



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: October 13, 2015

DATE: August 5, 2015
TO: Board of County Commissioners
FROM: Alison Gordon Internal Auditor AG
328-2064, agordon@washoecounty.us
THROUGH: John Slaughter, County Manager
SUBJECT: **Acknowledge Receipt of Annual Report from the Internal Audit Division for FY 2014-15 (All Commissioner Districts)**

SUMMARY

Section 15.569.4 of the Washoe County Code requires the Internal Auditor to submit an annual report to the Board of County Commissioners each fiscal year indicating audits completed, major findings, correction actions taken, and significant findings that have not been fully addressed.

County Priority/Goal supported by this item: Sustainability of County Financial, Social and Natural Resources

PREVIOUS ACTION

No previous action has been taken on this Board item.

BACKGROUND

The following audit reports were submitted to the Board of County Commissioners during FY 2014-15. The status of the recommendations was made with input from each department; and is reported with the findings in the attached spreadsheet.

1. Reno Justice Court 2014 MAS Audit – October 28, 2014
2. Sparks Justice Court 2014 MAS Audit – December 9, 2014
3. Incline Village-Crystal Bay Justice Court 2014 MAS Audit – December 9, 2014
4. Second Judicial District Court 2014 MAS Audit – December 9, 2014
5. Wadsworth Justice Court 2014 MAS Audit – January 13, 2015
6. Truckee Meadows Fire Protection District EMS Review – March 24, 2015

AGENDA ITEM # 5E4

7. Washoe County Forensics Lab/City of Reno Dispatch Agreement Review – June 9, 2015

FISCAL IMPACT

No fiscal impact.

RECOMMENDATION

The Board of County Commissioners to acknowledge receipt of annual report from the Internal Audit Division for FY 2014-15.

POSSIBLE MOTION

Move to acknowledge receipt of annual report from the Internal Audit Division for FY 2014-15.

ag

Attachment

Status of Findings and Recommendations
FY2015

Audit Report	Ref	Finding	Recommendation	Status
Reno Justice Court		Reno Justice Court needs to comply with the Payment Card Industry Security Standards (PCI-DSS) as required by the current	Perform analysis and complete the PCI DSS self-assessment questionnaire.	Implemented - The Court has performed analysis and completed its PCI-DSS self-assessment questionnaire.
	1.1	Minimum Accounting Standards (MAS).	Obtain documentation from vendors involved with processing credit card transactions.	Implemented - The Court has obtained documentation from its vendors involved with processing credit card transactions.
	1.2	See 1.1 above	Develop PCI-DSS policies and procedures	Implemented - The Court has develop PCI-DSS policies and procedures.
1.3	See 1.1 above	The Court needs to ensure it is complying with MAS requirements involving outstanding monetary penalties imposed by the Court.	Develop and maintain computerized aging reports showing the amounts of monetary penalties imposed by the Court for each case on a monthly basis.	Implemented - The Court has developed an aging report that complies with MAS requirements.
2.1	See 2.1 above	Develop and implement policies and procedures regarding the maintaining of a monthly aging report of the outstanding amounts of monetary penalties imposed by the court, by case.	Develop and implement policies and procedures regarding the maintaining of a monthly aging report of the outstanding amounts of monetary penalties imposed by the court, by case.	Implemented - The court has developed and implemented policies and procedures regarding the maintaining of a monthly aging report of the outstanding amounts of monetary penalties imposed by the court, by case.
2.2	See 2.1 above	Sparks Justice Court needs to comply with the Payment Card Industry Security Standards (PCI-DSS) as required by the current Minimum Accounting Standards (MAS).	Perform analysis and complete the PCI DSS self-assessment questionnaire.	Implemented - The court reports it has performed analysis and completed the PCI DSS self-assessment questionnaire.
Sparks Justice Court	1.1	(MAS).	Perform analysis and complete the PCI DSS self-assessment questionnaire.	Implemented - The court reports it has performed analysis and completed the PCI DSS self-assessment questionnaire.

- 1.2 See 1.1 above
- Obtain documentation from vendors involved with processing credit card transactions.
- Implemented - The court reports it has obtained documentation from vendors involved with processing credit card transactions.
- 1.3 See 1.1 above
- Develop PCI-DSS policies and procedures
- Implemented - The court reports it has developed PCI DSS policies and procedures.
- The Court needs to ensure it is complying with MAS requirements involving outstanding monetary penalties imposed by the Court.
- 2.1
- Develop and maintain computerized aging reports showing the amounts of monetary penalties imposed by the Court for each case and implemented computerized aging reports showing the data required by MAS.
- Implemented - The court reports it has developed and implemented computerized aging reports showing the data required by MAS.
- 2.2 See 2.1 above
- Develop and implement policies and procedures regarding the maintaining of a monthly aging report of the outstanding amounts of monetary penalties imposed by the court, by case.
- Implemented - The court reports it has developed and implemented policies and procedures regarding the maintaining of a monthly aging report.
- 3.1
- The Court can improve its recording of case data in the Odyssey case management system.
- Ensure all case information is recorded in the Odyssey system and that the information recorded is correct.
- Implemented - The court reports that all case information is now recorded in the Odyssey system and that all the information recorded is correct.
- 3.2 See 3.1 above
- Re-emphasize the Court's policy requiring cash receipt staff to verify the fees due when defendants come in to pay their fines and fees and/or when initiating a partial payment plan.
- Implemented - The court reports it has re-emphasized its policy of requiring cash receipts staff to verify the fees due when defendants come in to pay their fines and fees and/or when initiating a partial payment plan.
- The Court needs to comply with MAS requirements regarding the change fund.
- 4.1
- Use a change log/form when issuing change.
- Implemented - The court reports it now uses a change log/form when issuing change.
- The Court should ensure moneys deposited comply with MAS requirements.
- 4.2
- Ensure deposits are reviewed by a supervisor.
- Implemented - The court reports it now is ensuring deposits are reviewed by a supervisor.

Implemented - The court reports it is now insuring void checks are reviewed and approved by a supervisor.	Ensure void checks are reviewed and approved by a supervisor.	The Court needs to follow MAS requirements when voiding checks.
Implemented - The court reports it now records warrant and late charge fees when arrest warrants are issued.	Record warrant and late charge fees when arrest warrants are issued.	The Court should ensure arrest warrant and late charge fees are recorded in case financial records at the time the arrest warrant is issued.
Implemented - The court reports its policies and procedures are in accordance with MAS requirements.	Ensure policies and procedures are in accordance with MAS requirements.	The Court's MAS policies and procedures need enhancement.
Implemented - The Incline Village - Crystal Bay Township Justice Court performs analysis and completes the PCE DSS self-assessment questionnaire annually commencing 2015. The analysis and questionnaire is performed in February of each year.	Perform analysis and complete the PCI DSS self-assessment questionnaire.	Incline Village-Crystal Bay Justice Court needs to comply with the Payment Card Industry Security Standards (PCI-DSS) as required by the current Minimum Accounting Standards (MAS).
Implemented - The Incline Village - Crystal Bay Township Justice Court obtains documentation from vendors involved with processing credit card transaction on a bi-yearly basis in January and June.	Obtain documentation from vendors involved with processing credit card transactions.	See 1.1 above
Implemented - The Court has created and implemented PCI-DSS policies and procedures effective February 2015. Policies are reviewed annually in January of each year.	Develop PCI-DSS policies and procedures	See 1.1 above

Incline Village-Crystal Bay Justice Court

<p>The Court needs to ensure it is complying with MAS requirements involving outstanding monetary penalties imposed by the Court.</p> <p>2.1</p>	<p>Develop and maintain computerized aging reports showing the amounts of monetary penalties imposed by the Court for each case on a monthly basis.</p>	<p>Implemented - A monthly aging report has been created in Odyssey showing the outstanding amounts of penalties imposed by the court, by case. The report is run monthly and outstanding cases are reviewed to determine what further action is required to collect outstanding penalties.</p>
<p>2.2 See 2.1 above</p>	<p>Develop and implement policies and procedures regarding the maintaining of a monthly aging report of the outstanding amounts of monetary penalties imposed by the court, by case.</p>	<p>Implemented – The court reports it has developed and implemented policies and procedures regarding the maintaining of a monthly aging report of the outstanding amounts of monetary penalties imposed by the court, by case.</p>
<p>The Court needs to comply with best practices and the MAS regarding disbursement documents.</p> <p>3.1</p>	<p>Ensure all invoices are approved prior to payment.</p>	<p>Implemented - Invoices are reviewed and approved prior to payment. Clerk prints out hard copies and obtains signature of Department Head. The hard copy is then maintained through the next audit.</p>
<p>The Court should follow MAS requirements when voiding checks.</p> <p>3.2</p>	<p>Ensure void checks are reviewed and approved by a supervisor.</p>	<p>Implemented - Checks that are voided are reviewed and approved by a supervisor. Policy implemented immediately upon completion of audit.</p>
<p>The Court's MAS policies and procedures need enhancement.</p> <p>4.1</p>	<p>Ensure policies and procedures are in accordance with MAS requirements.</p>	<p>Implemented - Policies and procedures are reviewed annually. Implemented immediately upon completion of audit.</p>
<p>4.2 See 4.1 above</p>	<p>Update the policies and procedures when operational practices change.</p>	<p>Implemented - Policies and procedures are reviewed annually. Implemented immediately upon completion of audit.</p>

The Second Judicial District Court needs to comply with the Payment Card Industry Security Standards (PCI-DSS) as required by the current Minimum Accounting Standards (MAS).

Second Judicial District Court

Implemented - The court has performed analysis and completed the PCI DSS self-assessment questionnaire.

Perform analysis and complete the PCI DSS self-assessment questionnaire.

Implemented - The court has obtained documentation from its vendors involved with processing credit card transactions.

Obtain documentation from vendors involved with processing credit card transactions.

Implemented - The court has developed PCI DSS policies and procedures.

Develop PCI-DSS policies and procedures

The Court needs to comply with MAS regarding the change fund.

Implemented - The court uses a change fund log/form when issuing change.

Use a change fund log/form when issuing change.

The Court should follow MAS requirements when voiding checks.

Implemented - The court reports "void" is noted on the receipt and initiated by the person who initiated the receipt and the fiscal person performing the void.

Ensure all void receipts show supervisor review and include "void" notated on the void receipt.

See 2.2 above

Implemented - The court reports void check are reviewed and approved by a supervisor.

Ensure void checks are reviewed and approved by a supervisor.

See 2.2 above

Implemented - The court reports void checks include a reason for the void.

Ensure void checks include a reason for the void.

The Court needs to comply with MAS bank deposit requirements.

Implemented - The court reports bank deposits show the initials of both the preparer and reviewer.

Bank deposits should document the initials of both the preparer and reviewer.

The Court's MAS policies and procedures need enhancement.

Implemented - The court reports its policies and procedures are in accordance with MAS requirements.

Ensure policies and procedures are in accordance with MAS requirements.

The Court should maintain evidence to show MAS policies and procedures were provided and read by staff involved in the cash receipt/payment processes.

Implemented - The court now has evidence to show MAS policies and procedures were provided and ready by staff involved in the cash receipt/payment processes.

3.2 Document the MAS written procedures have been provided to Court staff, as applicable.

Implemented - The Court receives a monthly aging report from the Nevada Supreme Court Trial Services Desk.

1.1 The Wadsworth Justice Court needs to ensure it is complying with MAS requirements involving outstanding monetary penalties imposed by the Court.

Implemented - The Court receives a monthly aging report from the Nevada Supreme Court Trial Services Desk.

1.1 Develop and maintain computerized aging reports showing the amounts of monetary penalties imposed by the Court for each case on a monthly basis.

1.2 See 1.1 above

Partially Implemented - The Court reports it is in the process of ensuring policies and procedures are in accordance with MAS requirements.

Develop and implement policies and procedures regarding the maintaining of a monthly aging report of the outstanding amounts of monetary penalties imposed by the court, by case.

2.1 The Court needs to enhance certain accounting controls.

Ensure cash receipts are adequately safeguarded by using a locking bag to store receipts when in transport or out of the safe being used for court operations.

Not Implemented

2.2 See 2.1 above

Implemented - The Court reports it is now ensuring change fund balancing is documented on a balance sheet.

Ensure change fund balancing is documented on a balance sheet.

2.3 See 2.1 above

Implemented - The Court reports void receipts now document a secondary review and approval.

Ensure void receipts document a secondary review and approval.

2.4 See 2.1 above

Implemented - The Court reports void checks are reviewed and approved.

Ensure void checks are reviewed and approved.

2.5 See 2.1 above

Implemented - The Court reports cash receipts are deposited twice weekly.

Ensure cash receipts are deposited at least weekly.

2.6 See 2.1 above

Implemented - The Court reports payments received from collection entities are processed timely.

Ensure payments received from collection entities are processed timely.

Wadsworth Justice Court

Partially Implemented - The Court reports it is in the process of ensuring policies and procedures are in accordance with MAS requirements.

Ensure policies and procedures are in accordance with MAS requirements.

The Court's MAS policies and procedures need enhancement.

3.1 The Court's current case management system does not focus on a mostly paperless environment, the financial components lack certain features to allow complete financial administration, and does not allow the Court to easily comply with certain MAS requirements.

Partially Implemented - The Court reports it intends to migrate the Court operations to the case management system used by the three other Washoe County justice courts but some issues need to be resolved first.

Consider migrating the Court operations to the case management system used by the three other Washoe County justice courts.

Truckee Meadows Fire Protection District Emergency Medical Services Audit

Informational Report with No Recommendations

Not Applicable

Not Applicable

1.1 An Agreement was made between Washoe County and the City of Reno in 1990, which is still in effect today, whereby the Sheriff's Office would provide Forensic Science Investigation Services with the City of Reno providing dispatch services at no charge to either agency

The Sheriff's Office in coordination with County management should determine whether to work with the City of Reno to update the 1990 Agreement, develop a new agreement or terminate the 1990 Agreement.

Partially Implemented - The Sheriff's Office reports it has been in talks with the City of Reno about Dispatch and the Forensics Lab.

Washoe County Forensics Lab/Dispatch Agreement Review

The Sheriff's Office should work with County management to determine if regionalizing communication services is still feasible, it is working with County management and the City and if so, move forward in coordination with the City of Reno and other first responder agencies in the region. communication services is still feasible.

1.2 To date, efforts to regionalize dispatch services have not been finalized.