



# Audit Committee

June 13, 2024 @ 3:00 p.m.



# Public Comment

*Comment heard under this item will be limited to three minutes per person and may pertain to matters both on and off the Audit Committee agenda*

To provide public comment via Zoom, utilize the "Raise Hand" feature

## Approval of the Meeting Minutes

- February 8, 2024 Audit Committee Meeting

## Discussion for Committee Appointment Recommendation

- Selection of one qualified applicant to recommend to the Board of County Commissioners (BCC) for an Audit Committee appointment for the term beginning July 1, 2024, ending June 30, 2028. Qualified applicants are Sabrina Grenet and Audrey Keller.



# Washoe County Sheriff's Office - Fees





## Background

- Records Division
  - Concealed carry weapon permit, background checks, fingerprinting, bail agent registration, etc.
  - Fees approved by BCC, except for CCW NRS 202.3657, .367, .3677
- Civil Division
  - Serving summons, subpoenas, eviction notices, Writs, etc.
  - Fees imposed in NRS 248.275
- Weekender Fee
  - Intermittent confinement or weekend in jail; alternative sentencing ordered by a judge
  - Fees outline by NRS 211.350; \$25 per day
- False Alarm Reduction Program
  - Register alarm systems with CryWolf (administer) to reduce false alarm responses
  - Fees outlined in WCC 54.030 (2)



## Objectives & Scope

- Audit Objective:
  - Provide assurance that the risk and all areas of improvement are identified
  - Provide assurance there are effective and efficient internal controls
  - Provide recommendations to improve the control environment
- Audit Scope
  - Sheriff Fees: Records Division fees, Civil Division fees, Weekender fees, False Alarm Reduction Program fees
  - Processes, internal controls, compliance with applicable NRS, Code, etc.
  - Audit period: 7/1/2022 – 6/30/2023
    - No noted scope limitations

## Audit Highlights

### WHAT WE FOUND

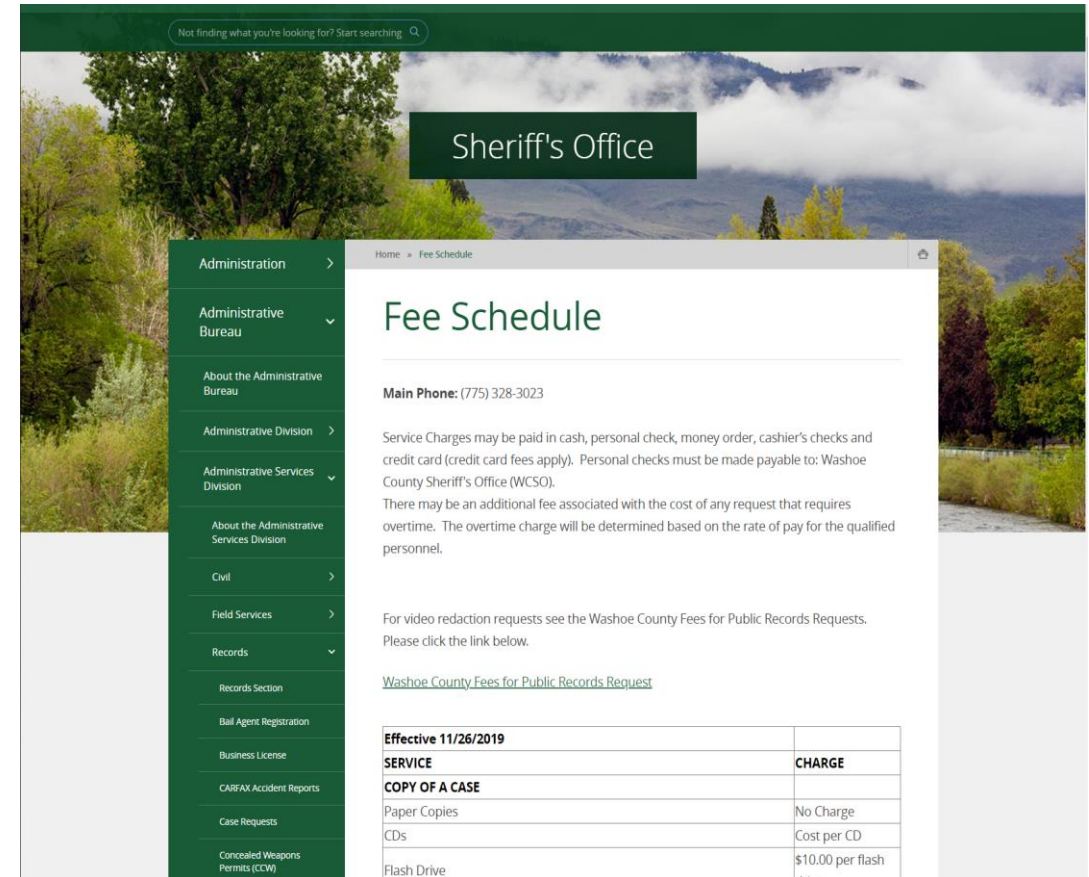
- A single person can override changes
- Bank deposits occur about twice weekly, WCC requires daily
- No supporting documentation is uploaded to support cash desk entries
- No reconciliation is being performed between source documents, bank reconciliation, and the journal entries
- Multiple employees sharing one cash drawer
- Various errors noted during examination of weekender fee documentation
- Senior accountant is not able to verify journal entries for the False Alarm Reduction Program

### WHAT WE RECOMMEND

- Ensure all policies and procedures are current
- Implement a process/system that would require two person to authorize changes
- Assign a cash drawer to a single person
- Upload supporting documentation to SAP for reconciliation purposes
- Implement a process or request exception to WCC for daily deposits

## Audit Procedures – Records Division Testing

- Detailed Records Division processes in the audit report
  - Completing a fee
  - Voids/refunds
  - End-of-day procedures
  - Fingerprinting \$40.25 remitted back to the State
  - Appendix contains the current fee list located on the WCSO website

A screenshot of the Washoe County Sheriff's Office (WCSO) website. The page is titled "Fee Schedule" and is part of the "Sheriff's Office" section. It includes a search bar at the top, a navigation menu on the left, and a main content area with text and a table. The table lists various services and their associated charges, effective from 11/26/2019.

Not finding what you're looking for? Start searching:

Sheriff's Office

Home » Fee Schedule

### Fee Schedule

**Main Phone:** (775) 328-3023

Service Charges may be paid in cash, personal check, money order, cashier's checks and credit card (credit card fees apply). Personal checks must be made payable to: Washoe County Sheriff's Office (WCSO). There may be an additional fee associated with the cost of any request that requires overtime. The overtime charge will be determined based on the rate of pay for the qualified personnel.

For video redaction requests see the Washoe County Fees for Public Records Requests. Please click the link below.

[Washoe County Fees for Public Records Request](#)

Effective 11/26/2019	
SERVICE	CHARGE
<b>COPY OF A CASE</b>	
Paper Copies	No Charge
CDs	Cost per CD
Flash Drive	\$10.00 per flash drive



## Audit Procedures – Records Division Testing

**Table 1. Sample Size for Records Division**

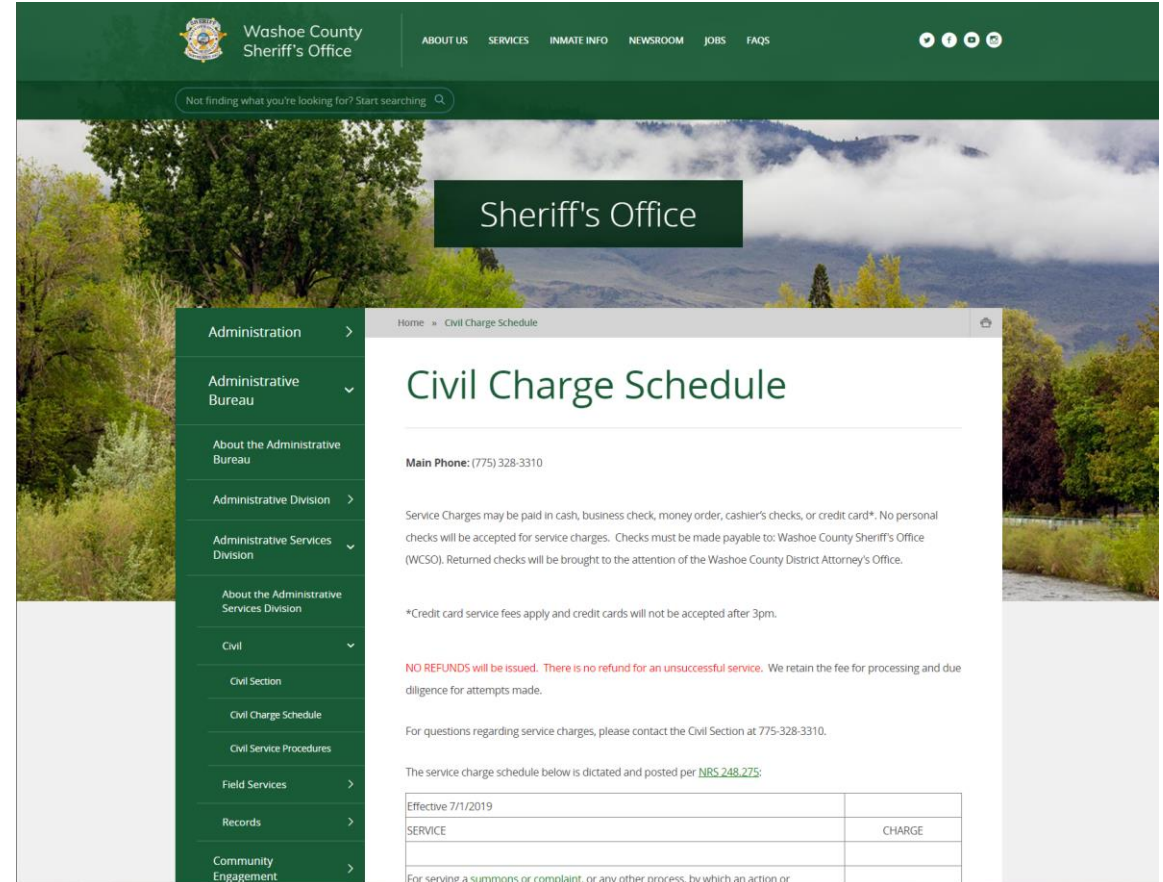
Confidence level	95%
Population proportion	0.682191781
Marginal error	0.04
Population size	249
Risk	Medium/Low
Sample Size (Rounded)	68

- Initial Risk Assessment = HIGH
  - Monetary transactions, no prior work to rely on
- Reassessed Risk = MEDIUM/LOW
  - Adequate internal controls, separation of duties, immaterial cash

- Randomly selected dates from fiscal year 2023
- Results
  - Fourteen (14) exceptions noted
    - Three (3) explained by refund
    - One (1) could not locate original file
    - Ten (10) variances between system report and the drawer revenue spreadsheets – immaterial amounts
  - Instances:
    - More than three (3) business days date and processed
    - Two people did not verify the drawer
    - Incomplete spreadsheets

## Audit Procedures – Civil Division Testing

- Detailed Civil Division processes in the audit report
  - Completing a fee
  - Serving documents
  - Voids/refunds
  - End-of-day procedures
  - Appendix contains the current fee list located on the WCSO website



The screenshot shows the Washoe County Sheriff's Office website. The header includes the WCSO logo, the text "Washoe County Sheriff's Office", and navigation links: ABOUT US, SERVICES, INMATE INFO, NEWSROOM, JOBS, and FAQs. A search bar is present with the text "Not finding what you're looking for? Start searching". The main banner features a scenic image of a mountain and trees, with the text "Sheriff's Office" overlaid. A sidebar on the left contains a menu with the following items: Administration, Administrative Bureau, About the Administrative Bureau, Administrative Division, Administrative Services Division, About the Administrative Services Division, Civil, Civil Section, Civil Charge Schedule, Civil Service Procedures, Field Services, Records, and Community Engagement. The main content area is titled "Civil Charge Schedule" and includes the following text:

Home » Civil Charge Schedule

### Civil Charge Schedule

Main Phone: (775) 328-3310

Service Charges may be paid in cash, business check, money order, cashier's checks, or credit card\*. No personal checks will be accepted for service charges. Checks must be made payable to: Washoe County Sheriff's Office (WCSO). Returned checks will be brought to the attention of the Washoe County District Attorney's Office.

\*Credit card service fees apply and credit cards will not be accepted after 3pm.

**NO REFUNDS will be issued. There is no refund for an unsuccessful service.** We retain the fee for processing and due diligence for attempts made.

For questions regarding service charges, please contact the Civil Section at 775-328-3310.

The service charge schedule below is dictated and posted per [NRS 248.275](#):

Effective 7/1/2019	
SERVICE	CHARGE

For serving a summons or complaint, or any other process, by which an action or

## Audit Procedures – Civil Division Testing

**Table 2. Sample Size for Civil Division**

Confidence level	95%
Population proportion	0.542466
Marginal error	0.04
Population size	198
Risk	Medium
Sample Size (Rounded)	90

- Initial Risk Assessment = HIGH
  - Monetary transactions, no prior work to rely on
- Reassessed Risk = MEDIUM
  - Adequate internal controls, separation of duties, immaterial cash

- Randomly selected dates from fiscal year 2023
- Results
  - Ten (10) dates two people didn't verify the drawer
  - 53% of test dates noted greater than four days from cash received to deposited

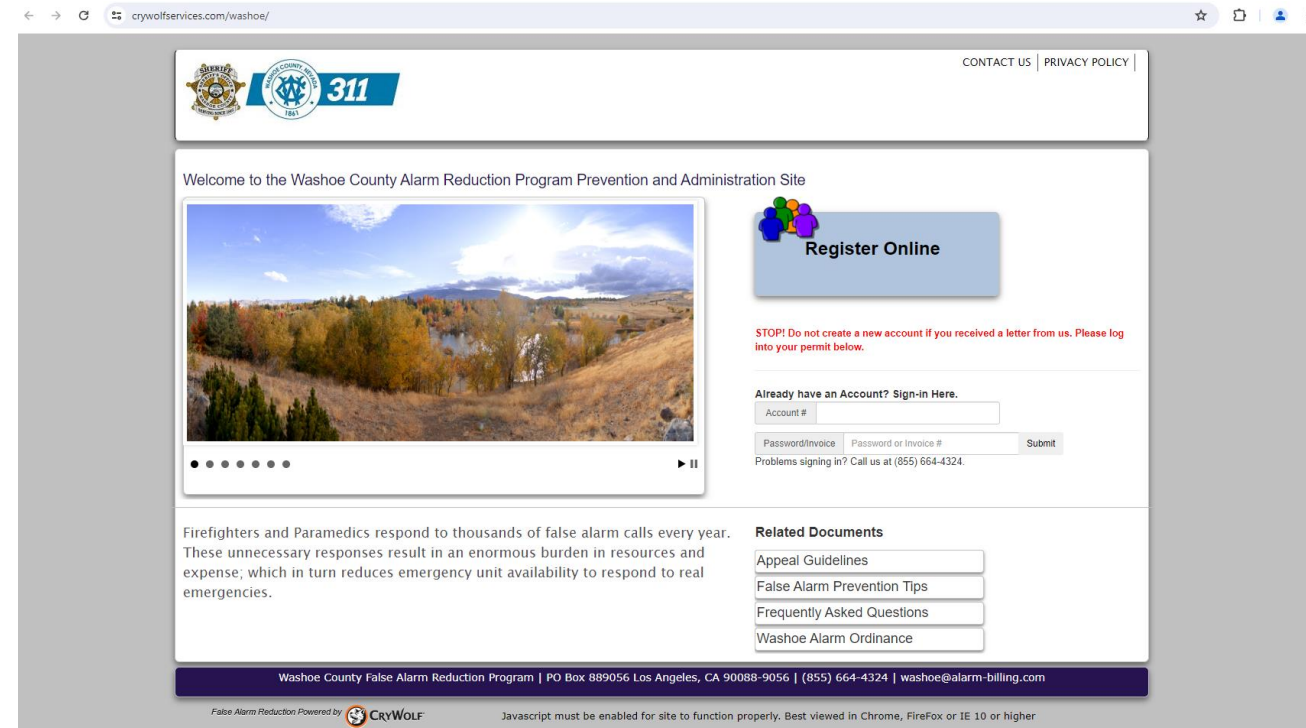
## Audit Procedures – Weekender Fee Testing

- Detailed Weekender fee processes in the audit report
  - Completing a fee
  - Voids/refunds
  - Ordered by a judge
- Testing
  - Initial/Reassessed Risk: HIGH
    - Errors noted on sample document reviewed
    - Very few or no written procedures
    - Inconsistences stemming from turnover
    - No prior work to rely on
  - Auditor's judgement: selected all weekenders for fiscal year 2023
  - Eleven (11) inmates were reviewed
- Testing for compliance with NRS 211.350 - \$25 per day
- Nine (9) inmates noted errors – refer to audit report



# Audit Procedures – False Alarm Reduction Program Testing

- Detailed false alarm fee processes in the audit report
  - CryWolf – administer
  - Completing a fee
  - Month end procedures
  - Contesting a fee
  - Appendix contains the current fee list located on the WCSO website
- Fees:
  - Annual: \$24, \$12 (seniors)
  - Non-registration fee: \$200
  - Late fee: \$25
  - 1<sup>st</sup> Offense: \$100, 2<sup>nd</sup> Offense: \$125, 3<sup>rd</sup> Offense: \$150, 4<sup>th</sup> Offense: \$175, 5 of more: \$200



## Audit Procedures – False Alarm Reduction Program Testing

**Table 3. Sample Size for CryWolf Alarm Fees**

Confidence level	95%
Population proportion	0.75
Marginal error	0.04
Population size	12
Risk	Medium
Sample Size (Rounded)	8

- Initial Risk Assessment = MEDIUM
  - No prior work to rely on
- Reassessed Risk = MEDIUM
  - Adequate internal controls, separation of duties, immaterial amounts compared to the County budget

- Randomly selected months from fiscal year 2023
- Results
  - No material exceptions noted
  - Observations:
    - Journal entry for June 2023 was entered into the incorrect fiscal year. Expanded and occurred in 2020, 2021, and 2022
    - Division Director – Housing and Homeless Services, one staff member, and an FCO in OCM are responsible for fees

## Audit Procedures – False Alarm Reduction Program Testing

Figure 1. CryWolf Alarm Fee Revenue for FY 2023

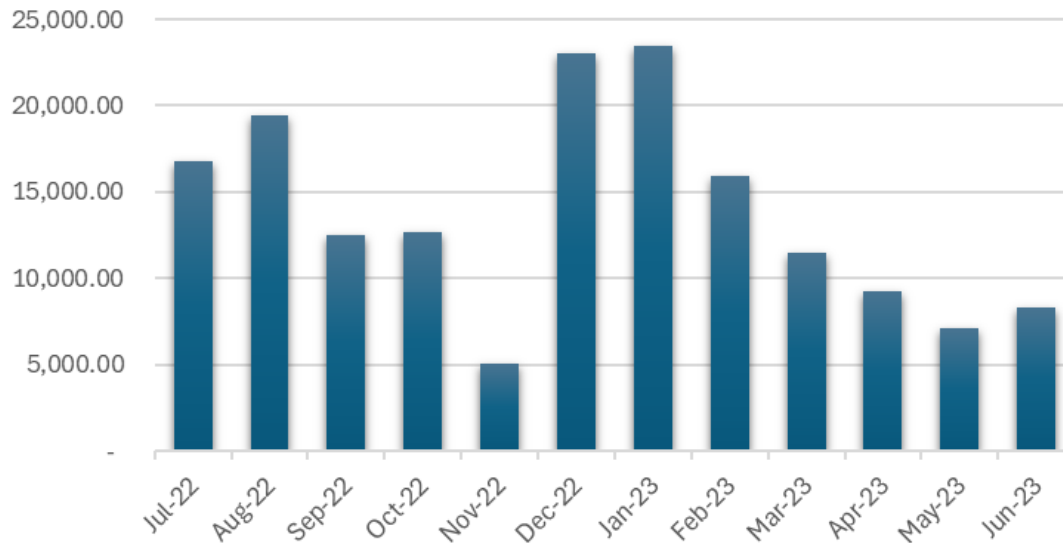
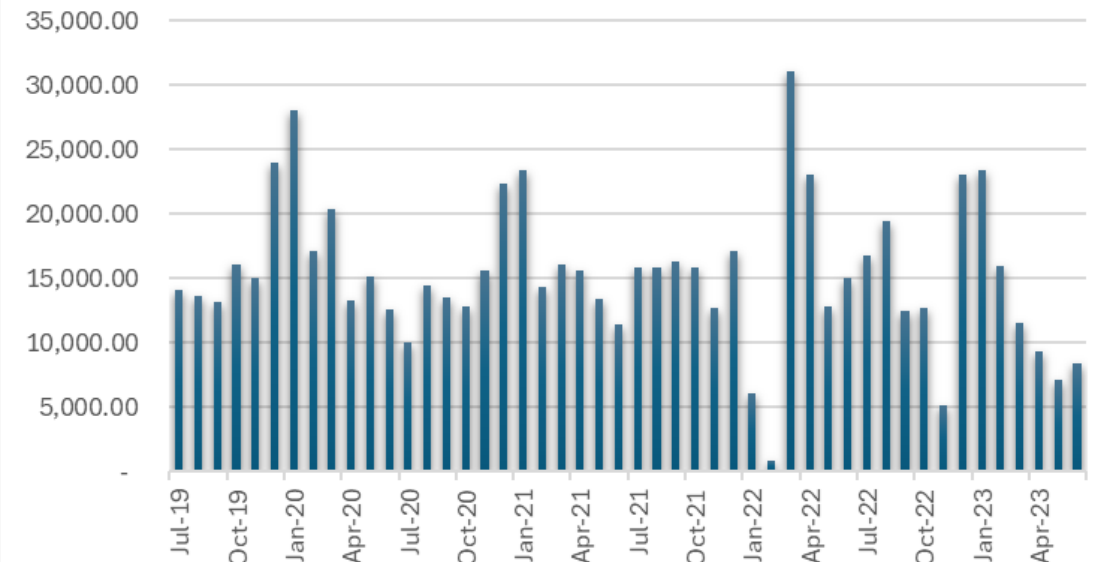


Figure 2. CryWolf Alarm Fee Revenue for FY20 - FY23







# Questions?



# WCSO – Bail Procedures Review





# Bail Procedures Review

- Performed in conjunction with the Minimum Accounting Standards audit of the Washoe County Courts during FY2023
- WCSO bail payments and procedures are in compliance with MAS requirements
- Opportunities for improvement:
  - Electronic bill machine only requires one supervisor to unlock and gain access to the cash box. The same supervisor can print a report showing the exact amount of cash in the box
    - Recommended: The person collecting the cash does not have access to the report
    - Recommended: Two persons should be required to access the full cash box
    - Management Response: Developing new policy for this recommendation
  - Bank deposits not being completed within the next busy day as required by WCC 15.190 (1)
    - Recommended: Implement process to ensure compliance with WCC.
    - Management Response: Developing new policy for this recommendation
  - Bank reconciliation is complete but not reviewed by a WCSO fiscal division management
    - Recommended: Bank deposit packet should be reviewed by a person (management) not completing the reconciliation
    - Management Response: Developing new policy for this recommendation

A close-up photograph of a wooden gavel resting on a wooden block. The gavel has a silver-colored metal head and a dark wood handle. The block is also made of dark wood and has a circular top surface. The background is a light-colored wooden surface.

**Questions?**



# Additional Updates





## Audit Update Discussion

- In Progress:
  - Cash Control Audit – Library, NNPH
- Follow-Up:
  - Fraud Tip – Altered Timecard for an Intermittent/RETA Employee
  - Travel Expense and Process Audit
- Other:
  - Advisory Services requested by the County Grants Administrator
  - Cash Control Audits for Clerk's Office and Treasurer's Office – BCC 2/26/24
  - International Internal Audit Awareness Month – BCC 5/14/2024
  - Memorandum of changes to the Washoe County Code (WCC) Chapter 15
  - Memorandum of changes to the Audit Committee Charter to reflect County Code changes
    - WCC Chapter 15 changes will be reflected in the Charter – BCC 6/18/2024
  - ACFE – [Occupational Fraud 2024: A Report to the Nations](#)

# Follow-Up: Altered Timecard for an Intermittent/RETA Employee (Fraud Hotline)

- Follow guidance provided by WCDA's office
  - HR will work with HR reps to distribute new agreements and notifications
- Separated employees should be removed from SAP and ESS
  - HR reviewed expectations with HR reps. Departments are responsible for terminating access
- Update SAP/ESS notification to include dollar amount maximum
  - Implemented January 1, 2024.
- Update WCC reference in agreements
  - Implemented May 2024
- Not allowing RETA employees to return in any capacity to Washoe County once limits are reached
  - Implemented, but departments will use temp agency without HR involvement
- Departments should revisit the need for intermittent employees during Budget cycle
  - Department level process and will be reviewed at department level
- Reconciliation or cross-reference between temp agency accounts payable hours to submitted hours in ESS
  - Department level process and will be reviewed at department level

# Follow-Up: Travel Expense and Process Audit

- Implement County-sponsored card
  - Delay in implementation as bank has temporarily suspended service
- Management should reiterate the importance of complying with policy
  - Discussed at Department Head Meeting (Jan/Feb 2024)
- Travel coordinator
  - Communication has been afforded to the departments stressing benefits of coordinator
- Implement computerized travel module or create web-based electronic filing system
  - Technology services and A/P continue to work together for electronic process for travel claims
- Implement Bridge training guide
  - Online program on Bridge (March 2024)
- Align budgeted and actual closer
  - Departments are required to review and work with the Budget Division to reappropriate
- Step by step process on how to fill out a travel claim
  - Process is on Bridge (March 2024)
- Update *Permission to Travel Form* for incidental claims
  - Form has been updated
- Adequately document delinquent travel claims
  - Notes included in SAP detailed requested/required information
- Adhere to record retention policy
  - Completing in conjunction with Technology Services

# Audit Update Discussion

- Other:
  - Advisory Services requested by the County Grants Administrator
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## Fraud Hotline

- Eleven (11) fraud hotline tips were received through the Internal Audit Division

Fraud Hotline  
QR Code





## Annual Report

### AUDITS

- Washoe County Clerk's Office – Board Records and Minutes Division
- Washoe County Library System – Title Procurement Process
- Washoe County Library System – Special Event Programming and Special Event Expenditures
- Washoe County Sheriff's Office – Fees

### REVIEWS

- Washoe County Sheriff's Office – Bail Procedures

### FOLLOW-UP

- Intermittent/RETA Employee (Fraud Hotline)
- Travel Expense and Process Audit

### CASH COUNTS/AUDITS

- Washoe County Clerk's Office
- Washoe County Treasurer's Office

## Audit Schedule

### **Proposed Schedule**

Cash Control Audit  
Roles and Rights SAP Audit  
Housing and Homeless Services – Shelters  
Utility Fees and Billing  
Department of Alternative Sentencing  
Washoe County Assessor's Office  
Government Affairs Assistance  
Advisory Services (Upon Department Request)

## Tentative Calendar of Future Audit Committee Meetings

- ~~Thursday, June 27, 2024 at 3:00 p.m. \*CANCELLED\*~~
- Thursday, September 12, 2024 @ 3:00 p.m.
- Thursday, January 9, 2025 @ 3:00 p.m.
- Thursday, March 27, 2025 @ 3:00 p.m.
- Thursday, June 26, 2025 @ 3:00 p.m.

A blue, stylized cloud graphic with a black outline, containing white text.

FYI: Audit Committee  
Member Training  
July or August 2024





# Audit Committee Member Comments

*Limited to announcements or issues proposed for future agendas and/or workshops*



# Public Comment

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To provide public comment via Zoom, utilize the "Raise Hand" feature



# Thank you

**Internal Audit Manager –**

**Katelyn Kleidosty**

**[kkleidosty@washoecounty.gov](mailto:kkleidosty@washoecounty.gov)**

**(775) 830-2550**

**Internal Auditor –**

**Louis Martensen**

**[lmartensen@washoecounty.gov](mailto:lmartensen@washoecounty.gov)**

**(775) 997-1791**

## Report Fraud

**Contact Washoe 311**

**Contact the Internal Audit Division**

**[https://www.washoecounty.gov/mgrsoff/internal\\_audit/fraudhotline.php](https://www.washoecounty.gov/mgrsoff/internal_audit/fraudhotline.php)**