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From: Stacy McKenzie, Assistant Library Director

CC: Jeff Scott, Library Director

Date: January 6, 2025

Subject: Cash Control Audit – Library Response

Below is the response to each point of the library cash audit recommendations with estimated dates of completion for each item.

All Locations

1. Secure Storage of Cash and Drawer Key

Recommendation: Relocate the key to a secure and separate location, such as a locked key box accessible only to limited, authorized personnel. Document access to the key to enhance security and minimize the risk of theft

Response: Each branch has been tasked with finding a secure location for register keys like a locked cabinet or will be purchasing a small lock box for their location and keys or codes will be limited to supervisory staff. We expect to complete this and make sure each branch has an approved locking cabinet or lock box by March 1, 2025.

2. Retention of Cash Register Receipt Tapes

Recommendation: Establish a procedure to send filled cash register receipt tapes to the Administration Office at the Downtown Reno location for secure storage. Retain these tapes for the period required by record retention regulations to ensure compliance and maintain a

complete financial audit trail. Per Nevada State Library, Archives, and Public Records cash register tapes must be retained until the resolution of an annual audit.

Response: Each branch now sends their cash register tapes/receipts with their deposits to the Administration offices at the Downtown Reno Library. Office Specialist have designated areas to retain these tapes as they come in. This change was made immediately.

3. Donation Box Handling

Recommendation: Require dual control for donation box handling, with two employees recording and signing off on all donations before they are entered.

Response: Branch managers have indicated that this is normally done with two staff doing the count, we are working on a form with carbon that would indicate the two “counter” and then one copy could come to Admin with a copy of the count slip and the other copy would be maintained at the branch. We anticipate this process being in full effect by March 1, 2025.

4. Money Bag Key Storage

Recommendation: Store the key in a secure, locked area with access restricted to limited, authorized personnel, and keep a log of key access to reduce potential theft

Response: Each branch has been tasked with finding a secure location for money bag keys like a locked cabinet or will be purchasing a small lock box for their location and keys or codes will be limited to supervisory staff. We expect to complete this and make sure each branch has an approved locking cabinet or lock box by March 1, 2025.

5. Void Key Accessibility

Recommendation: Limit void key access to supervisory staff and implement a log of all voided transactions for management review.

Response: Each branch has been tasked with finding a secure location for void keys like a locked cabinet or will be purchasing a small lock box for their location and keys or codes will be limited to supervisory staff. We expect to complete this and make sure each branch has an approved locking cabinet or lock box by March 1, 2025.

6. End-of-Shift Cash Counting

Recommendation: Require end-of-shift cash counting for immediate reconciliation and accountability. Implement a policy for all employees to count and log cash at shift end.

Response: Branch managers have indicated that due to staffing issues during the closing shift, they do not have the staff needed to perform closing duties AND to do a two person count of the cash drawer. The branches do run the Z tape and reconciliation on the registers before closing and then these are used to make sure that the drawer count matches during the morning count. In the meantime the cash drawer and the register tape is secured in a locked area or safe overnight. We would like to propose that we keep with this protocol, but that if we do have any discrepancies occur between the evening Z tape run and the morning count that at that time we will work on a process to complete the count at close.

7. Implementing Imprest System and Tracking for Copy Machines

Recommendation: Establish a documented process for copy machine collections. Maintain funds at an imprest amount by refilling machines to predetermined levels after each collection. Log all collections and refills to track expected versus actual revenue and ensure accountability with supervisor sign-off.

Response: Our IT staff is working with Jamex to see if we can get a coin count (I am told there is for sure a way to get this info, we just may need training or software adjustment to get that figured out) and so Brenda is working on those details, we plan to have an answer and a process for reconciling this by March 1, 2025.

8. Cash Turn in Sheet

Recommendation: Establish a document that has at least two copies and signature lines for people that count the funds and verify the funds.

Response: We are currently working on designing a new count sheet/turn in sheet that we will send to our printer that will have a space for two signatures and will be duplicate with carbon copy. We plan to have these printed and in use by March 1, 2025.

9. Availability of Counterfeit Detection Pens

Recommendation: Equip all cash-handling locations with counterfeit detection pens and train staff on their proper use. This will help prevent the acceptance of counterfeit currency and reduce financial losses.

Response: Some branches already have these and have been instructed to begin using them regularly. We are also ordering more of these to distribute to staff and

will include training on how and when to use them. We plan to have the pens distributed and in use by all branches by March 1, 2025.

10. Dual Verification of Cash Count and Turn-In

Recommendation: Implement a dual verification process where two employees independently count and verify cash before turn-in. employees should sign off on the cash count to ensure accuracy and accountability.

Response: We are currently working on designing a new count sheet/turn in sheet that we will send to our printer that will have space for two signatures and will be duplicate with carbon copy. We plan to have these printed and in use by March 1, 2025. Branch staff said they currently do have two staff members count the drawer, but this will allow documentation of the two “counters” and will provide a duplicated for to document the process and identify the “counters.”

Reno Main Location

11. Safe Code Security

Recommendation: Implement a policy requiring periodic code changes (e.g., quarterly) or whenever there is staff turnover. Restrict code access to authorized personnel only.

Response: We are hiring a new Sr. Office Specialist who will be starting with us on the 13th and I will work with them to implement a schedule for changing the safe code on a regular basis and this information will only be available to supervisor staff. We plan to have this implemented by March 1, 2025.

12. Removal of Cash Funds - Main Administration (\$50) and Main Reference Desk (\$30)

Recommendation: Work with the Comptroller and Treasurer to eliminate these cash funds. For small expenditures, utilize a petty cash system with strict controls or procurement cards to ensure accountability and reduce risk.

Response: Marilyn in our clerical department is working with accounting to remove the two funds. We will only have a “change” fund which will be held in the safe in our admin/clerical department area. This is planned to be completed by March 1, 2025.

13. Deposit Bag Left Unsecured

Recommendation: Provide authorized personnel with safe access for immediate deposit or arrange for daily courier pick-ups. Secure deposits in a locked area if immediate access is not possible.

Response: Staff (both Reno branch and clerical) has been instructed to never leave any cash bags outside of a secure safe or locked cabinet. This change occurred immediately.

14. Deposit Bag Sealing Procedure

Recommendation: Standardize procedures to require sealing all deposit bags in tamper-evident packaging to enhance security.

Response: We had some of these plastic bags and began use of them for our deposits almost immediately, but upon taking the sealed bags to the bank, we were told that they would not except the bags at the window because they are not allowed to open them if they are sealed...they can only open and process the money given in the locked money bags. We plan to discuss this with the bank and find out if this is for all deposits or just for those that we ask for a processing receipt at the window, or if this is just for the copier funds that they have to put through the coin counter to verify that deposit slip. This one is a bit tough but we hope to have a final answer and process on use of the plastic sealing bags by March 1, 2025.

15. Reconciliation of Z-Tape to Cash Turn-In Sheet

Recommendation: Require reconciliation of the Z-tape to the cash turn-in sheet, with supervisory review to ensure accuracy.

Response: This will be included in the new duplicate/carbon form. We plan to have these new forms distributed and in use by March 1, 2025.

16. Deposit Form Verification

Recommendation: Implement dual verification for all deposit forms, with two employees reviewing and signing off to ensure accuracy and accountability

Response: We are currently working on designing a new forms for each type of deposit (donation, drawer count, copier) that we will send to our printer that will have space for two signatures and will be duplicate with carbon copy. We plan to have these printed and in use by March 1, 2025.

Senior Center Location

17. Transactions are Currently Recorded on an Excel Sheet

Recommendation: Establish a way to document the cash collected from sales at the senior center location that cannot be altered.

Response: Our Senior Center Library is currently closed for renovation and will not open again until approximately mid-March. In the meantime we plan on going cashless, like we have at our other partner libraries so that we will only have the copier machine deposit and will no longer have any other cash transaction so we will not need a register or point of sale system for that branch.

Retraining:

I will be working with Branch Management staff over the next couple of months to make sure they are clear on new procedures and have all the equipment necessary. I will also be attending branch meetings over the next couple of months to talk about these changes. New Admin staff will deliver training annually. We have our new Sr. Office Specialist start January 13, 2025, and will be interviewing for the Administrative Assistant I position at the end of January and these two staff will be supervisory in our clerical department and will develop and deliver cash handling and related training.

Please let me know if you have any questions and I will provide a follow up report after our March 1, 2025 goal date or as requested.