



Audit Committee

Friday, April 17, 2026

1:00 p.m.

Via Zoom:

<https://deschutescounty.zoomgov.com/j/1609780269?pwd=l0baaqnSjMapeXVumOn40oafTKiRU.1>

Meeting ID: 160 978 0269 Passcode: 409771

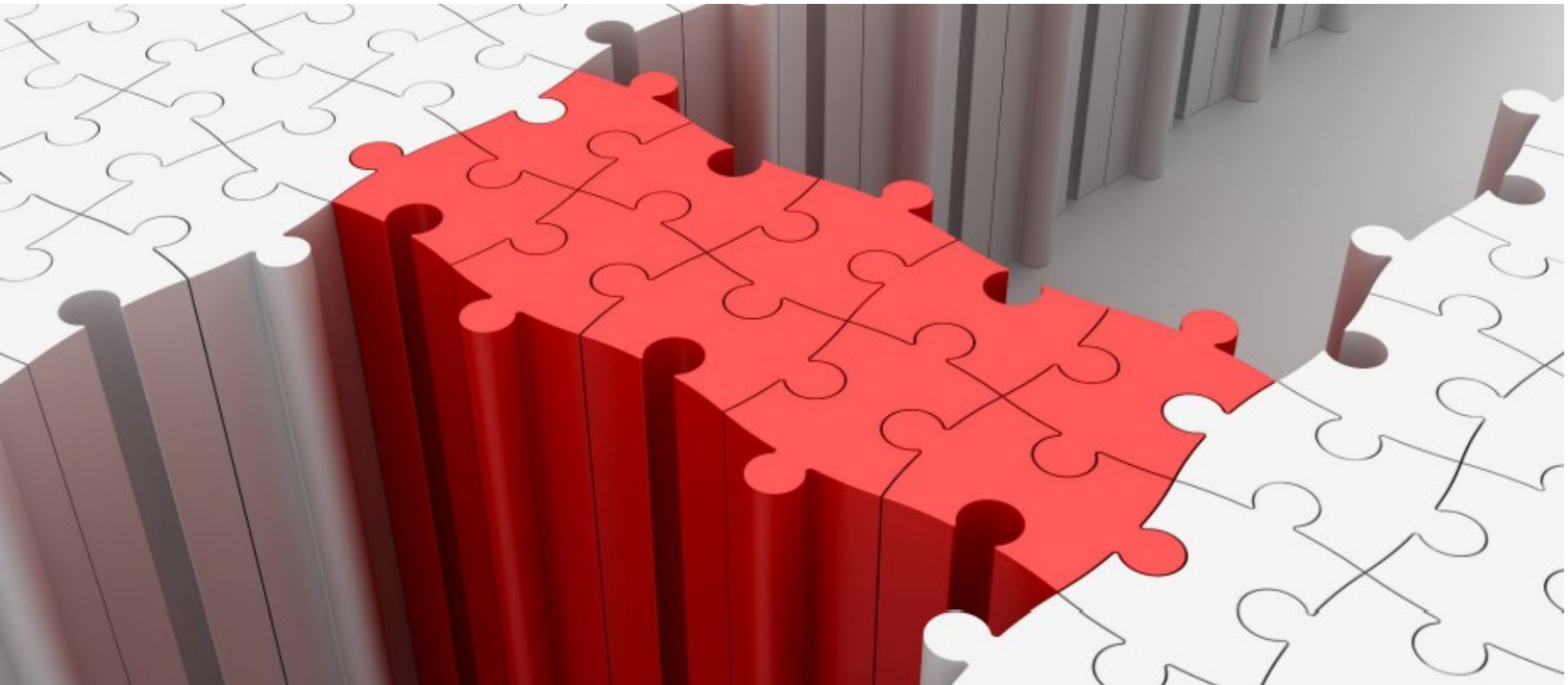
De Armond Room (1st Floor):
Deschutes Services Building
1300 NW Wall St Bend, OR

- I. **Call to Order**
- II. **Introductions/Notices**
- III. **Review/Approve minutes from February 13, 2026, meeting**
- IV. **Internal Audit Reports**
 - a. **No new reports completed**
 - b. **Elected Sheriff Transition [Follow-Up Report](#) and [Presentation](#)**
 - c. **In-process and Upcoming**
 - **Houselessness**
 - **Courthouse Construction**
 - **[Status Report](#)**
- V. **Special Topics**
 - a. **[Internal Control Overview](#)**
- VI. **Other Discussion Items**
 - a. **Administrative Update**
- VII. **Closing & Adjourn**



Deschutes County encourages persons with disabilities to participate in all programs and activities. This meeting/event is accessible. Accommodations including sign and other language interpreter services, assistive listening devices, materials in alternate formats such as Braille, large print, electronic formats, or language translations are available upon advance request at no cost. Please make a request at least 24 hours in advance of the meeting/event by calling (541) 330-4674 or send an email to internal.audit@deschutes.org

El condado de Deschutes anima a las personas con discapacidad a participar en todos los programas y actividades. Esta reunión/evento es accesible. Hay disponibles servicios de intérprete de lengua de señas y de otros idiomas, dispositivos de escucha asistida, materiales en formatos alternativos como braille, letra grande, formatos electrónicos, traducciones o cualquier otra adaptación, con solicitud previa y sin ningún costo. Haga su solicitud al menos 24 horas antes de la reunión/el evento llamando (541) 330-4674 o envíe un correo electrónico a internal.audit@deschutes.org






Sheriff Transition Audit Follow-up: Contracting and Financial Reporting Improved; Oversight Capacity Still Emerging

March 2026 Our [2025 audit of the Sheriff's Office Transition](#) found a transition plan in place that exceeded legal requirements. However, auditors identified some fiscal issues including procurement practices, financial reporting, and revenue controls. One year later, the Office improved procurement compliance by contracting with vendors but still had no staff or process dedicated to monitor compliance. Staff prepared financial statements for overdue audits but were still working with the Finance Department to ensure future statements were prepared on time.



Recommendation Status Key:

 2 Resolved <i>Management addressed risk. Auditors will no longer monitor.</i>	 2 In Process <i>Recommendations are in progress. Auditors will continue to monitor.</i>	 0 Accept Risk <i>Management accepted the risk of not implementing the recommendation.</i>
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The scope of the 2025 audit included the transition between former Sheriff Shane Nelson and former Sheriff Kent van der Kamp. Internal Audit did not perform a separate audit for the transition between former Sheriff Kent van der Kamp and Sheriff Ty Rupert who was sworn into office in August 2025. A second transition audit was not necessary due to Sheriff van der Kamp's short tenure.

Finalizing plans for new dedicated procurement staff.

In Process



- Initial finding:** In one case, a staffer avoided controls in place to ensure competitive bidding on a contract by splitting payments below the threshold required for competitive bids. Competitive procurement ensures that the County receives the best value for goods and services and promotes free enterprise by removing barriers to entry.
- We recommend:** the Sheriff's Office review and address any instances of split payments to ensure spending aligns with procurement rules and does not obscure total expenditures.
- Update:** The Office committed to implementing this recommendation by May 2025. At the time of the March 2026 update, the Office was finalizing plans to create a new procurement lead position whose responsibilities will include review for split payments.

Contracts in place for uniform purchases and vehicle outfitting.

Resolved



Initial finding: A staffer processed invoices totaling over \$900,000 from a vendor without a contract in place. Contract provisions protect the County from risk by requiring insurance and mandating compliance with state and federal laws.

We recommend: the Sheriff's Office immediately formalize contracts with vendors for uniform purchases and vehicle outfitting services.

Update: Staff put contracts in place by leveraging a cooperative agreement with the City of Salem for uniform purchases and a statewide agreement for vehicle outfitting.

Fiscal Year 2024 and 2025 financial statements prepared, but not on time.

Resolved



Initial finding: Staff did not complete financial statements for the Central Oregon Law Enforcement Services agency on time causing the district to come out of compliance with state law meant to ensure financial transparency.

We recommend: the newly elected Sheriff continue with the plan to complete the overdue financial audits.

Update: The Office planned to implement this recommendation by June 2025. The Fiscal Year 2024 audit was completed and issued in November of 2025. There was some delay with preparation of the Fiscal Year 2025 financial statements, but external auditors expected to release the audit in March 2026.



Initial finding: Sheriff's Office staff had a long history of not completing financial statements in a timely manner, reducing transparency and accountability. Options to improve financial reporting included transferring responsibility for reports to another agency in the service district, contracting with an independent accounting firm, or delegating responsibility to prepare financial statements to the Deschutes County Finance Department.

We recommend: the Sheriff choose one of these options to ensure timely completion of reports and audits.

Update: The Office was working on an agreement between the Law Enforcement agency and the Finance Department to delegate responsibility for preparing financial statements. At the time of the audit update, Finance and the agency were working to finalize service charges.

Next Steps: We will continue to report on the status of in process audit recommendations in our Global Follow-up Report at the end of each calendar year.

The mission of the Office of Internal Audit is to improve the performance of Deschutes County government and to provide accountability to residents. We examine and evaluate the effectiveness, efficiency, and equity of operations through an objective, disciplined, and systematic approach.

The Office of Internal Audit:

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Audit committee:

Daryl Parrish, Chair – Public member

Phil Anderson – Public member

Jodi Burch – Public member

Liz Foott – Public member

Joe Healy – Public member

Kristin Toney – Public member

Patti Adair, County Commissioner

Steve Dennison, County Clerk

Lee Randall, Facilities Director

If you would like to receive future reports and information from Internal Audit or know someone else who might like to receive our updates, sign up at <http://bit.ly/DCInternalAudit>.

Office of the County Internal Auditor

Elected Sheriff Transition Audit

Original audit published
2/6/25



April 17, 2026

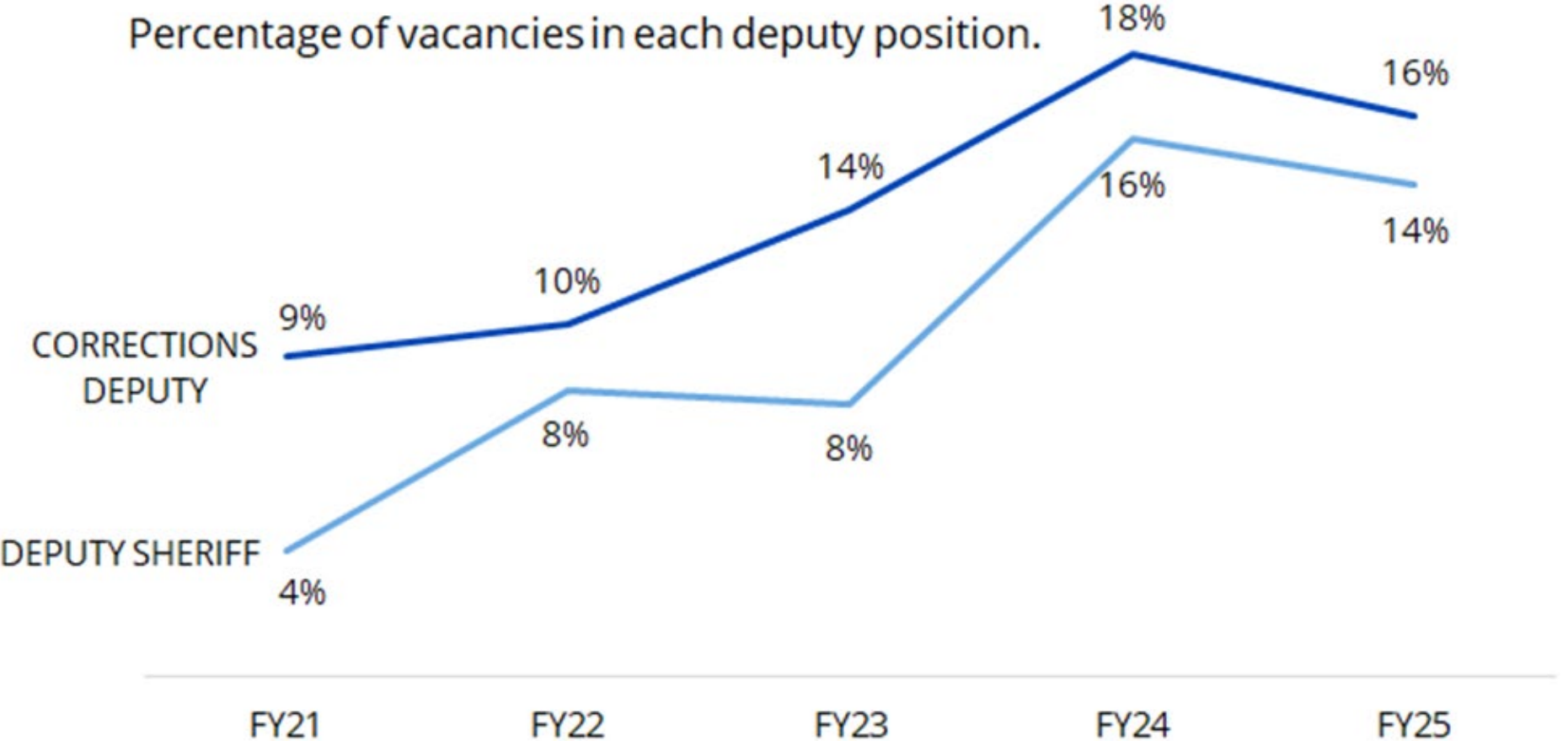
Note on Scope

- Scope included the transition between former Sheriff Shane Nelson and former Sheriff Kent van der Kamp.
- No separate audit for the transition between former Sheriff Kent van der Kamp and Sheriff Ty Rupert who was sworn into office in August 2025.
- A second transition audit was not necessary due to Sheriff van der Kamp's short tenure.



Background

Vacancies Increased



Source: County Human Resources Data



Successful transition planning

- Workforce Planning
- Succession Planning
- Knowledge Management
- Recruitment and Retention



Statutory Compliance: ORS 206

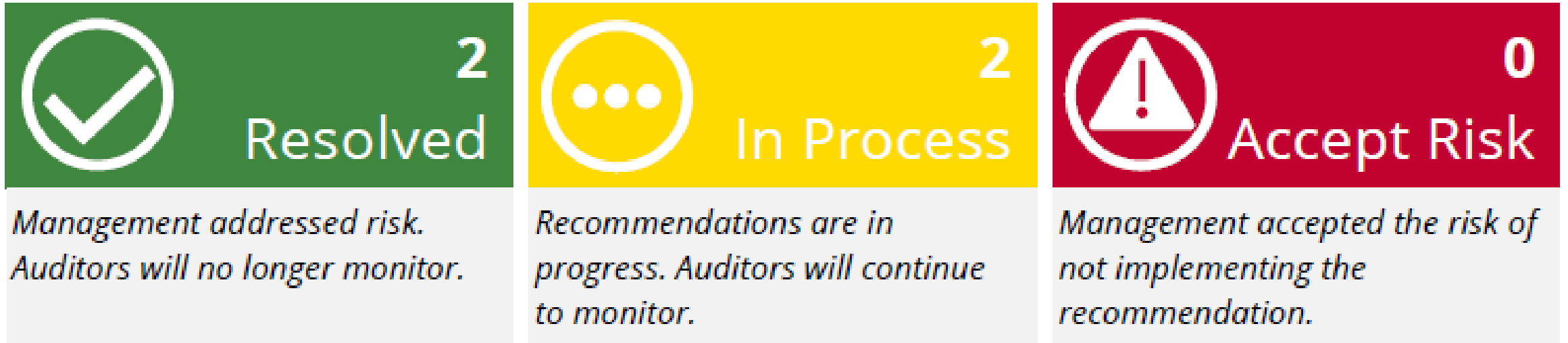
- Responsibility for jail and inmates
- Civil papers
- Accounting for all funds
- Filed with County Clerk and Treasurer



Recommendation Updates

Contracting and Reporting Improved

Oversight Capacity Still Emerging



** UPDATE: +1 Resolved



Finalizing plans for new dedicated procurement staff.

In Process



We Found

Split payments to avoid competitive procurement.

We Recommended

Reviewing and addressing incidents of split payments.

Update

Finalizing plans to create a new position to oversee procurement.



Contracts in place for uniform purchases and vehicle outfitting.

Resolved



We Found

\$900,00 in payments without contracts in place to protect County from risk.

We Recommended

Formal contracts for uniform purchases and vehicle outfitting.

Update

Staff leveraged a cooperative agreement with the City Salem for uniforms and a statewide agreement for vehicle outfitting.



Fiscal Year 2024 and 2025 financial statements prepared, but not on time.

Resolved



We Found

Late financial statements for Central Oregon Law Enforcement Services leading to coming out of compliance with state law meant for transparency.

We Recommended

Continuing with plans to complete overdue financial audits.

Update

Fiscal Year 2024 audit completed in November 2025. Auditors completed Fiscal Year 2025 and plan to submit soon.



Working on new agreement for financial services.

Resolved
After
Report



We Found

A long history of late financial reporting reducing transparency and accountability.

**We
Recommended**

Adopting a new practice for financial reporting. Options included transferring responsibility to another agency, contracting with an outside firm, or delegating responsibility to County staff.

Update

Working on an agreement to delegate responsibility to County Finance staff.



Next Steps

We will continue to report on the status of in-process audit recommendations in our Global Follow-up Report at the end of each calendar year.



Discussion

Potential Question Prompts

- Is a dedicated new position a proportionate response to the split-payment finding, or could we expect reviews built into existing oversight?
- Do cooperative or statewide agreements adequately address Deschutes-specific risks? When would we like to see tailored language?





Office of County Internal Audit

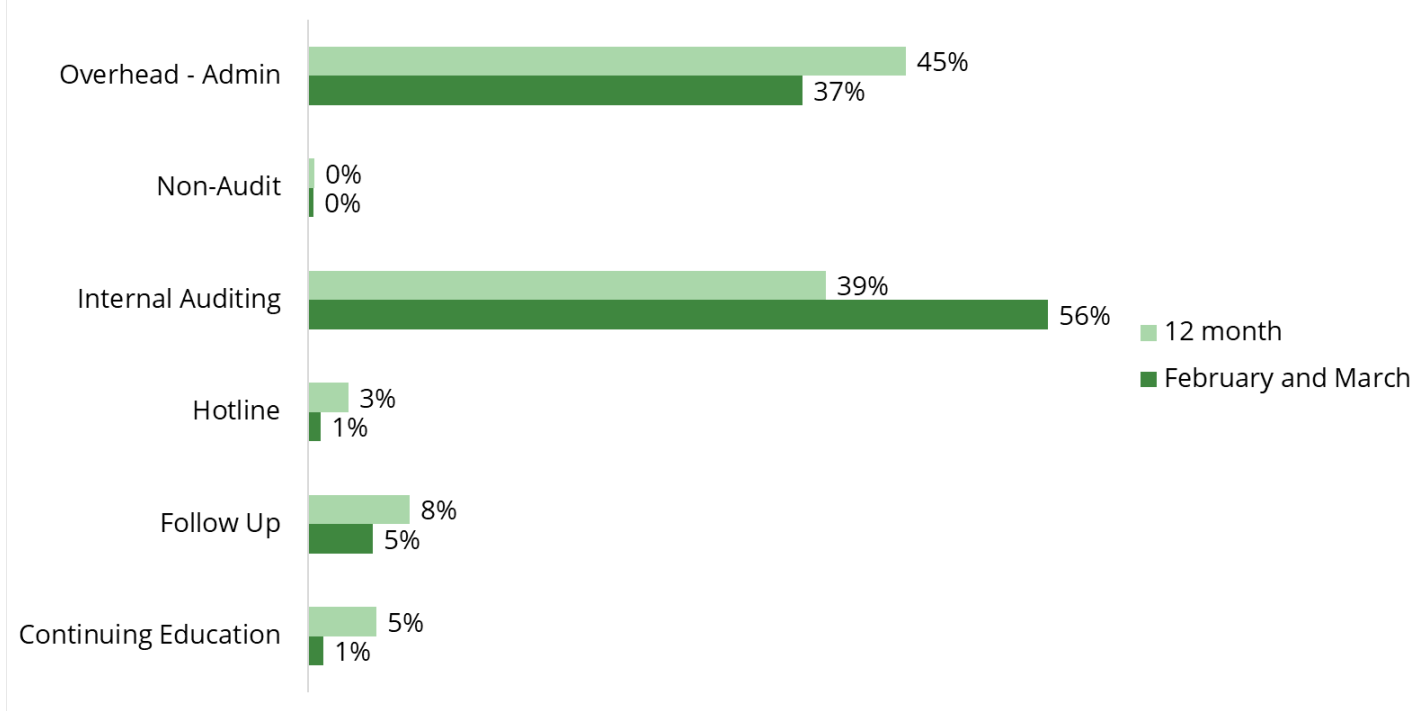
Elizabeth Pape, CIA, CFE – County Internal Auditor

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INTERNAL AUDIT STATUS REPORT March and February 2026

Highlights for the period include:



Time management leave not included

Audit work:

- County Approach to Houselessness – Fieldwork phase
- Courthouse expansion Project Audit – Planning phase

Follow-up work:

- Elected Sheriff Transition Audit

Administrative:

- County meetings and miscellaneous

Continuing Professional Education:

- Web-based:
 - Construction auditing
 - Fraud cases

Audit committee:

- Audit committee meeting and support

Hotline:

- Administration
- No new tips

Office of the County Internal Auditor

Overview of Internal Control



April 17, 2026

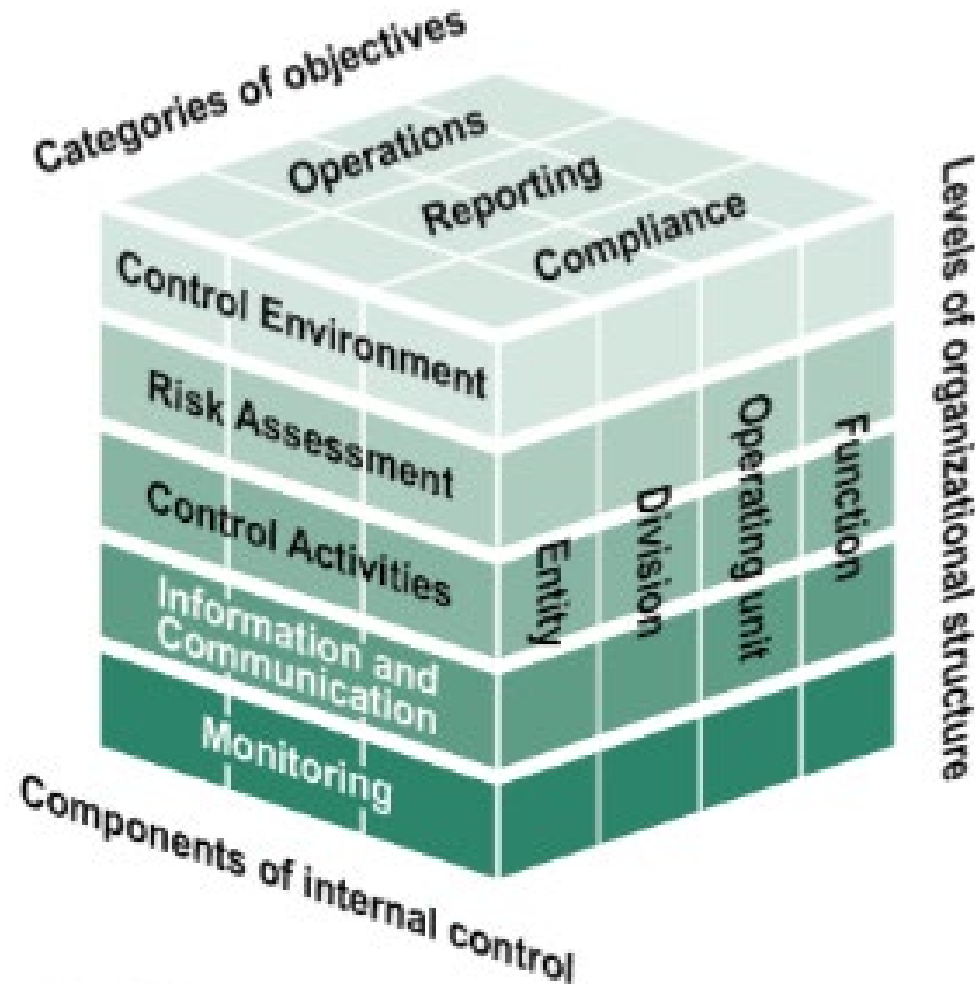
Agenda

- What is internal control
- How does it apply in County performance audits
- Why it matters



What is internal control?

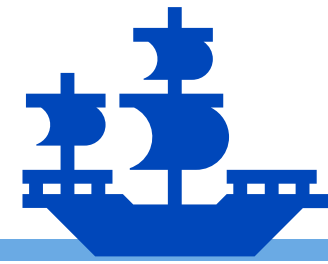
How We Talk About It



Internal Control is

- Confusing
- Jargony
- Finance Only

A Relevant Framework



Internal controls help government programs achieve goals, safeguard resources, and operate efficiently.



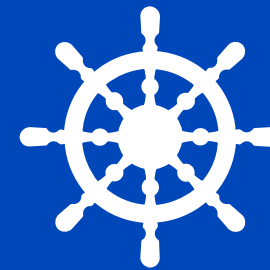
Set
Direction



Anticipate
Risk



Mitigate
Risk



Course
Correct



Report
Results

[Link: US GAO Green Book](#)



Instilling Ethics: Tone at the Top



Foundational Control

- Demonstrated through directives, attitudes, and behavior
- Commitment to doing what is right, not just the minimum to comply with laws and regulations



How does it apply?

Set Direction



RESTRICCIONES DE FUEGO HASTA EL OCTUBRE DE 2024



AVISO: el condado de Deschutes ha promulgado restricciones de uso público de fuego en todos los terrenos que son propiedad del condado y todas las tierras no protegidas en las áreas no incorporadas del condado hasta el 15 de octubre de 2024.

Ex: Language Access Audit

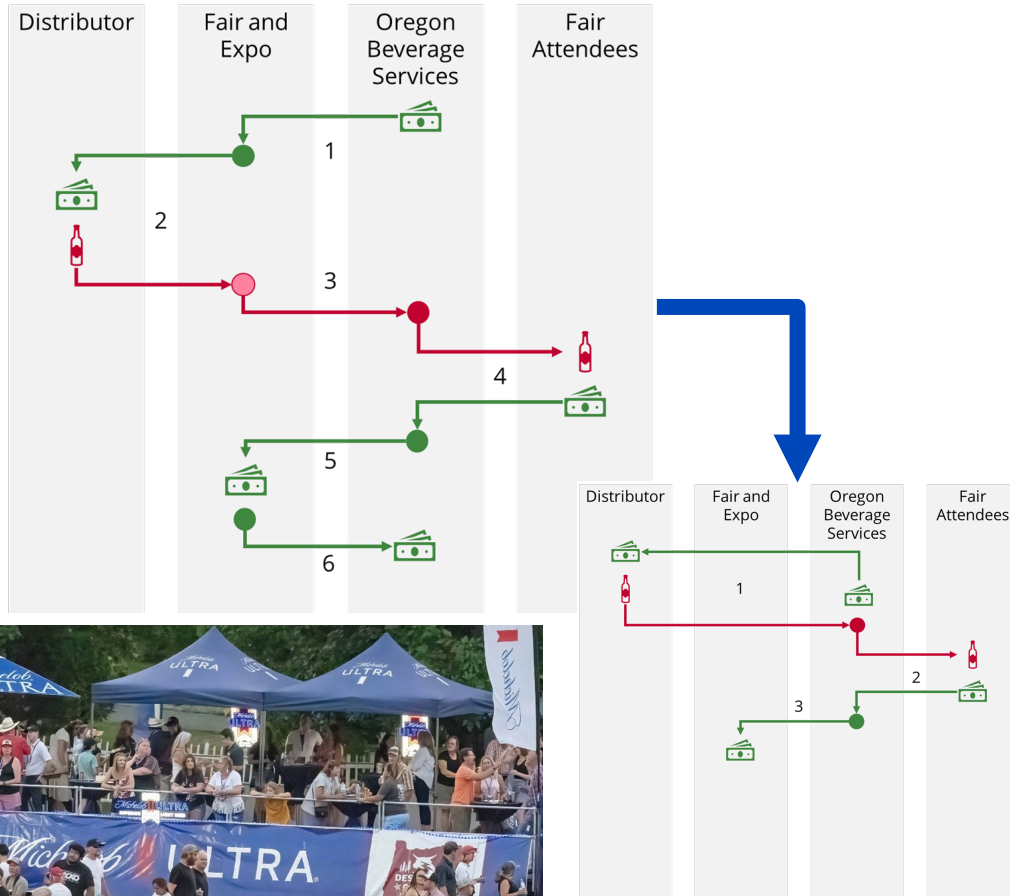
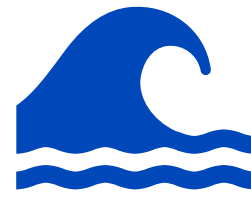
- Didn't know services needed or provided
- Create a language access plan



[Link: Language Access Audit](#)



Anticipate Risk



- ## Ex: Fair Alcohol Sales Audit
- Unclear contract language and program design = risk exposure
 - Evaluate risks in the current system and consider implementing a program with fewer risks

[Link: Fair Alcohol Sales Audit](#)



Mitigate Risk



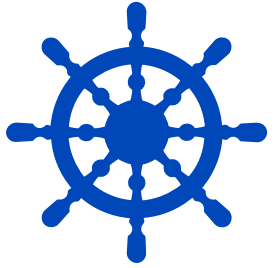
Ex: Software Audit

- No independent quality review, only one developer for most projects
- Define testing requirements and criteria for all county projects

[Link: Software Audit](#)



Monitoring and Course Correction



Ex: Body Camera Audit

- Review required to ensure deputies start, stop, and categorize but 42% not reviewed
- Develop system to document review

[Link: Body Camera Audit](#)



Report Results



Ex: Health Benefits Audit

- Reliance on 3rd party for timely and accurate claims
- Require reporting from contractor

Financial
Accuracy

Payment
Accuracy

Turn
Around



[Link: Health Benefits Audit](#)



Why it matters?

Internal controls make change manageable and repeatable

- By definition, internal controls are what management controls
- They don't rely on individual effort or institutional knowledge
- They're not just compliance fixes, controls address root causes, so problems don't recur



Internal controls support continuous improvement

- Neutral way to discuss “near misses” and performance gaps
- Makes expectations explicit and testable, allows meaningful accountability during and after change
- Shifts oversight from “Did you achieve perfection?” to “Did you set clear objectives, assess risks honestly, and implement reasonable controls?”



Individually, intimidating As a system, a catalyst for success

Goals

Unfair
Expectations

Risk

can feel
like

Exposing
Vulnerability

Mitigation

Red
Tape

But as a system, controls document a credible plan:

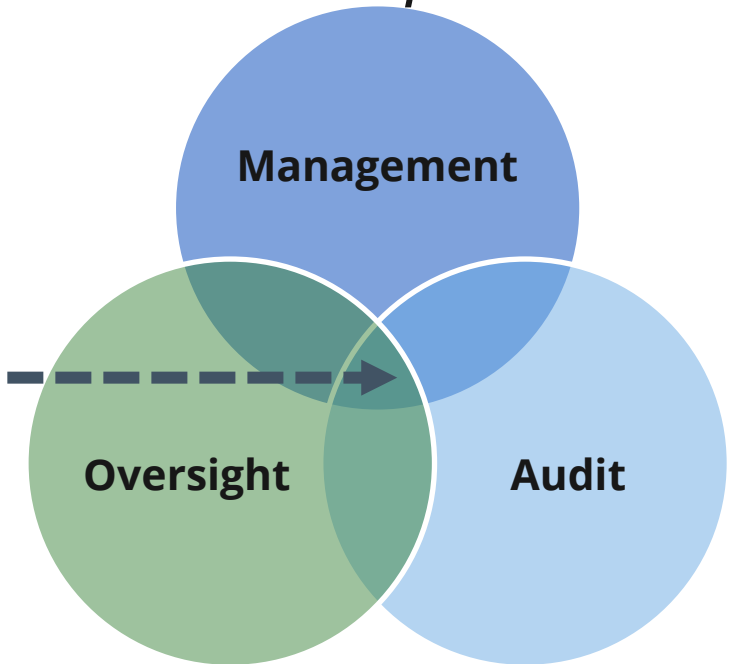
- What to achieve
- What could get in the way
- What to do about it



Framework helps all parties

- **Management:** clear expectations, continuity, fewer surprises
- **Audit Committee / Board:** consistent oversight, comparable reporting
- **Internal Audit:** objective criteria, faster audits, fewer debates, higher-value recommendations

*Public trust, reliable service,
resource stewardship*



Discussion

Potential Question Prompts

- Which control is the most important for guaranteeing success, and why?
- What does good 'tone at the top' look like?

