



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: May 12, 2026

DATE: April 8, 2026

TO: Board of County Commissioners

FROM: Katelyn Kleidosty, Internal Audit Manager
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THROUGH: Abbe Yacoben, Chief Financial Officer

SUBJECT: Recommendation to acknowledge receipt of the fiscal year 2026 petty cash and change fund count and cash control audit for Washoe County Registrar of Voters from the Internal Audit Division. Finance. (All Commission Districts.) FOR POSSIBLE ACTION

SUMMARY

The Internal Audit Division, on behalf of the Treasurer's Office, conducted its annual petty cash and change fund count for the Washoe County Registrar of Voters on January 14, 2026. In addition, the Registrar of Voters was selected for a cash control audit during fiscal year 2026. The audit included a review of written cash handling procedures, interviews with applicable staff, direct observation of cash handling activities, and a review of the end-to-end cash handling process from the point of transaction through deposit at the bank.

Based on these procedures, all funds reviewed were found to be in balance; however, several control deficiencies were identified related to physical security, segregation of duties, transaction processing, reconciliations, and written procedures. This report recommends that the Board of County Commissioners acknowledge receipt of the completed audit findings and management response. This audit was presented to the Audit Committee during the April 2026 meeting.

Washoe County Strategic Objective supported by this item: Fiscal Sustainability

PREVIOUS ACTION

No previous action has been taken on this Board item.

BACKGROUND

Annually, the Treasurer's Office conducts surprise counts of change funds and petty cash funds for all County departments, with assistance from the Internal

AGENDA ITEM # _____

Audit Division. Washoe County has twenty-four (24) departments that maintain cashier/till funds, change funds, petty cash funds, or a combination thereof, all of which are subject to at least one surprise count per year.

Varying degrees of cash control audits have been performed by the Internal Audit Division since 2017. These annual fund counts represent the continuation of this ongoing oversight program designed to ensure strong internal controls and accountability over public funds.

CURRENT AUDIT

The Internal Audit Division performed the annual petty cash and change fund count for the Washoe County Registrar of Voters on January 14, 2026. In addition to physically counting cash on behalf of the Treasurer's Office, the Internal Audit Division conducted a cash control audit that included reviewing written cash handling procedures, interviewing applicable staff, observing cash handling activities, and evaluating the cash handling process from receipt through deposit.

The cash count concluded with all funds found to be in balance. However, the cash control audit identified several areas where internal controls should be strengthened.

For the cash count and cash control audit completed, the summary of findings and recommendations are noted below:

Summary of Findings:

- All funds reviewed for the Registrar of Voters were found to be in balance. No exceptions noted for cash reconciliation.
- Control gaps were identified related to physical security over cash and registers.
- Segregation of duties over cash handling and deposit preparation is limited.
- Transactions are not consistently recorded at the time of receipt, increasing risk of error or omission.
- Daily reconciliations and cash counts are not consistently performed.
- Check handling procedures, including endorsement and customer verification, are not consistently applied.
- Controls over voided transactions are not sufficiently segregated.
- Written cash handling procedures are not fully developed or formalized.
- Daily transaction documentation practices are not standardized.

Summary of Recommendations

- Enhance physical security over cash and cash registers, including securing cash in locked storage and restricting access to authorized personnel only.

- Strengthen segregation of duties to ensure proper separation between cash handling, deposit preparation, and transport.
- Require transactions to be recorded in SAP Cash Desk at the time of receipt and perform daily reconciliations.
- Require daily cash counts and ensure drawers are maintained at authorized imprest balances.
- Improve check handling controls, including immediate endorsement and customer identification verification.
- Strengthen controls over voided transactions by requiring dual review and approval.
- Develop and maintain comprehensive written cash handling procedures and communicate them to staff.
- Standardize daily transaction documentation to ensure consistency, reliability, and auditability.

Summary of Recommendations

- Management is implementing a new Point of Sale (POS) system to modernize operations, enhance security, and restrict access to authorized personnel; includes purchase of a safe and locking cash bags.
- A three-person segregation of duties process has been implemented for transaction processing, deposit preparation, and delivery.
- Management agrees to implement real-time SAP transaction entry; however, a temporary exception is requested during peak election periods, with full implementation planned after the election cycle.
- Daily cash counts and maintenance of imprest balances will be required and incorporated into updated procedures.
- Check handling procedures, including immediate endorsement and identification verification, have been implemented.
- Controls over voided transactions will be strengthened upon implementation of the new POS system.
- Written cash handling procedures will be developed, formalized, and staff will be trained.
- Microsoft Forms will continue to be used temporarily for transaction tracking, with evaluation of a standardized long-term solution after the election cycle.

FISCAL IMPACT

This report has no fiscal impact. The annual fund count is a routine oversight activity conducted at no additional cost to the department or the County.

OPERATIONAL CONSIDERATIONS

The cash count was performed on January 14, 2026, and the findings letter was issued on January 20, 2026, addressed to Andrew McDonald, Washoe County

Registrar of Voters. Copies were provided to Justin Taylor, Maggie Lazzari, Louis Martensen, and Maria Alvarado. The attached audit memo and management response serve as the supporting documentation for this audit.

Because control deficiencies were identified, management corrective action is required and will be subject to follow-up by the Internal Audit Division.

COMMUNITY IMPCAT

Sound cash handling practices within the Registrar of Voters Office support the accurate collection, safeguarding, and reporting of public funds associated with elections and voter services. Strengthening internal controls over cash handling processes reduces the risk of error, loss, or misappropriation and promotes transparency and accountability. These improvements are essential to maintaining public confidence in both the County's financial stewardship and the integrity of election-related operations.

RECOMMENDATION

Recommendation to acknowledge receipt of the fiscal year 2026 petty cash and change fund count and cash control audit for Washoe County Registrar of Voters from the Internal Audit Division.

POSSIBLE MOTION

Should the Board of County Commissioners acknowledge receipt of this audit report, a possible motion would be:

Move to acknowledge receipt of the fiscal year 2026 petty cash and change fund count and cash control audit for Washoe County Registrar of Voters from the Internal Audit Division.

Attachments:

BCC 5-12-2026 Registrar of Voters_Change and Petty Cash Fund Count Memo FY26

BCC 5-12-2026 Registrar of Voters_Change and Petty Cash Fund Count Memo FY26 – Management Responses