

WASHOE COUNTY

"Dedicated To Excellence in Public Service"

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COMMITTEE MEMBERS

Commissioner Jeanne Herman
Alt. Commissioner Alexis Hill
Barbara Kinnison
Charlene Hart
Randy Brown
Matthew Buehler
County Manager Eric Brown



INTERNAL AUDIT MANAGER
Katelyn Kleidosty

NOTICE OF MEETING AND AGENDA

WASHOE COUNTY AUDIT COMMITTEE

Caucus Room
1001 E. 9th St.

Thursday, June 22, 2023
3:00 p.m.

NOTE: Items on the agenda may be taken out of order; combined with other items; removed from the agenda; or moved to the agenda of another meeting.

This meeting will be held at the physical location designated on this agenda, but one or more of the Committee Members and/or County staff may attend and participate by remote technology system. Members of the public wishing to attend may do so and participate as provided in the agenda at the designated physical location.

Accessibility: In compliance with the Americans with Disabilities Act, the Washoe County meeting rooms are accessible and those requiring accommodation for this meeting should notify the Internal Auditor at (775) 328-2064, 24 hours prior to the meeting.

Public Transportation: Public transportation is available to this meeting site: RTC Routes 2, 5 and 15 serve this location. For eligible RTC ACCESS reservations call (775) 348-5438.

Time Limits and Public Comment: Public comments are welcomed during the Public Comment periods for all matters, whether listed on the agenda or not, and are limited to three minutes per person. Additionally, public comment of three minutes per person will be heard during individually numbered items designated as "for possible action" on the agenda. Persons are invited to submit comments in writing on the agenda items and/or attend and make comment on that item at the meeting. Persons may not allocate unused time to other speakers. Public comment can be submitted via email to washoe311@washoecounty.us. The County will make reasonable efforts to include all comments received for public comment by email in the record. Please try to provide comments by 4:00 p.m. on Wednesday, June 21, 2023

Supporting documentation for the items on the agenda provided to Audit Committee members is available to members of the public at the County Manager's Office (1001 E. 9th Street, Bldg. A, 2nd Floor, Reno, Nevada), Katelyn Kleidosty, Internal Audit Manager (775) 830-2550.

Pursuant to NRS 241.020, the Agenda for the Washoe County Audit Committee has been electronically posted at https://www.washoecounty.gov/mgrsoff/board_committees/internal_audit/index.php and <https://notice.nv.gov>.

3:00 p.m.

1. Roll Call
2. 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*)
3. Approval of minutes for June 9, 2023, meeting (for possible action)
4. Briefing for the change in external auditors – Cathy Hill, Comptroller (for discussion only)
5. Audit Update Discussion – Katelyn Kleidosty, Internal Audit Manager (for discussion only)
 - a. Completed:
 - Travel Expense
 - b. In Progress:
 - Sheriff Fees and Bail Procedures
 - c. Follow-Up:
 - Human Services Agency
 - d. Other:
 - International Internal Audit Awareness Proclamation – BCC May 16, 2023
 - Completed fiscal notes for legislative session on June 6, 2023
 - MAS Audits for all five courts – BCC May 16, 2023
 - Reintroducing the fraud hotline – our website has been updated and working with the communications team to create and distribute a fraud hotline flyer
6. Fraud Hotline (for possible action)
 - a. One tip was received from our Fraud Hotline form on our website
7. Annual Report – approval of the annual audit report briefing all completed Internal Audit assignments for the fiscal year (for possible action)
8. Three Year Schedule – approval or possible modifications to the audit schedule for fiscal years 2024 through 2026 (for possible action)

9. Calendaring of future Audit Committee meetings – Tentative as dates/times are subject to change
 - a. Thursday, September 14, 2023 @ 3:00 PM
 - b. Thursday, December 14, 2023 @ 3:00 PM
 - c. Thursday, March 21, 2023 @ 3:00 PM
 - d. Thursday, June 27, 2023 @ 3:00 PM
10. Audit Committee Member Comments – limited to announcements or issues proposed for future agendas and/or workshops
11. 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*)

Audit Committee Meeting
Washoe County, Nevada
June 9, 2023, at 10:00 AM

Voting Members: Commissioner Herman, Matthew Buehler, Barbara Kinnison,
Charlene Hart, Randy Brown

Non-Voting Members: County Manager Eric Brown

Other attendees: Katelyn Kleidosty (Internal Audit Manager), Louis Martensen
(Internal Auditor), Commissioner Hill (alternate), Abigail Yacoben
(Chief Financial Officer), Trenton Ross (Deputy District Attorney)

Agenda Item 1: Roll Call

The meeting was called to order at 10:00 AM and Mrs. Kleidosty performed roll call – those listed above were present. Quorum was met.

Agenda Item 2: Public Comment

It was announced that seven emails were received and would be placed on the record.

Mr. Robert Beadles demanded that County Manager Eric Brown be fired and the contract with The Elections Group be cancelled because he believed they used unsafe and ineffective techniques. He claimed The Elections Group was not registered with the Nevada Secretary of State, a breach of the Nevada Revised Statutes (NRS). He stated this would constitute a breach of each member's oath of office as they would hold other businesses to a higher standard. He said Mr. Brown broke County guidelines by bringing in the group and misled the public and the Commissioners during Board of County Commissioner (BCC) meetings. He said they would sue if Mr. Brown was not fired and the contract was not cancelled. He offered to bring in professional organizations to help the Registrar of Voters (ROV) who would meet their pricing requirements. He turned in a document which was placed on the record.

Ms. Tracey Thomas thought that facts had been omitted from the ROV's assessment report which needed consideration before a decision was made. She had attended a meeting with The Elections Group on March 14, after which she emailed responses to the questions that had been asked during the meeting. She said election worker manuals were living documents, and Technology Services had backups of all County documents. The forms used in polling locations were updated in 219, but no one from the audit committee or the ROV's office reached out to the Poll Worker Administrative Committee to get updated information. She suggested the creation of an election citizen advisory board. She spoke about the introduction of signature tablets in 2018, saying tablet signatures did not match paper signatures, and the money spent on them was wasted when the ROV reverted back to the legacy system in 2019. Electronic registration brought electronic provisional ballots, she continued, and Washoe County, in reporting zero provisional ballots in 2020, violated election law. She recommended reverting to tablet use and only registering voters on paper. She turned in a document which was placed on the record.

Ms. Valerie Fiannaca said there was evidence of corrupt elections from the national to the local level. She expressed concern with the report, which cost taxpayers \$100,000. She remarked there were citizens in Chambers who were versed in election law along with an expert with 20 years of service who should be hired, not The Elections Group. She felt the focus should be on voter roll accuracy, vote counting, dropbox removal, and transparency. She wanted the County to commit to reporting votes before the bottom 90 percent of the rest of the state. She read a quote from Captain Seth Keshel about heroes being the ones who did not know comfort zones.

Mr. John Quandt said he served as a poll worker and manager in the prior two elections where he witnessed illegal activity. When he brought this to the Registrar's attention, he was asked to leave. He felt The Elections Group was not the solution. He referenced a citizen activist group that would support those who were part of the solution, not those who were part of the problem. There was little faith in the integrity of the election system, and it needed to be fixed at the local level.

Ms. Janet Butcher praised the Audit Committee for allowing public comment at the beginning of the meeting. She brought up meeting with The Elections Group, which she thought was going to be an internal group. She wondered why the ROV hired people without experience when there were applicants who had some. The Elections Group, she contested, had nefarious resources, and there was no need to spend \$600,000 on a group with particular intentions. She thought there were people in the community who could help. She spoke about a BCC meeting from 2018, noting there were problems back then too, and she did not think an organization from Virginia was needed.

Ms. Penny Brock said freedom was everything to her, and the people came before the Committee to protect that freedom. She spoke about an election proposal brought forth by Commissioner Herman, which laid out ways she felt elections needed to be run. She expressed distrust of The Elections Group because very little information could be found about them. She said she never received a satisfactory answer about who referred The Elections Group to Mr. Brown, and she was unsure whether a request for proposal was ever sent out. She said the group did business in Nevada but did not have a state business license, for which she believed they should be fined between \$1,000 and \$10,000.

Mr. Alan Munson expressed concern about how money was spent. He concurred with opinions that The Elections Group was biased and there were qualified local people who could do the job. He thought the remaining money could be better spent hiring staff, since the report indicated that was a need. He believed people would volunteer during election season to do the job that was needed, but an outside group was not needed just to say there was a problem.

Ms. Susan VanNess indicated The Elections Group was based out of Illinois and was not registered with the Nevada Secretary of State. She wondered which statute exempted them from registering and asked who was supposed to check the registration status of businesses who had contracts with Washoe County. She asked whether The Election Group would provide the ROV after phase II with informational binders necessary for the continued operation of the department. She called for Mr. Brown to be investigated since he refused to answer where he discovered The Election Group. She said the ROV had informed Commissioner Clark that all ROV employees had resigned, but she said many employees who worked in 2020 had come back.

Mr. Cliff Nellis said the ROV's office was a Democrat-run operation despite requests to have it run by a Republican. He wondered whether the ROV would listen to The Elections Group if it suggested moving signature verification closer to the observation area. He said there were excess votes in the prior election and claimed The Election Group would rig the election. He recommended returning to paper ballots, which would require three precincts at 300 polling places to each count 3,000 votes; this would be done cheaply and quickly. He alleged a bill was passed which would allow people to be incarcerated for saying an election was rigged. He asked them to not hire The Election Group.

Ms. Nicol Herris thanked the Committee for taking public comment at the beginning of the session. She felt integrity was important and the people speaking were trying to make things better. The Committee members were here to represent them. She noted things at meetings had become more adversarial over the past three years, so restoring confidence and working together was important. Common ground needed to be found. She said very little was reported to the community other than what was relayed by the news, which could be solved by distributing a unified report. She spoke about inconsistency in election training, saying no momentum was being built. She believed the County should provide informational voting system sheets.

Mr. Nicholas St. Jon said the citizens of Washoe County were at the top of the org chart, but he thought they were not being heard and the County was not being transparent. He brought up issues he had with the report, including that only three conservative poll workers were interviewed for it, and that the political affiliation of the external stockholders was unclear. He said he was never interviewed for the report, even though the publishing of his error report forced the issue of having an independent third party review the process. He asked why conservative voices were not sought, adding that the governing body had a duty to redress any grievances. He cited some of the report's findings: a lack of standard operating procedures, poor communication, and what he believed was an incorrect resolution to 300 jurat affidavits turned in to the ROV's office.

Ms. Lisa Fleiner brought up a public records request for polling data from the 2020 general election, which took five months to complete. The explanation for the delay was that 252,000 ballots had to be reviewed for confidential information, yet the request was completed in a few days when the requestor said they did not need phone numbers or addresses. While she agreed there was a need to hire more employees, she took issue with the high salaries tied to those positions. She said ballots were reprinted two times and people were still left out, which she thought could be solved by sending proofs to each registered candidate. She asked how the public could be ensured that they would be involved if they so desired, and requested that test ballots not be pre-concocted samples. She expressed concern that mail ballot processing stopped at 7:00 p.m. on election night but tallies were not released until the last ballot was cast on 5:00 p.m. the following Saturday.

Ms. Debbie Hudgens felt the BCC needed to define the term 'cast'. Given that State law required ballots with identifying marks to be rejected, she asked who decided what those marks would be. She noted a court order was required to see a ballot after it was counted, and it was impossible to then determine whether it was counted as intended. She asked whether ballots filled out in different colored ink were thrown out. She raised concern about Mr. St. Jon applying for an adjudicator position when he was told he was not needed as an intake specialist even though polling stations were short-staffed. She noted the report did not address the Electronic

Registration Information Center, which she said did not verify citizenship on the new registrations it sent over. She spoke about discrepancies in voter roll numbers and ineffective communication, which eroded trust. She said the ballot chain of custody was a key component of intake practices, and it should be include utility for reconciliation of counting. She alleged the chain of custody was broken on the final day of early voting, as well as during the primary and general elections.

Ms. Pam Darr commented The Election Group only represented one party, bringing up that someone was removed in Virginia because of the infiltration of elections systems by nonprofit organizations. She thought all parties should be equally represented in the vote counting process, adding she shared this view by people of all political affiliations. She stated the fact that The Elections Group was being considered caused a loss of trust with some people. She thought more varied opinions should be represented because the community included a mix of people. This was a great opportunity to make everyone part of the process.

Ms. Val White suggested that Washoe County receive The Election Group's report and then discontinue working with them. There were many experts without questionable agendas and affiliations. She described the group's recommendation to hire new employees and a vendor as a paid takeover of the election department, saying The Elections Group had likely candidates in mind. She claimed several Elections Group employees denied their identity when she approached them at a BCC meeting. She urged the BCC to sever ties with The Elections Group and terminate Mr. Brown for unethical behavior and dishonesty.

Ms. Margaret O'Neill entreated the County to implement in-person voting. She compared her story about her signature being flagged as a potential mismatch in person with her neighbor who did not have time to vote after she was notified that her mail-in ballot had a mismatched signature. Because of that, her neighbor's vote did not count. She spoke about opting not to return a voter registration status form to the DMV, which caused her new driver's license to be denied because a small box was not checked; she felt the form was misleading and could easily be misunderstood. As of January 2022, she was told, filling out the voter registration form was required.

Mr. Billy Hurt thanked the speakers who attended the meeting. He expressed a preference for same-day, in-person paper ballots with exceptions for military personnel and those with handicaps. He read a series of quotes about the vulnerability of voting machines by Democratic politicians: Representatives Adam Schiff, Sheila Jackson Lee, Val Demmings, Jennifer Wexton, as well as Senators Amy Klobuchar and Kamala Harris. He urged the board to consider these moving forward, saying local experts should be used instead of a company from Virginia.

Mr. James M. Benthin opposed the hiring of The Elections Group, instead supporting local control wherever possible. He noted this would be a large cost to taxpayers, which he thought should not be spent out of state. He advised the Committee to continue to search for people who could do the job on a local level, adding The Elections Group was partisan.

Ms. Victoria Myer said The Election Group saw three of its contracts with other states not be renewed, and she was unsure why outside groups were being brought in. She mentioned she was a poll watcher in 2022 and took photographs of ballot bags and computers left in the hallway. She reported this to the ROV Jaime Rodriguez and the Secretary of State, the latter of which

replied there was no problem. She said the Audit Committee had the authority over who ran elections, and they needed to do their job for the people. She indicated there were chain of custody issues, and the Committee would be held personally liable.

Agenda Item 3: Approval of Minutes for April 6, 2023 Meeting

There was no response to the call for public comment.

Commissioner Hill moved to approve the minutes. Mr. Buehler seconded the motion, which carried unanimously.

Agenda Item 4: Discussion of The Elections Group – Registrar of Voters 2022 Election Operational Review

Mrs. Kleidosty reminded the Audit Committee members that this was a discussion only and the Committee would make no recommendations for the Board of County Commissioners (BCC). Members of The Elections Group were available electronically to respond to any questions.

Commissioner Hill indicated she had asked for an audit of the last election, which she thought was important for transparency in the community. The report showed that the County had many opportunities for improvement. She said the audit confirmed many of the concerns brought up by public commenters, and the County could do a better job with communication and staffing. Regarding a comment that the situation had gotten adversarial, she agreed there was no need to feel that way. The audit was done in response to people not being heard and staff being unable to perform it because of the transition to a new internal auditor. She thought The Elections Group provided great recommendations. She spoke about having had communication issues with the Registrar of Voters (ROV) when she ran for office, and much of that was due to staffing.

Commissioner Hill read a section of the report which said brute force labor was not a sustainable solution to the ROV's challenges; only investment in capacity building and an effort to institute best practices would allow the County to deliver the proper election experience. She asked to see staff's response to the findings in the report, as well as a timeline for implementation of the recommendations. One recommendation, for example, was to provide a bigger space for the ROV office to accommodate the needed technology and a 50 percent increase in ballots. Other recommendations regarding standard operating procedures could be implemented quickly. She wished to hear these responses in December.

Commissioner Hill stated the report noted a 50 percent increase in voters but no increase in staffing positions. Additionally, the report suggested not only moving from temporary workers to full-time office assistants, but adding a deputy registrar of voters. She acknowledged these positions were already incorporated into the budget, but the BCC had not yet approved the staffing structure; this report supported the need for these positions. The report also outlined a list of standard operating procedures, including suggestions for ballots, staffing, business processes, workflows, and document management, all changes she believed could happen quickly. She commended The Elections Group for their recommendations for improving processes for ballot

intake, ballot processing, precinct sorting and reporting, accounting and reconciliation of ballot tracking, and signature verification.

Commissioner Hill stated there was an opportunity to improve communication with the public and ballot observers. She read a section of the report about an absence of a crisis communications plan for ballot mailing issues; more of these issues were revealed by the media than any internal resolution process. Additionally, detailed and accurate information was not communicated effectively to the primary stakeholders, increasing public confusion and eroding trust. She felt the audit was a way to show the issues that had occurred during the election. She said they learned that election observers did not feel informed, resulting in that adversarial relationship, which may have been caused in part by a lack of a dedicated communications plan. The report, she noted, recommended adding one.

Commissioner Herman noted many of the findings made by The Elections Group had already been communicated by members of the public. She personally had reported voting incidents that happened to citizens for eight years. The issues were not new and she did not think there was a need to continue with The Elections Group. They needed to listen to the people. She said people were willing to help and a proper election could be held if the Nevada Revised Statutes (NRS) were followed. She felt the provisions of the Election Integrity Bill spelled out what should be done. Commissioners, elected officials, and nonelected officials were responsible for the elections, and she said she did not want someone from another state deciding the process for voting. She said she once lost the ability to vote because somebody voted in her place.

Commissioner Herman said she was putting together a new voting integrity bill, expressing her support for the public commenters. She stated the NRS ensured a balanced election, meaning the job should be done by equal numbers of political parties.

Member Buehler felt the report provided a good baseline but he wished to move forward locally. He requested an elections advisory committee made up of citizens who advised the ROV and the BCC about what they should do to make elections fair and transparent. The process could change over time, and a committee dedicated to the idea would be a good idea.

Member Kinneson stated she worked as a certified public accountant (CPA) in multiple counties in California, and she worked with many election committees. She thought it was necessary to reconvene after hearing staff's response as to how things had been corrected. She thought the public needed to be heard and the concerns they repeatedly brought up needed to be addressed. She agreed with Member Buehler's suggestion about the committee. Regardless of whether the ROV agreed with the opinions of observers, she continued, they needed to listen to observers and attempt to address their issues. She said the Commissioners were willing to listen to the public's concerns, and they should return when they could provide answers.

Member Hart, also a CPA, agreed she wanted to hear staff's responses to the report. She expressed concern about reports of election staff being unable to provide documentation. She concurred that a timeline was needed since the report provided many recommendations. If the decision was made to not move forward with The Election Group, she insisted a strong project manager would be needed.

Member Buehler responded the project manager should be found locally since the County had a lot of talent. Commissioner Hill noted The Election Group suggested a project manager as part of their report without saying it needed to be them. She reminded everyone the BCC had only approved the funding for the initial report and there was no commitment to move forward with them. The desire for this item to come before the Audit Committee was to include the professional expertise of its members. The County Manager was listening to the meeting.

Member Brown concurred with the other comments made by the Committee.

Agenda Item 5: Audit Committee Member Comments

Commissioner Herman, Member Brown, and Member Hart, had no comments.

Commissioner Hill requested an item laying out timelines and providing staff's responses to the report. She hoped that could come back quickly. Ms. Kinnison agreed that would need to happen in a timely fashion.

Member Buehler asked whether these concerns would be addressed at the June 23 meeting, to which he was informed they would not. Deputy District Attorney Trenton Ross responded this item would go before the Board of County Commissioners (BCC) and he was unsure whether it would return to the Audit Committee. Because of that, no timelines could be set. Commissioner Hill pointed out that a Commissioner was requesting the item to come before the Audit Committee.

County Manager Eric Brown asked whether there was a desire to have the item come back to the Audit Committee before moving forward to the BCC. Commissioner Hill replied that would be appropriate because she did not feel audits were not complete until staff was able to respond to the findings. The next scheduled Audit Committee meetings were June 22 and sometime in September, though a special meeting could be called. Mr. Brown indicated he would confer with the Registrar of Voters and return with a recommendation for the timing on a special meeting.

Agenda Item 9: Public Comment

Mr. Sean Sullivan commented he lived in Washington D.C. for ten years but left because he was disgusted by local politics; he was experiencing the same thing in Reno. He said people did not trust elections anymore, saying they wanted paper ballots in precincts. He demanded The Election Group be held to the same standards as other businesses. He felt the process was overly complicated and he wanted to see changes.

Ms. Tracy Thomas thanked Member Buehler for recommending a citizen advisory committee for elections, which would need to be accomplished by resolution. She hoped the Commissioners could assist in getting that on a Board of County Commissioner agenda. She felt like observation conditions needed to be taken into account when considering a remodel of the office of the Registrar of Voters (ROV). She suggested making the hallway wall into the ROV glass so the public could observe without needing to be admitted by staff. She felt the County Administrative Complex atrium should not be used as a polling station, offering the conference

room in building C as an alternative. She thought the County could send out voter verification postcards now to verify the voter lists.

Mr. John Quandt opined the report was a blueprint to turn the County into a Marxist organization. He asked why he was told his services were not needed when there was a staffing shortage, adding that his wife was treated poorly as a volunteer. He said The Election Group was funded by the Center for Tech & Civic Life, a left-leaning organization. He noted he, like 50 percent of Nevada residents, was registered as an Independent, and they were watching what was happening.

Ms. Janet Butcher stated she documented her observations for free and sent it to the Commissioners and County Manager Eric Brown. She also relayed many of those concerns to the Board of County Commissioners, though she did not include solutions because she thought they were obvious. She estimated The Election Group's report cost more than \$1,170 per page, and she alleged they were brought in for as a way to earn goodwill. She welcomed the idea of a citizens advisory board, but she stressed the use of volunteers was not working. She thought the right person needed to be hired into the ROV's office to solve problems.

Mr. Nicholas St. Jon said he attended logic and accuracy tests in other cities where he was permitted to walk among those doing data entry and ballot counting, but he was not allowed to do so at the County. He expressed frustration that the observation allowed was not meaningful. He noted several states had uncoupled themselves from the Electronic Registration Information Center, and the BCC had the power to do so as well. He said many people had volunteered to help clean up the voter rolls free of charge, and he sought an item on a BCC agenda to discuss this. The report, he said, estimated 200 hours would be necessary for The Election Group to implement the changes, and he believed \$500,000 would not be sufficient for that purpose. He asked them to cut ties with The Election Group. He spoke about the unreliability of Dominion voting machines, referencing a case at the Sheriff's Office about vote tampering in Washoe County District 1.

Ms. Victoria Myer displayed pictures of unattended ballots in a hallway near the ROV's office. She raised concern about inconsistent answers she received from ROV Jaime Rodriguez about a computer's possible connection to the internet, which resulted in further deterioration of trust in local elections. She wanted a return to paper ballots and a one-day voting holiday, believing that obscuring the process would only lead to more suspicion. She said she witnessed and reported multiple historical owners for homes all received ballots, which showed that voter rolls needed to be cleaned. She appreciated the suggestion of a citizen committee and wished to see Commissioner Herman's election integrity bill on an agenda.

Ms. Cindy Martinez expressed appreciation for the report, saying it objectively confirmed the concerns of the public. There needed to be confidence in secure elections. She felt clerical errors, improper training, and antiquated systems did not constitute felonious violations; however, flaws in the process could enabled people to engage in criminal behavior. She pointed out the County was limited in what it could do and, while she supported the previous election integrity bill, she did not think it was a good use of time. She proposed that Washoe County declare an administrative state of emergency to enact procedures to speed up meetings to review potential

changes. That would free up money to help with staffing. She suggested funneling unspent COVID-19 funding away from projects and directing it to this endeavor.

Ms. Penny Brock stated she was a voter, not a stakeholder. She said Mr. Brown exceeded his authority by hiring The Election Group without the BCC's approval; the purchasing agent, she said, was authorized. She took issue with the claim that Mr. Brown called volunteers dangerous. She asked for his replacement, along with that of Ms. Rodriguez by Tracy Thomas, who had 20 years of experience in the ROV's office. She believed that, since the original vote for The Election Group failed on a 2-2 vote, it should not have been placed on another agenda. As such, the contract with the group should be invalidated and they should not be paid. She requested an audit of Mr. Brown.

Ms. Valerie Fiannaca agreed with the potential state of emergency suggestion. She described Commissioner Hill reading the report as a waste of time, and extending the timeline would create chaos. She believed Ms. Rodriguez's talents would make her a natural fit for a public information officer, not the Registrar. She thought there was no one competent to run an election in six months, alleging the intent was to ensure chaos in the election.

Ms. Susan VanNess thought time was of the essence. She said several citizens were taking a class on election security. She displayed a video of an ROV employee using a device he was not supposed to use, claiming it changed the votes on the machine. She stated she had other videos of similar behavior, and she had observed the chain of custody was not followed. She offered to make a presentation of these occurrences, remarking that outside agencies were not needed. She said the media ran a story about her being a sniper based on information given by the Mr. Brown and Ms. Rodriguez.

Ms. Val White remarked The Election Group did not recommend changing the ROV, and she agreed with the suggestion of changing the entire wall of the ROV office to glass. She said portions of the election room were still obscured from the observing area. She believed a security guard was hired to intimidate observers, and expressed frustration that Ms. Rodriguez allowed County employees to use their phones in the processing center. She expressed concern both about the use of flash drives which could be used to manipulate votes, and the access given to volunteers that she was not given. Another issue was that guest wifi was used the University of Nevada, Reno polling station. She thought the BCC was approving deception.

Adjournment

At 11:55 AM the meeting was adjourned.



**AUDIT REPORT
JUNE 22, 2023**

**TRAVEL
EXPENSE AND
PROCESS
AUDIT
FY2016 - FY2022**

**WASHOE COUNTY INTERNAL AUDIT
INTERNAL AUDIT MANAGER - KATELYN KLEIDOSTY
INTERNAL AUDITOR - LOUIS MARTENSEN**





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AUDIT HIGHLIGHTS

Travel Expense and Process Audit

WHY WE DID THIS AUDIT

An audit of the County-wide travel expense and process was included in the three-year audit schedule approved by the Audit Committee and Board of County Commissioners for fiscal year 2023. The audit objective was to evaluate the travel expense and process for efficiencies and to review the policy and procedures, to verify compliance and completeness of submitted travel permission forms and travel expense claims forms. While conducting an audit, the internal auditor also has the obligation to make other recommendations based on observations during fieldwork.

STRATEGIC PLAN

Travel expense is necessary to support the objectives and goals of the Washoe County Strategic Plan approved by the Board of County Commissioners. The objectives supported by travel expense are:

Innovative Services

Vulnerable Populations

Fiscal Sustainability

REPORT FRAUD

to Washoe County Internal Audit

WHAT WE FOUND

Various non-compliance noted with completed travel claims, such as:

- Not submitting claims within the allotted timeframe
- Tipping in excess of approved policy
- Claiming expenses that are prohibited by the policy
- Not submitting a travel claim
- Utilizing the procurement card for travel expenses, which is prohibited by current policy

Other observations noted by the internal auditors:

- Employees are frustrated with the travel forms being manual, lack of streamlined procedures and not totaling correctly
- Inefficiencies in the approval process within the department
- Vast differences in budgeted and actual travel expense

WHAT WE RECOMMEND

We recommend County management and the Comptroller's Office:

- Update the travel procedure to current procedures
- Educate a travel coordinator for each department/division
- Implement a County-sponsored credit card program
- Implement a training program on Bridge and include explanations on the travel forms
- Streamline the travel forms by either implementing a computerized travel module, or create a web-based electronic filing system
- Better align budgeted and actual travel expense by either working with the budget division to reappropriate the funds or use the money as intended

MANAGEMENT RESPONSE

The Manager's Office and the Comptroller's Office agreed with the recommendations and plans to implement changes. A follow-up will be performed and brought back to the Audit Committee for accountability.

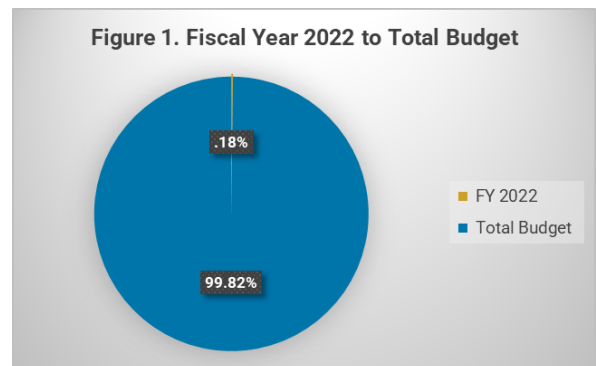
Background and Strategic Plan

Travel expense is a cost incurred by an employee for performing work-related activities away from their usual place of work. It is a necessity for Washoe County (“the County”) employees to assist in achieving the Washoe County Strategic Plan objectives outlined by the Board of County Commissioners.

According to policy and procedures, if an employee is required to travel for work, the employee would begin by submitting a Washoe County Permission to Travel – Standard form to their department head (each department has its own routing process that ultimately ends with the department head) with the estimated cost of traveling, including airfare, hotel, ground transportation, and per diem for food no less than thirty (30) days prior to departure. Once completed and approved by the department head, this form is routed to the Accounts Payable (AP) team in the Comptroller’s office for risk management purposes.

Once the employee has completed traveling, they have fifteen (15) days from the date of return to submit a Washoe County Travel and Per Diem Claim Form including all required receipts. Again, each department has its own routing process that ultimately ends with the department head’s approval and signature. Once the travel packet has been created and approved, it is routed to the AP team in the Comptroller’s office for reimbursement. If there are questions regarding the travel claim, the AP team will reach out to the travel coordinator, employee, or both in some departments to resolve the issue. Once the travel claim has been reviewed and approved by the AP team, the payment is processed. The payment will be returned to the employee usually within one (1) week if it’s an ACH payment or the 2nd or 4th week of each month if it’s a paper check.

Overall, the travel budget accounts for approximately \$1.5 million of the \$837 million (rounded) total budget, which is approximately 0.18% of the budget for fiscal year 2022. The highest budgeted and actual travel expense departments¹ are the Washoe County Sheriff’s Office, the Washoe County Health District, and the Washoe County Human Services Agency for fiscal year 2022. These three agencies account for more than fifty (50) percent of the travel budget and usage.



Source: SAP accounting records and FY22 Budget Book.

Through discussions with various employees and an examination of an array of travel claims for the fiscal years 2017 through 2022, the internal auditors conclude that majority of the travel expense is utilized to attend seminars and conferences, to participate in various training opportunities throughout the nation, and facilitate and monitor family and child protection services. This expense directly supports the objectives and goals of the Washoe County strategic plan approved by the Board of County Commissioners.

One of the strategic plan goals of **Innovative Services** is to strengthen culture of service by encouraging professional development, expanding professional training including leadership development, conference attendance, and interpersonal skill development. Another goal of Innovative Services is leveraging technology to streamline and automate services for employees and citizens. Additionally, the strategic plan objective of **Vulnerable Populations** is to provide an array of protective and supportive services to families and individuals to enhance their quality of life by ensuring they are optimizing their self-reliance and self-sufficiency, to have a strengthened, safe, and thriving community, including child protection services. Lastly, the overall goal is to ensure long-term **Fiscal Sustainability** by exploring and analyzing the sustainability of existing expenditures in the County. It is critical to maintain the importance of accountability and transparency for the public regarding the travel expense of the County.

Strategic Objectives	Goals
Fiscal Sustainability 	RESTORE FISCAL STABILITY FROM IMPACTS OF COVID-19 PANDEMIC
	LONG-TERM SUSTAINABILITY
	EFFICIENT DELIVERY OF REGIONAL SERVICES
Vulnerable Populations 	ADDRESS HOMELESSNESS WITH A REGIONAL APPROACH
	EXPAND APPROPRIATE HOUSING OPTIONS ACROSS COMMUNITY
	COORDINATION BETWEEN AGENCIES & COMMUNICATION OF PROGRAMS
Innovative Services 	LEVERAGE TECHNOLOGY TO STREAMLINE AND AUTOMATE
	STRENGTHEN OUR CULTURE OF SERVICE
	PROMOTE EXPERIMENTATION & INNOVATION

¹ Reference Appendix A for department budgeted and actual travel expense.

Objectives, Scope, and Approach

An audit of the travel expense and process was included in the Audit Committee and Board of County Commissioner's approved three-year audit schedule for fiscal year 2022. The audit objective was to provide County management, the audit committee, and the Board of County Commissioners with assurance that the risk and all areas for improvement have been identified, to provide assurance that the internal controls as designed and implemented are operating efficiently and effectively, to provide recommendations to improve the general control environment related to travel expense.

To obtain background information about potential risks with the travel expense and related processes, the internal auditors reviewed prior audit reports including the Washoe County audit completed in 2016 and recent similar audits conducted by other cities and counties. In addition, the internal auditors reviewed federal guidance and industry best practices for auditing and investigating internal controls for travel expense and related processes.

The internal audit division reviewed the County-wide internal control policies and procedures for travel expense and related general ledger accounts, such as meals and lodging, non-County travel, and extradition to identify any weaknesses or gaps in the policy. Additionally, the travel expense and related accounts were reviewed for compliance with the current policies and procedures as outlined by the County Manager, as well as compliance with applicable laws, regulations, and statutes for the period July 1, 2016 through June 30, 2022 (fiscal years 2017 – 2022). There is a notable scope limitation for the fiscal year 2020 and 2021, where COVID-19 and related closures greatly reduced normal activities for most divisions within the County.

Furthermore, the internal audit division utilized a risk-based approach to evaluating the County's travel expense and related accounts by assessing significant risks and adequacy, effectiveness, and efficiency of the internal controls designed and implemented to mitigate these risks. The review includes interviews with employees from various departments across the County and an examination of travel expense documentation. The internal auditors employed due professional care and heightened auditor skepticism throughout the audit related to travel expense and related processes. However, absolute assurance cannot be given that other non-compliance and irregularities do not exist, as the testing is limited to sample substantive testing and a sample for test of details of internal controls and compliance.

The internal auditors conducted this audit in accordance with the Institute of Internal Auditors (IIA) international professional practices framework. Those standards require that the internal auditors plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and recommendations based on the audit objectives. As well as seeking guidance from best practices from the Public Company Accounting Oversight Board (PCAOB) and America Institute of Certified Public Accountants (AICPA) standards. The internal auditors believe that the evidence obtained provides a reasonable basis for the findings and recommendations based on the audit objectives. Audit work took place from March 2023 to May 2023.

Findings and Recommendations

Based on observations, interviews, and examination of applicable travel expense supporting documentation the following findings were noted:

- Various non-compliance with travel policy when completing a permission to travel form and travel claim, such as:
 - Not submitting travel claim upon return for travel advances
 - Submitting the claim beyond the fifteen (15) day timeframe [previously thirty (30 days)]
 - Tipping beyond the policy allotment of 15%
 - Charging beyond the policy allotment of \$10 per day in airport parking
 - Failure to provide receipts for expenses claimed on travel claim
- Utilizing the department's procurement card for travel expenses, which is currently prohibited by the travel policy
- Various employee frustrations with how the current policy is designed and implemented, such as:
 - Permission to Travel form, completed prior to leaving, does not calculate correctly – the incidentals are not included in the totals
 - Inefficiencies in the approval process, by requiring department heads who are far removed from the daily operations and the budget to approve travel
 - Current process is manual and cumbersome
 - Claims denied for extraordinary circumstances requiring additional meals in airports (i.e., flight delayed due to weather or mechanical issues)
 - Inconsistently applying the policies to travel forms regarding meals, where to fill out the form, incidentals, etc.
 - No solid reference material identifying allowable and not allowable items to be claimed on the travel per diem forms
 - Differences in grant funding policy, some require 75% on travel days, and current policy
 - Need clarification on timing for submitting travel claims (i.e., employee returns from travel but immediately leaves on vacation)
 - Time frame of fifteen (15) days upon return is difficult to adhere to with employees who do not work a standard day shift
- Large budgeted travel expense versus actual travel expense variances
- Gaps in the current travel policy, which is creating difficulties in communication between accounting and the departments, such as:
 - No procedures for if a trip is cancelled or airline ticket is cancelled
 - Various interpretations of the incidental expense and how that is allotted to each travel claim
 - Needs more clarity on using third-party sites to book hotels – definitively use words like must, cannot, or prohibited (i.e., employees don't understand the hotel folio that's required for processing a travel claim)
- Emergency travel situations (especially the Sheriff's Office and HSA): difficulty booking travel with last minute needs of the departments; getting approvals to book travel, etc.
- Departments that don't travel frequently tend to have more errors when completing the permission to travel form and travel claim form

- Inadequate documentation for follow-up on delinquent travel claims; currently its detailed in the "Name" line on file
- Once the travel claim is complete it is moved to the Completed File and therefore more difficult to track for non-compliance with the travel policy
- Difficult to determine when a travel claim was submitted by a department and when it was received by accounting

Based on observations, interviews, and examination of applicable travel expense supporting documentation the following recommendations were made:

- Implement use of a County-sponsored card similar to GSA SmartPay® 3 program utilized by U.S. government agencies and tribal governments; state agencies utilize a similar program
- Management throughout the County should reiterate the importance of complying with the travel policy and procedures and that procurement cards cannot be used for travel expenses
- Modify a position within a department, especially those that travel frequently, to include verbiage to the effect of being a travel coordinator for the entire department or division (depending on the structure of the organization), train this person as the travel coordinator and encourage departments to cross-train employees in case of illness, vacations, and turnover to enhance compliance
- Update the travel policy and procedures to ensure it addresses:
 - Maximum for tipping
 - Include a procedure for cancellations so accounting can better track refunds or airline vouchers
 - Clarifying when an employee can claim the incidentals on a travel claim
 - An approval process in place to accommodate additional claims for extraordinary circumstances (i.e., flight delayed due to weather or mechanical issues); or explain on the reimbursement form the need for additional claims
 - Clarify third-party booking sites should not be used, as the hotel folio required to process a travel claim cannot be obtained from the hotel
 - A policy for emergency travelers, typically utilized by HSA or Sheriff's Office, as current policy is difficult to navigate when the employee is leaving immediately
 - Employees cannot share room while traveling.
- Depending on a cost-benefit analysis, streamline the permission to travel and travel claim process by either:
 - Installing and implementing a computerized travel module within SAP or another travel program (DefenseTravel Management Office utilized by the Department of Defense), or
 - Create a web based electronic filing system similar to the form used on the technology services intranet for installing software (Seamless Docs)
- Implement online training course for travelling through Bridge to assist in communication of updates with the travel policy by requiring employees to take at least annually; promote continuous training on travel policy and procedures
- Employees sign and acknowledge that the travel procedure was reviewed and training was completed prior to the submission of the travel claim; can be included on the Seamless Docs as a checkbox before proceeding similar to a box for Terms and Conditions

- Align the budgeted travel expense and actual travel expense by working with the Budget Division to reappropriate the funds to the appropriate accounts or by using the monies as intended for traveling
- Include a breakdown or step-by-step process on how to fill out a travel claim and permission to travel form on SharePoint, similar to the procurement card directions
- Provide explanation on the fillable fields on the travel forms (i.e., when to claim mileage, when to claim incidental expenses, how to calculate per diem, etc.); or create reference material identifying allowable and examples of not allowable expenses
- Restructure the approval process of the permission to travel form and travel claim form to include those responsible for the budget (i.e., fiscal compliance officer or travel coordinator) and the division manager with a notification to the department head
- As the policy for charging incidental claims has changed, update the permission to travel form to include these amounts in the totals
- Adequately document communication for delinquent travel claims by adding notes within SAP with a minimum of contact date and who was contacted or supplemental documentation detailing communications
- Adhere to the record retention policies of three years for supporting documentation of travel expenses as outlined by the Nevada State Library, Archives & Public Records [NRS 11.190 (3)(d), NRS 356.624, NRS 239D.030, NAC 239.165 (1)(2)]

Audit Procedures

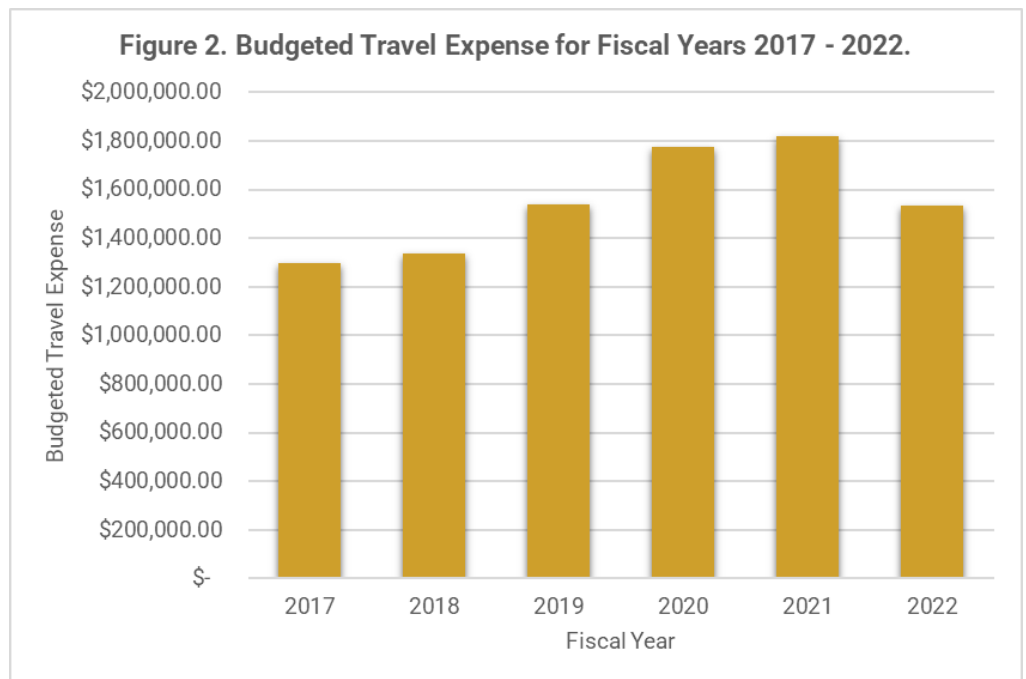
For the period of July 1, 2016, through June 30, 2022, fiscal years 2017 – 2022, there were 14,503 travel line-items in the travel expense general ledger accounts. The data was exported out of the SAP system utilized by the County as their recordkeeping system and imported into the audit software, Diligent, utilized for sampling and substantive testing.

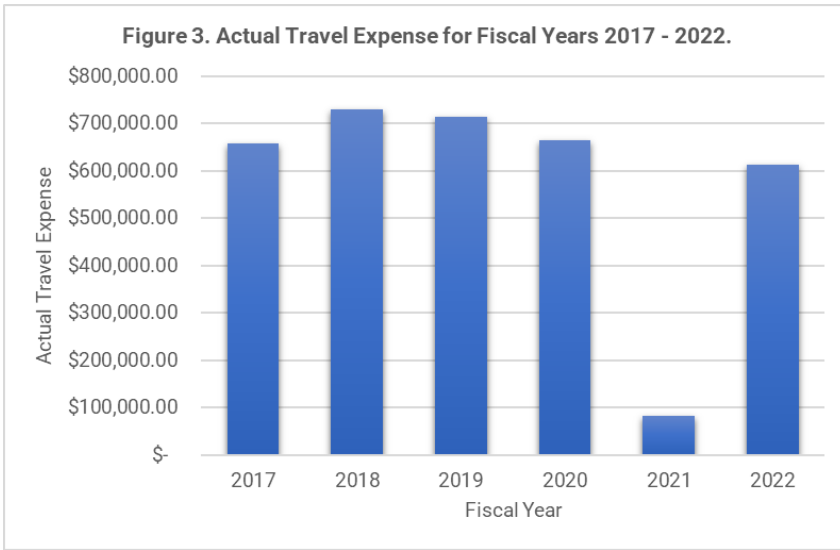
To begin, substantive testing occurs when the internal auditor obtains a sample to identify any material misstatements in the accounting records. This testing determines if the travel general ledger account is complete, relevant, accurate, and free from material misstatement by using analytical procedures such as trend analysis and test of details of transactions by examining a specific sample from the entire data set.

Trend analysis aims to identify patterns and trends within a set of data used to predict future events and whether such events are reasonable when compared to historical data. The following graph compares the budgeted travel expense data for the fiscal years 2017 – 2022,

which remains relatively consistent throughout the fiscal years. The budgeted travel expense for fiscal year 2022 was lower than the previous fiscal year, because seminars, conferences, and trainings were slowly regaining occurrences post COVID-19 restrictions.

Source: Travel expense general ledger account from SAP accounting records for fiscal years 2017 – 2022.





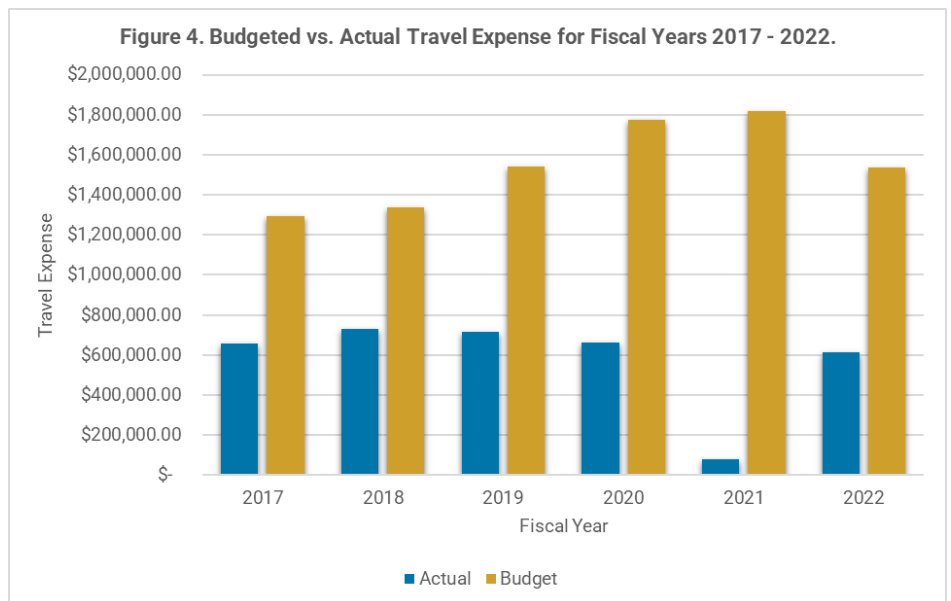
Fiscal year 2021 was severely impacted by COVID-19 and related closures, as most seminars, conferences, and trainings which account for a large portion of the travel did not resume until the following fiscal year. Based on the two graphs above, the trends remain similar year-to-year. The internal auditors can conclude that the travel expense does not seem disproportionate when comparing budgeted historical data or actual historical data.

The actual travel expense used year-to-year remains steady, with the exception of fiscal year 2021. The budgeted travel expense is steadily increasing, which the

Source: Travel expense general ledger account from SAP accounting records for fiscal years 2017 – 2022.

travel expense is anticipated to increase in future years, as the economy recovers from COVID-19.

The internal auditors noted that there are large discrepancies between what is being budgeted and actual travel expense each year. Based on this observation and the goal to maintain transparency to the public, it was recommended that the County work to better align budgeted and actual travel expense by either working with the Budget Division to reappropriate the funds to the appropriate accounts or by using the funds for the intended use.



Source: Travel expense general ledger account from SAP accounting records for fiscal years 2017 – 2022.

One method of analysis utilized for detail testing was Benford’s Law on the amount of the travel line-item claim for the entire data set. Benford’s Law, also known as the first-digit law, is an observation that smaller numbers will occur more often than larger numbers as the first-digit of a number set. It “maintains that the numeral 1 will be the leading digit in a genuine data set of number 30.1% of the time; the numeral 2 will be the leading digit 17.6% of the time; and each subsequent numeral, 3 through 9, will be the leading digit with decreasing frequency.”²

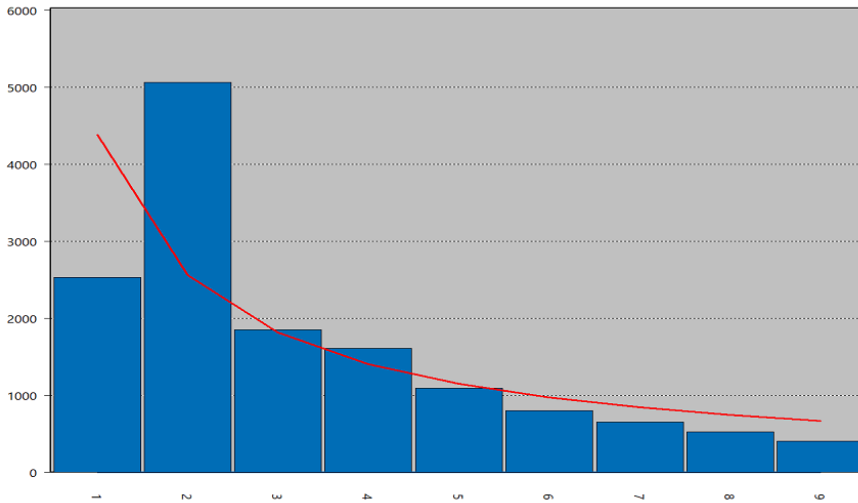


Figure 5. Benford’s Law Analysis of the Travel Expense G/L for Fiscal Years 2017 through 2022.

Source: Diligent Audit Software using data from the travel expense general ledger account from SAP for fiscal years 2017 – 2022

Figure 5 identifies numeral 2 as having significantly more occurrences as a first-digit than expected for this data set. The internal auditor used heightened skepticism when reviewing the sample selected for detailed and substantive testing. It was

determined that the increased occurrence of numeral 2 was because the agent fee incurred by the County for utilizing a travel booking service for airline tickets for employees is \$23, which increased to \$25 in the last fiscal year. This is an explained deviation from the expected count and therefore not an anomaly.

Additionally, the internal auditors used the audit software, Diligent, to select a sample from the entire data set.

Total Population	14,503
Confidence Level	99%
Upper Control Limit	2%
Expected Error Rate	1%
Tolerable Error Rate per Year	11
Sample Size	1,075

Table 1. Testing Parameters for Audit Testing using Diligent Audit Software

Source: Diligent Audit Software – Calculating Sample Size

Overall, there were forty-seven (47) errors, variances, or irregularities noted in the total for the sample for fiscal years 2017 – 2022. The data was further refined to only include deviations that were related to financial data errors, which could result in a material misstatement of the financial records. After further investigation into the deviations, it was determined that one (1) deviation was related to the financial records. The County paid a travel claim for \$42.02 for an upgraded airline preferred seat purchase. According to County travel policy, this amount should have not been reimbursed, however, the amount was deemed immaterial and not going to result in a material misstatement of financial records. As such, the internal auditors can accept the sample with 99% confidence that the data is free from material error.

² J. Carlton Collins, C. (2017, April 1). *Using Excel and Benford’s law to detect fraud*. Journal of Accountancy. <https://www.journalofaccountancy.com/issues/2017/apr/excel-and-benfords-law-to-detect-fraud.html>

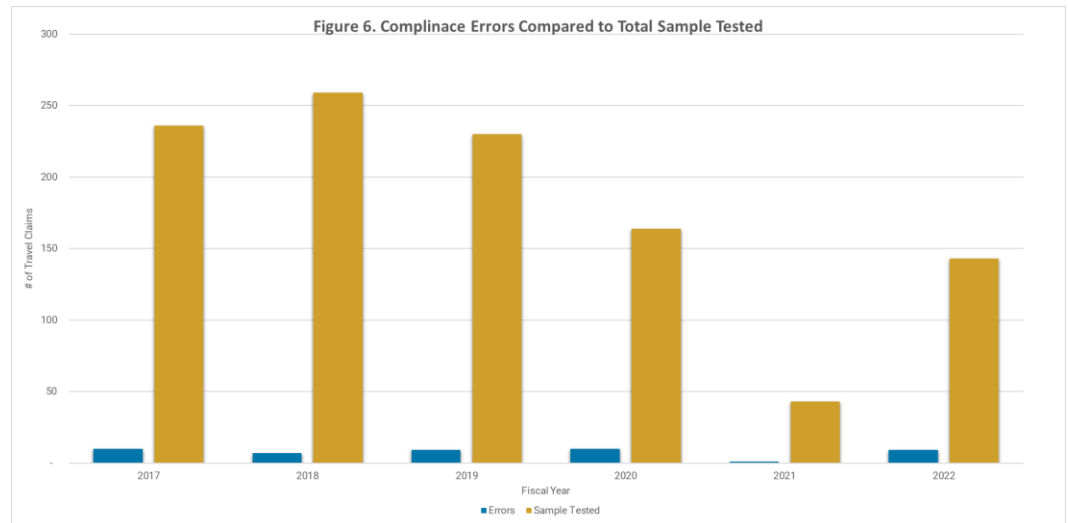
The internal auditors also evaluated the effectiveness of the travel policy, procedures, and the internal control system to improve the County’s organization and compliance. Several techniques were used to understand and assess the effectiveness, such as, interviews, observations, and examination of permission to travel and travel claims submitted.

As previously mentioned, the internal auditors examined 1,075 travel claims over fiscal years 2017 - 2022 for compliance with the travel policy and procedures. The following table and figure detail the testing performed to determine compliance with the travel policy.

	2017	2018	2019	2020	2021	2022	Total
Errors	10	7	9	10	1	9	46
Sample Tested	236	259	230	164	43	143	1,075

Table 2. Compliance Errors by Fiscal Year Compared to Total Sample Tested.

Source: Table 2. Compliance Errors by Fiscal Year Compared to Total Sample Tested.



The errors discovered during testing included:

- Using the procurement card for travel purchases beyond airline tickets
- Submitting travel claims beyond the fifteen (15) or thirty (30) day submission deadline
- Tipping beyond the policy maximum allowance
- Failure to submit a travel claim for travel advances upon return
- Including an amount in excess of the maximum policy for airport parking
- Failure to provide receipts for travel purchases
- Missing signatures or dates on travel claims

In general, it was noted that departments that do not travel often tend to have more errors in completing the travel claim forms.

As such, the Internal Audit Division recommends the following:

- County management should reiterate the importance of complying with the travel policy and procedures, applicable statutes, and regulations
- Procurement cards cannot be used for travel expenses
- Implement an online training course for travelling through Bridge to assist in communicating updates with the travel policy by requiring employees to complete at least annually

- For departments that travel frequently, it may be beneficial to modify a position within the department to include travel coordinator in their duties, which will help ensure compliance from each department.
- Employees sign and acknowledge that the travel procedure was reviewed and training was completed prior to the submission of the travel claim; can be included on the Seamless Docs as a checkbox before proceeding similar to a box for Terms and Conditions

In conclusion for this testing procedure, the total errors per year were less than the tolerable error rate determined prior to commencement of testing. The internal auditors can assert with 99% confidence that the travel expense data is complete, accurate, and free from material error or misstatement.

The Internal Audit Division conducted various interviews to evaluate the internal control effectiveness and efficiency of the current travel policy and procedures.

Interviews were conducted in the departments that experience the most frequent travel, which include the Manager's Office, Sheriff's Office, the Health Department, and Human Services Agency. It appears the departments have a fair understanding of the travel policy and procedures, however, there were a few employee frustrations and weaknesses noted by the internal auditors with the current travel process.

County employees are experiencing frustrations with various aspects of the travel policy, such as:

- The Permission to Travel form does not properly include incidentals in the total
- The current approval process for Permission to Travel forms and travel claims are inefficient by requiring heads who are far removed from the daily operations and the budget to approve travel, or the misrepresenting records because department heads are not signing the travel documents rather positions like the travel coordinator or division head
- The current process to file claims is manual and cumbersome with having to download PDF files, which can be out of date, and email submissions
- Claims are denied for extraordinary circumstances requiring additional meals in airports (i.e., flight delayed due to weather or mechanical issues)
- Inconsistently applying the policies to travel forms regarding meals, where to fill out the form, incidentals, etc.
- No solid reference material identifying allowable and not allowable items to be claimed on the travel per diem forms
- Differences in grant funding policy, some require 75% on travel days, and current policy
- Need clarification on timing for submitting travel claims (i.e., employee returns from travel but immediately leaves on vacation)
- Time frame of fifteen (15) days upon return is difficult to adhere to with employees who do not work a standard day shift
- Needs more clarity on using third-party sites to book hotels – definitively use words like must, cannot, or prohibited (employees don't understand the hotel folio that's required for processing a travel claim)
- Emergency travel situations (especially the Sheriff's Office and HSA): difficulty booking travel with last minute needs of the departments; getting approvals to book travel, etc.

Additionally, the internal auditors noted various areas of weakness, such as, inconsistencies in the travel policy application:

- Departments using the procurement card to make travel purchases beyond airline tickets
- Gaps in the written travel policy regarding trip cancellations and incidental expense allotment, which is contributing to a breakdown in communication between departments
- Inconsistencies in document trail by moving delinquent travel files around without documenting dates when successfully completed

Based on the interactions and observations made during the interview process, the internal audit department recommends:

- Updating the travel policy to clarify or provide guidance on trip cancellations and when to include the incidental expense allotment
- Provide explanation on the fillable fields on the travel forms (i.e., when to claim mileage, when to claim incidental expenses, how to calculate per diem, etc.)
- Maintain email documentation if progressive action is required

Other recommendations are to streamline the travel claim procedures, depending on a cost-benefit

analysis, by either installing and implementing a computerized travel module within SAP or another travel program, or creating a web based electronic filing system similar to the form used on the Washoe County technology services intranet for installing software.

This form is designed to automatically email the assigned manager for the approval, which would eliminate the back-and-forth emails. The form could also be customized to include the necessary information required by accounting to process a Permission to Travel and travel claim form. Additionally, it standardizes the travel forms across the County.

Further, it is recommended to give employees

that travel an option of using a County sponsored credit card (or travel charge card) similar to GSA SmartPay® 3 program utilized by U.S. government agencies as well as tribal governments. State agencies use a similar program through the Bank of America. County management expressed concern having employees pay the cost of the travelling up front when it's required for work-related activities. The County sponsored credit card would eliminate the need for employees paying the



Figure 7. Web-based Form Example.

cost to the employee's detriment. It would also protect the County from employees using their procurement cards for prohibited purchases and eliminates the need for travel advances. The County-sponsored credit card would be for county travel only and should be used to only pay for travel-related expenses. The payment of the credit card bill would be the responsibility of the individual to whom the card is issued (the employee). If the county sponsored credit card is not paid timely, the delinquent amount can be withheld from the employee's paycheck to pay the balance per the Washoe County Code 5.371, similar to the process for an overpayment of travel advances that has to be returned to the County. Additional guidance can be obtained in Appendix C.

Lastly, the recommendation was to adhere to the record retention policies of three years for supporting documentation of travel expenses as outlined by the Nevada State Library, Archives & Public Records [NRS 11.190 (3)(d), NRS 356.624, NRS 239D.030, NAC 239.165 (1)(2)].

References

Appendix A – Travel Expense Data by Department for Fiscal Year 2022

Appendix B – Budgeted versus Actual Travel Expense Data for Fiscal Year 2017 – 2022

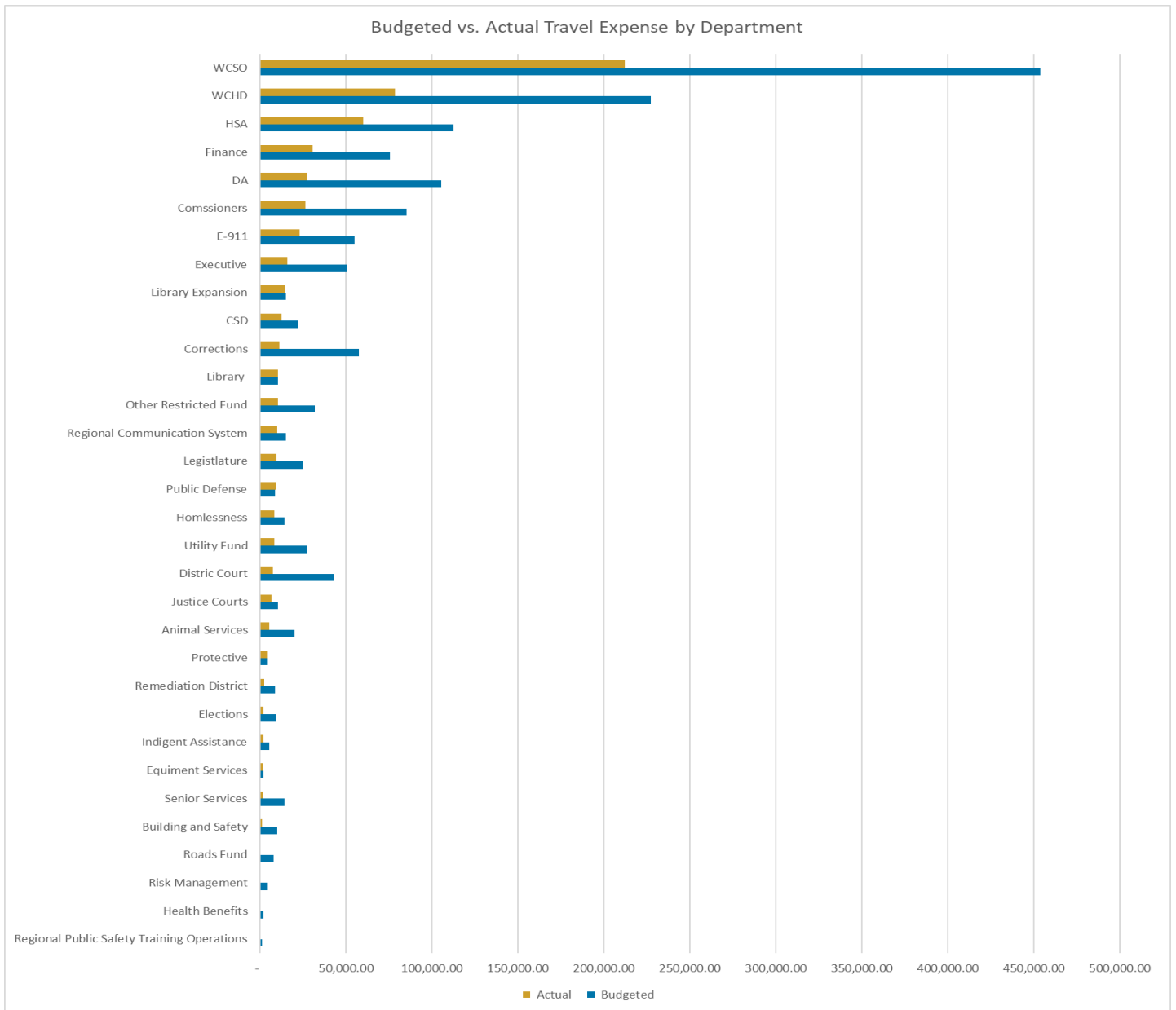
Appendix C – GSA and State Administrative Manual Guidance for County-Sponsored Credit Card

Appendix D – Record Retention Schedule

Appendix E – Prior Audit Follow-Up

Appendix F – Glossary of Audit Terminology

Appendix A – Travel Expense Data by Department for Fiscal Year 2022



The next page contains the data for the graph above, the amount is listed in chronological order from least to greatest budgeted travel expense for fiscal year 2022.

	Department	Budgeted	Actual
209-0	Regional Public Safety Training Operations	1,000.00	-
618-0	Health Benefits	2,000.00	-
619-0	Risk Management	4,500.00	-
216-0	Roads Fund	8,025.00	-
560-0	Building and Safety	10,000.00	1,169.48
225-0	Senior Services	14,000.00	1,693.25
669-0	Equipment Services	2,000.00	1,741.33
221-0	Indigent Assistance	5,290.00	1,962.49
100-A3	Elections	9,200.00	2,105.35
266-0	Remediation District	8,600.00	2,256.69
100-A9	Protective	4,676.20	4,676.20
205-0	Animal Services	20,000.00	5,293.82
125-0	Justice Courts	10,267.00	6,503.82
120-0	Distric Court	43,145.00	7,615.18
566-0	Utility Fund	27,000.00	8,112.57
223-0	Homlessness	14,000.00	8,315.37
100-A10	Public Defense	8,850.00	9,051.31
100-A1	Legislature	25,000.00	9,696.40
210-0	Regional Communication System	15,000.00	9,860.67
270-0	Other Restricted Fund	32,000.00	10,323.82
130-0	Library	10,500.00	10,467.36
100-A8	Corrections	57,500.00	11,225.60
105-0	CSD	22,300.00	12,500.74
204-0	Library Expansion	15,000.00	14,579.67
100-A2	Executive	50,665.72	15,850.05
208-0	E-911	55,000.00	23,115.60
100-A5	Other	85,300.00	26,179.40
106-0	DA	105,439.00	27,131.55
100-A4	Finance	75,500.00	30,679.48
228-0	HSA	112,559.00	60,026.74
202-0	WCHD	227,314.00	78,463.29
100-A6	WCSO	453,638.41	212,185.37
	Total	1,535,269.33	612,782.60

Appendix B – Budgeted vs. Actual Travel Expense Data for FY2017 – FY2022

	Budgeted	Actual
FY 2017	1,296,020.75	658,803.44
FY 2018	1,335,886.18	730,791.50
FY 2019	1,539,238.42	713,519.05
FY 2020	1,776,520.37	664,714.58
FY 2021	1,817,913.24	82,040.11
FY 2022	1,535,269.33	612,782.60
Total	9,300,848.29	3,462,651.28

Appendix C – GSA and State Administrative Manual Guidance for County- Sponsored Credit Card

Please refer to the following website for additional information on the GSA SmartPay program:

<https://smartpay.gsa.gov/>

Although the state and local counties cannot participate in the GSA SmartPay program itself, the state of Nevada has implemented a similar program through a national bank (Bank of America). The State Administrative Manual (SAM) revised November 15, 2022, contains the following guidance:

“0224 State Sponsored Credit Cards for Official Travel Only

The State Department of Administration has contracted with a provider of credit card services for travel related expenses. The State sponsored credit card is for official State travel only. The credit cards are for official use only, and they should only be used to pay for travel related expenses. Employees must contact their agency’s designated Travel Card Administrator (TCA) to request approval. The payment of the credit card bill is the responsibility of the individual to whom the card is issued and payment in full is due monthly. It is the State agency’s responsibility to monitor employees’ credit card activity on a monthly basis. Information regarding the State sponsored credit card program can be found on the Purchasing Division’s website under the “Credit Card Programs” link within the “State Contracts” section.

0226 Claims and Payments When Credit Cards Have Been Used

When an employee who has used a State sponsored credit card for State travel expenses submits a claim for reimbursable expenses, all agencies must process the claim timely to preclude the employee from incurring an interest charge on the credit card account. Claims must be filed by the traveler within five days after returning from travel status. The employee’s agency should take no more than two working days to process the claim. Whenever an employee uses a State sponsored credit card for authorized cash advances and/or travel expenses and the receipt of his/her travel reimbursement may be delayed more than five working days after the date of the initial submission of the travel reimbursement claim, the administrative head or his/her designee may issue to the employee, for payment to the issuer of that credit card, a cash advance in the amount of the total travel expenses charged on the State sponsored credit card. Payment of the credit card bill is the responsibility of the employee to whom the credit card has been issued and payment is due in full monthly. If a State sponsored credit card bill is not paid timely, NRS 281.1745 authorizes the State to withhold from an employee’s paycheck the amount required to pay any delinquent balance.

0228 Disposition of State Sponsored Credit Cards upon Employee’s Change of Employment Status

When an employee who has been issued a credit card for official State travel expenses transfers to a different agency or leaves State service, the employee’s agency Travel Card Administrator shall suspend the card within 5 days and cancel the card after the current statement cycle. If the employee is moving to a new agency, rather than leaving State service altogether, it is at the discretion of the employee’s new agency to determine if a travel card will be required in their new position.”

Additional information regarding the specific travel card programs that the state of Nevada utilizes can be found at:

https://purchasing.nv.gov/Contracts/Documents/Credit_Card_Programs/

Under the section of *Corporate Business Accounts (CBA/Ghost Cards) for State Agencies*.

Appendix D – Record Retention Schedule

All record retention for local governments can be found at:

https://nsla.nv.gov/local_government_records_services

Furthermore, the following schedule relates to travel record retention from the *Local Government Record Retention Schedules* amended December 21, 2020 page 161:

Financial Records

Tax Sales Redeemed

LRDA Number 20070463

Description	Minimum Retention Period	Disposition	Legal Citations	Note
This record series documents the payment of delinquent taxes by the person originally assessed on a property that has been sold for delinquent taxes. This series may include but is not limited to payment information, date redeemed, last known owners name, to whom sold or who made payment, property description, years and amounts for which back taxes paid, breakdown of tax and interest amounts, tax redemption certificate, related correspondence and similar documents.	Permanent.	This record series may contain confidential or sensitive information.	NRS 361.5648 to 361.620, NRS 250.110 to 250.180	None.

Tax Sales Reports

LRDA Number 20070462

Description	Minimum Retention Period	Disposition	Legal Citations	Note
This record series documents the sale of property for delinquent taxes. Reports may contain but are not limited to affidavits of publication, information on delinquent owner, description of property, tract or lot, assessed value of property, date of auction or sale, registration / bidder information, payment requirements, information on who purchased property, delinquent tax, penalties and costs, total amount due, amount of sale, supporting documents, correspondence, and related information.	Permanent.	This record series may contain confidential or sensitive information.	NRS 361.585, NRS 361.590	None.

Travel Records

LRDA Number 20071258

Description	Minimum Retention Period	Disposition	Legal Citations	Note
This record series documents travel arrangements and claims made by staff members, commission and committee members and others associated with a local government. This series may include but is not limited to travel itinerary, request for travel authorization, travel authorization, request for training forms, request for out of state travel, transportation requests, hotel reservation information, per diem vouchers, reimbursement requests, receipts, plane tickets or stubs, parking expense documents, supporting documentation, related correspondence and similar documents.	Three (3) fiscal years from the end of the fiscal year to which the records pertain.	This record series may contain confidential or sensitive information and should be destroyed in a secure manner that will prevent reconstruction of the information.	NRS 11.190 (3)(d), NRS 354.624, NRS 239B.030, NAC 239.165 (1)(2)	None.

Appendix E – Prior Audit Follow-Up

The prior audit of county-wide travel expense and process was completed in 2016. The internal audit division reviewed the audit report, supporting documentation, findings and recommendations and determined that the travel policy and procedures had significantly changed since the last audit and the findings and recommendations were similar to the current findings and recommendations.

Last audit noted the following general recommendations:

- County departments need to comply with County Travel Regulations (applicable)
- County departments and employees are not following per diem and incidental cost requirements (applicable)
- Other instances of non-compliance with County and Federal laws and regulations were noted – one employee was reimbursed prior to taking the trip and others were reimbursed without providing a travel claim (not specifically applicable)
- Travel advance tracking system needs to be in place (applicable, but not currently recommended)
- County code states there will be no requests for travel advances less than \$40 (not applicable)

The current recommendations were further refined to be more applicable to the current travel policy.

Appendix F – Glossary of Audit Terminology

Internal audit – an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Institute of internal auditors (IIA) – an international professional association with global headquarters in Lake Mary, Florida, USA. The IIA is the internal audit profession's leader in standards, certification, education, research, and technical guidance throughout the world.

International professional practices framework (IPPF) – the conceptual framework that organizes authoritative guidance promulgated by the IIA; provides internal audit professionals worldwide with authoritative guidance organized in the IPPF as mandatory guidance and recommended guidance. <https://www.theiia.org/en/standards/what-are-the-standards/mandatory-guidance/standards/>

Public Company Accounting Oversight Board (PCAOB) – a nonprofit corporation established by Congress to oversee the audits of public companies in order to protect investors and further the public interest in the preparation of informative, accurate, and independent audit reports.

American Institute of Certified Public Accountants (AICPA) – a non-profit professional organization representing certified public accountants (CPA) in the United States.

Assurance – to obtain sufficient appropriate evidence to express a conclusion, providing reasonable or limited assurance, as to whether the audited body has complied with the specified requirements of the appropriate legislation (the 'criteria') in all material respects.

Risk-based approach – identifying the highest compliance risks to your organization, making them a priority for the organization's compliance controls, policies and procedures. Once your compliance program reduces those highest risks to acceptable levels, it moves on to lower risks.

Substantive testing – an audit procedure that examines the financial statements and supporting documentation to see if they contain errors. These tests are needed as evidence to support the assertion that the financial records of an entity are complete, valid, and accurate.

Test of details – are used by auditors to collect evidence that the balances, disclosures, and underlying transactions associated with a client's financial statements are correct.

Test of transactions – focuses on the individual transactions that make up an account balance. This test of details is done to check for the accuracy of the financial statement transactions. Auditors typically choose a sample to test whether the details match the transaction recorded in a company's books.

Population – the entire set of data from which a sample is selected and about which the auditor wishes to draw conclusions.

Confidence level – refers to the reliability the auditor places on the sample results. Confidence levels of 90% to 99% are common.

Upper control limit (UCL) – is calculated from the data that is plotted on the control chart. It is placed 3 sigma (of the data being plotted) away from the average line. The upper control limit is used to mark the point beyond which a sample value is considered a special cause of variation. It is also used to define the upper limit of the common cause variation.

Expected error rate – refers to the total error that the auditor expects to find in the population. The greater the amount of error the auditor expects to find in the population, the larger the size of the sample needed in order to make a reasonable estimate of the actual amount of error in the population.

Tolerable error rate – the maximum error in the population that auditors are willing to accept and still conclude that the audit objective has been achieved.

Sample size – the size of a sample necessary to provide sufficient evidential matter depends on both the objectives and the efficiency of the sample.



Annual Report FY2023 – DRAFT

An audit of the Public Administrator's office was completed during the fiscal year ending June 30, 2023. A summary of audit recommendations are below:

- It was determined the Public Administrator's Office had proper documentation for all casefiles reviewed and appropriately disbursed the funds of the estate to the heirs and creditors against the estate. The office utilized the estate to pay for any expenses, therefore this did not come from the general fund that supports the office.
- It was recommended the office work with Technology Services in the coming fiscal year to swap all desktop equipment for laptops and other mobile devices to better equip the employees to perform their job duties outside the physical office building.
- It was recommended the office follow the record retention schedule to reduce the risk/liability/expense to the County.
- It was recommended the office review their position structure to better manage their increasing caseload and non-compliant notices.

Additionally, a Minimum Accounting Standards (MAS) audit of Second Judicial District Court, Reno Justice Court, Sparks Justice Court, Incline Justice Court, and Wadsworth Justice Court were completed during the fiscal year ending June 30, 2023. A summary of the findings are below:

Second Judicial District Court

- No findings or recommendations.

Reno Justice Court

- No findings or recommendations.

Sparks Justice Court

- No findings or recommendations.

Incline Justice Court

- A review of the detailed controls and procedures provided by the court and a discussion with the judge's administrative assistant on January 31, 2023, disclosed the written procedures needs to be updated regarding the restructuring after the elimination of the Constable position.

Management responded that the procedures would be updated with the appropriate positions.



- A discussion with the judge's administrative assistant on January 31, 2023, disclosed that staff annual training on PCI-DDS security standards policy is no being performed nor documented.

Management responded that the staff will be required to take the class that is offered on Washoe County Bridge annually and documentation will be maintained.

Wadsworth Justice Court

- A review of detailed controls and procedures provided by the court, disclosed the written procedures need to be updated regarding unclaimed property (MAS 6.21). The "no less than 30 days" portion needs to be changed to "no less than 60 days".

Management responded that the procedures would be updated.

- A discussion with the Judge on February 6, 2023, the court clerk II on February 8, 2023, and a review of the petty cash reconciliation log, disclosed that the petty cash fund is only counted and reconciled by one person.

Management responded going forward the petty cash fund will be counted and reconciled by two people, the Judge and either the Deputy Clerk II or the Court Clerk II.

Furthermore, a county-wide audit of the travel expense and process was completed during the fiscal year ending June 30, 2023. 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 travel expenses to test for accuracy, completeness, and fairness. A summary of the recommendations is provided:

- Update travel policy to current practices and policies such as tipping allotment, when to claim incidentals, and include a cancellation process
- Implement a county-sponsored credit card program similar to GSA SmartPay utilized by the U.S. and tribal governments
- Implement a training program through Bridge to communicate updates in travel policy at least annually
- Modify a position or create a new position as "travel coordinator"
- Streamline the travel forms process with a software, such as SAP travel module, or a web-based program similar to the one utilized by technology services for software updates
- Align budgeted versus actual travel expense



- Restructure the approval process in the departments
- Adequately document communication for delinquent travel claims

The internal audit division also assisted the government affairs liaison during the 82nd legislative session with collecting information and composing fiscal notes and various bills that could impact Washoe County. For this session, the internal audit division processed over two hundred (200) fiscal notes.

Follow-up on the human services agency audit from a prior fiscal year was performed during the fiscal year ending June 30, 2023. The following updates were noted:

- Employee retention is still an area for concern. HSA is working on different programs to increase retention. Transfers and separations are still higher than the County averages. The averages were slightly lower in 2020 but are trending upwards again in recent years. This is partially due to separating different departments like the Homeless Services Division. HSA has allow implemented an exit interview program upon departure to gather data to improve employee retention.
- In an attempt to increase employee retention, HSA has implemented a flexible work schedule for hours, working-from-home, alternate work locations, etc. It will also be rolling out the County's new future of work policy.
- The concept of caseworker rotation presented was intriguing to the leadership team. However, after extensive discussion it was determined that even though it would benefit staff, it could not be implemented at this time without being detrimental to children and families in the agency's care.
- Contract negotiation procedures have been assigned to designated staff who work closely with the procurement team in the Comptroller's office. They have also created a log to track contacts life cycles, costs, and closures.
- Office assistant duties have been restructured so that it's the same job descriptions across the divisions and those who are performing like tasks report to the same supervisor. Guidance was also provided by the completion and implementation of the Korn Ferry study.
- Adjustments to existing software have been made to accommodate current workflow to the best of the software's ability. HSA is currently in discussions with external partners and the State to obtain additional funding to make further improvements to streamline daily work tasks and exchange of work product.
- HSA is working with its leadership team and the budget team to phase out grant funded positions into permanent positions or contract hires. In the



future, HSA will not be hiring grant funded positions unless absolutely required by the grant as “seed money”.

- It alleviate some strain of caseload demands with new hires, HSA has implemented a “ghost position” program, which allows the agency to backfill a position before its been vacated for training the new hire. This system has only been implemented for twelve (12) months and needs an additional year to evaluate its effectiveness. To date, it had a positive response from both new hires and existing employees.
- HSA has drafted a mandatory administrative leave policy that is currently under review by the agency and HR for approvability.
- A shadowing process, known as the Mini Bootcamp, has been implemented to allow new caseworkers to spend a series of days in the new unit. New hires are also assigned a coach or mentor in the beginning though the Coach NV program. Other trainings from the County have been encouraged, and Second Story leadership series has been offered.
- The routing process for PAR has been adjusted.
- One other item being reviewed for implementation is the progressive pay for assessment workers program. There are a few items that need to be resolved prior to implementation such as 1) concerns over pay-equity, 2) subjectivity of when risk pay is appropriate, and 3) funding requests from the State. However, its received positive response from the agency and the State.

Lastly, internal audit performed surprise cash counts for the Treasurer’s Office for Second Judicial District Court, Reno Justice Court, Sparks Justice Court, Incline Justice Court, and Wadsworth Justice Court that included petty cash funds, change funds, and cashier funds. As well as a surprise cash count at Washoe County Sheriff’s Office which included petty cash funds, cashier funds, and an ATAC fund.



Three-Year Audit Schedule FY2024 – FY2026

Current Schedule

<u>Fiscal Year ending 06/30/2023</u>	<u>Fiscal Year ending 06/30/2024</u>	<u>Fiscal Year ending 06/30/2025</u>
Cash Control Audit	Cash Control Audit	Cash Control Audit
Roles and Rights SAP Audit	Roles and Rights SAP Audit	Roles and Rights SAP Audit
Public Administrator’s Office	Disaster Recovery	Donation Process
MAS District Court	Telephone Expense	Access Management
MAS Incline Justice Court	Debt Service Fund	Hiring Procedures
MAS Reno Justice Court	Parks Revenue	Employee Retention
MAS Sparks Justice Court	Facilities Maintenance	Background Checks
MAS Wadsworth Justice Court	Utility Billing	Vendor Maintenance
Sheriffs Fees & Bail Procedures	Worker’s Comp	Governmental Affairs Assistance
Travel Expense		
Governmental Affairs Assistance		

Proposed Schedule

<u>Fiscal Year ending 06/30/2024</u>	<u>Fiscal Year ending 06/30/2025</u>	<u>Fiscal Year ending 06/30/2026</u>
Cash Control Audit	Cash Control Audit	Cash Control Audit
Roles and Rights SAP Audit	Roles and Rights SAP Audit	Roles and Rights SAP Audit
Sheriff Fees and Bail Procedures	Donation Process	Emergency Management
Procurement Card	Access Management	Worker’s Comp
Utility Billing	Hiring Procedures	ARPA Funding Review
Parks/Golf Revenue	Employee Retention	Vendor Maintenance
Court Fees Review	Background Checks	Fleet Utilization
Clerk’s Office – Board Records and Minutes Division	Facilities Maintenance	Sheriff Commissary Funds
Assist Assessor’s Office with Audit Program	Government Affairs Assistance	Debt Service Fund

Cash Control Audit: Five (5) – six (6) departments a year will be selected and their processes and procedures regarding cash handling will be reviewed. Recommendations for improvement and conformance with best practices will be included.

Roles and Rights SAP Audit: List of approval trees will be reviewed. Recommendations to align with internal controls will be included.

Sheriffs Fees and Bail Procedures: Coincides with the MAS Court Audits performed in FY2023 to verify bail procedures and other fees collected by the Sheriff’s Office.

Procurement Card: Collect and evaluate information regarding usage and current policy, documentation, and compliance with current policy. Review a random sample of procurement card transactions. Recommendations for improvement and conformance with best practices will be included.



Utility Billing: Overview of current policy and procedures regarding billing. Random utility billing transactions will be reviewed to determine documentation and compliance with current policy. Recommendations for improvement and conformance with best practices will be included.

Parks/Golf Revenue: Overview of current revenue streams will be provided through shadowing. Review of parks and golf revenue is being appropriated to the correct accounts. Recommendations for improvement and conformance with best practices will be included.

Court Fees Review: Collect information on court fees imposed and charged. Review the fiscal impact of imposing these fees for the County. Recommendations for improvement and conformance with best practices will be included.

Clerk's Office – Board Records and Minutes Division: Overview of division will be established during shadowing. A review of current policy and procedures, collect information regarding records and minute taking processes, and evaluation of current internal controls. Recommendations for improvement and conformance with best practices will be included.

Assist the Assessor's Office with Audit Program: Assist the Assessor's Office to develop an audit program for their office to utilize to audit personal property self-certification forms of businesses within the County. Recommendations for the program and conformance with best practices will be included.



Audit Committee

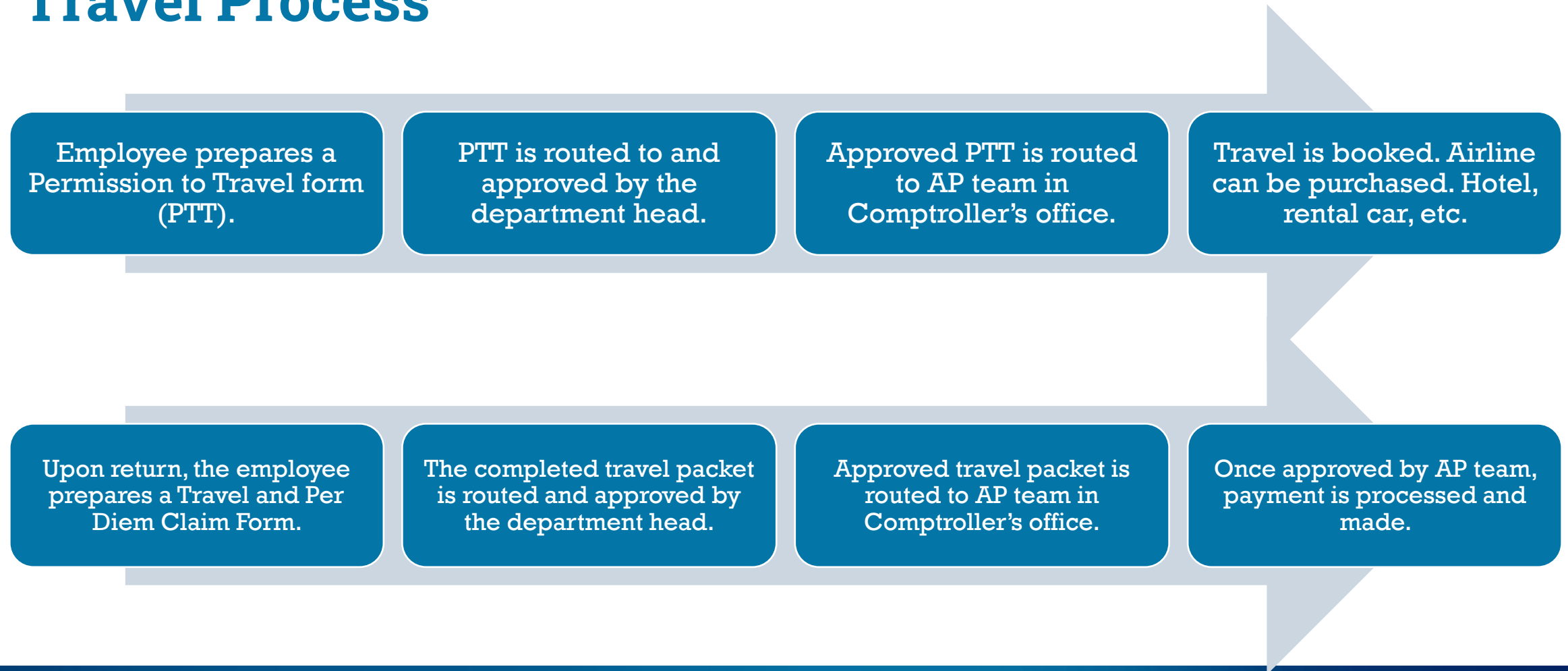
June 22, 2023 @ 3PM

Travel Expense and Process Audit

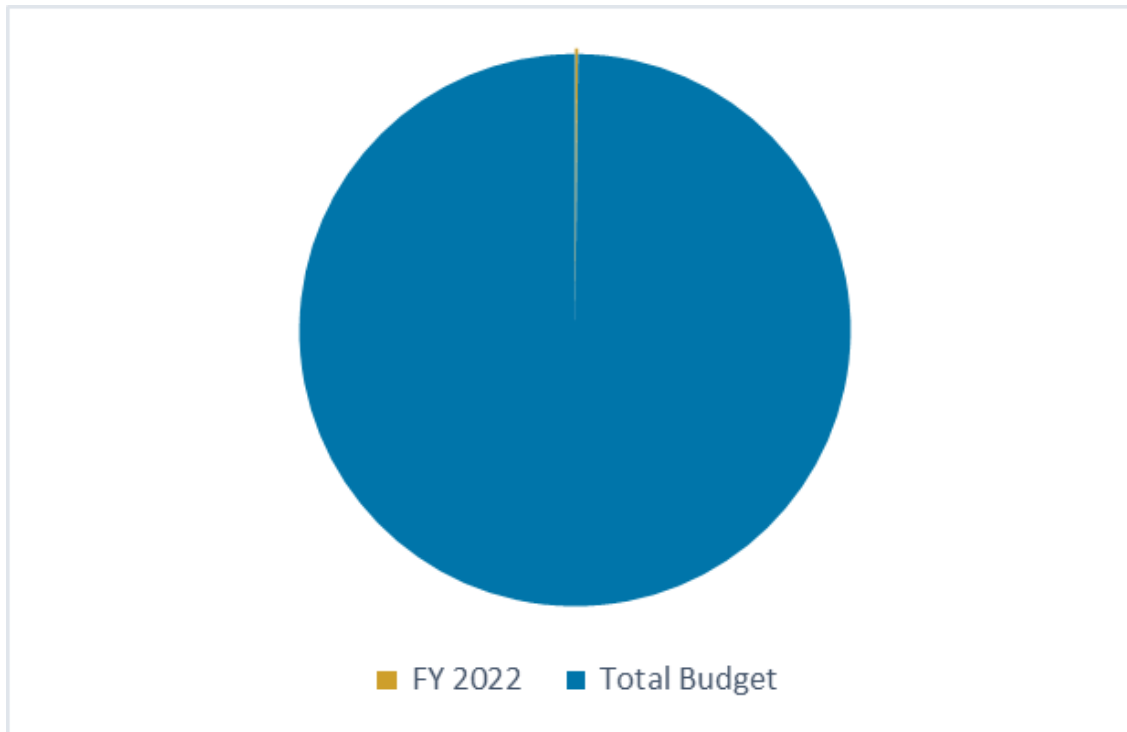




Travel Process



Background



- 0.18% of FY2022 annual budget
- Departments with the highest budgeted and actual expense:
 - Sheriff's Office
 - Health District
 - Human Services Agency
- Travel expenses were spent on the following:
 - Seminars and conferences
 - Various trainings
 - Facilitate and monitor family and child protection services



Strategic Plan Objectives & Goals

Strategic Objectives	Goals
<p data-bbox="614 554 772 639">Fiscal Sustainability</p> 	RESTORE FISCAL STABILITY FROM IMPACTS OF COVID-19 PANDEMIC
	LONG-TERM SUSTAINABILITY
	EFFICIENT DELIVERY OF REGIONAL SERVICES
<p data-bbox="555 819 828 848">Vulnerable Populations</p> 	ADDRESS HOMELESSNESS WITH A REGIONAL APPROACH
	EXPAND APPROPRIATE HOUSING OPTIONS ACROSS COMMUNITY
	COORDINATION BETWEEN AGENCIES & COMMUNICATION OF PROGRAMS
<p data-bbox="631 1019 754 1105">Innovative Services</p> 	LEVERAGE TECHNOLOGY TO STREAMLINE AND AUTOMATE
	STRENGTHEN OUR CULTURE OF SERVICE
	PROMOTE EXPERIMENTATION & INNOVATION



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**
 - County-wide internal controls, policy, and procedures
 - All travel accounts:
 - Travel
 - Meals & Lodging
 - Non-County Travel
 - Extradition
 - Audit period: 7/1/2016 – 6/30/2022
 - Scope limitation FY20 and FY21 due to COVID



Audit Highlights

WHAT WE FOUND

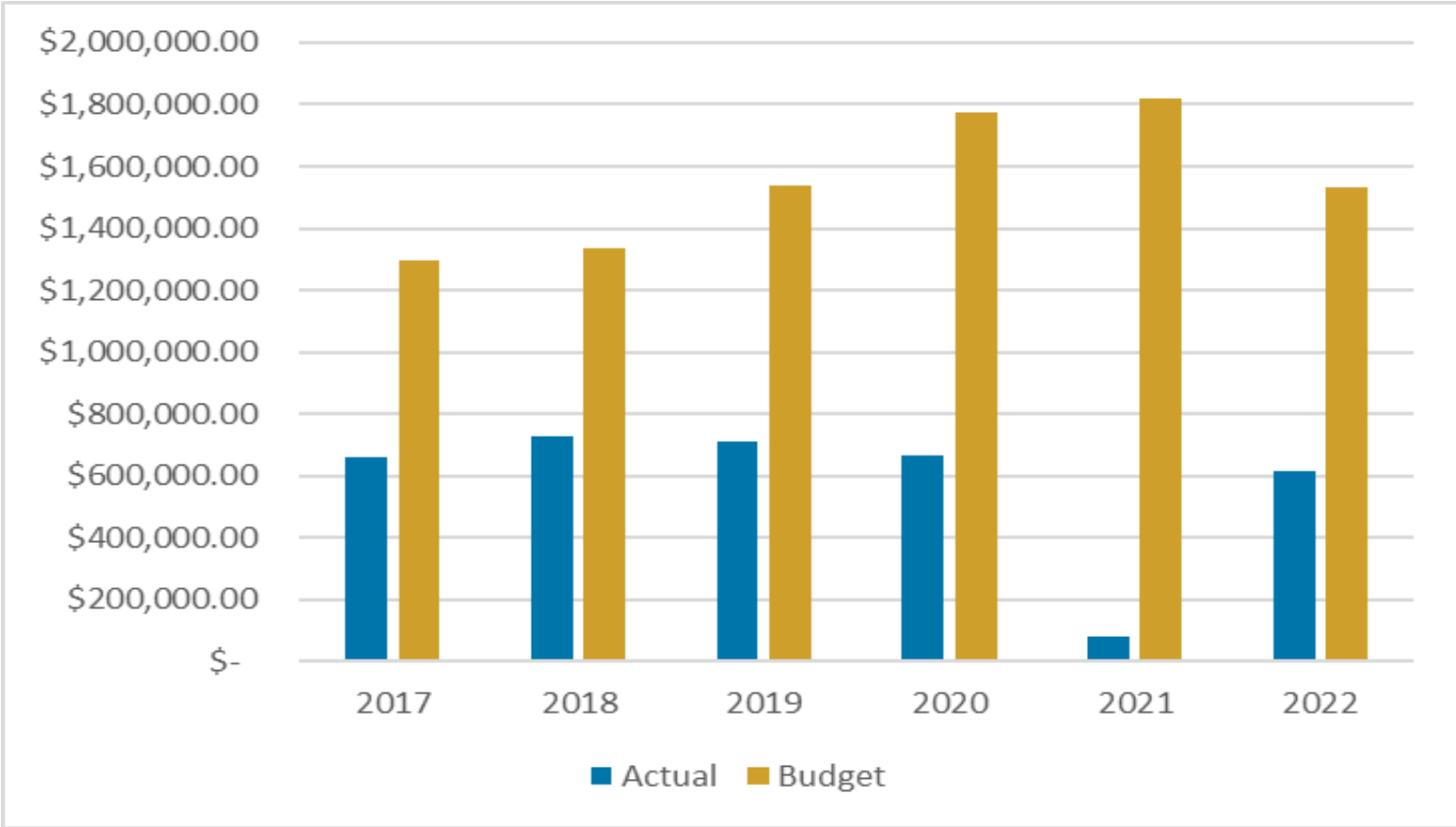
- Various non-compliance with completed travel claims:
 - Not submitting claims
 - Tipping beyond allotted policy
 - Claiming expense that are prohibited
 - Not submitting claims timely
 - Utilizing the P-Card
- Other observations:
 - Employees are frustrated with travel forms
 - Lack of streamlining
 - Inefficiencies in the approval process
 - Vast differences in budgeted vs. actual

WHAT WE RECOMMEND

- Update travel policy to current practices
- Implement county-sponsored credit card program
- Implement a training program
- Streamline forms with software or web-based program
- Align budgeted vs. actual expense

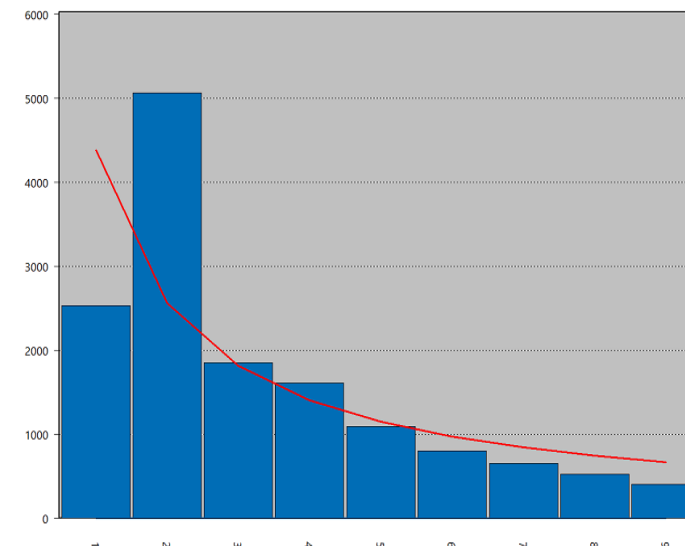
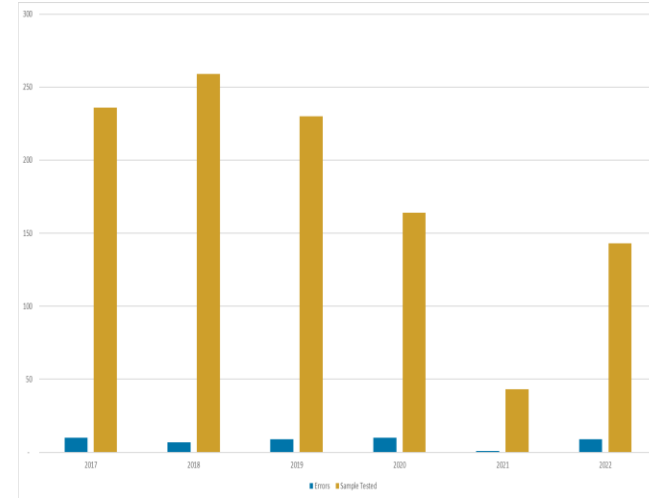


Audit Procedures



Audit Procedures

- Sampling
 - Population = 14,503
 - Sample Size = 1,075
 - Confidence Level = 99%
 - Upper Control Limit = 2%
 - Expected Error Rate = 1%
 - Tolerable Error Rate = 11 per year
- Data Collection/Process
 - Extracted from the SAP general ledger accounts
 - Imported into Diligent Audit Software





Additional Recommendations

- Implement county-sponsored credit card:
 - Similar to GSA SmartPay® 3 program utilized by U.S. government agencies and tribal governments
 - State agencies use Bank of America
- Streamline process by:
 - Installing a travel module within SAP or another travel program similar to (Defense Travel Management Office)
 - Web-based electronic filing system similar to the form used by tech services (Seamless Docs)
- Include a step-by-step process on how to fill out a travel claim with hover buttons
- Restructure the approval process
- Adequately document delinquent travel claims
- Adhere to the record retention policies of three years for supporting documentation of travel expenses as outlined by the Nevada State Library, Archives & Public Records [NRS 11.190 (3)(d), NRS 356.624, NRS 239D.030, NAC 239.165 (1)(2)]



TECHNOLOGY SERVICES

SAMPLE Software Request Form

Type of software: Choose One *

If other, please specify:

Email address(s) of employee(s) that will be needing the software:

Please be sure to keep the contents of this box within the space provided. If you have multiple employees, please enter two emails per line. *

EQ Number(s): Please be sure to keep the contents of this box within the space provided. If you have multiple EQ numbers, please enter 4-5 EQ numbers per line. *

Department: Choose One *

Your Email: *



Additional Updates



Audit Update Discussion

- In Progress:
 - Sheriff's Fees and Bail Procedures
- Follow-Up:
 - Human Services Agency
- Other:
 - International Internal Audit Awareness Proclamation – BCC May 16, 2023
 - Completed fiscal notes for legislative session June 6, 2023 (over 200 fiscal notes)
 - MAS Audits – BCC May 16, 2023
 - Chair Hill requested at prior meeting – reintroducing the fraud hotline:
 - Working with communications to get a fraud hotline flyer in every County office
 - Updated our website with a direct link to the fraud hotline form

HSA Audit Follow-Up





Follow-Up: Human Services Agency (HSA)

- **Employee Retention:**
 - Transfers/separation are still higher than County, were down in 2020 but trending upward again
 - Movement related to creating Homeless Services Division
 - Still a concern, but implementing programs
 - Implemented exit interviews to gather data to improve employee retention
- **Contract Negotiation Procedures**
 - Dedicated staff to manage contacts
 - Created log to track contracts – life cycles, costs, closures
- **Office Assistant Duties**
 - Restructured – all the same across the divisions; people with like tasks are reporting to the same supervisor
 - Guidance provided by the Korn Ferry study
- **Policy and Software:**
 - Adjustments to existing software to accommodate workflow
 - Discussions with external partners and State for funding and further improvements to streamline daily work tasks and exchange of work product
- **Phase Out Grant Funded Positions**
 - Working with the budget team on long-term exit strategy for removing grant funded positions
 - Only add positions if absolutely required by grant
 - Using contract hires instead of direct hires, when possible, for services
- **Caseload Demands**
 - Created “ghost positions” to facilitate training to new hires, before position is vacated
 - Only been using for 12 months, will take additional time to evaluate effectiveness
 - Adding additional administrative support for caseworkers



Follow-Up: Human Services Agency (HSA)

- **Mandatory Admin Leave Policy:**
 - Drafted and under agency and HR review for approvability
- **Mini Bootcamp:**
 - Shadowing process for new caseworkers spending series of days to learn that unit
 - Positive response from employees
 - New hires are assigned a “coach”
 - Offer other trainings from the County, Coach NV model, and Second Story leadership series
- **Adjustments to PAR:**
 - Routing process has been updated
 - Discussions for appropriate workloads for staff
 - Working with external auditors to implement changes once they’ve been approved
- **Flexible Work Schedules:**
 - Allows flexible work schedules within the confines of the job (hours, WFH, alternate locations, etc.)
 - Implementing future of work policy
- **Caseworker Rotation:**
 - Concept intriguing and benefits staff
 - Discussed with leadership team and cannot implement as it would be detrimental to children and families care
- **Progressive Pay for Assessment Workers:**
 - Implementation of pause pending resolution of 1) concerns for pay-equity, 2) subjectivity of when risk pay is appropriate, 3) funding requests from the State
 - Positive response on concept but not formally approved yet



Audit Update Discussion

- In Progress:
 - Sheriff's Fees and Bail Procedures
- Follow-Up:
 - Human Services Agency
- Other:
 - International Internal Audit Awareness Proclamation – BCC May 16, 2023
 - MAS Audits – BCC May 16, 2023
 - Completed fiscal notes for 82nd legislative session June 6, 2023 (over 200 fiscal notes)
 - Chair Hill requested at prior meeting – reintroducing the fraud hotline:
 - Working with communications to get a fraud hotline flyer in every County office
 - Updated our website with a direct link to the fraud hotline form

Washoe County: Internal Audit



The screenshot shows a web browser window with the URL `washoecounty.gov/mgrsoff/internal_audit/fraudhotline.php`. The page features a dark blue navigation sidebar on the left with the following menu items: **Internal Audit**, Internal Audit Team, Audit Committee, Audit Schedule, Annual & Audit Reports, and Fraud Hotline. The main content area has a breadcrumb trail: Home » Office of the County Manager » Internal Audit » Fraud Hotline. The main heading is **Fraud Hotline & Reporting**. The text on the page states: "Washoe County is committed to conducting business with high ethical standards and in compliance with the law, code, and regulations. If you see a County official or employee engaging in any activity you consider to be illegal, improper, wasteful, or fraudulent, please report this activity anonymously:" followed by a bulleted list of reporting methods: Dial: 311 or (775) 328-2003; Email: washoe311@washoecounty.gov; Contact the internal audit division directly; and Complete the [online reporting form](#). Below the list are definitions for **Fraud**, **Waste**, and **Abuse**. A vertical "feedback" button is located on the right side of the page.

^ UP

Home » Office of the County Manager » Internal Audit » Fraud Hotline

Fraud Hotline & Reporting

Washoe County is committed to conducting business with high ethical standards and in compliance with the law, code, and regulations.

If you see a County official or employee engaging in any activity you consider to be illegal, improper, wasteful, or fraudulent, please report this activity anonymously:

- Dial: 311 or (775) 328-2003
- Email: washoe311@washoecounty.gov
- Contact the internal audit division directly
- Complete the [online reporting form](#)

Fraud: Defined as the wrongful or criminal deception intended to result in financial or personal gain. Fraud includes false representation of fact, making false statements, or by concealment of information.

Waste: Defined as the thoughtless or careless expenditure, mismanagement, or abuse of resources to the detriment (or potential detriment) of the local government. Waste also includes incurring unnecessary costs resulting from inefficient or ineffective practices, systems, or controls.

Abuse: Defined as excessive or improper use of a thing, or to use something in a manner contrary to the natural or legal rules for its use. Abuse can occur in financial or non-financial.

feedback



Annual Audit Report

- Public Administrator's Audit
- MAS Audits: Second Judicial District Court, Reno Justice Court, Reno Justice Court, Incline Justice Court, and Wadsworth Justice Court
- Travel Expense and Process Audit
- 82nd Legislative Session Fiscal Notes
- Follow-up on HSA Audit
- Surprise Cash Counts for Treasurer's Office:
 - Second Judicial District Court
 - Reno Justice Court
 - Sparks Justice Court
 - Incline Justice Court
 - Wadsworth Justice Court
 - Washoe County Sheriff's Office



Tentative Three-Year Schedule

• FY2024

- Cash Control Audit
- Roles and Rights SAP Audit
- Sheriff's Fees and Bail Procedures
- Procurement Cards
- Utility Billing
- Parks/Golf Revenue
- Court Fees Review
- Clerk's Office – Board Records and Minutes Division
- Assist Assessor's Office with Audit Program for Personal Property Audits

• FY2025

- Cash Control Audit
- Roles and Rights SAP Audit
- Donation Process
- Access Management
- Hiring Procedures
- Employee Retention
- Background Checks
- Facilities Maintenance
- Governmental Affairs Assistance

• FY2026

- Cash Control Audit
- Roles and Rights SAP Audit
- Emergency Management
- Worker's Comp
- ARPA Funding Review
- Vendor Maintenance
- Fleet Utilization
- Sheriff Commissary Funds
- Debt Service Fund



Tentative Calendar of Future Audit Committee Meetings

- Thursday, September 14, 2023 at 3:00 PM
- Thursday, December 14, 2023 at 3:00 PM*
- Thursday, March 21, 2024 at 3:00 PM
- Thursday, June 27, 2024 at 3:00 PM



Thank you

**Internal Audit Manager –
Katelyn Kleidosty**

kkleidosty@washoecounty.gov

(775) 830-2550

**Internal Auditor –
Louis Martensen**

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