A cash control audit of the Washoe County Treasurer's Office and Washoe County Clerk's Office was performed during the fiscal year ending June 30, 2024. The Internal Audit Division reviewed the following for each department with no exceptions noted:

- Written policies and procedures related to cash handling were examined and discussed with personnel in the respective departments.
- An observation with employees who handle cash was completed.
- Daily deposit and reconciliation documentation was examined for two days.
- It is recommended that the departments continue to retrain employees and at least annually remind employees to follow all policies and procedures.

The internal audit division also assisted the County Grants Administrator by providing guidance on how to improve and expand the internal control system for departments who receive grants. Provided guidance on how to compile information into a central location to be reviewed by the external independent auditors upon request. Provided guidance on how to request such information from other departments.

A follow-up on the county-wide travel expense and process audit from a prior fiscal year was performed during the fiscal year ending June 30, 2024. The following updates were noted:

- There is a delay in the implementation of the County-sponsored card similar to GSA Smart Pay as, per Tina Garvey at Bank of America, the bank has temporarily suspended this service via email on December 13, 2023.
- Management has reiterated the importance of complying by updating the Travel Procedure and discussed at a Department Head's meeting. (January/February 2024)
- Communication has been afforded to the department stressing the benefits of appointing someone to act as travel coordinator.
- The travel procedure has been updated to include each of the items listed. This procedure has been sent to the departments and has been posted on the Comptroller's intranet site. (March 2024)
- Technology Services and Accounts Payable continue to work together to implement an electronic process for travel claims.
- An online training program has been placed on Bridge. (March 2024)
- The permission to travel form has been updated to include acknowledgement that the employee has read and understand the travel procedures. (March 2024)
- Departments are required to review their expenses and to work with the Budget Division to reappropriate the funds for travel.



- A breakdown and step-by-step process on how to fill out a travel claim and permission to travel form is included in the Bridge training. (March 2024)
- An explanation is provided on the fillable forms and expense allowability in the Bridge training. (March 2024)
- The restructuring of the approval process is the responsibility of the individual departments, however the Comptroller's Department reviews the signature authority of each permission to travel form for appropriate authority.
- The permission to travel form has been updated. (March 2024)
- Notes are included in SAP detailing the requested/required information. (ongoing)
- The County adheres to retention policies. As documentation is stored electronically, this is managed by the Technology Services Department.

The Internal Audit Division also performed follow-up on the altered timecard of an intermittent/RETA employee fraud tip from a prior fiscal year was performed during the fiscal year ending June 30, 2024. The following updates were noted:

Human Resource's (HR) current practice for monitoring intermittent hourly hours/dollars includes:

- Running a report every pay period (during the 2nd ½ of the FY) and notifying departments of any employees nearing the 1,039 hours or PERS \$ limitations. The last notification sent out from HR was on 05/08/24.
- Working with the department HR Reps to ensure they are notifying the employees/supervisors, etc. and keeping them apprised of the hours/dollars.

HR has implemented the following additional precautions/reminders:

- Messaging in ESS to employees reminding them of hour/\$ limitations. (Please see 3rd attachment for documentation on ESS messaging).
- Sending the Intermittent Hourly Agreement and PERS Re-Employed Retiree Earnings Limitations annually.
- Posted the Intermittent Hourly Agreement, and the PERS limits on our HR website.
- Held a HR Rep meeting and reminded the HR Reps to monitor intermittent employees, and the repercussions if they go over the limits.
- If asked, HR tries to discourage departments from using temp agencies in situations where intermittent hourly employees have exhausted their hours/dollars.
- Requesting departments term any unused intermittent hourly employees.

HR also noted that departments do not normally notify HR if they are going to be using intermittent hourly employees (that are maxed on \$'s or hours) through a temp agency. That is at the department's discretion and HR does not monitor the department's use of a temp agency.



Lastly, the Internal Audit Division performed surprise cash counts of the Treasurer's Office and the Clerk's Office with no exceptions noted on behalf of the Washoe County Treasurer's Office.

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