



# Audit Committee

June 26, 2025 @ 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 Meeting Minutes

- January 9, 2025 Audit Committee Meeting Minutes

# Department of Alternative Sentencing Review



## Department of Alternative Sentencing

Purpose: Streamline activities, review inefficiencies, and enhance effectiveness

Scope: probation services, pretrial supervision, Sober24

Methodology: Risk based approach using interviews, observations, examination of documentation

## Department of Alternative Sentencing

Mission: increase safety in the community by reducing recidivism among criminal offenders, through rehabilitative environment that includes accountability for offenses, opportunities for gain and applying life skills, and sanctions for regressive behaviors.



### Four (4) Components:

Probation  
Supervision

Pre-Trial  
Supervision

Sober24

STAR Program

## Sober24 – Findings and Recommendations

- Lack of internal controls over lab supplies. No SOPs.
  - Restrict access, secure supplies, maintain logs. Create SOPs.
  - Create procedure for discrepancies.
- Drug testing panel includes wide range of drugs.
  - Review data and CBA to determine what should be tested for.
- Underutilization of drug testing machine.
  - Conduct analysis; reduce operations to 5 days per week.
- Turnaround time for tests is 24 hours. Increases pressure on lab.
  - Align service delivery with actual court operations.
- Best practices are not utilized for ancillary products.
  - Cost comparison of current provider vs. sole sourcing.
- Current operating hours are unsustainable.
  - Analysis and determine sustainable operating schedule.

## Sober24 – Findings and Recommendations

- Current facility has limited restrooms for testing.
  - Reconfigure existing restrooms to create additional testing areas.
- Access to kiosk is limited outside operating hours.
  - CBA building a vestibule for kiosk to be more utilized.
- Lab chemical order form accessible on shared drive.
  - Access should be limited to designated personnel.
- Inventory was observed left unsecured in hallway.
  - Secure inventory upon receipt.
- No disposal process for chemicals.
  - Create a disposal process.



## DAS Officers/Case Managers – Findings and Recommendations

- FAPA is not regularly followed-up on.
  - Create procedure to re-evaluate participants.
- Current data entry for pre-trial services is highly manual.
  - Implement use of technology and/or AI to assist.
- Orientation hours for new participants and case management services are 12-hour days. Extended hours are being met by intermittent workers.
  - Realign schedule to standard 8-hour workday.
- Officers may have been given permission to arrive up to one hour late and leave up to one hour early to account for travel time to/from office.
  - Ensure officers are aware this practice is prohibited and may result in tax implications.
- Ammunition inventory lacking sufficient controls.
  - Implement a logging system and store centrally with limited access. Conduct periodic counts.
- Officers are routinely taking home County-issued vehicles. Increased costs/liability. Tax implications.
  - Implement County-wide policy for take home vehicles.
- Officers are conducting traffic stops.
  - Outside the scope of their assigned duties.

## Fiscal – Findings and Recommendations

- Invoices incorrectly submitted to the wrong year.
  - Provide training to ensure correct processing.
- Lack of segregation of duties in procuring lab supplies.
  - Segregate duties between more than one person.
- Initial PO exceeded BCC approved amount.
  - Ensure POs are within approved limits.
- No reconciliation for goods received.
  - Perform reconciliation monthly.
- Forecasted to exceed budget for FY2025; making 3<sup>rd</sup> consecutive year.
  - Analysis to determine key drivers of budget overruns.
  - Implement internal spending controls.
- Fee schedule is not in alignment with costs incurred. NRS 211A – can offset cost.
  - Perform cost analysis and potentially raise fees to be inline with cost recovery.
- Inconsistencies in fees charged.
  - Standardize for all agencies.
  - Review and execute new contracts with agencies.

## Fiscal – Findings and Recommendations

- Competitive procurement process hasn't been performed for drug testing services.
  - Conduct an RFP for drug testing services.
- Aged A/R report not generated from system. Delinquent accounts not collected on.
  - Collaborate with system to generate report. Send report to Collections Division.
- Not consistently invoicing courts for supplies provided (i.e. pre-sump cups)
  - Standardize procedure for invoicing.
- Frequent daily over/shorts in cash handling.
  - Provide refresher training on cash handling procedures to employees.

## Management – Findings and Recommendations

- Inconsistent external management involvement.
  - Establish roles and expectations for external management.
- Redundancy in services being provided.
  - Assess functions – streamline, consolidate, or better align departments.
  - Create unified strategy for service delivery that leverages existing resources.
- Services not fully aligned with available resources. Overextension.
  - Review all services; revise services essential to completing mission of department.

## General – Findings and Recommendations

- No formal assessment to look for grant funding for DAS/Sober24.
  - Engage Community Reinvestment Division to determine with grants available.
- Vehicle fleet not uniformly equipped with GPS.
  - Require all County vehicles be equipped with GPS.
- Lack of formal process for secondary employment for employees.
  - Create County-wide process and forms. HR involved in process, approvals, and maintain documentation.
  - Internal Audit to conduct periodic review of documentation.

# Questions?





## Annual Cash Count

- Washoe County Treasurer's Office
  - No discrepancies noted.



# Additional Updates





## Audit Update Discussion

- In Progress:
  - Housing and Homeless Services – Shelters
    - Anticipated completion is November 2025

## Follow-Up: Washoe County Treasurer's Office exemption for WCSO

- Checks received deposited daily using Desktop Deposit.
- Dual control for receiving, recording, and depositing funds.
- Secure storage of undeposited funds.
- Maintain detailed deposit logs for periodic review.
- Reconciliation between initial drop, Desktop Deposit, physical bank deposit, and cash desk/subsidiary ledger entries.
- A minimum of two bank deposits weekly.
- Immediate bank deposits for jail ATM collections.
- Internal Audit oversight and periodic reviews.

## Follow-Up: WCLS Cash Control Audit

- Each branch is responsible for securing register keys, money bag keys, void keys, donation lock box keys to a safe or lock box with only supervisory personnel having access.
- Cash receipt tapes are being sent to the Reno Admin Office.
- Cash counts are being performed with two persons; two person signing cash forms.
- Cash forms are being copied, with one copy being retained at the location.
- Cash is being counted in the morning before opening.
- Working with copy machine copy on reports for tracking revenue.
- Counterfeit pens have been distributed to all locations.
- Safe codes have been updated.
- Removed unnecessary banks from Reno Admin Office.
- Deposit bags secured in safe.
- Reconciliations is being performed between cash turn-in sheets and cash receipt tapes.

## Follow-Up: WCLS Title Procurement and Special Events Expenditures Audit

- Items being received are being stamped upon receipt.
- Staff continues to consult American Library Association (ALA) for best practices.
- Library management continuously meets to discuss areas of efficiencies.
- Compiling all event programming into one central location.
- Can't implement a sub-committee or separate team for event planning/event evaluations due to budget constraints and staffing shortages.

## Audit Update Discussion

- Other:
  - International Internal Audit Awareness Proclamation
    - BCC 5/13/2025
  - Cash Control Audits
    - BCC 4/15/2025
  - Legislative Fiscal Notes
    - Approximately 250 solicited notes, 118 unsolicited
  - Updated [Global Internal Audit Standards](#) from the IIA

## Fraud Hotline

- Eighteen (18) fraud hotline tips were received through the Internal Audit Division

Fraud Hotline  
QR Code





## Annual Audit Report

- Cash Control Audit
  - NNPH
  - Library System
  - Department of Alternative Sentencing
- Department of Alternative Sentencing Review
- Follow-Up
  - Washoe County Clerk's Office – Board Records and Minutes Division
  - Washoe County Library – Cash Control Audit
  - Washoe County Library – Title Procurement and Special Event Expenditures
- Advisory Services
  - Jan Evans Juvenile Justice Center Detention Division
- Legislative Session (Assistance with Government Affairs Liaisons)

## Audit Risk Analysis

- Key Considerations:
  - Inherent Risk
  - Control Risk
  - Detection Risk
- Additional Factors Evaluated:
  - Audit History
  - External Environment
  - Strategic Alignment
  - Stakeholder Input
  - Financial Significance
  - Fraud Risk





# Proposed Audit Schedule

Fiscal Year 2026
Cash Control Audit
Housing and Homeless Services – Shelters
Conflict Counsel
Technology Funds
Purchase Cards
Washoe County Assessor’s Office
Advisory Services (Upon Department Request)

## Tentative Calendar of Future Audit Committee Meetings

- Thursday, October 2, 2025 @ 3:00 p.m.
- Thursday, January 8, 2025 @ 3:00 p.m.
- Thursday, March 26, 2025 @ 3:00 p.m.
- Thursday, June 25, 2025 @ 3:00 p.m.



# Audit Committee Member Comments

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



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# Thank you

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## 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)**