



To: Chad Kingsley, District Health Officer

From: Katelyn Kleidosty, Internal Audit Manager
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Date: December 2, 2024

Subject: Cash Control Audit – NNPH FY 2025

The Audit Committee and the Board of County Commissioners (BCC) approved audit schedule, which included cash control audits for a small number of departments or divisions, selected by the Internal Audit Division, to be completed during fiscal year 2025. The processes and procedures for the selected departments or divisions regarding cash handling would be reviewed, as well as assisting the Washoe County Treasurer's Office with cash count, and observations of cash handling would be performed. The internal auditor also has the obligation to make recommendations for improvements based on observations during fieldwork.

Northern Nevada Public Health (NNPH) was selected for a cash control audit for fiscal year 2025. The purpose of this audit is to determine if proper adherence to internal policies and procedures, Washoe County Code, and leading best practices were followed when employees in NNPH are handling cash transactions. The scope included physical cash counts, interviews with relevant personnel, and a review of transactions and supporting information for the period of FY2025.

A risk-based approach was utilized when selecting and completing the physical cash counts, interviews with relevant personnel, and a review of transaction and supporting information. The following was reviewed:

- Written policies and procedures related to cash handling were examined and discussed with personnel in NNPH with no exceptions noted.
- An observation and interview with employees who handle cash was completed with no exceptions noted.
- A cash count was completed on behalf of the Treasurer's Office with no exceptions noted.
- Daily deposit and reconciliation documentation was examined for October 23, 2024, with no exceptions noted.

Internal Audit recommends the following measures to strengthen internal controls over donations at the TB clinic:

- **Locked Drop Box:** Implement a secure, locked drop box for collecting donations. This drop box should be easily accessible to donors while incorporating dual-control procedures, whereby one individual collects the funds and another retains the key. Donations should be jointly verified, logged, and accurately recorded in the system to promote transparency and accountability.
- **Cash Fund Review:** Assess the necessity of maintaining the cash fund at the TB clinic, as its relevance is uncertain given the clinic's focus on accepting donations. Evaluating this fund's purpose will help ensure cash handling practices are consistent with the clinic's operational requirements.

The department is requested to provide a response within 30 days to these recommendations, indicating whether each will be implemented and, if not, to provide a justification or alternative solution.

While NNPH does have a functioning system of internal controls in place, it is recommended that the office continues to retrain employees and at least annually remind employees to follow all policies and procedures that are in place.

Kindly sign below to acknowledge receipt of this audit report and return it to Internal Audit.

Thank you,



Louis Martensen, CIA

Representative from Department



Signature

Chad Kingsley

Print Name