# WASHOE COUNTY

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**STAFF REPORT**
**BOARD MEETING DATE:** *July 14, 2026*

**DATE:** June 25, 2026

**TO:** Board of County Commissioners

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

**SUBJECT:** Recommendation to acknowledge the Annual Report from the Internal Audit Division for the fiscal year ending June 30, 2026. Washoe County Code 15.569 requires the Internal Audit Division to submit an annual report identifying audits completed, major findings, corrective actions taken, and significant findings not fully addressed. Audit activities completed during fiscal year 2026 included the Conflict Counsel Program Audit, Housing and Homeless Services Homeless Management Information System (HMIS) Audit, Continuum of Care Governance Review, Technology Services E911 Surcharge Revenue Cash Control Audit, departmental cash control audits, and cash examinations for the Treasurer’s Office, Recorder’s Office, Juvenile Services, Community Services Department – Building Services, Registrar of Voters, and Regional Animal Services. Finance. (All Commission Districts.) FOR POSSIBLE ACTION.

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## SUMMARY

Washoe County Code 15.569 requires the Internal Audit Division to submit an annual report to the Board of County Commissioners each fiscal year identifying audits completed, major findings, corrective actions taken, and significant findings that have not been fully addressed.

During fiscal year 2026, the Internal Audit Division completed eleven (11) audit assignments, reviews, and cash examinations. Audit activities focused on governance, internal controls, compliance, operational efficiency, safeguarding County assets, accountability, and risk management. Major audits completed during the fiscal year included the Conflict Counsel Program Audit, Housing and Homeless Services HMIS Audit, Continuum of Care Governance Review, and Technology Services E911 Surcharge Revenue Cash Control Audit. Additional work included cash control audits and examinations of multiple County departments.

The annual report also summarizes management's corrective actions and identifies significant matters that remain in progress.

**AGENDA ITEM # ______**

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**Washoe County Strategic Objective supported by this item:**
Fiscal Sustainability

## PREVIOUS ACTION

No previous action has been taken by the Board of County Commissioners on this item.

## BACKGROUND

Pursuant to Washoe County Code 15.569, the Internal Audit Division performs independent and objective assurance activities designed to evaluate and improve the effectiveness of governance, risk management, and internal controls throughout County operations.

During fiscal year 2026, the Internal Audit Division completed eleven (11) audit assignments, reviews, and cash examinations.

A comprehensive audit of the Conflict Counsel Program was completed. The audit identified opportunities to strengthen governance, contract administration, billing oversight, case management system utilization, role clarity, and operational resiliency. Management initiated discussions regarding governance improvements, operational responsibilities, contract administration, and technology enhancements.

The Internal Audit Division completed an audit of the Housing and Homeless Services Homeless Management Information System (HMIS). The audit identified opportunities to strengthen governance documentation, user access administration, segregation of duties, operational resiliency, and federal reporting oversight. Management initiated efforts to evaluate reporting responsibilities, strengthen governance documentation, and improve reporting workflows.

The Internal Audit Division also completed a Continuum of Care Governance Review. The review identified opportunities to improve governance structure, role clarity, segregation of duties, operational scalability, and documentation of governance responsibilities. Preliminary recommendations were provided to management, and discussions regarding governance improvements were initiated.

A cash control audit of Technology Services related to E911 surcharge revenue collections identified opportunities to strengthen physical security controls, deposit practices, reconciliations, revenue oversight, and policy documentation. Management reviewed recommendations and initiated discussions regarding control improvements. Cash control audits and examinations were also completed for the Treasurer's Office, Recorder's Office, Juvenile Services, Community Services Department Building Services, Registrar of Voters, and Regional Animal Services. These audits generally found funds to be in balance, with limited recommendations related to documentation, verification procedures, and cash handling controls.

Overall, audit activities identified common themes related to governance, segregation of duties, documentation of policies and procedures, safeguarding of assets, operational resiliency, and accountability. Management generally agreed with audit recommendations and has initiated corrective actions. Several longer-term governance and oversight improvements remain in progress and will continue to be monitored through future audit activities.

## FISCAL IMPACT

No fiscal impact.

## RECOMMENDATION

It is recommended the Board of County Commissioners acknowledge the Annual Report from the Internal Audit Division for fiscal year ending June 30, 2026. (All Commission Districts.)

## POSSIBLE MOTION

Should the Board of County Commissioners wish to acknowledge the annual report a possible motion would be:

*Move to acknowledge Annual Report from the Internal Audit Division for fiscal year ending June 30, 2026.*

*ATTACHMENT: Annual Internal Audit Report FY2026*