Audit Committee

November 13, 2023 @ 10 a.m.

Elect a Chair and Vice-Chair

- Elect Chair and Vice Chair of the Washoe County Audit Committee

Approval of the Meeting Minutes

- June 9, 2023 Audit Committee Meeting

- June 22, 2023 Audit Committee Meeting

- August 1, 2023 Audit Committee Meeting

Clerk's Office Board Records and Minutes Division Audit

WASHOE COUNTY, NEVADA
1861

Background

- Washoe County Clerk
  - Jan Galassini
  - Filled the unexpired term for retiring clerk in 2020; elected in 2022
- Clerk's Office – 2 divisions
  - Board Records and Minutes Division
  - Marriage & Business
- Provide a variety of services to the public:
  - Issuing marriage licenses, preforming civil marriages, notary bond filing, recordkeeping, minute taking, passport application processing, etc.

- Board Records and Minutes Division
  - Prepares minutes for: Board of County Commissioners (BCC), Board of Fire Commissioners for the Truckee Meadows Fire Protection District (BOFC), Board of Equalization (BOE), Debt Management Commission (DMC), and Community Homelessness Advisory Board (CHAB)
  - Provide research for public and staff members related to permanent records
  - Recordkeeping for all actions
  - Maintaining permanent records
  - Preforming marriage commissioner duties

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
  - Board Records and Minutes division
    - Minute taking process
    - Recordkeeping
  - Processes, internal controls, compliance with applicable NRS, Code, etc.
  - Audit period: 7/1/2022 – 6/30/2023
    - No noted scope limitations
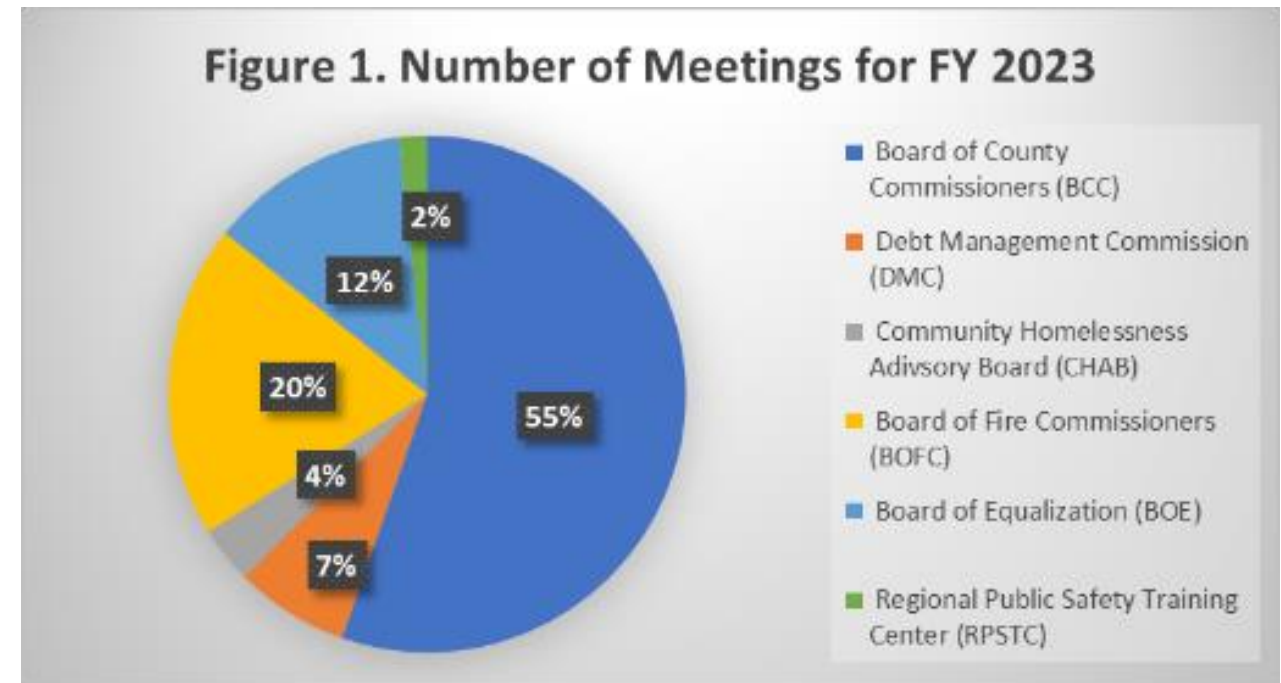
Audit Highlights

WHAT WE FOUND

- Staff shortage. No formal training program and no formal succession planning program.

- Noncompliance noted with NRS 241.035, not meeting 45-day deadline.

- Delays or slow movement to permanent records.

- Deputy clerks experiencing mental fatigue during minute taking due to length and content of meetings.

- Receiving record request from multiple avenues.

- Similar errors noted by the BRM manager across all deputy clerks.

WHAT WE RECOMMEND

- Formalize a training program and succession planning program.

- Implement a training series to assist in mental fatigue of deputy clerks, especially when dealing with sensitive content.

- Utilize transcription technology.

- Create a checklist for similar errors for deputy clerks to utilize prior to Manager review.

- Utilize or defer requesters to Washoe311 for record requests.

- Update written policy and procedures for permanent records.
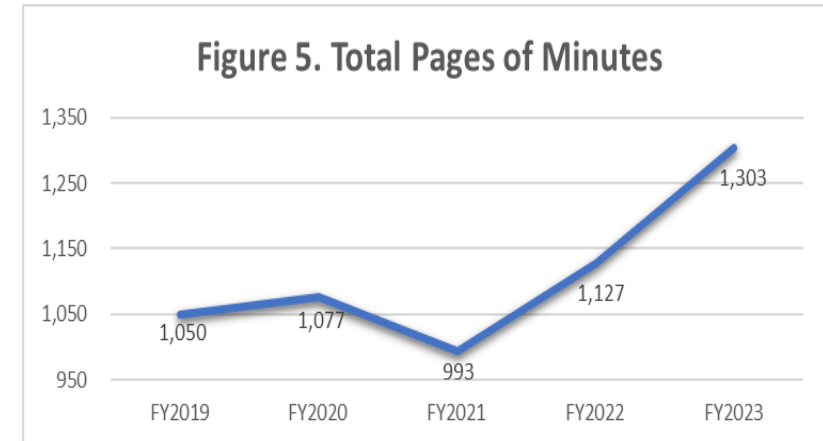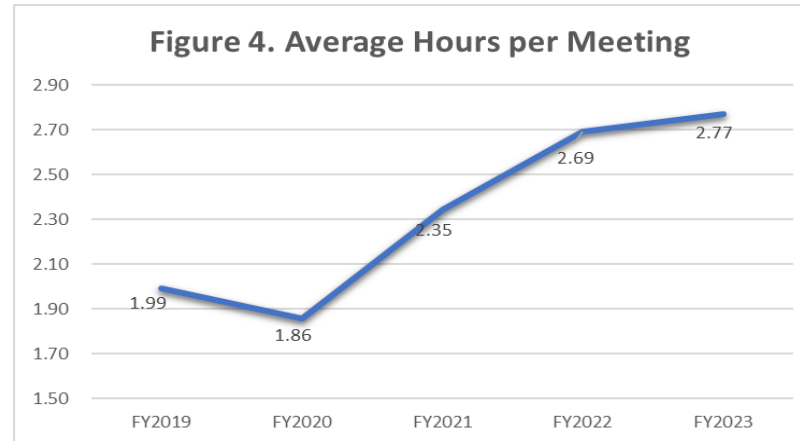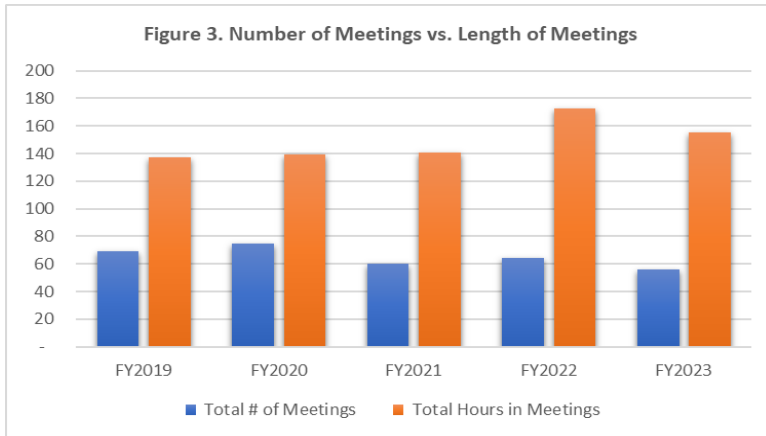
Audit Procedures – Minute Taking Testing

- Detailed minute taking process in the report
  - Preparation of the meeting
  - Day-of Duties
  - Post-Meeting Duties
  - Appendix contains checklists for all boards, commissions, and meetings

Figure 1. Number of Meetings for FY 2023

55%
2%
12%
20%
4%
7%

- Board of County Commissioners (BCC)
- Debt Management Commission (DMC)
- Community Homelessness Adivsory Board (CHAB)
- Board of Fire Commissioners (BOFC)
- Board of Equalization (BOE)
- Regional Public Safety Training Center (RPSTC)

Audit Procedures – Minute Taking Testing

Figure 3. Number of Meetings vs. Length of Meetings

Figure 4. Average Hours per Meeting

Figure 5. Total Pages of Minutes

Audit Procedures – Minute Taking Testing

Table 1. Sample Size for Minute Approval Deadline	
Confidence level	95%
Population proportion	0.366666667
Marginal error	0.04
Population size	56
Risk	Medium
Sample Size (Rounded)	31

- Initial Risk Assessment = LOW
  - No cash or monetary movement, low risk in fraud
- Reassessed Risk = MEDIUM
  - Non-compliance with NRS, expanded testing

- Testing for compliance with NRS 241.035; 45-day deadline
- Randomly selected dates from fiscal year 2023
- Results
  - All minutes had been completed (typed and reviewed, ready for approval)
  - Eight (8) meetings exceeded
  - Seven (7) meetings were within five (5) days of deadline

Audit Procedures – Recordkeeping Testing

- Detailed recordkeeping and maintenance of permanent records
  - PDF on website
  - Physical – maintained until microfilmed
  - Internal drives – used for converting to permanent record
  - Vault drive – stored in the Clerk's office
  - Microfilm – stored in Clerk's office and an off-site location
  - Green Tec – WORM data storage method; about two-year lag from meeting date
  - Sony Optical Disc Archive – newest form; looks like an 8-track tape with Blu-Ray discs that can hold about 3TB of data; migrating to this type of storage

Audit Procedures – Recordkeeping Testing

Table 3. Sample Size for Permanent Records	
Confidence level	95%
Population proportion	0.175342466
Marginal error	0.04
Population size	64
Risk	Medium
Sample Size (Rounded)	33

- Initial Risk Assessment = LOW
  - No cash or monetary movement, low risk in fraud

- Reassessed Risk = MEDIUM
  - Lag in Green Tec, expanded testing

- Testing for compliance with NRS 244.075; internal policies
- Randomly selected dates from FY 2023, expanded to FY 2022
- Results
  - Detailed table in audit report
  - Overall no non-compliance noted
  - Exceptions:
    - Documents filmed but not reviewed
    - Missing documents from other departments so records not complete

Audit Procedures – Research and Records Testing
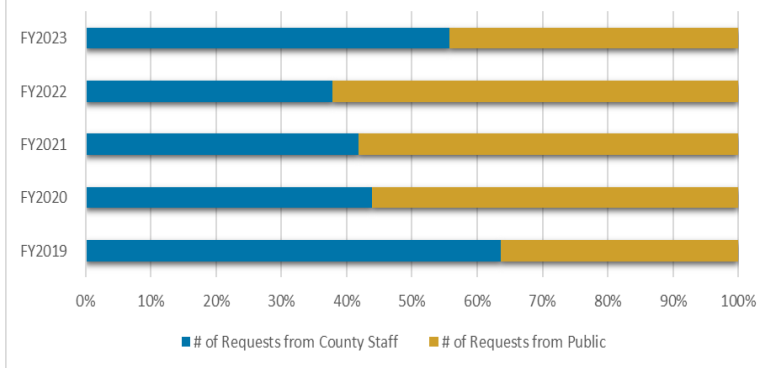

Figure 6. # of Requests from County Staff vs. Public

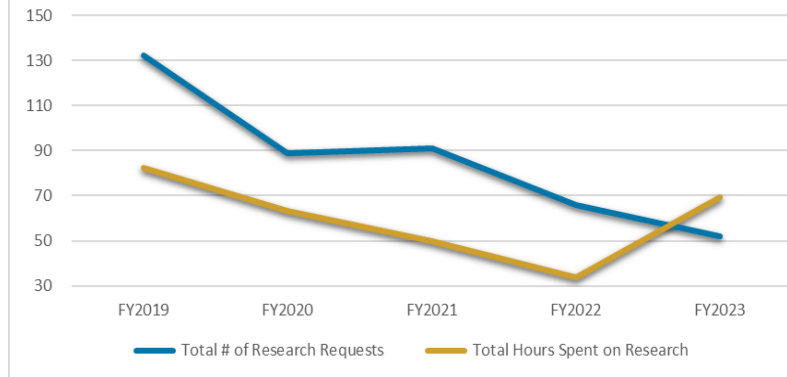

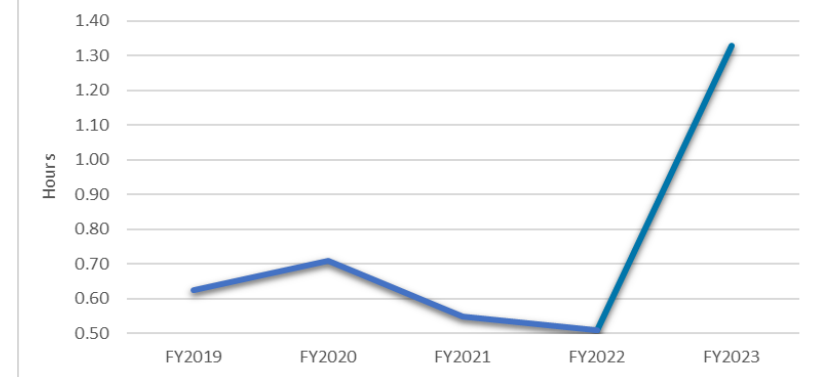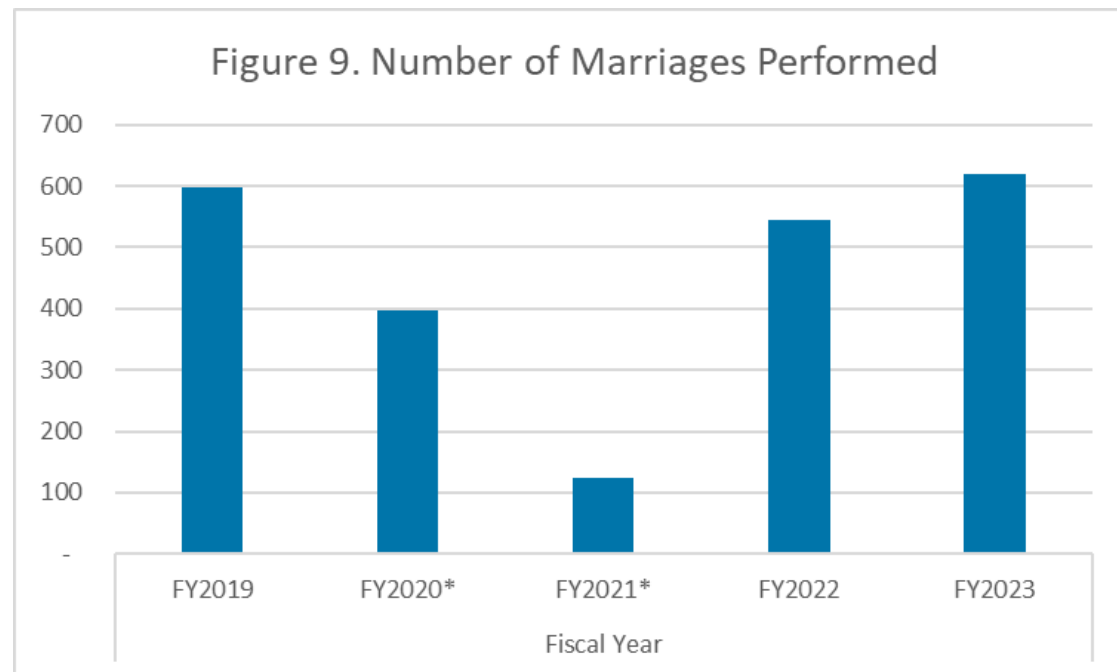Figure 7. # of Requests vs. Hours Spent on Research

Figure 8. Average Hours Spent Per Request

Audit Procedures – Marriage Commissioner Testing

Figure 9. Number of Marriages Performed

* Ceased marriage ceremonies from March 2020 through April 2021

- Detailed processes in the audit report

- $75 per wedding
  - $70 solemnizing the marriage
  - $5 for the Account for Aid for Victims of Domestic or Sexual Violence

- Up to 24 per week
  - Performs 3 days per week x 8 weddings per day

Audit Procedures – Marriage Commissioner Testing

Table 5. Sample Size for Marriage Ceremonies	
Confidence level	95%
Population proportion	0.4274
Marginal error	0.04
Population size	156
Risk	Medium/Low
Sample Size (Rounded)	50
Materiality	$ 936.00

- Initial Risk Assessment = HIGH
  - Cash, no prior work to review
- Reassessed Risk = MEDIUM/LOW
  - Observations, policies, separation of duties, independent reviews

- Randomly selected dates from FY 2023
- Results
  - 50 dates selected = 177 ceremonies
  - GL accounts scanned with no large or unusual transactions
 - Complied with NRS 122.181 charging only $75

Questions?

Library Expenditures - Events & Title Procurement Process Audit

Background

- Mission: to connect people with information, ideas, and experiences to support an enriched and engaged community, one person at a time.

- Eight (8) full-service branches and four (4) outstations

- Approximately 252,000 library card holders

- Services provided by library
  - Rent meeting rooms for free, computers, technology, collaboration, museum and state park passes, business resources, legal, health, local, STEAM projects, events, outreach programs
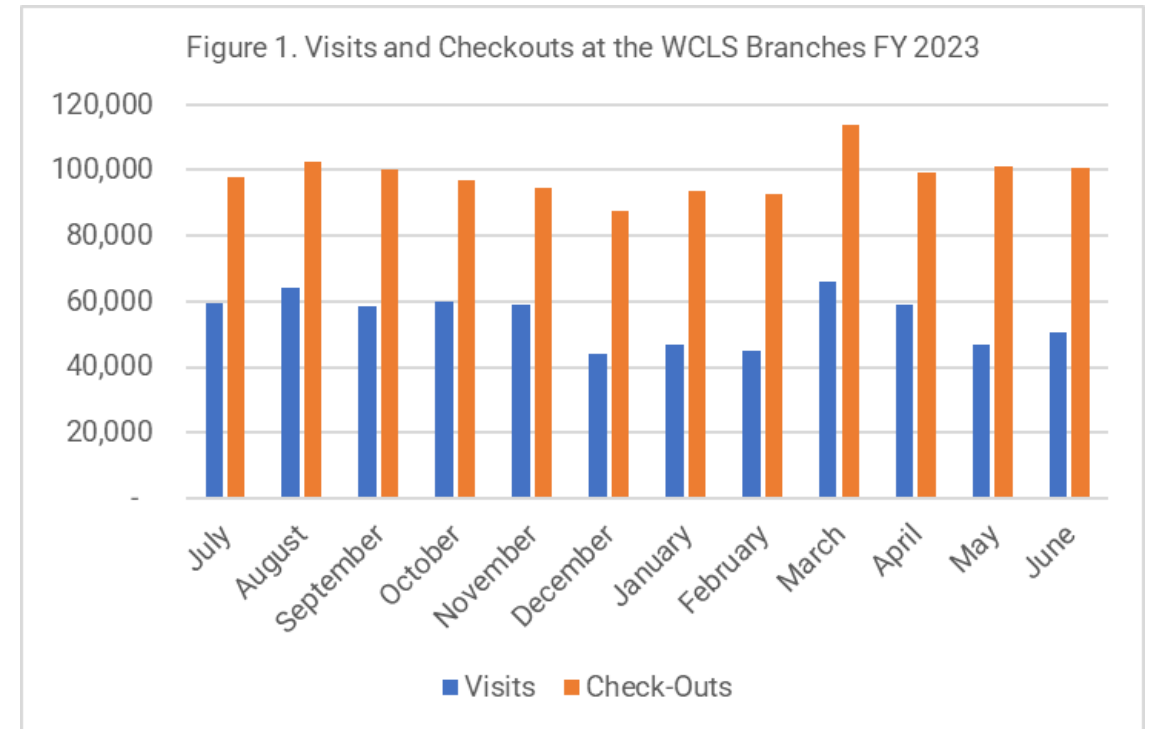
Figure 1. Visits and Checkouts at the WCLS Branches FY 2023

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
  - Title Procurement Process
  - Library Expenditures – Events
  - Processes, internal controls, compliance with applicable NRS, Code, etc.
  - Audit period: 7/1/2022 – 6/30/2023
    - No noted scope limitations

Title Procurement Process Audit

Title Procurement Audit Highlights

WHAT WE FOUND

- Nineteen (19) instances where the date stamped as received on the invoice was different than the date processed in the system, later than the closed date in the system, or not stamped at all.

WHAT WE RECOMMEND

- Ensure items are being processed appropriately and stamped.

- Continue to consult the American Library Association (ALA) for best practices or attend trainings sponsored by the ALA

Audit Procedures – Title Procurement Testing

- Detailed title procurement processes in the audit report

- Procure books in various ways:
  - Physical books – usually through Baker & Taylor
  - eBooks/audio books – usually through OverDrive
  - Other digital materials – through various suppliers
  - Interlibrary Loan Program
  - Donations

- Requesting physical or digital materials

Collection Development and Management Criteria

To build and maintain a collection of merit, materials are evaluated according to one or more of the following criteria. An item need not meet all of these criteria in order to be acceptable.

- Current and potential relevance to community needs
- Suitability of subject and style for intended audience
- Attention by critics and expert reviewers
- Cost
- Requests by the public
- Comprehensiveness
- Skill, competence, purpose of author
- Reputation and significance of author
- Objectivity
- Authenticity of history or social setting
- Consideration of the work as a whole
- Representation of diverse points of view
- Suitability in physical form for library use
- Technical quality

Didn't find it?

Can't find what you are looking for? Try our Materials Request Service. Submit Request

Audit Procedures – Title Procurement Testing

- Detailed request for reconsideration processes in the *Collection and Management Development Policy* in the audit report

- Research performed by the Collection Development Manger

- Discussion with the Collection Development Manager

- Escalates to Library Director

- Appealed to Library Board of Trustees

CITIZEN REQUEST FOR RECONSIDERATION OF LIBRARY MATERIALS AND ARTWORK

Author/Artist _____

Title _____

Book _____ Periodical _____ Other _____ Publisher/Date _____

Please state the reason for your request. _____
_____
_____

Have you read/viewed/listened to this work/exhibition in its entirety? _____

What are the positive points of this material? _____
_____
_____

What would you like the Library to do about this work? _____
_____
_____

In its place, what work would you recommend that would convey as valuable a picture and perspective of the subject? _____
_____

Have you read the Washoe County Library Collection Development and Management Policy? ____

Have you read the Washoe County Library Public Use of Bulletin Boards, Exhibit Spaces and Display Spaces Policy? _____

Request initiated by: _____

Address _____
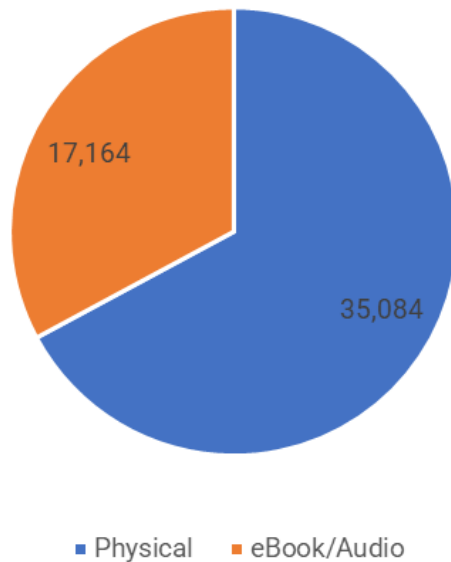
State _____ Zip _____ Phone _____

Do you represent:
_____ Yourself
_____ Organization (name) _____

Date: _____ Signature of Patron: _____

Date: _____ Received by Staff Member: _____

Audit Procedures – Title Procurement Testing

Figure 2. Physical Book vs. eBook/Audio Book Purchases

17,164

35,084

■ Physical ■ eBook/Audio

- 84% of materials attributed to future forecasting
- 16% of materials attributed to patron requests
- 37% of all check-outs attribute to 6% of the collection that's considered new, less than 1.5 years old

Audit Procedures – Title Procurement Testing

Table 1. Sample Size for Title Procurement	
Confidence level	95%
Population proportion	0.691666667
Marginal error	0.04
Population size	1173
Risk	Medium/Low
Sample Size (Rounded)	143

- Initial Risk Assessment = MEDIUM/HIGH
  - Monetary movement, no prior workpapers
- Reassessed Risk = MEDIUM/LOW
  - Observations, policies, separation of duties, systems of controls in place

- Less than 0.5% of overall County budget
- Results
  - Exception: 19 invoices where the date stamped as received on the invoice was different than the date processed in the system, later than the closed date in the system, or not stamped at all.
  - GL accounts scanned with no large or unusual transactions
  - Compliance with County policy

Washoe County Library

EXPLORER

September-November 2023

Fall Events & Resources

Library Expenditures – Events Audit

Library Expenditures – Event Audit Highlights

WHAT WE FOUND

- Several employees involved in the event programming process from various locations

- Event information is in several different Excel spreadsheets and can be difficult to follow

WHAT WE RECOMMEND

- Create a centralized team to coordinate and conduct the events instead of one person from every library

- Compile all event programming information into one comprehensive spreadsheet

- Formalize a sub-committee or group to evaluate event proposals

- Continue to consult ALA for best practices

- Adhere to record retention policies established by Nevada State Library, Archives, and Public Records

Audit Procedures – Library Expenditures Events Testing

- 3,550 events at the libraries throughout the County
  - Excluded the Book of Librarian from the sample
  - 4,174 events, including Book a Librarian
- Hosts a variety of events:
  - 3D printing, apps and digital tools, computer skills, story times, Makers, STEM activities, VR programs, animal showing, etc.

Figure 3. Number of Events in FY23
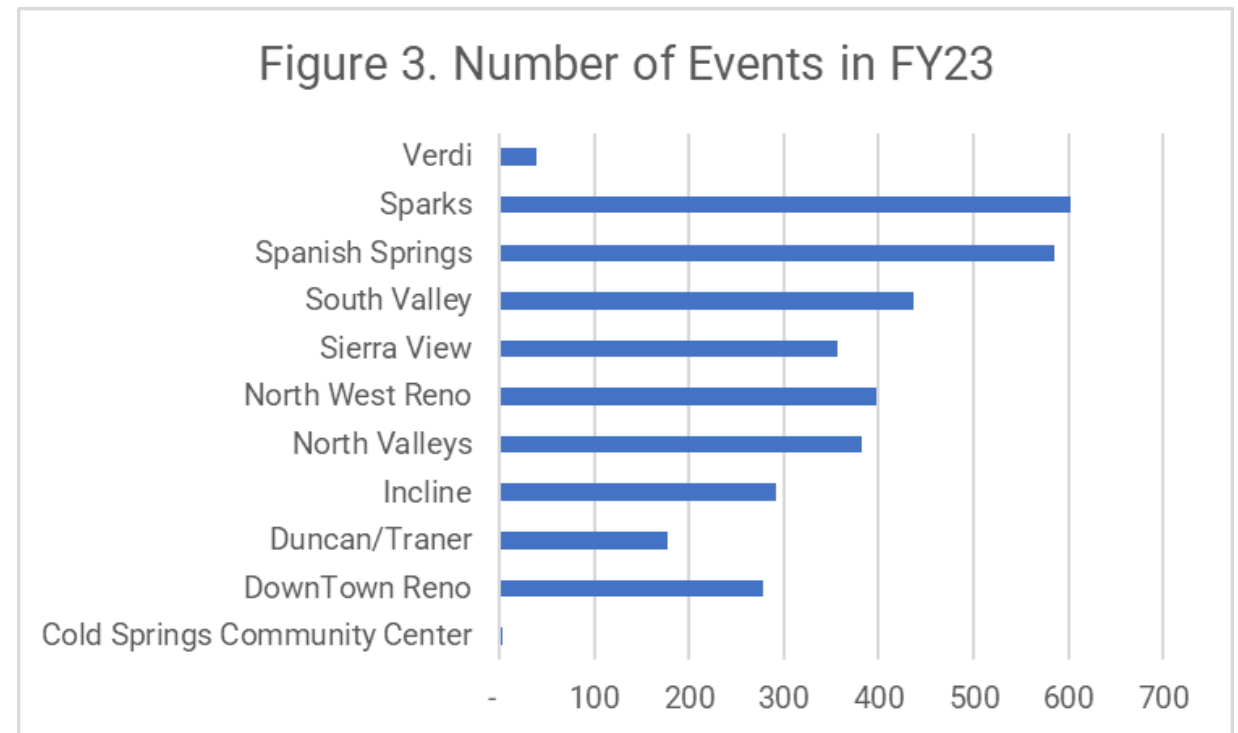
Audit Procedures – Library Expenditures Events Testing

EVENT PROPOSAL FORM

Please submit this form if you'd like to present an event at the Washoe County Library System.

We plan our events six to nine months in advance. Submitting a proposal is not a guarantee that the event will be accepted. For more information, please review our Library Events and Presenters Policy. http://www.washoecountylibrary.us/about/policies.php

Consistent with Washoe County Library System's mission, all collaborative programs are free and open to the public and no solicitations are permitted. Presentations must be educational and informational in nature.

All Washoe County Library events are marketed through our Calendar of Events in addition to social media accounts and the Explorer, our quarterly publication. www.washoecountylibrary.us/events

Thank you for reaching out to the Washoe County Library System!

*Required fields

https://www.washoecountylibrary.us/services/collaborations.php

- Six (6) to nine (9) months to plan events and calendars
  - Collaboration of Youth Service and Library Events Team, Maker Team, and Tech Team
- Residents can request events or collaborations
- Few paid events, usually by a sponsor; nominal fee
- Advertisement funds provided by FOWCL = $6,000 used for *The Explorer*

Audit Procedures – Library Expenditures Events Testing

Table 2. Sample Size for Event Testing	
Confidence level	95%
Population proportion	0.8505
Marginal error	0.04
Population size	3,550
Risk	Low
Sample Size (Rounded)	57

- Initial Risk Assessment = LOW
  - Very little cash or monetary movement, most events are free

- Less than 0.001% of overall County budget

- Results
  - Four (4) events were paid
    - 3 using County funds
    - 1 using donation from FOWCL
  - No exceptions were noted
  - GL accounts scanned with no large or unusual transactions
  - Compliance with County policy

**Questions?**

Additional Updates

Audit Update Discussion

- In Progress:
  - Sheriff's Fees
  - Bail Procedures
  - Assisting the Assessor's office with an audit program
  - Cash Control Audit – Clerk's Office; Library; *Sheriff's Office; NNPH*

- Follow-Up:
  - None noted

- Other:
  - None noted

Fraud Hotline

- Six (6) fraud Hotline tips were received by Internal Audit Division
  - Intermittent/RETA employee timecard (reference separate report)
    - No evidence of fraud
    - Recommendations for process improvements
  - Civil dispute between complainant and another member of the public
    - Forwarded to WCSO
  - Three (3) telephone scams
    - Forwarded to WCSO
  - Dispute between complainant and local food establishment
    - Advised complainant to contact Nevada Consumer Affairs (phone number provide)
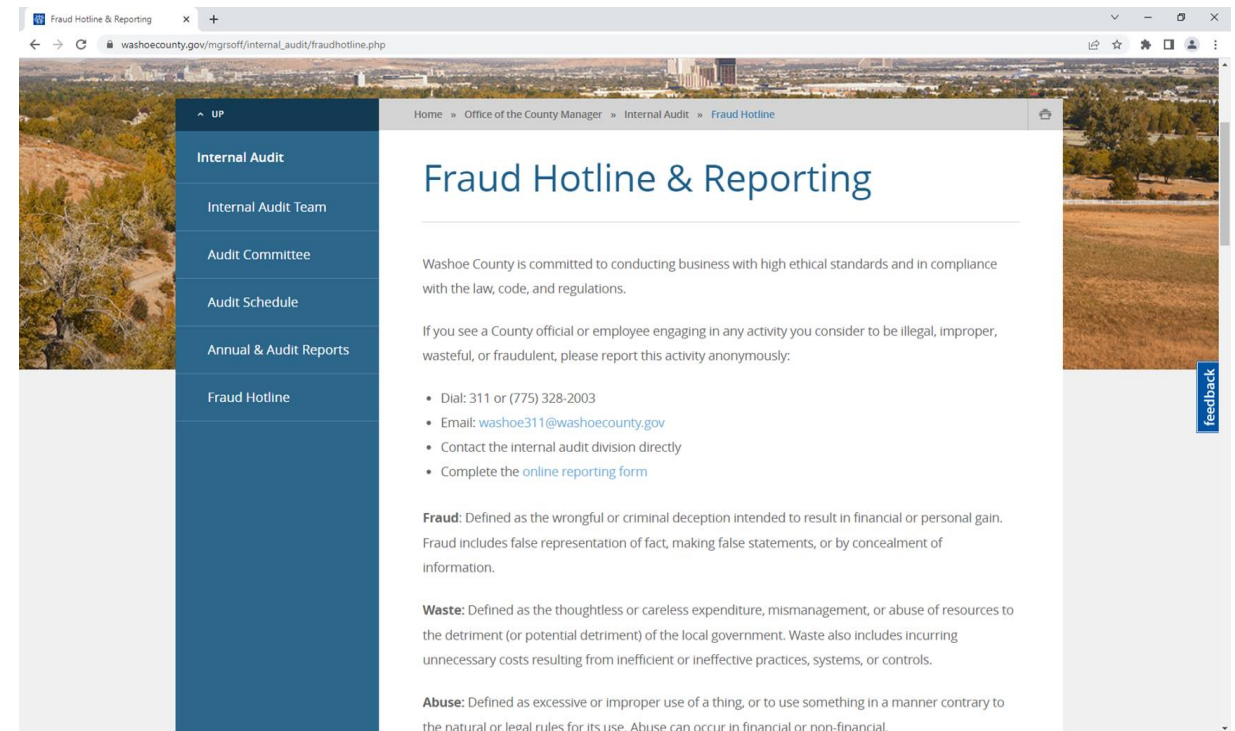
Tentative Calendar of Future Audit Committee Meetings

- Thursday, January 11, 2024 at 3:00 PM

- Thursday, March 21, 2024 at 3:00 PM

- Thursday, June 27, 2024 at 3:00 PM

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

Thank you

Internal Audit Manager – Katelyn Kleidosty
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(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