



Cash Control Audit – Technology Services; E911 Surcharge Revenue Management Responses

The Internal Audit Division has completed the cash control audit of Technology Services and E911 surcharge revenue/collection processes, and the following outlines the recommendations requiring management's response. Your input is essential to documenting planned corrective actions, implementation timelines, and accountability.

Instructions for Completing Management Responses

Each audit finding requires a complete and accurate management response. This section ensures accountability, clarity, and a practical path forward. For every recommendation, management must provide the following:

1. Agreement Status

Indicate whether you **Agree**, **Partially Agree**, or **Disagree** with the recommendation. If you partially agree or disagree, your response **must** clearly explain why and outline any alternative actions you propose.

2. Responsible Party

Identify the **title, division, or department** responsible for implementing the corrective actions. Avoid listing individual names so the responsibility remains tied to the position, not the person.

3. Estimated Completion

Provide a realistic completion timeline using **MM/YY, quarter (Q1– Q4)**, or **“Completed”** if already done. If timing depends on budget cycles or external approvals, note that.

4. Management Response

Provide a clear and complete explanation of how management intends to address the recommendation. **Describe management's plan for addressing the recommendation. Include corrective actions to be taken, relevant context, steps already completed, timelines, and any resource needs.**

If you have any questions or need clarification regarding any recommendation, please contact Internal Audit before submitting your response.

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1	<i>Limit access to checks to only essential personnel; those receiving and processing the checks.</i>	Agree
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Responsible Party: **Technology Services** Estimated Completion: **Done**

Management Response: Technology Services collaborated with the Treasurer's Office to deploy a check scanner, enabling daily check scanning. Responsibility for handling checks has also been streamlined, with all checks now managed exclusively by the Administration team.

2	<i>Store checks in a locked, restricted-access location; or reduce the amount of cardholders who have access to the Technology Services vault located on the 9th Street campus.</i>	Agree
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Responsible Party: **Technology Services** Estimated Completion: **06/2026**

Management Response: Technology Services is now scanning checks daily. The vault will no longer be used due to shared access among multiple groups, and because it will not be available after Technology Services relocates to 230 Edison Way this summer.

To ensure secure storage, Technology Services is purchasing a fireproof safe for scanned checks. Checks will be retained in the safe for 14 days to allow time to address any potential issues related to bank deposits. After the 14-day retention period, the checks will be securely destroyed through the confidential shredding service provided by Technology Services – Imaging and Records.

3	<i>Implement procedures to ensure daily deposits occur. Comptroller, Cathy Hill, suggested working with the SAP team to create an SAP template to increase the efficiency of entering the transactions.</i>	Agree
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Responsible Party: **SAP/Technology Services** Estimated Completion: **07/2026**

Management Response: The SAP Team is currently working to automate the transfer of check scanner data into SAP. Information generated by the check scanner will be exported into an Excel file, which will then be automatically uploaded into SAP, streamlining data entry and reducing manual processing.

4	<i>Coordinate with the Treasurer's Office if operational constraints still exist.</i>	Agree
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Responsible Party: **Technology Services** Estimated Completion: **08/2026**

Management Response: Technology Services will evaluate potential solutions for Recommendations 1–3. If additional operational constraints are identified, Technology Services will coordinate with the Treasurer’s Office to address them and determine the next appropriate steps.

5 Establish monitoring controls (i.e. periodic supervisory review of deposit timeliness reports). **Agree**

Responsible Party: **Administration Assistant II / Technology Services** Estimated Completion: **Done**

Management Response: At the end of each workday, Administrative Assistant II will review and verify that all scanned checks have been accurately entered into SAP.

6 The E911 Advisory Board should contract with an external firm to perform a telecom compliance audit. **Agree**

Responsible Party: **911 Emergency Response Advisory Committee** Estimated Completion: **Q2, 2028**

Management Response: Washoe County’s members on the 911 Emergency Response Advisory Committee will recommend the Committee take action to acquire a third-party audit firm to perform a telecom compliance audit.

7 Establish ongoing audit rights and periodic audit cycles within agreements with telecom providers. **Disagree**

Responsible Party: **Washoe County** Estimated Completion: **NA**

Management Response: Washoe County collects 911 surcharge remittances from over two hundred telecom providers. Establishing agreements with each provider would be especially burdensome and likely would not be an efficient use of county or 911 funds.

8 Require reconciliation of all remittance documentation to checks prior to deposit. **Agree**

Responsible Party: **Administration Team / Technology Services** Estimated Completion: **Done**

Management Response: We manually review the remittance form and the accompanying check to verify that the amounts match. If discrepancies are identified, we contact the vendor to request a corrected submission. The original check is rejected and returned to the vendor.

9	Document and review discrepancies.		Agree
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<i>Responsible Party:</i>	Administration Team / Technology Services	<i>Estimated Completion:</i>	Done
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Management Response: We retain the remittance form, document any discrepancies identified during the review process, scan the documentation, and maintain it in our records for reference and audit purposes.

10	Implement standardized reconciliation templates and require supervisory sign-off.		Agree
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<i>Responsible Party:</i>	Administration Team / Technology Services	<i>Estimated Completion:</i>	8/2026
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Management Response: Currently, check information is tracked in Excel and reviewed by the Administration Team Supervisor. Once the automated upload of check scanner data into SAP is implemented, reviews will be conducted by comparing the physical checks against the corresponding information recorded in SAP, improving accuracy and streamlining the verification process.

11	Reduce or temporarily eliminate the surcharge until the fund balance is within statutory limits.		Disagree
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<i>Responsible Party:</i>	E911 Emergency Response Advisory Committee	<i>Estimated Completion:</i>	NA
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*Management Response: NRS 244A.7645 states that the **non-committed balance** of the 911 Fund may not exceed \$7,500,000 at the end of any fiscal year. At the end of fiscal year 2025, the **non-committed balance** was \$7,153,442 (\$8,738,766 with \$1,585,324 in committed funds).*

12	Evaluate allowable expenditures to utilize excess funds for eligible E911 related purposes.		Partially Agree
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<i>Responsible Party:</i>	E911 Emergency Response Advisory Committee	<i>Estimated Completion:</i>	NA
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Management Response: Regional Public Safety agencies who are part of the Emergency Response Advisory Committee consistently evaluate allowable expenditures related to E911.

13	<i>Implement periodic monitoring of fund balance levels to ensure ongoing compliance.</i>		Agree
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*Responsible Party: **Washoe County Technology Services** Estimated Completion: **NA** Completed*

Management Response: Washoe County Technology Services monitors the 911 fund's monthly balance and reports the projected end-of-fiscal-year balance to Emergency Response Advisory Committee every two months.

14	<i>Review and standardize allowable administrative fees.</i>		Disagree
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*Responsible Party: **E911 Emergency Response Advisory Committee** Estimated Completion: **NA***

Management Response: Pursuant to NRS 244A.7647 Recovering Cost of collecting surcharge, a telecommunications provider or supplier which collects the surcharge imposed pursuant to [NRS 244A.7643](#) is entitled to retain an amount of the surcharge collected which is equal to the cost to collect the surcharge.

15	<i>Investigate discrepancies in remittance amounts.</i>		Disagree
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*Responsible Party: **E911 Emergency Response Advisory Committee** Estimated Completion: **NA***

*Management Response: The vendor remitting \$10/line is correct. Per NRS 244A.7643 Section 3.b, (the surcharge for) each **trunk line** to the local exchange of a telecommunications provider, must equal 10 times the amount of the surcharge imposed for each access line to the local exchange of a telecommunications provider.*

Pursuant to NRS 244A.7647 Recovering Cost of collecting surcharge, a telecommunications provider or supplier which collects the surcharge imposed pursuant to [NRS 244A.7643](#) is entitled to retain an amount of the surcharge collected which is equal to the cost to collect the surcharge.

16	Develop formal reporting requirements and enforce compliance through the County Code.	Partially Agree
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<i>Responsible Party:</i>	Technology Services & District Attorney	<i>Estimated Completion:</i>	06/2027
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Management Response: Technology Services is working with the District Attorney. A report will eventually go to the BCC for approval.

17	Update the County Code to include: audit authority over telecommunications providers, standardized reporting requirements, defined administrative fee limitations, enforcement provisions and timelines.	Partially Agree
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<i>Responsible Party:</i>	Technology Services & District Attorney	<i>Estimated Completion:</i>	06/2027
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Management Response: Same response as Question 16

18	Update SOPs to align with current processes and control expectations.	Agree
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<i>Responsible Party:</i>	Administration Team / Technology Services	<i>Estimated Completion:</i>	08/2026
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Management Response: Technology Services is currently updating its Standard Operating Procedures (SOPs) to reflect the revised processes and operational changes.

19	<i>Provide training to staff on updated procedures.</i>	Agree
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<i>Responsible Party:</i>	Administration Team / Technology Services	<i>Estimated Completion:</i>	Done
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Management Response: Technology Services conducts regular training sessions and consistently provides clarification and guidance regarding new processes and procedural changes to our employees.

20	<i>Include segregation of duties, escalation protocols, and reconciliation requirements in SOP documentation.</i>	Agree
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<i>Responsible Party:</i>	Administration Team / Technology Services	<i>Estimated Completion:</i>	07/2026
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Management Response: As noted in Question 18, Technology Services is reviewing segregation of duties within the Administration team to strengthen internal controls and improve accountability. When checks do not reconcile, amounts are incorrect or inconsistent, or required documentation is missing, the team is developing and maintaining accurate customer contact lists to facilitate timely communication and resolution with customers.

If the Administration team encounters unresolved issues or operational roadblocks, those matters may be escalated to the Administrative Assistant II and the IT Manager for further review and assistance.

21	<i>Work with the SAP team to develop standardized templates to streamline data entry and processing.</i>	Agree
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<i>Responsible Party:</i>	SAP & Administration / Technology Services	<i>Estimated Completion:</i>	05/2026
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Management Response: The SAP Team is working on automating information into SAP from the data generated by the check scanner. An Excel file is generated after the check scan and that file is imported into SAP.