WASHOE COUNTY

Integrity Communication Service

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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 receipt of the Internal Audit Report for Technology Services – E911 Surcharge Revenue Cash Control Audit. The audit evaluated cash handling procedures, E911 surcharge revenue collection processes, compliance with County Code and Nevada Revised Statutes, internal controls, reconciliations, safeguarding of assets, and oversight of E911 surcharge revenues. Finance. (All Commission Districts.) FOR POSSIBLE ACTION.

SUMMARY

The Fiscal Year 2026 Internal Audit Work Plan approved by the Board of County Commissioners included a cash control audit of four to five departments. Technology Services and E911 surcharge revenue collection processes were selected.

The Internal Audit Division completed a cash control audit of Technology Services and E911 surcharge revenue collection processes. The audit evaluated controls over cash receipts, deposits, reconciliations, safeguarding of checks, compliance with County requirements, and oversight of E911 surcharge revenues.

The audit identified opportunities to strengthen cash handling controls, deposit practices, reconciliations, documentation, monitoring procedures, and oversight of E911 surcharge revenue collections. Recommendations were also provided regarding fund balance monitoring, telecom compliance reviews, County Code provisions, and governance practices associated with E911 surcharge administration.

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

Technology Services is responsible for administering E911 surcharge revenue collections and supporting the Emergency Response Advisory Committee. E911 surcharge revenues are used to support emergency communications infrastructure and related public safety activities.

The audit evaluated controls over the receipt, safeguarding, processing, depositing, reconciliation, monitoring, and reporting of E911 surcharge revenues. The review also evaluated compliance with applicable County requirements and Nevada Revised Statutes governing E911 surcharge collections and fund administration.

Major observations identified during the audit included:

- Excessive access to checks and opportunities to strengthen physical security controls.
- Delays in depositing surcharge revenues and opportunities to improve deposit timeliness.
- Lack of formal reconciliation procedures between remittance documentation and deposited amounts.
- Limited verification and oversight of telecommunications provider remittances.
- Opportunities to strengthen monitoring of E911 fund balances and related compliance requirements.
- Opportunities to improve documentation, standard operating procedures, supervisory review processes, and governance controls.

Management generally agreed with the audit recommendations and has already implemented or initiated several corrective actions, including deployment of check scanning technology, reduction of personnel handling physical checks, implementation of daily processing procedures, enhanced reconciliation practices, supervisory reviews, updates to standard operating procedures, staff training, and automation efforts within SAP. Additional recommendations related to E911 governance and County Code revisions remain under evaluation by Technology Services, the District Attorney's Office, and the 911 Emergency Response Advisory Committee.

FISCAL IMPACT

No fiscal impact.

RECOMMENDATION

It is recommended that the Board of County Commissioners acknowledge receipt of the Technology Services – E911 Surcharge Revenue Cash Control Audit Report. (All Commission Districts.)

POSSIBLE MOTION

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

Move to acknowledge receipt of the Technology Services – E911 Surcharge Revenue Cash Control Audit Report.

ATTACHMENT: Technology Services_Cash Control Audit

Technology Services Management Response for Cash Control Audit