



To: Ryan Gustafson, Assistant County Manager
Pamela Mann, Division Director – Human Services Agency

From: Katelyn Kleidosty, Internal Audit Manager
kkleidosty@washoecounty.gov; (775) 830-2550

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Subject: Continuum of Care (CoC) Structure and HMIS Governance –
Preliminary Observations and Recommendations

Background

At the request of staff, the Internal Audit Division is providing a memorandum regarding the structure and governance of the Continuum of Care (CoC) within Washoe County.

The audit of Housing and Homeless Services (HHS) is currently in progress and has not been completed. Accordingly, additional information may be identified, and conclusions or recommendations may be refined or expanded in the final audit report. However, based on the information available at this time, Internal Audit has identified the following observations and recommendations.

Overall Assessment

Washoe County is operating under a lead agency/backbone model, which is consistent with national best practices of CoC and Homeless Management Information System (HMIS) governance.

Internal Audit's review indicates that the primary challenges are not structural, but rather relate to the clarity of authority, governance, and execution of responsibilities.

Findings and Risks

Finding 1: Lack of Segregation of Duties

There is an over-concentration of responsibilities within a single role, including HMIS oversight, reporting, and contract/fiscal functions.

Risk:

This structure increases the risk of errors, lack of independent review, and potential control weaknesses due to insufficient segregation of duties.

Finding 2: Scalability and Operational Risk

Assigning multiple critical functions to a single individual creates operational constraints.

Risk:

This approach results in a potential bottleneck in operations, a single point of failure, and a concentration of institutional knowledge within one position.

Additional Risk: Unclear Authority and Governance Boundaries

Roles and responsibilities between the CoC, other County staff, and Technology Services are not clearly defined or consistently understood.

Risk:

Inconsistent decision making; delays in resolving operational issues; reduced accountability for system performance.

Additional Risk: HMIS Governance and Access Control Weaknesses

HMIS access, data governance, and reporting responsibilities are not formally defined.

Risk:

Inconsistent or inappropriate system access; limited data availability for finance and reporting functions; increased risk of noncompliance with HUD requirements; reduced reliability of data used for decision-making.

Recommendations

Recommendation 1: Establish Clear Segregation of Roles

To align with best practices and strengthen internal controls, roles should be clearly segregated across governance, operations, and technology functions:

- CoC Board
 - Responsible for policy setting and funding priorities
- Division Director
 - Serves as the primary CoC interface
 - Maintains operational authority
 - Acts as the final decision-maker
 - Accountable for system performance
 - Resolves conflicts related to HMIS, reporting, and access
- Functional Roles:
 1. Contracts & Fiscal Oversight
 - Grant compliance
 - Spend plan development
 - Budget monitoring
 2. HMIS Governance/Data Liaison
 - Approves access requests
 - Interfaces with Technology Services and HMIS vendor
 - Ensures data availability and integrity
 - Enforces governance policies
 3. Reporting & Performance
 - HUD reporting (i.e., APR, CAPER, etc.)

- Internal reporting and dashboards
- Data reconciliation

It is recommended that HMIS control, reporting and contract/fiscal responsibilities not be consolidated into a single role, as doing so increases risk.

Recommendation 2: Formalize Roles and Authority

Clearly define and document roles, responsibilities, and decision-making authority across:

- CoC governance
- County operations
- Technology
- HMIS vendor

Ensure that all relevant staff understand their roles and responsibilities.

Recommendation 3: Clarify HMIS Ownership and Responsibilities

Technology Services should function as the system custodian, responsible for:

- Technical administration
- Security
- System support

The system owner should remain with the Lead Agency (at the Division Director level), which retains responsibility for:

- Access approval
- Data governance
- Reporting
- Compliance

Recommendation 4: Update Formal HMIS Governance Framework

Update and implement a formal HMIS governance policy that defines any changes for:

- Access approval processes
- User roles and permission levels
- Data ownership and usage
- Required access for key stakeholders (e.g., Finance)
- Roles and responsibilities of the County, CoC, IT, and vendor

Recommendation 5: Strengthen Integration with Fiscal Oversight

Ensure that financial oversight functions are integrated into CoC operations by:

- Requiring fiscal involvement in grant planning and monitoring
- Aligning HMIS data with financial reporting needs
- Establishing consistent budget-to-actual monitoring practices

Conclusion

Washoe County's current CoC structure is aligned with recognized best practices; however, improvements are needed to clearly define authority, strengthen governance, and ensure appropriate separation of duties. Addressing these areas will enhance internal controls, improve data reliability, and support more effective and accountable program operations.