



To: Justin Taylor, Washoe County Treasurer

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Date: September 10, 2024

Subject: Follow-Up Review of the Compensating Controls for WCSO regarding WCC 15.190

On September 25, 2024, the Washoe County Treasurer's Office granted the Washoe County Sheriff's Office an exemption to Washoe County Code (WCC) 15.190. This exemption was approved contingent upon the implementation and ongoing maintenance of compensating controls as outlined by the Internal Audit Division.

On June 20, 2025, the Internal Audit Division conducted a follow-up review to verify that the compensating controls have been implemented and are functioning effectively. The following controls were assessed:

1. **Implement Desktop Deposit at WCSO:** Ensure all checks received are deposited daily using the Desktop Deposit system, streamlining the deposit process and enhancing efficiency.
2. **Strengthen Segregation of Duties:** Ensure that no single individual is responsible for receiving, recording, and depositing funds. At least two individuals must be involved in handling and documenting all cash receipts, ensuring checks and balances are in place.
3. **Secure Storage of Undeposited Funds:** Any funds not deposited on the day they are received must be securely stored in a locked safe or vault with restricted access, protecting the integrity of collected funds.
4. **Maintain Detailed Deposit Logs:** A comprehensive log should be maintained to track funds deposited via Desktop Deposit, as well as funds pending inclusion in a physical bank deposit.
5. **Reconciliation between Deposit Logs and Cash Desk Entries:** WCSO Fiscal Manager or Fiscal Compliance Officer should preform a reconciliation between the deposit logs recorded at initial drop, Desktop Deposits, physical bank deposit, and the cash desk/subsidiary ledger entries to ensure there are no discrepancies or errors.
6. **Minimum Deposit Frequency:** A minimum of two bank deposits per week is required, preferably on consistent days (i.e., Tuesday and Thursday). However,

additional deposits throughout the week are encouraged based on the volume of receipts.

7. **Immediate Bank Deposit for Jail ATM Collections:** Ensure that any funds collected from the Jail ATM are deposited next business day, minimizing risk and ensuring timely processing.
8. **Internal Audit Oversight:** The Internal Audit Division will review the newly implemented processes to ensure they are effective and identify any potential gaps or weaknesses in internal controls.

Based on our review, all required controls are in place and operating as intended. No further action is necessary at this time. Please feel free to contact our office with any questions or if additional follow-up is needed.