



## **Audit Committee**

Friday, February 14, 2025

1:00 p.m.

Via Zoom:

<https://us02web.zoom.us/j/7904362359?pwd=akxWT002QnZRUVVpQVBMaGQ1S1J6dz09&omn=86059539242>

Meeting ID: 790 436 2359    Passcode: audit2023

Allen Room

Deschutes Services Building

1300 NW Wall St Bend, OR

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**I.        Call to Order**

**II.        Introductions/Notices**

**III.        Review/Approve minutes from December 6, 2024, and December 13, 2024, meetings**

**IV.        Internal Audit Reports**

- a. [Public Health Integrated, Presentation](#)
- b. [Language Access, Presentation](#)
- c. [Sheriff's Office Transition, Presentation](#)
- d. **Follow-ups Presentation**
  - [Global Follow-up, Presentation](#)
  - [Wage Equity, Presentation](#)
- e. **In-process and Upcoming**
  - **Fair and Expo Fair Alcohol Sales**
  - **Sheriff's Office Body and Auto Cameras**
  - **May 2025 Election Controls**
  - [Status Report](#)

**V. Special Topics**

- a. [Popular Annual Financial Report \(PAFR\)](#)—Jana Cain
- b. Vote on [proposed bylaws](#)
- c. [Annual Quality Assessment](#)
- d. Update on Performance Auditor position recruitment

**VI. Other Discussion Items**

- a. Administrative Update
- b. [Committee Information](#)

**VII. Closing & Adjourn**



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OFFICE OF  
INTERNAL AUDIT

## Audit Report

# Public Health Integrated Audit



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## Highlights:

### Why this audit was performed:

A periodic review of administrative practices.

### What was recommended:

We recommended that Public Health:

- Complete performance evaluations and set expectations for timely completion.
- Create a single source of performance reporting information.
- Strengthen fiscal controls and incorporate cash collection practices, workflows, and responsibilities.
- Monitor and report information system data errors.

## Public Health Integrated Audit

Our overall objective was to conduct a survey-level assessment of administrative practices at Deschutes County Public Health. The audit objectives were to identify and evaluate key areas of administrative risk. As a division of the Health Services Department, Public Health delivers a broad range of services aimed at protecting and promoting the health and well-being of Deschutes County residents.

Public Health demonstrated compliance with procurement policies, grant requirements, and safety meeting frequency standards. However, several areas presented risks to operational efficiency, transparency, and accountability.

Key areas for improvement included:

- **Employee evaluations:** 63% of scheduled evaluations were not completed, limiting formal feedback on performance and employee growth.
- **Performance reporting:** Metrics were spread across multiple platforms, hindering public accessibility and reducing the effectiveness of performance reporting for stakeholders.
- **Fiscal controls:** Cash handling procedures were incomplete and did not reflect practice, while gift card accountability was reduced when confirmed solely by the custodian.
- **Data integrity:** Errors within the County's information system elevated fraud risks and did not reflect an accurate organizational structure.

## 1. Introduction

The Deschutes County Audit Committee authorized the review of the Health Services Department's fiscal controls in the Internal Audit Program Work Plan for 2024-2025. Internal audits of administrative controls are routinely performed for identified County departments, elected offices, and functions. The last cash handling [audit](#) at the Department was performed in 2018. This is part of an effort to have regular audits done on a recurring cycle. Audit objectives, scope, and methodology can be found in **Appendix A.**

The Office of Internal Audit is expanding the scope of its traditional cash handling audits to include a high-level risk survey of administrative functions in each department or office. We are making this transition because the move towards electronic transactions has shifted risk away from cash handling to information security. We are also including other administrative risks such as performance reporting, procurement, and health and safety.

Health Services is the largest department in the County, and due to its extensive scope and complexity, we have decided to conduct the audit in phases to optimize our available resources. The first report of our integrated audit approach will focus on Public Health. Future audit phases will be determined by the Audit Committee during the development of the 2026-2027 Work Plan.

The United States Government Accountability Office's Standards for Internal Control outlines management's responsibilities for risk management. According to the Standards, management is responsible for designing, implementing, and operating an effective internal control system. This includes establishing control activities to mitigate risks, ensuring compliance with relevant laws and regulations, and achieving the organization's objectives efficiently and effectively.

## **Background on Deschutes County Public Health**

Deschutes County Public Health works to protect and improve the health of everyone in the community by preventing and managing diseases, ensuring food and water safety, and promoting overall well-being. They prepare for emergencies, ensure equitable access to health services, and support policies and systems that reduce unhealthy behaviors and healthcare costs. Through community engagement, they foster sustainable changes that enhance health for all.

The division was the County service most directly impacted by the challenges of the COVID-19 public health emergency. Public Health experienced significant changes in leadership, staff levels, and organizational structure. As the emergency eased, Public Health has adjusted its practices and structure to better meet community needs and align with available resources.

### **Leadership**

Hillary Saraceno served as Deputy Director when the pandemic began and worked for the county for 35 years before leaving in March 2020. She was succeeded by Naha Sadr-Azodi, who held the position for 27 months. After Sadr-Azodi's departure in July 2022, the division had an eight-month vacancy until Heather Kaisner was appointed in March 2023.

### **Organization**

During the pandemic, the division expanded its sections to strategically allocate resources, establishing teams like Data for Action and COVID Response and Recovery to meet the rapidly changing demands. An [audit report](#) on case investigation and contact tracing highlighted these efforts, showing that Deschutes County achieved faster response times than other counties, even during higher surge periods. Post-pandemic, Public Health reorganized its operations into four sections of statutorily/contractually required services or grant funded programs:



- **Prevention and Health Promotion**

Programs in this section lead work with community partners to promote and ensure practices that improve health and well-being and prevent negative conditions that are harmful to our community both socially and financially.

- **Clinical and Family Services**

These programs are focused on providing safety-net public health services to individuals and families seeking reproductive health care, perinatal education and care coordination, nurse home visiting, nutrition education, breastfeeding support, and referrals to needed resources.

- **Communicable Disease Prevention and Management**

These programs prevent and control the spread of communicable diseases and mitigate health threats through surveillance, education, investigation, outbreak control and immunizations. They assure access to public health services and conduct community outreach providing immunizations, infection prevention consultation, and communicable disease testing and treatment.

- **Preparedness Engagement and Environmental Health**

This section focuses on modernizing public health by improving emergency preparedness, disease monitoring, health equity, community partnerships, and communication. The Environmental Public Health Program plays a key role in protecting the community by ensuring food, air, and water safety through education and inspections, demonstrating a strong commitment to preventing disease and promoting health.

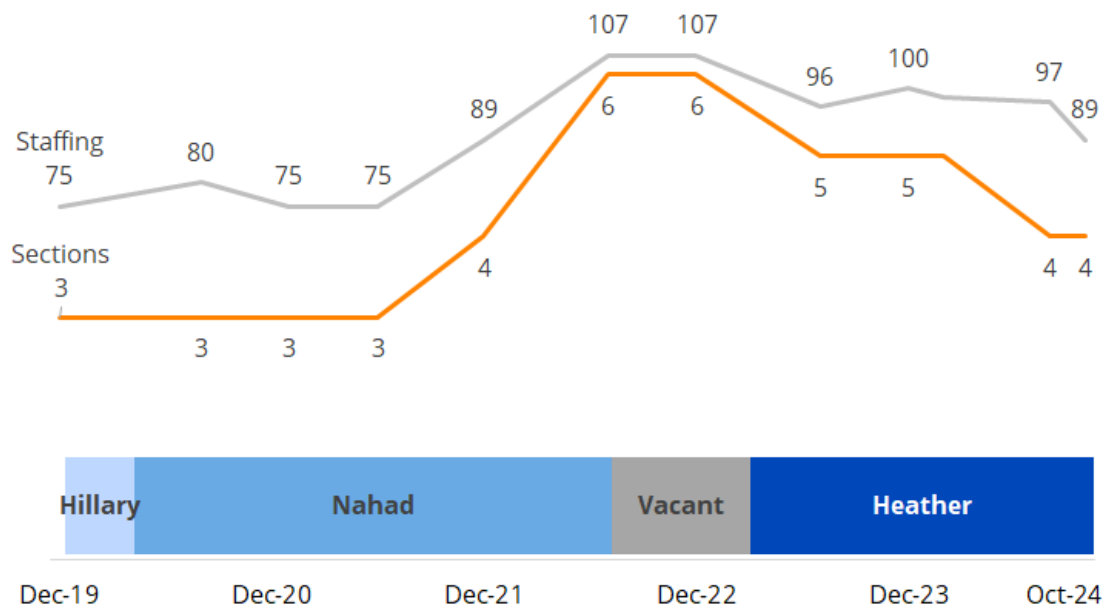
## **Staffing**

In 2019, staffing in the division was stable, with only two individuals leaving. However, the pandemic introduced unprecedented pressures, leading to a significant increase

in staff departures. To meet the demands of its role as the County's public health authority, the division intensified hiring efforts, as illustrated in **Figure II**.

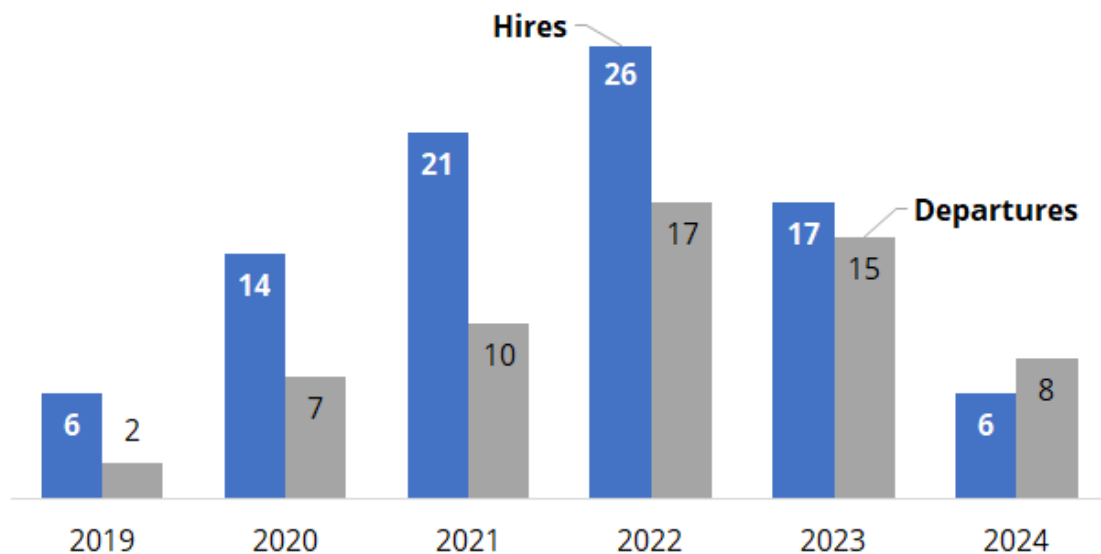
**Figure I: Public Health experienced changes in staffing, sections, and deputy directors.**

Source: County Human Resources Data



**Figure II: The staffing patterns experienced in 2019 have not yet returned.**

Source: County Human Resources Data



This turnover persisted as the division adjusted its operations to meet current needs and available funding. It eliminated vacant positions added during the pandemic when funding ended. More recently, some staff left after Public Health discontinued reproductive and sexual health services at its downtown Bend location.

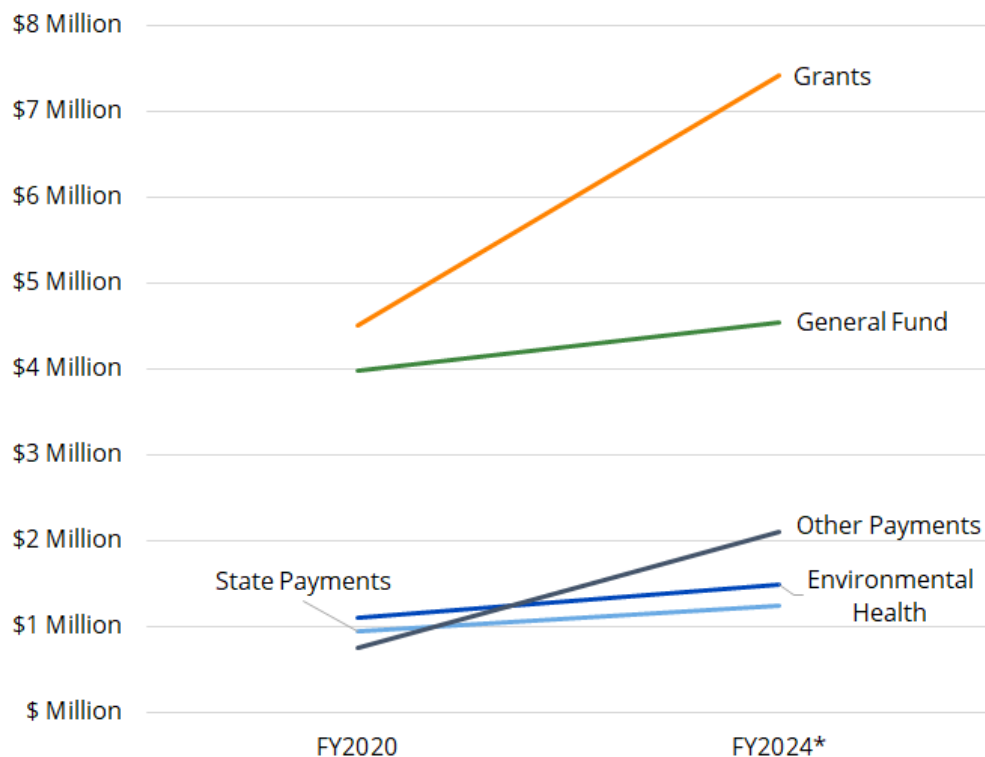
### Funding

Over the last five fiscal years, the division's revenue grew, driven largely by grants. In Fiscal Year 2024, grants made up 44% of its revenue and played a key role in supporting various initiatives to improve public health. However, grants came with risks like uncertain renewal and restricted use. Recent opioid settlement funds, classified as 'Other Payments' in **Figure III**, helped support its operational needs.

**Figure III: Grant funding was critical to meeting the division's operational needs.<sup>1</sup>**

Source: County Financial Data

\*FY2024 figures are unaudited



<sup>1</sup> Other Payments are made up of settlement funds, commercial insurance payments, client service charges, and vital records payments.

## 2. Findings and Observations

Our overall objective was to conduct a survey-level assessment of administrative practices at Public Health. The audit objectives were to identify and evaluate key areas of administrative risk. For a detailed list of audit objectives, see **Appendix A**.

Public Health managed procurement and grant compliance effectively and planned activities to improve physical and electronic accessibility. However, turnover at all levels over the past five years led to inconsistencies in employee records, and annual employee evaluations were overlooked amid organizational changes. The division could also enhance its performance reporting methods and strengthen documented fiscal procedures.

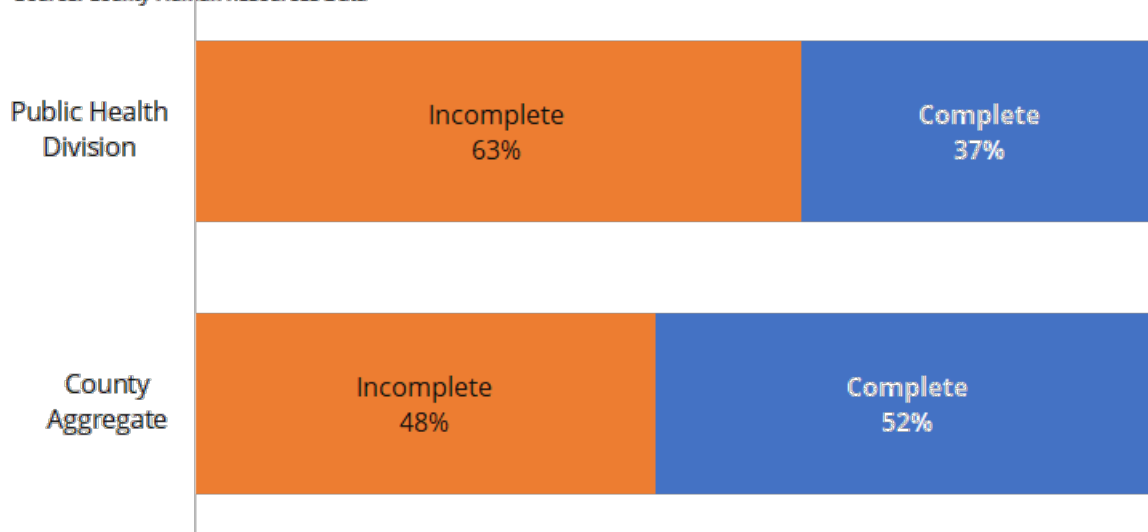
### Findings

#### **County faces persistent delays in employee evaluations: Public Health completion rates contribute to the issue.**

In the first eight months of 2024, Public Health completed employee evaluations for only 37 percent of its staff scheduled to receive one. During the same period, the County as a whole completed evaluations for 52 percent of its employees.

**Figure IV: Public Health’s 63% annual evaluation incompleteness rate exceeds the County’s rate.**

Source: County Human Resources Data



County personnel rules and most union agreements require employee evaluations in a timely manner. Instructions for evaluation forms further indicate these are due on or before the due date. Employee evaluations serve as an important tool to enhance employee engagement, satisfaction, and retention.

Public Health managers emphasized the importance of regular daily or weekly employee check-ins to improve performance and set clear expectations. They documented these check-ins in internal records but placed less emphasis on documented annual evaluations. While managers recognized the need to record employee performance, they described the annual evaluation forms as outdated and repetitive. The division suspended employee evaluations during the pandemic as the emergency took priority. Now, as the division continues to adjust and restructure, ongoing staff changes have created uncertainty about supervisory organization and annual evaluation expectations.

A 2019 [audit report](#) highlighted poor evaluation compliance across the County, but the implementation of corrective actions have been slow. In May 2023, County Human Resources started a project to update the County's evaluation process and tools. This project included a complete redesigning of the evaluation form, exploring integration with the County enterprise information system, and launching a department pilot program. Human Resources management planned to rollout the new evaluation process by May 2025. Health Services executive leadership reported frustration with the delayed rollout, noting the desire to streamline the process but acknowledging the need to wait for countywide changes.

***Recommendation 1:***

***Public Health management should lead by example by completing annual performance evaluations for all direct reports promptly and setting a division-wide expectation for timely completion of evaluations.***

**The Public Health division had numerous performance measures, but they were scattered across various reporting platforms, hindering a clear understanding of the department's overall objectives.**

Performance measures help guide decisions, drive improvements, and enhance understanding. Poor outcomes often trigger evaluations to identify root causes and solutions. However, inadequate performance measures hinder these processes.

Public Health collected some measures to meet funding requirements and others to evaluate the performance of its services. The division used multiple systems to collect, organize, and report these measures. Compared to other public health agencies in Oregon counties, Deschutes County reported its measures more comprehensively, however the division shared performance measures through various channels, including the County's online performance measure [dashboard](#), the department's [annual report](#), and the quarterly communicable disease [report](#).

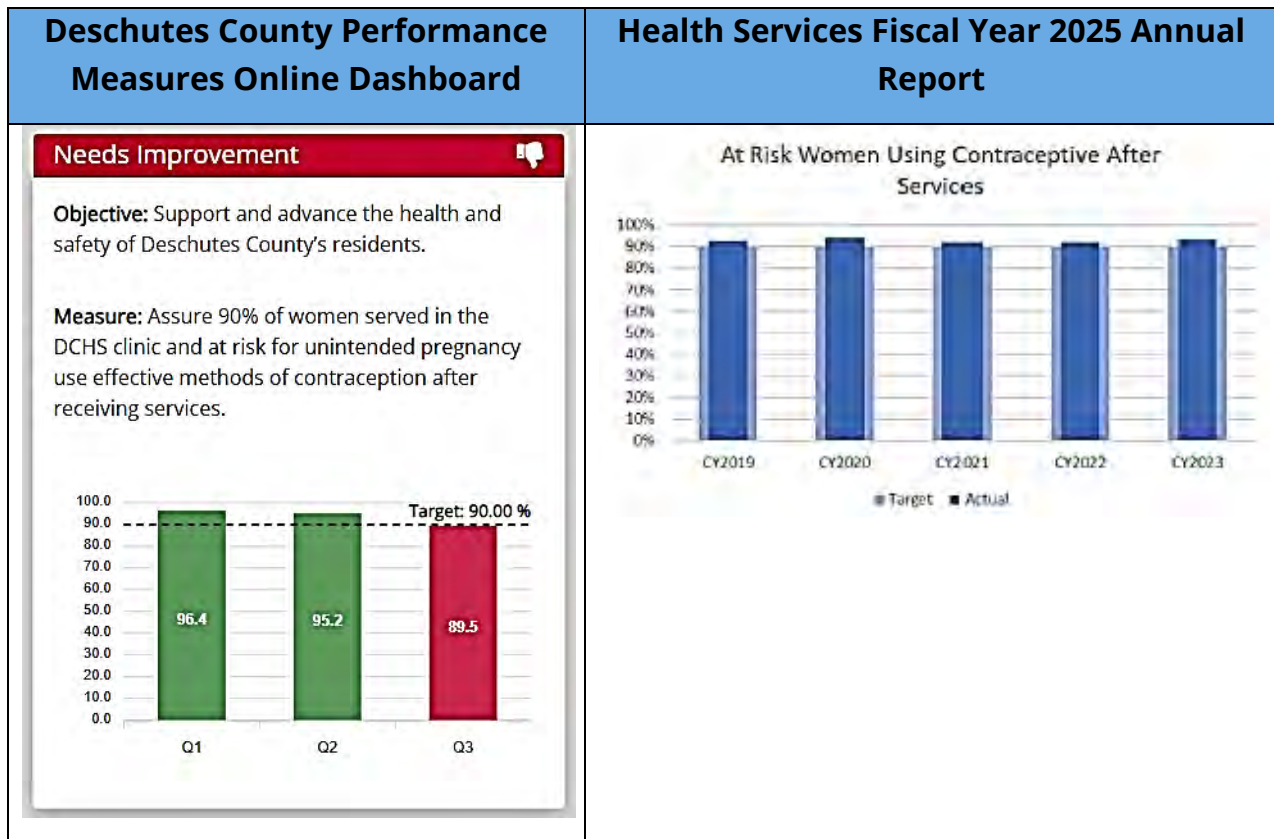
The Government Finance Officers Association recommended that governments identify, track, and communicate performance measures as a best practice. These measures should be useful, relevant, reliable, adequate, collectible, and consistent. However, Public Health did not fully follow these best practices:

- **Relevant measures:** Relevant measures clearly link to the program outcomes they assess. Each section was anticipated to include outcome-focused performance measures, like patient satisfaction or outreach effectiveness. However, actual outcome measures were limited to suicide rate reductions and family services.
- **Useful measures:** Useful measures support decision-making, improve understanding, and enhance accountability. While the annual report presented measures in a simple format (see **Figure V**), the dashboard descriptions were overly complex. Additionally, some

workload measures were labeled as outcome measures.

- Collectible measures:** Collectible measures should be readily available without requiring excessive time or effort to gather. Public Health fragmented its measures across multiple platforms, making the information less accessible to stakeholders.

**Figure V: Public Health's measures in the Annual Report were easier to understand.**



Performance measures set expectations that decisions are informed and supported by evidence. None of the division's assessments or plans had been updated since before the pandemic, with the last strategic plan dating back to July 2016. Strategic plans should be living documents, reviewed annually to ensure the division is meeting its goals or adapting to changing priorities. The pandemic disrupted long-term planning, highlighting the need for the division to realign its goals and establish performance measures to guide outcomes. Additionally,

transitions in the Deputy Director role, as shown in **Figure I**, may have further impacted long-term planning. The Deputy Director stated that they were developing a new strategic plan.

***Recommendation 2:***

***The Public Health division should improve performance reporting by developing a unified, public-facing report that aligns measures with the updated strategic plan goals.***

**Despite generally strong control practices, Public Health's documented fiscal procedures were incomplete.**

Cash controls practices were in place to prevent theft, but incomplete procedures weakened these controls by relying solely on staff experience and training rather than documented expectations. No fraud was identified.

Practices change over time. The absence of detailed written procedures for cash and other payment types can result in poorly planned controls, insufficient supervision, inadequate staff training, and failure to consistently follow established control procedures.

Public Health generally followed best practices for controlling incoming revenue. However, there were some inconsistencies between division sections when documenting cash received by mail, and staff used a generic receipt book as a backup when the receipting system was down. Health Services policies guided these procedures, but they lacked detailed steps for funds security, accounts receivable write-offs, and did not fully address segregation of duties.

In the Environmental Health unit, segregation of duties posed a significant challenge. Staff often worked across both State and County systems, handling entire transactions independently, which increased the risk of errors or misuse.



Fraud risk assessments are the first step in designing effective controls, as they identify, evaluate, and address vulnerabilities where fraud could occur. Health Services completed an annual comprehensive risk assessment but overlooked the role of written procedures as a key tool to mitigate fraud risk, minimizing their importance. The assessment also failed to document areas where management chose to accept risk.

***Recommendation 3:***

***Public Health should strengthen controls over mailed payments and accounts receivable oversight and get receipt books that meet county policy.***

***Recommendation 4:***

***Public Health should revise current procedures to incorporate cash collection practices, workflows, and defined responsibilities, and ensure these procedures are reflected in the annual risk assessment.***

**Prepaid gift card oversight: a persistent high-risk concern.**

Health Services considers gift cards to be a cash-equivalent asset. Cash assets require strict controls to avoid fraud, waste, and abuse. However, Health Services gift card logs showed several inconsistencies when compared to physical count audit records:

- **Inventory sequence gaps:** Out of 150 \$25 gift cards purchased in 2021, 41 gaps were identified in the sequence of recorded card numbers. For instance, the sequence jumped from card 17 of 120 to card 51 of 120, leaving intermediate cards unaccounted for. These sequence gaps appeared between November 2022 and July 2023. 36 cards were still on hand at the time of the audit.
- **Unrecorded distribution:** Two \$10 gift cards were missing from physical counts but had no record as being distributed.

- **Inventory inaccuracy:** Seventy-two \$10 gift cards appeared on the logs in 2024 even though they were distributed in 2023.
- **Lack of independent verification:** In several instances, physical counts were verified solely by the custodian, which undermines the purpose of an impartial third-party review and increases the risk of mismanagement.

Gift cards are utilized as client engagement incentives to reduce barriers to accessing services and encourage participation in healthy activities. While staff appear to be following department procedures for purchasing, storing, and issuing gift cards for clients, accounting and auditing processes were not ensuring accountability. Effective control design requires monitoring results to confirm that the system is functioning as intended.

A 2018 [audit report](#) recommended improvements in gift card controls. Although the department enhanced its procedures, these measures may not be sufficient to effectively reduce the risk of misuse or theft. The department was scheduled to review its gift card procedure in November of 2024.

***Recommendation 5:***

***Public Health should reinforce accountability expectations and practices for prepaid gift cards either through training, monitoring, or revising procedures.***

**Data inconsistencies in the enterprise information system exposed the Public Health division to risks.**

The audit found data variances in both the Financial and Human Resources modules of the County enterprise information system. One staff member's financial system access was not revoked after their role changed, and the system inaccurately reflected which managers were responsible for employee supervision.

**Table I: Accurate organizational structure was not reflected in the County's Human Resources information system.**

Program Manager	Information System Direct Reports	Actual Direct Reports
Manager A	4	6
Manager B	6	8
Manager C	3	4
Manager D	7	Unknown <sup>2</sup>

Allowing staff more privileges than required weakens authorization controls and increases the fraud risks. Inaccurate organizational structures in the information system may have also contributed to the low completion rate of employee evaluations.

Public Health continued to adapt to best fit the needs of the community. When employee positions or program team structures changed, the division used an employee status change form to notify County Human Resources. Human Resources then updated the information in the enterprise system. Managing change effectively is critical to protecting financial data and business processes during these transitions. The noted data inconsistencies suggested possible isolated errors or larger systemic issues. Health Services management acknowledged that data inconsistencies had been a longstanding problem and had reported these concerns to Human Resources. Although Health Services tracked personnel changes to maintain an accurate organizational chart, they did not record how often they found and reported data inconsistencies to Human Resources.

<sup>2</sup> The program was actively undergoing changes during the audit that made it difficult to determine the supervisory reporting structure.

**Recommendation 6:**

***Public Health should establish a tracking system to monitor the extent and frequency of data errors in the enterprise information system. If significant errors are identified, they should be reported to the Human Resources Director for resolution.***

**Observations****Health Services established clear procedures to meet Public Health's procurement needs and objectives efficiently.**

We reviewed Public Health's procurement practices by examining the selection procedures and documents for its top five vendors. In 2024, Health Services revised its procurement procedures to ensure full compliance with County Code and Oregon law. Management took on the vital role of monitoring internal controls regularly, reflecting their commitment to maintaining a robust internal control environment. Public Health works with a wide range of vendors, from temporary staffing agencies to providers of student and family services in school-based health centers. The division used a variety of procurement methods, including direct appointments via purchase orders and intergovernmental agreements, tailored to meet diverse service needs.

Competitive procurement is crucial for local governments as it ensures fairness, transparency, and accountability in the use of public funds. By fostering competition, it enables the government to secure the best value for taxpayers, reducing costs while improving the quality of goods and services. It also helps safeguard against favoritism, fraud, and corruption, providing equal opportunities for all qualified vendors. This process not only promotes ethical standards but also strengthens public trust in government decisions.

**Public Health met all grant requirements through an effective management process.**

As seen in **Figure III**, the division relied heavily on grant funding, with more than half of its revenue sourced from grants. We reviewed the grant agreements for the division's top five revenue sources, focusing on the specific requirements outlined in each agreement and the related documentation. Public Health allocated sufficient resources to effectively manage and administer these grants as they became available. Management ensured grant reporting and performance requirements through the use of custom developed software. Financial reports were reported quarterly, and performance reports were generated in compliance with grant agreements.

**Planned upgrades will increase Public Health's physical and electronic accessibility.**

More than one in four Americans live with some form of disability. By failing to make services accessible, there is a risk creating unintended barriers for current and potential public health clients.

Public Health complied with Occupational Safety and Health Administration safety meeting rules and had a well-developed safety policy. However, there were no directional touch signs on the first floor of the Courtney Avenue Public Health clinic designed to accommodate individuals with visual impairments. Health Services executive leadership was aware of the issue and planned to improve directional signage in the public areas of the Courtney Avenue building.

The Public Health website landing page scored 67 out of 100 for accessibility, citing improvements in contrasting colors, heading order, the ability to freeze moving objects, and weblinks distinguished by something other than color.

The website is part of the larger Health Services department and ultimately the County website, designed to be cohesive and

consistent for web users. A County website accessibility update is planned with the current vendor that is expected to bring the Public Health site into compliance. The Public Health division should consider client accessibility when working with the Information Technology department on any website updates.

### **3. Conclusion**

The survey-level assessment of administrative practices at Public Health highlighted a mix of strengths and areas requiring improvement. While Public Health demonstrated effective grant management, procurement processes, and planned upgrades to enhance accessibility, persistent challenges—such as delays in employee evaluations, fragmented performance measures, incomplete fiscal documentation, and high-risk concerns around gift card oversight—hampered operational efficiency. Furthermore, data inconsistencies in the County enterprise information system exposed the division to avoidable risks. Addressing these issues will be critical to aligning administrative practices with the division's broader objectives and ensuring sustained effectiveness in delivering public health services to the County.

## 4. Management Response



### HEALTH SERVICES

Date: December 13, 2024

To: Deschutes County Internal Auditor

From: Deschutes County Health Services – Public Health

Re: Response to Public Health Integrated Audit 24/25-2

Thank you for the opportunity to provide a response to the DCHS - Public Health Integrated audit. We appreciate your time in conducting this audit. Public Health strives for excellence and continuous improvement, and we welcome feedback on where we can improve.

Below, please find Public Health's responses to audit recommendations:

***Recommendation 1: Public Health management should lead by example by completing annual performance evaluations for all direct reports promptly and setting a division-wide expectation for timely completion of evaluations.***

We agree with this recommendation. Public Health leadership recognizes the importance of improving our performance evaluation processes to align with county policies and support staff engagement, satisfaction, and retention. We are committed to prioritizing annual employee evaluations moving forward and setting supervisory expectations. As noted in the audit, Public Health has been through a tumultuous time responding to the COVID-19 pandemic and navigating several key leadership transitions. Public Health is in a more stable state as of this year, has re-organized into a more sustainable organizational structure and is in a good place to focus on internal improvements.

Many managers and supervisors are new to their role. We have recently completed new supervisor training in which we emphasized regular check-ins with employees to maintain engagement, set clear goals, and address any performance issues. We learned from this audit that we will also need to focus on annual documented employee evaluations, which are critical for consistency, transparency, and feedback to employees.

Steps we will take to ensure evaluations are conducted promptly moving forward, include:

- Effective immediately, Public Health Management will prioritize completing overdue evaluations for direct reports and will work with supervisors to ensure timely completion of evaluations.
- The Public Health Director will share the audit findings during the January Public Health manager and supervisor meeting and will set clear expectations for timely completion of employee evaluations. This will include a requirement that each manager and supervisor have a goal in their annual evaluation that states: *Complete all staff Performance Evaluations on time*. Managers will also have an action plan under the goal for how they will support their supervisors in assuring staff evaluations are completed.
- Managers and supervisors will be provided with training to document and integrate weekly check-ins into the annual evaluation process, demonstrating how regular interactions inform performance reviews. Emphasis will continue to also be placed on regular and documented check-ins as well as annual performance reviews.

While we await the rollout of the redesigned evaluation tools from Deschutes County HR, Public Health will utilize the current form and streamline internal processes where possible. To address concerns about outdated forms, we will provide feedback to County Human Resources to advocate for changes that reflect the needs of our division.

***Recommendation 2: The Public Health division should improve performance reporting by developing a unified, public-facing report that aligns measures with the updated strategic plan goals.***

We mostly agree with this recommendation. We agree that unified and outcome-focused performance measures are critical for guiding Public Health's objectives, driving improvements, and ensuring accountability to our stakeholders. However, Public Health tracks and reports numerous performance measures through multiple channels, many of which are required. These include, BOCC metrics dashboard, DCHS Annual Report, Communicable Disease Surveillance reports, Healthy Schools Annual Report, and Public Health Modernization metrics. These performance measures are not on one public facing dashboard, but the majority are all accessible on our website.

As stated in the Audit Report, Public Health is undergoing a new strategic planning process to be implemented by July 1, 2025, ensuring it reflects current public health priorities and key process and outcome performance measures.

Public Health will also explore the possibility of creating a consolidated public-facing dashboard as recommended if feasible within the constraints of available, curated data and capacity to respond to numerous reporting requirements.

***Recommendation 3: Public Health should strengthen controls over mailed payments and accounts receivable oversight and get receipt books that meet county policy.***



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***Recommendation 4: Public Health should revise current procedures to incorporate cash collection practices, workflows, and defined responsibilities, and ensure these procedures are reflected in the annual risk***

We agree with recommendation 3 & 4. The following will be implemented within the next 6 months:

- Update Cash Deposit Policy/Procedure to meet County Policy F-7. This will include workflow of responsibilities, accounts receivable reconciling and posting to Munis, and conducting a quality improvement process specific to Environmental Health.
- Create segregation of duties document to support workflow outline in procedures
- Purchase and distribute Deschutes County specific receipt books to Vital Records and Environmental Health, the two teams still using receipt books.

***Recommendation 5: Public Health should reinforce accountability expectations and practices for prepaid gift cards either through training, monitoring, or revising procedures.***

We agree with this recommendation. DCHS has a detailed procedure for gift card monitoring and auditing. However, this audit revealed that these procedures have not all consistently been enforced. DCHS will include the addition of new reconciliation procedures, including reconciliation with Munis expenses, and enforcement of procedures as an action step in the Strategic Plan. It is estimated that at minimum it will take through July 2025 to implement all changes. This will include, but not be limited to:

- Confirm all programs who have purchased gift cards in FY25 via Munis expense reports
- HS Business Manager conducts meetings with all programs to identify custodians, purchasers, program log review, program's current procedures, and review current HS policy/procedures and identify areas programs are currently not adhering to
- Present at Manager/Supervisor meetings to review all policy/procedures and outline plan for enforcing gift card purchase approvals, including notifying Business Manager, quarterly log audits by programs, and at minimum bi-yearly on-site gift card audit counts by Business Manager
- Business Manager will complete an on-site gift card audit reconciliation in January to identify current. Part of this audit will include reconciling with Munis purchases, to identify gaps in our ability to reconcile gift card logs with Munis
- Monthly budget reviews will also be used as a check point with program managers on gift card processes, reminders on audits, etc.

***Recommendation 6: Public Health should establish a tracking system to monitor the extent and frequency of data errors in the enterprise information system. If significant errors are identified, they should be reported to the Human Resources Director for resolution.***

We agree with the recommendation that data errors and anomalies be reported to Human Resources when identified. We disagree with the recommendation that Health Services create an additional tracking system to monitor errors in data entry occurring in another department. Health Services' current process is to complete onboarding and offboarding documents for all employees when they arrive, depart or change roles. In addition, we complete employee status and position change forms for the same processes and submit them through a central function in the Director's Office. Employee Organizational charts are double-checked and updated every two weeks. Finally, monthly budget meetings with managers include review of position control and FTE information and any errors are noted and communicated. DCHS feels this constitutes appropriate due diligence and is not in agreement with adding an additional internal step.

## **5. Appendix A: Objective, Scope, and Methodology**

The Office of County Internal Audit was created by the Deschutes County Code as an independent office conducting performance audits to provide information and recommendations for improvement.

Audit findings result from incidents of non-compliance with stated procedures and/or departures from prudent operation. The findings are, by nature, subjective. The audit disclosed certain policies, procedures and practices that could be improved. The audit was neither designed nor intended to be a detailed study of every relevant system, procedure, or transaction. Accordingly, the opportunities for improvement presented in the report may not be all-inclusive of areas where improvement may be needed and does not replace efforts needed to design an effective system of internal control.

Management has responsibility for the system of internal controls, including monitoring internal controls on an ongoing basis to ensure that any weaknesses or non-compliance are promptly identified and corrected. Internal controls provide reasonable but not absolute assurance that an organization's goals and objectives will be achieved.

## Objectives and Scope

Objectives included:



*"Audit objectives"  
define the goals of  
the audit.*

1. Identify the number of active employees and demographic information; vacancy rate (current and historic); current turnover rate; employee evaluation completion.
2. Review of internal controls for cash handling with Public Health as outlined in County Finance policy for cash handling (F-7). Identify areas to improve efficiency and effectiveness. Additionally, review management of any change cash, petty cash, receipts, credit cards, judgements, collections, and billings, as applicable.
3. Identify top five vendors for the division. Verify audit clause, licensing requirements, current insurance record. Review payment methods for vendors. Test against County Policy regarding payments to suppliers (F-15) and Deschutes County Code 2.37.
4. Determine budgetary significance of grants for the agency. Review selected grant agreements. Test against County Policy for grant applications and administration (GA-20).
5. Use an Information security checklist to test information security controls. Check against standards in the Federal Information Security Controls Audit Manual.
6. Review performance reporting from County dashboard and compare measures to prior reporting. Test against Government Finance Officers Association standards. Request back-up materials supporting reported goals and measures.
7. Review safety committee meeting materials for compliance with Occupational Safety and Health Administration rules. Review any safety training records for regularity and compare them to active roster. Complete an Americans with Disabilities Act checklist. Test against County policy for Americans with Disabilities Act notice and grievance policy (GA-13).
8. Be aware of any issues with compliance with federal and

state regulations and requirements, as may be applicable.

Scope and timing:

The audit occurred in September and October 2024. It included activity from January to August 2024. Scope was limited to a high-level risk survey of business operations for Deschutes County Public Health and did not assess internal controls for the Health Services department overall or programmatic objectives.

## Methodology



*Audit procedures are created to address the audit objectives.*

Audit procedures included:

- Interviewing staff about cash handling, information systems, purchasing, performance measurement, and physical security and safety.
- Reviewing documents provided including policies and procedures, performance measures, vendor contracts, and purchasing card documentation.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

(2018 Revision of Government Auditing Standards, issued by the Comptroller General of the United States.)

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

Joe Healy - Public member

Summer Sears – Public member

Kristin Toney - Public member

Patti Adair, County Commissioner

Charles Fadeley, Justice of the Peace

Lee Randall, Facilities Director

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# The Office of County Internal Audit

## Public Health Integrated Audit

#24/25-2



Audit Committee | February 14, 2025

# Background

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# Programs

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Prevention and Health Promotion

Clinical and Family Services

Communicable Disease Prevention and Management

Preparedness Engagement and Environmental Health

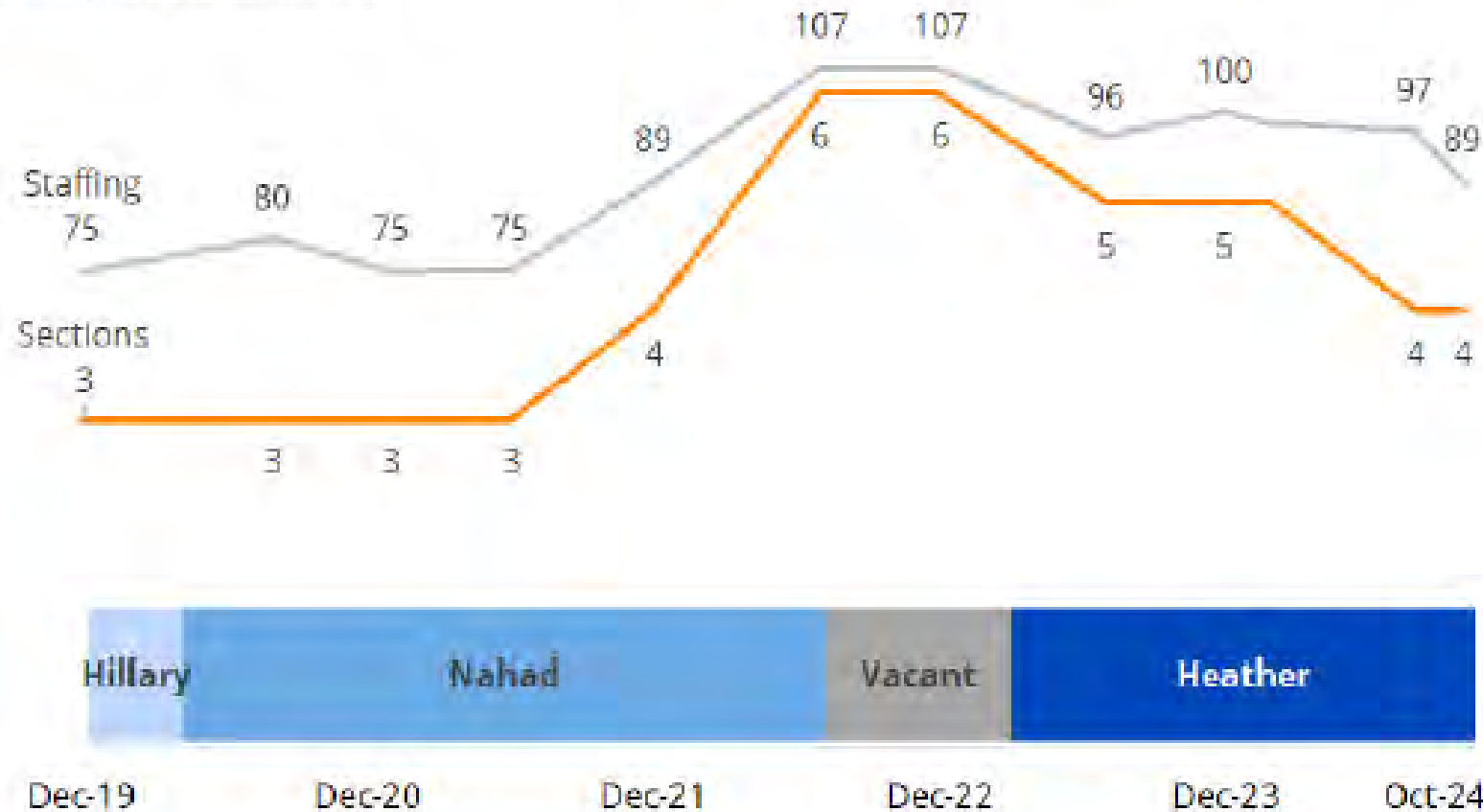




# Changes

**Figure I: Public Health experienced changes in staffing, sections, and deputy directors.**

Source: County Human Resources Data



# Audit Objectives

Risk survey in these areas:

1. Human Resources
2. Performance Reporting
3. Fiscal Controls
4. Procurement and Vendor Management
5. Grants
6. Information Technology
7. Safety and Accessibility
8. Any other State/Federal requirements



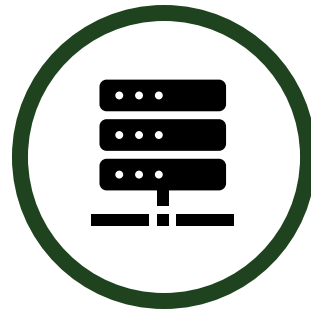
# Fieldwork

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Interview  
and  
checklist



Reviewed  
Information  
Systems



Best  
practices



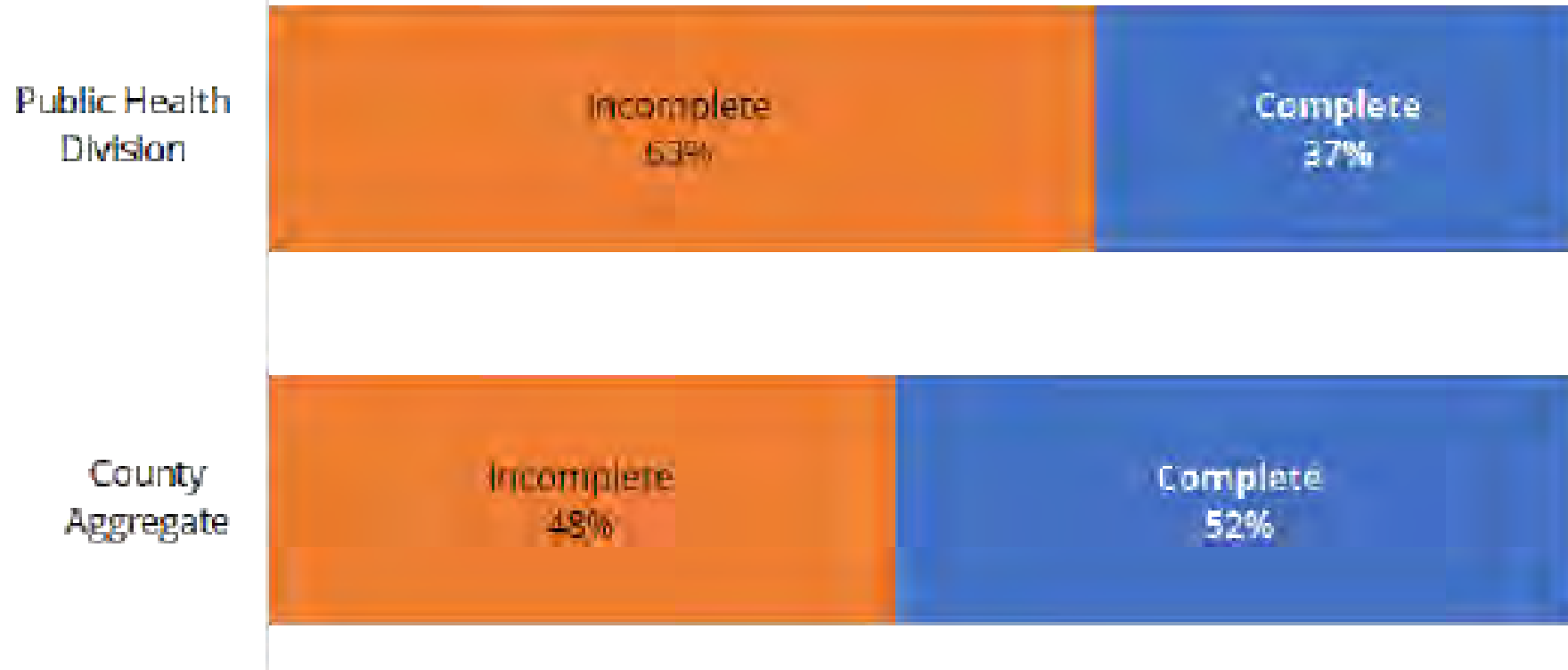
# Findings and Recommendations

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# Employee Evaluations

**Figure IV: Public Health's 63% annual evaluation incompleteness rate exceeds the County's rate.**

Source: County Human Resources Data



# What was happening

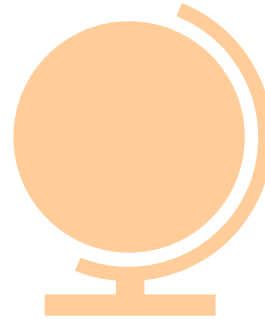
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Annual  
Check-ins



Regular  
Weekly  
Check-ins

2019 Performance  
Management audit  
**32%** incomplete  
Countywide



2024 audit  
statistics  
**48%** incomplete  
Countywide

2019 HR response  
New Evaluation Tools



May 2025 Rollout  
May be postponed further due to  
current structure



# Recommendation

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1. Promptly complete annual evaluations for direct reports and set expectations for timely completion.



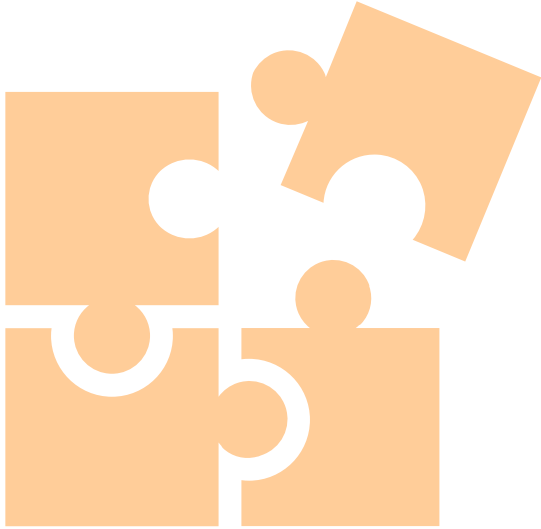
- Prioritize completion of overdue evals
- Share the audit with supervisors and set expectations; managers will have an action plan
- Provide training to document regular check-ins into annual eval process

**Agree**



# Performance Measures

---



Scattered sources for measures were sometimes hard to understand, not very collectible, and included limited outcome-focused results.





# Recommendation

2. Improve reporting by developing a unified, public-facing report that aligns measures with updated strategic goals.



**Mostly  
Agree**

- Measures are accessible on the website
- Strategic planning underway (July 2025)
- Division will explore creation of a consolidated dashboard



# Fiscal Procedures Incomplete

---

## Inconsistent within division

EH had no documented mail procedures vs. Courtney – mail procedures

## Outside Policy

Generic Receipt Book – no dept name, duplicate only

## Missing

Funds Security Expectations (*where/how/under what circumstances*)

Accounts Receivable write off oversight (*after 120 days/correct \$/correct client*)

Segregation of Duties by position/approach (*how is it accomplished*)

Concern specific to EH (*how is custody, approval, recording, oversight split*)

---



# Recommendations

---

3. Strengthen controls over mailed payments and accounts receivable oversight; get receipt books
4. Revise current procedures to match practices



**Agree**

- Update policies and procedures to meet County policy (6 months)
- Document segregation of duties
- Purchase receipt books



# Prepaid gift card oversight

## Unaccounted for

2 x \$10 Fred Meyer Cards

41 x \$25 Regal Cinemas Cards (gaps in seq. - x of 120 or x of 30; inherited)

## Accounted for but no longer in custody

72 x \$10 Thrift Store Cards (on log; donated in 2023; new staff)

## Audit independence

3 separate gift card logs audited by custodian

## Audit reporting misunderstanding

Report of \$19,500 on audit form (noted that all were used; s/b \$0)



# Recommendation

---

## 5. Reinforce accountability and practices for prepaid gift cards



**Agree**

- Meetings with custodians
- Reviewing policy/procedures
- Independent audits in January
- Monthly budget reviews



# Data inconsistencies

**Table 1: Accurate organizational structure was not reflected in the County's Human Resources information system.**

Program Manager	Information System Direct Reports	Actual Direct Reports
Manager A	4	6
Manager B	6	8
Manager C	3	4
Manager D	7	Unknown <sup>2</sup>



# Recommendation

---

6. Establish a tracking system to monitor extent and frequency; report to HR Director



**Accept  
the  
Risk**

Will communicate with HR; DCHS is doing due diligence to ensure accuracy and will not create a tracking system



# Observations

---



# Contract Management

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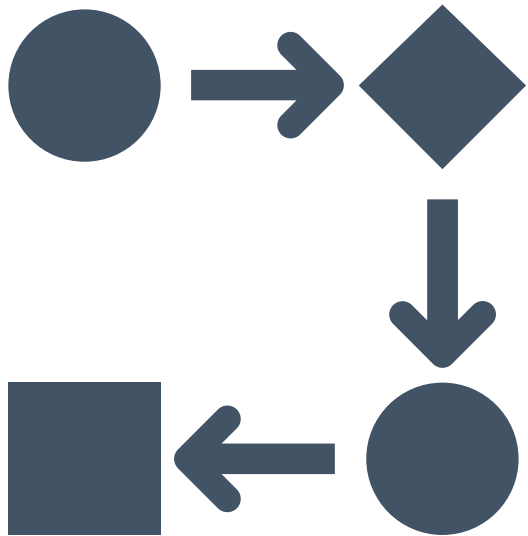


**Updated  
procurement  
procedures**



# Grant requirements

---



**Reviewed  
grants met  
requirements**



# Physical and Web Accessibility

---

## Planned improvements



# Don't forget to fill out the survey!

---

## Questions/ Comments?



---

# Thank you





OFFICE OF  
INTERNAL AUDIT

## Audit Report

# Language Access Program: Low compliance risk, but better coordination and guidance needed



### FIRE RESTRICTIONS UNTIL OCTOBER 2024



**NOTICE:** Deschutes County has enacted public use fire restrictions on all County-owned land and all unprotected land in the unincorporated areas of the county until October 15, 2024.



### 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.



To request this information in an alternate format, please call (541) 330-4674 or send email to [internal.audit@Deschutes.org](mailto:internal.audit@Deschutes.org)

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## Highlights:

**Why this audit was performed:**

Vital county services cannot be provided without effective communication, even with those who do not speak English.

**We recommended that County Administration:**

assign responsibility for language access.

update the Civil Rights Act policy to provide clear guidance.

create a language access plan.

add mandatory procedures to the policy.

create a policy for the bilingual program.

## Low compliance risk, better coordination and guidance needed

The audit objective was to determine whether the County complied with language access rules related to translation and interpretation services and whether those services were effectively and efficiently provided.

**What we found:**

The County provided services for people who need language access. But there were still some areas where language access could be improved. Unclear guidance and procedures around language access services led to confusion and inconsistency. This uncertainty resulted in staff hesitation to use contract translators and interpreters, which in turn placed an undue burden on bilingual employees. County staff were not able to answer basic questions such as how much are we doing, how much should we be doing, and can we do it more efficiently. We found that:

- There was some risk of noncompliance with federal language access rules.
- Language access portions of the Civil Rights Act policy did not provide clear guidance.
- The County didn't know what language access services were needed and provided across the organization.
- Without procedures, translated documents were not readily available and contracts were underused and uncoordinated.
- Bilingual employees bore the burden of unclear policies and procedures.



## 1. Introduction

The County provides essential services to community members. We all count on the County to be there during medical emergencies and times when we feel threatened or have been victims of crime. We count on them to keep us healthy during critical times like pandemics, but also day-to-day when we visit restaurants or if we live in a neighborhood that is not connected to a sewer system. The County can't provide these services without effective communication. Most people in the County use English to communicate, but there are some people who need language access services such as translation and interpretation to communicate with County officials.

The County provided services for people who need language access. It hired bilingual staff and contracted with translation and interpretation providers. Customer service staff had access to auxiliary kits with tools for providing access such as a tablet that connected to on-demand interpretation services.

But there were still some areas where language access could be improved. Unclear guidance and procedures around language access services led to confusion and inconsistency. This uncertainty resulted in staff hesitation to use contract translators and interpreters, which in turn placed an undue burden on bilingual employees. County staff were not able to answer basic questions such as how much are we doing, how much should we be doing, and can we do it more efficiently.

The Deschutes County Audit Committee authorized a review of language access in the Internal Audit Work Plan for Fiscal Years 2024 and 2025. Audit objectives, scope, and methodology can be found in **Appendix A**.

**Background**

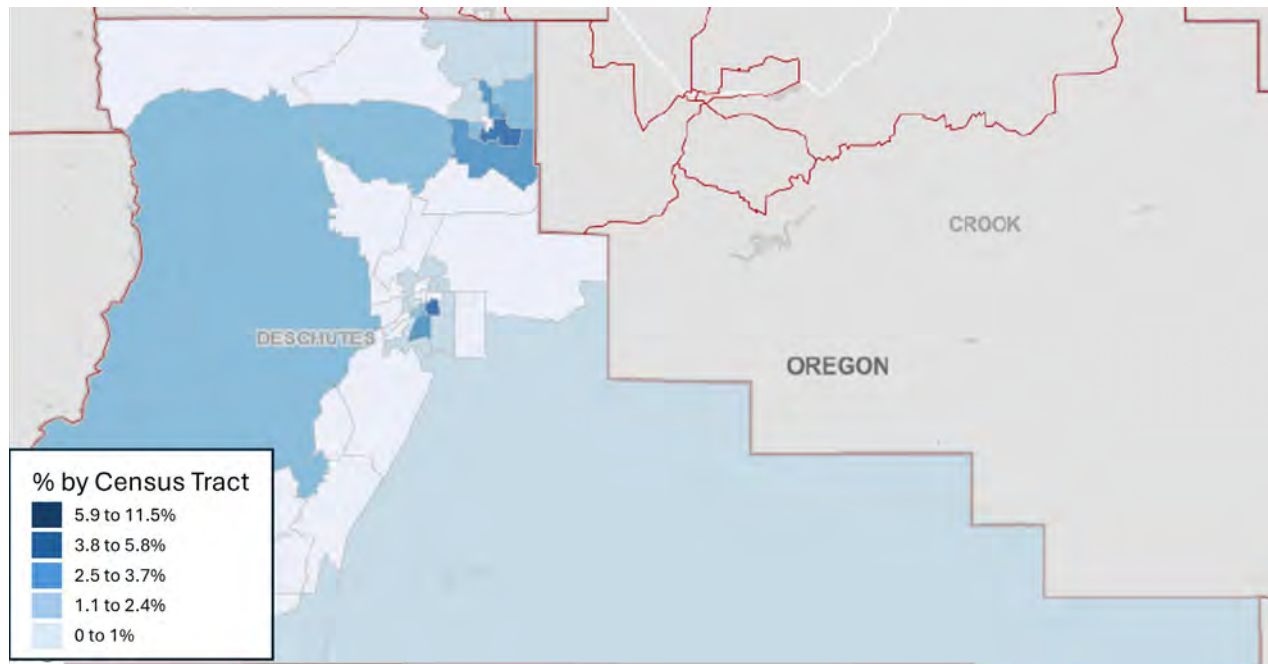
It is the mission of Deschutes County to “enhance the lives of citizens by delivering quality services in a cost-effective manner.” The County achieves this mission by

- Protecting the community through planning, preparedness, and delivery of coordinated services.
- Enhancing and protecting the health and well-being of communities and their residents.
- Promoting policies and actions that sustain and stimulate economic resilience and a strong regional workforce.
- Supporting actions to increase housing production and achieve stability.
- Providing solution-oriented service that is cost-effective and efficient.

The County cannot provide these services without providing information and communicating in a language that residents, visitors, and business owners can understand.

Deschutes County has a small percentage but still sizable population of people who need translation and interpretation to participate in services. According to 2022 data from the U.S. Census Bureau, there were 4,080 people in Deschutes County who spoke English less than very well. Of those people, 3,243 spoke Spanish. Populations were higher in the more urban areas of Bend and Redmond.

**Figure 1: Percentage of people needing language assistance in Deschutes County by Census tract**



Source: 2022 U.S. Census Bureau American Community Survey

The County addressed language access needs in a few different ways.

### **Bilingual Employees**

Deschutes County offered premium pay to bilingual employees who used their language skills during work. Bilingual employees provided direct service in languages other than English, interpretation for other employees, and/or document translation. To qualify for pay, supervisors agreed that the employee used language skills while working. Bilingual employees also had to take an oral test. Most bilingual employees received \$150 per month for bilingual pay, though some qualified for \$250 per month for specialized and highly skilled work like medical interpretation. These stipends were paid in addition to the employee's regular salary.

### **Contracted Interpreters and Translators**

The County had multiple contracts for interpretation and translation. Some providers were sole contractors and others

**Translation** is a written language assistance service. Text in one language is replaced with text in another.

**Interpretation** is an oral language assistance service. An interpreter listens to spoken messages in one language and then speaks in another language.

were large companies with multiple employees who could provide on-demand services over the phone or through video conferencing.

### **Auxiliary Kits**

The Health Services Department piloted a program to place on-demand interpretation kits at customer service locations. Since then, the kits have been distributed to many departments providing direct customer service including the Finance Department and Clerk's Office. The kits include a tablet that connects to on-demand interpretation services, a point to your language sheet, a device to amplify sound for those who are hard of hearing, a whiteboard for written communications, and a magnifier for those who have trouble reading small text.

### **Language Access Analyst Job Classification**

The County created a Language Access Analyst job classification to coordinate language service within departments. Analyst duties included managing departmental language access services, determining language access budget needs, delegating language access work across the department, and overseeing contracts related to translation and interpretation.

In the Health Services Department, A Language Access Analyst coordinated interpretation and translation. The analyst routed services requests deciding whether to perform services in-house or through a vendor. Prior to having the Analyst in place, staff in Health Services did not make requests in a consistent manner. Some used bilingual staff and others used vendors. The Analyst created a central method to request services which increased staff confidence that someone could step in even if a vendor was unavailable. The Analyst was also able to develop relationships with vendors and knew their strengths, for example which were better at simultaneous interpretation.

As of December 2024, only the Health Services Department had someone assigned to this classification.

## Language Access Rules and Best Practices



Title VI of the 1964 Civil Rights Act prohibits national origin discrimination when information is provided only in English to people who don't speak English. All recipients of federal funds are required to provide services to people regardless of English proficiency and must take reasonable steps to ensure meaningful access to information and services.

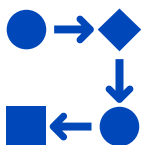
The U.S. Department of Justice developed a Language Access Assessment and Planning Tool to assist government agencies with complying with language access portions of Title VI. Elements of the tool are not required but are helpful guidance for complying with the law. The tool includes best practices for developing a language access policy, plan, and procedures. According to the tool:



- **A language access policy** sets forth standards, operating principles, and guidelines that govern the delivery of language appropriate services.



- **A language access plan** is a management document that outlines how the agency defines tasks, sets deadlines and priorities, assigns responsibility, and allocates the resources necessary to come into or maintain compliance with language access requirements. It describes how the agency will meet the service delivery standards delineated in the policy directives. The plan is a roadmap that helps agencies navigate the process of setting deadlines and priorities and identifying responsible personnel.



- **Language access procedures** are the "how to" for staff. They specify for staff the steps to follow to provide language services, gather data, and deliver services to people who need language services.

## 2. Findings

The objective of the audit was to determine whether the County complied with rules related to translation and interpretation services and whether those services were effectively and efficiently provided.

Based on that review, several key issues emerged:

1. There was some risk of noncompliance with federal language access rules.
2. Language access portions of the Civil Rights Act policy did not provide clear guidance.
3. The County didn't know what language access services were needed and provided across the organization.
4. Without procedures, translated documents were not readily available and contracts were underused and uncoordinated.
5. Bilingual employees bore the burden of unclear policies and procedures.

### **Finding 1: There was some risk of noncompliance with federal language access rules.**



According to federal meaningful access standards associated with Title VI, Deschutes County was likely required to provide language access including translated documents. Meaningful access standards include:

- **Size of the population:** According to 2022 U.S. Census Bureau data, the Deschutes County population needing language access was above the 1,000-person threshold for providing advance document translations in Spanish: 3,243.
- **Frequency of contact:** Many people did not have frequent and predictable contact with the County. Exceptions

included Health Services Department clients, people in custody at a detention facility, or people on parole or probation. These programs may need more extensive language services.

- **Importance of the service:** Some County programs did not have life or death implications, but others did, including services provided by the Health Services Department, Sheriff's Office, and the 911 District.
- **Available resources:** As a large entity, the County was likely not able to make claims about limited resources.

**Vital Documents** are documents that include information that is critical to receiving service. They may include application forms, notices of eligibility or denial, important instructions, and legal documents related to the service or program.

Deschutes County had some risk of noncompliance with federal requirements for language access. It had a plan for providing service to people who need language access that included some translated documents and access to on-demand interpretation services. But the plan did not include strategies for identifying and translating vital documents or meaningful notice about language access services.

According to a survey of County leadership, one-third of departments/offices proactively identified and translated documents required for meaningful access. These included Community Justice, Office of the District Attorney, Fair and Expo Center, Health Services, Property Management, and Solid Waste, but did not include the Sheriff's Office or 911.

Notices about the availability of interpretation services were not easy to find and not posted at customer service counters across the County. A federal Civil Rights Act notice was posted in a corner of the Deschutes Service Building near the bathroom and the online notice was hard to find in the Risk Management portion of the website. Neither mentioned language access.

Requirements for a language access program may have been overlooked because no specific person was accountable for or oversaw the program. The County Civil Rights Act policy made a deputy county administrator responsible for language access compliance. However there were two deputies and the policy did not make it clear which was responsible.

***Recommendation 1: The County Administrator should assign responsibility for the language access program to a specific person.***

**Finding 2: Language access portions of the Civil Rights Act policy did not provide clear guidance.**



The policy did not clearly explain why and how to comply with federal rules about language access. The U.S. Department of Justice Language Access Assessment and Planning Tool includes best practices for a language access policy but the County Civil Rights Act policy, GA-16, did not include many of the elements. Though it included a general policy statement specific to language access, other elements could be improved:

- The section on authority was included in the general Civil Rights Act section and not specific to language access.
- The policy included definitions for Limited English Proficiency, translation, and interpretation, but not other relevant terms such as bilingual staff and vital documents.
- Compliance language made “the County” or “programs” responsible for implementation instead of staff.

There was also confusion between the policy and the language access plan. Many best practice policy elements were included in the plan section of the policy.

As with **Finding 1**, shortcomings in the policy may be due to there being no one is assigned responsibility for language access.

See **Appendix B** for more details about how the Deschutes County policy met best practice standards in the Language Access Assessment and Planning Tool.

***Recommendation 2: Administration should update the Civil Rights Act policy to provide clearer guidance and include best practices.***



**Finding 3: The County didn't know what language access services were needed and provided across the organization.**

The County's language access plan did not address the elements in the Language Access Assessment and Planning Tool. For example, the plan did not include:

- A description of the timeframe, objectives, and benchmarks to allow for accountability.
- Funding needed to achieve goals.
- Staff training needs related to providing language access.
- A plan to notify the community about language access or collaboration with community organizations.
- A plan to monitor and evaluate performance, and, if appropriate, modify the policy or plan.

Perhaps most importantly, elements that would have identified need and how many resources the County should provide were either problematic or missing. The section of the plan that identified the need or demand for language access was based on U.S. Census Bureau data which may undercount the number of people needing language access service. The plan also did not include a description of current language access services. It would be difficult for the County to quantify this information because the County's financial information system did not provide reports on translation services.

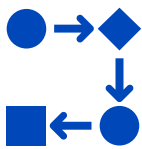
Ultimately, without a strong plan in place, the County risked coming out of compliance with federal Civil Rights Act language access requirements.

As with **Finding 1**, missing elements in the plan may be due to there being no one is assigned responsibility for language access.

See **Appendix B** for more details about how the Deschutes County plan met best practice standards in the Language Access Assessment and Planning Tool.

***Recommendation 3: Administration should create a language access plan based on the Language Access Assessment and Planning tool.***

**Finding 4: Without procedures, translated documents were not readily available and contracts were underused and uncoordinated.**

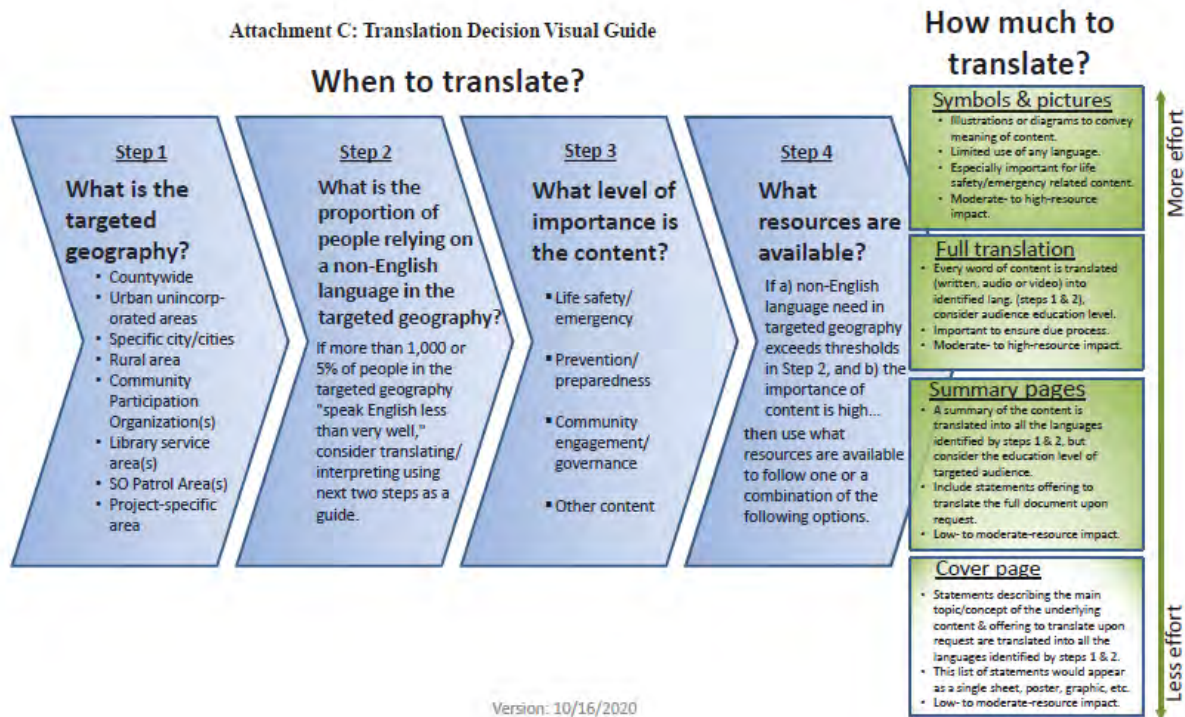


The Language Access Assessment and Planning Tool includes a recommendation for procedures to explain how to:

- respond to telephone calls from people needing language access.
- track, and record language preference information.
- inform people about available language assistance services.
- identify the language needs.
- procure interpreter services.
- use bilingual staff and which staff are authorized to provide in-language service.
- obtain translations of documents.

There was not a County-wide procedure for language access. Both the Communications Team and Health Services had procedures in place that directed staff to provide translation and interpretation. But neither provided the detailed instructions outlined in the tool. A SharePoint page referred employees with questions to their own departments, and departments to the communications team.

In contrast, Washington County had county-wide procedures that included how to decide which documents to translate, when to provide interpretation, and how to work with vendors.

**Figure 3: Washington County Translation Decision Guide**

- Departments/offices did not use the same vendors for translation and interpretation and the County processed invoices with multiple vendors each month; at times up to eight different vendors. In April 2024, the County conducted a competitive procurement for on-demand interpretation with input from all departments. But as of November 2024, no County staff used the contract.
- A review of contracts for the vendors who received the most County funds revealed inconsistencies and expired agreements. In some cases, different departments had separate contracts with the same vendor, though the contracts were similar in scope and price. Some contracts had expired and were still being used.

***Recommendation 4: Administration should add mandatory county-wide procedures to the language access policy.***

**Finding 5: Bilingual employees bore the burden of unclear policies and procedures.**

Bilingual staff improve customer service and outcomes. We interviewed a random sample of bilingual employees, all of whom said people reacted positively and were grateful when they learned they could speak to a County employee in their preferred language. Other benefits included better health and compliance outcomes, preference for speaking with a bilingual employee to using an interpreter, and the advantage of speaking with someone who came from a common culture. A Deputy Sheriff said speaking Spanish during a traffic stop increased safety by allowing them to keep their hands free. Using a phone for an interpreter requires holding the device, which makes stops more dangerous.

The Language Access Assessment and Planning Tool recommends having a policy for bilingual pay, but Deschutes County did not have one. Instead, stipends were included in employee bargaining

agreements without criteria or expectations for frequency of use or skill level required.

Most bilingual employees found the opportunity to use their language skills fulfilling. They felt supported when providing services in Spanish, though some mentioned they could benefit from more language training or by having more bilingual staff. Almost all employees said they did not feel pressure to provide interpretation in situations for which they were not qualified.

Despite feeling positive about their role, some bilingual employees also were overstretched or provided services without receiving a bilingual stipend.

Bilingual staff in other departments were asked more frequently to use their skills to assist other agencies or departments. In most cases, they were happy to help but it was extra work on top of their regular duties.

- An employee at the Office of the District Attorney spoke about being asked to interpret for the Sheriff's Office. Another District Attorney employee said the Circuit Court sent people over for help in Spanish when the court didn't have Spanish speaking staff.
- A Deputy Sheriff helped interpret for Code Enforcement staff when assisting them on calls.
- Two Deputy Sheriffs mentioned dispatch had a list of Spanish speakers and would send deputies who speak Spanish on calls that may have otherwise gone to other agencies such as City of Bend or Oregon State Police.
- One employee got so many requests to interpret for coworkers that they were considering giving up the pay differential because it took up so much time. They said colleagues preferred to come to them instead of using the on-demand interpreter. They talked to their supervisor about it but did not want to be seen as a complainer.

Bilingual stipends were not consistently tied to skill level or

frequency of use.

- There were two levels of bilingual pay for most employees. Level one was for basic bilingual services with level two reserved for frequent use in specialized circumstances like medical or legal interpretation. Human Resources developed a score card for supervisors to document which employees were eligible for level two pay. Most people receiving level two were in the Health Services Department and were certified medical interpreters. Two people received level two pay outside of Health. One of the employees had a score card on file, but the information was discretionary and could have applied to many of the people receiving level one pay. The other person receiving level two pay didn't have a score card.
- The Sheriff's Office had three qualifying levels which were based on when deputies could testify about evidence they heard or read in Spanish. Despite the three documented levels, the bargaining agreements for Sheriff's Office employees only had one level of pay.
- Non-represented employees earned bilingual pay in practice but there was not a formal policy or procedure for determining their pay. Instead, their pay was tied to the American Federation of State, County and Municipal Employees (AFSCME) agreement.
- Two departments relied on staff to translate documents without providing a bilingual stipend. One director said they would research whether the employee qualified but the other director said the work was not frequent enough.
- Most employees received bilingual pay close to the time they were hired, but some worked for a while before receiving the stipend. In two cases, the supervisor of these employees was aware they were bilingual and did not help them to apply for the differential when they were first hired.

Bilingual pay did not increase between 2019 and 2024. If cost of living increases were applied during this time, the monthly stipend for level one pay would have increased from \$150 per month to \$181 per month.

As with **Finding 1**, the lack of a bilingual policy may be due to there being no one is assigned responsibility for language access.

***Recommendation 5: Create a policy for the bilingual program that clarifies selection/hiring, testing, expectations, and compensation.***

### 3. Audit Conclusion

Residents, visitors, and businesses rely on the County for vital services. These cannot be provided without effective communication. The County provided language access services including hiring bilingual employees and contracting for translation and interpretation. However, services were not coordinated or evaluated for efficiency and effectiveness. There was also some risk of noncompliance with federal rules for language access. We recommended that County Administration:

1. assign responsibility for the language access program to a specific person.
2. update the Civil Rights Act policy to provide clearer guidance and include best practices.
3. create a language access plan based on the Language Access Assessment and Planning tool.
4. add mandatory county-wide procedures to the language access policy.
5. create a policy for the bilingual program that clarifies selection/hiring, testing, expectations, and compensation.



## 4. Management Response



### ADMINISTRATION

December 19, 2024

To: Elizabeth Pape, County Internal Auditor  
From: Nick Lelack, County Administrator  
Subject: Response to Language Access Audit Report

This letter provides the County Administrator's written response to the Language Access Audit. The Auditor's recommendations from the report and County Administration's responses are listed below.

**Recommendation 1: The County Administrator should assign responsibility for the language access program to a specific person**

a) Management position concerning recommendation:

☒ Concurs ☐ Accepts Risk

b) Comments:

We agree with the auditor's recommendation. I will assign responsibility of the language access program to a specific person.

c) Estimated date of resolution: February 1, 2025.

d) Estimated cost to implement recommendation: Staff time to evaluate capacity and organizational alignment with other functions.

**Recommendation 2: Administration should update the Civil Rights Act policy to provide clearer guidance and include best practices**

a) Management position concerning recommendation:

☒ Concurs ☐ Accepts Risk

b) Comments:

We agree with the auditor's recommendation. Administration will update the Civil Rights Act



policy to provide clearer guidance and include best practices.

- c) Estimated date of resolution: July 1, 2025.
- d) Estimated cost to implement recommendation: Staff time.

**Recommendation 3: Administration should create a language access plan based on the Language Access Assessment and Planning tool**

- a) Management position concerning recommendation:

☒ Concurs    ☐ Accepts Risk

- b) Comments:

We agree with the auditor's recommendation. Administration will create a language access plan based on the Language Access Assessment and Planning tool.

- c) Estimated date of resolution: December 1, 2025.
- d) Estimated cost to implement recommendation: Staff time.

**Recommendation 4: Administration add mandatory county-wide procedures to the language access policy.**

- a) Management position concerning recommendation:

☐ Concurs    ☒ Accepts Risk

- b) Comments:

We agree with the auditor that consistent procedures are important, but want to evaluate the development of county-wide procedures and their potential operational impact with department heads before we make a determination about if they will be included in a future policy update.

- c) Estimated date of resolution: July 1, 2025.
- d) Estimated cost to implement recommendation: Staff time.

**Recommendation 5: Create a policy for the bilingual program that clarifies selection/hiring, testing, expectations and compensation.**

a) Management position concerning recommendation:

☒ Concurs    ☐ Accepts Risk

b) Comments:

We agree with the auditor's recommendation. Administration will work with HR to develop a bilingual program policy. It is likely that this policy will be applicable to non-represented positions.

c) Estimated date of resolution: December 1, 2025.

d) Estimated cost to implement recommendation: Staff time.

Sincerely,

Nick Lelack, County Administrator

**5. Appendix A: Objective, Scope, and Methodology**

The County Internal Auditor was created by the Deschutes County Code as an independent office conducting performance audits to provide information and recommendations for improvement.

Audit findings result from incidents of non-compliance with stated procedures and/or departures from prudent operation. The findings are, by nature, subjective. The audit disclosed certain policies, procedures and practices that could be improved. The audit was neither designed nor intended to be a detailed study of every relevant system, procedure, or transaction. Accordingly, the opportunities for improvement presented in the report may not be all-inclusive of areas where improvement may be needed and does not replace efforts needed to design an effective system of internal control.

Management has responsibility for the system of internal

controls, including monitoring internal controls on an ongoing basis to ensure that any weaknesses or non-compliance are promptly identified and corrected. Internal controls provide reasonable but not absolute assurance that an organization's goals and objectives will be achieved.

## Objectives and Scope



*"Audit objectives" define the goals of the audit.*

The overall objective of the audit was to determine whether the County complied with rules related to translation and interpretation services and whether services were effectively and efficiently provided. The audit was conducted in the Fall of 2024.



*Audit procedures are created to address the audit objectives.*

## Methodology

Audit procedures included:

- Interviewing all staff who used auxiliary kits and a random sample of bilingual staff. We coded interviews to draw qualitative conclusions. Because the bilingual employee sample was random and representative, results can be extrapolated to the population.
- Surveying department heads and elected officials about language access in their programs.
- Reviewing Census data to calculate the number of Deschutes County residents needing language assistance.
- Assessing the County Civil Rights Act policy against Title VI meaningful access criteria and the US Department of Justice Language Access Assessment and Planning Tool.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We

believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

(2018 Revision of Government Auditing Standards, issued by the Comptroller General of the United States.)

## 6. **Appendix B: Department of Justice Language Access Assessment and Planning Tool and Deschutes County Status**

We compared the Deschutes County Civil Rights Act policy and the language access plan within the policy to best practices in the Department of Justice Language Access Assessment and Planning Tool. The following tables outline best practices and assess Deschutes County status.

### **Policy Best Practices**



**A language access policy** sets forth standards, operating principles, and guidelines that govern the delivery of language appropriate services.

Policy Criteria	Deschutes County	Implementation Status
<b>A General Policy Statement</b>  This section explains the goals and expectations of the agency in terms that bind the agency and its employees.  Example: "It is the policy of this agency to provide timely meaningful access for [people who need language access] to all agency programs and activities. All personnel shall provide free language assistance services to [people needing language access] whom they encounter or whenever [person who needs language access] requests language assistance services. All personnel will inform members of the public that language assistance services are available free of charge to [people who need language access] and that the agency will provide these services to them."	Deschutes County, as a recipient of federal funds, must ensure that people with limited English proficiency have access to its programs, benefits, services, and activities. No person should be deprived of such access because of their language skills or English proficiency.	<b>PARTIAL</b>  This statement should be in the policy instead of the plan.

Policy Criteria	Deschutes County	Implementation Status
<p><b>Purpose and Authority</b></p> <p>This section provides the legal basis or administrative authority for the agency policy and may explain the nexus between the policy directives and the agency's mission.</p> <p>Example: "The purpose of this policy is to establish effective guidelines, consistent with Title VI of the Civil Rights Act of 1964 and Executive Order 13166, for agency personnel to follow when providing services to, or interacting with, individuals who have limited English proficiency (LEP). Following these guidelines is essential to the success of our mission to [insert]."</p>	<p>The Civil Rights Act of 1964 (the Act) is federal legislation that prohibits discrimination on the basis of race, color or national origin in federally funded programs, services and activities. Title VI has also been implemented to require that persons with limited English proficiency have meaningful access to programs, services, and activities; and that decision making processes are designed to avoid, minimize, or mitigate adverse environmental effects, including social and economic effects, on communities of color and low-income populations. Other federal and state legislation prohibits discrimination based on disability, religion, age, sex, sexual orientation, gender identity, or source of income.</p>	<p><b>PARTIAL</b></p> <p>This statement is part of the Civil Rights plan and does not specifically address language access.</p>

Policy Criteria	Deschutes County	Implementation Status
<b>Language Assistance Measures</b>  This section sets forth the standards for language assistance services to be provided to individuals. Language assistance measures should be written in a manner that requires staff compliance consistent with the agency's culture. The measures define acceptable methods of communication with [people who need language access].  Example: In the sample general policy statement, the decree that all personnel "shall provide free language assistance services to individuals whom they encounter or whenever a person requests language assistance services" and describes the standards for how and when the agency must communicate with [people who need language access]."	<p>Deschutes County employs a wide variety of strategies to solicit, consider, and incorporate the perspectives of diverse populations in policy and decision-making processes...</p> <p>Ensuring that printed materials, such as public notices and records, meeting and hearing schedules, minutes and supporting documents, web content, and other written communications can be made available in both traditional and alternative formats, including large text, electronic, audio, braille, and multiple languages upon request.</p>	<p><b>PARTIAL</b></p> <p>This statement is part of the Civil Rights plan instead of a language access policy.</p> <p>The language does not include interpretation.</p>

Policy Criteria	Deschutes County	Implementation Status
<b>Staff Compliance</b>  This section describes the responsibility of each division, unit, or staff member.  Example: the sample general policy statement above denotes that “all personnel” are required to provide free language assistance services to [people who need language assistance] and must inform the public about available language assistance services.	All programs of Deschutes County are subject to this policy regardless of funding source. Individual grants and programs may carry additional requirements.	<b>PARTIAL</b>  This statement is part of the Civil Rights plan instead of a language access policy.  References “programs” and not “staff”



Policy Criteria	Deschutes County	Implementation Status
<p><b>Definitions</b></p> <p>The policy directive may also explain any terms referenced in the policy. These terms may include agency-specific classifications of bilingual staff, interpreter, language assistance services, Limited English Proficiency, primary language, translation, vital documents, etc.</p>	<p>Residents with Limited English Proficiency (LEP) are people who do not speak English as their primary language and have limited ability to read, write, speak, or understand English. For purposes of this plan, translation refers to written communication and interpretation refers to spoken and signed communication.</p> <p>Translation and Interpretation are also defined.</p>	<p><b>PARTIAL</b></p> <p>Definitions are included in the Civil Rights plan instead of a language access policy.</p> <p>Does not include definitions for bilingual staff, language assistance services, primary language, or vital documents.</p>
<p><b>Staff Training</b></p> <p>A policy directive on staff training may dictate the frequency, curriculum, and target personnel for ongoing training. For example, this policy directive may mandate training particular to management, interpreters, translators, or frontline staff who encounter [people who need language assistance].</p>	<p>The County periodically offers Spanish language classes within its catalog of training opportunities that are open to all staff members with supervisor approval. Additional training opportunities in language and interpretation may also be offered on occasion at the discretion of individual departments.</p>	<p><b>NOT IMPLEMENTED</b></p> <p>Training section refers to training in Spanish proficiency instead of training about how to provide language access.</p>

Policy Criteria	Deschutes County	Implementation Status
<b>Bilingual Staff</b>  A policy directive on bilingual staff may state a policy that second language skills are a desired characteristic, prescribe the hiring process for bilingual staff, provide the mechanism for designating jobs as bilingual, when and how to test the competency of prospective or current bilingual staff, define which staff are “bilingual,” and/or additional remuneration for bilingual staff.	When warranted, general recruitments may specify a preference for bilingual capabilities. If approved by management, and subject to any applicable collective bargaining agreement, staff filling bilingual positions may be eligible for supplemental pay.	<b>PARTIAL</b>  Does not include details about the process for hiring staff, how to designate jobs as bilingual, or how to test for competency.
<b>Performance Measurement</b>  A policy directive on performance measurement may order the frequency and manner of monitoring and oversight. For example, an agency may elect to conduct an audit of language assistance services on an annual basis. <a href="#">Go to Plan</a>	None	<b>NOT IMPLEMENTED</b>

## Implementation Plan Best Practices



A **language access plan** is a management document that outlines how the agency defines tasks, sets deadlines and priorities, assigns responsibility, and allocates the resources necessary to come into or maintain compliance with language access requirements. It describes how the agency will meet the service delivery standards delineated in the policy directives. The plan is a roadmap that helps agencies navigate the process of setting deadlines and priorities and identifying responsible personnel.

Plan Criteria	Deschutes County	Implementation Status
<p><b>Identification of persons charged with implementing the plan</b></p> <p>A plan should describe the management staff, workgroup, committee, or other agency staff who will be responsible for creating and overseeing the policy directives, developing and modifying the language access plan, and establishing and implementing operational procedures. The plan should also detail the chains of command for authority and oversight and explain any coextensive responsibility and coordination with other agencies, divisions, and offices.</p>	<p>Administration of Deschutes County's Civil Rights Title VI Program of this plan is housed with the Deputy County Administrator.</p>	<p><b>PARTIAL</b></p> <p>There are two deputy county administrators and neither has explicit responsibility for language access.</p> <p>Prior to 2020, when the language access plan was drafted, there was only one deputy county administrator.</p> <p>In contrast, Washington County tasked its Chief Equity and Inclusion Officer with Title VI and language access compliance.</p>

Plan Criteria	Deschutes County	Implementation Status
<p><b>Identification and assessment of communities</b></p> <p>A plan should address what resources will be needed to assess the number or proportion of eligible [people who need language assistance] from each language group in an agency service area and the resources that will be needed to provide language assistance services. The plan should also outline the work needed to install or maintain systems for data collection and management.</p>	<p>Plan uses 2018 U.S. Census Bureau data to identify the population needing language assistance.</p> <p>It includes Health Services Department clients, but not other departments that serve or interact with people who need translation or interpretation.</p>	<p><b>NOT IMPLEMENTED</b></p> <p>2022 U.S. Census Bureau data is available.</p> <p>Census data may undercount people needing language access. People might misreport their proficiency because they want to defend their ability to speak English, or they may not trust the government with the information. There are also barriers to collecting data from people who do not speak English well.</p> <p>The Lane County Public Works Department used staff surveys to measure demand. The Lane County Health Department surveys clients about need. Lane County committed to more systematic efforts to capture the frequency of contact with people needing language access.</p>

Plan Criteria	Deschutes County	Implementation Status
A description of the timeframe, objectives, and benchmarks for work to be undertaken	Not included.	<b>NOT IMPLEMENTED</b>

<b>Identification of funding and procurement issues and the steps needed to address them.</b>	Not included.	<b>NOT IMPLEMENTED</b>  The County spent an average of \$59,000 per year on contract translation and interpretation and \$91,000 on bilingual pay without quality data about need or effectiveness.  Information about how much was spent on contract translation and interpretation was unreliable. The financial information system included a code for interpretation, but not translation. Vendors who were paid with the interpretation code were also paid using other object codes including contracted services, court reporter, professional, and public information. To identify payments associated with translation and interpretation, we selected all vendors with payments using the interpretation object code, identified vendors with more than \$5,000 in total payments and then selected all payments to
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Plan Criteria	Deschutes County	Implementation Status
		<p>those vendors regardless of object code.</p> <p>There was not any tracking of how often auxiliary kits were used. According to interviews with staff using the kits, they were used infrequently: at most a handful of times per year, but some were never used. Most staff reported that the kits were easy to use, but there was one instance when the prior vendor did not respond to a request for on-demand interpretation and staff had to use a phone app instead. Despite having kits available, some staff still relied on phone apps or family members, including minors, for interpretation.</p>

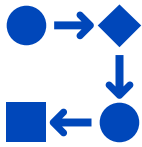
Plan Criteria	Deschutes County	Implementation Status
<b>Notice of language assistance services</b>  A plan should also describe how the agency intends to implement the changes needed to inform [people needing language access] of the benefits, programs, and services for which they may be eligible and the available language assistance services.	<p>Plan lists examples of programmatic outreach in Spanish.</p> <p>Plan includes a public notice document about the Civil Rights Act.</p> <p>Information about civil rights will be posted on the website and paper copy notices to the public posted in a public area.</p>	<p><b>PARTIAL</b></p> <p>Instead of listing programmatic outreach, the plan should outline how the public will be informed about language access.</p> <p>The public notice document is about civil rights in general and does not mention translation or interpretation services.</p>



Plan Criteria	Deschutes County	Implementation Status
<b>Training staff on policies and procedures</b>  A plan will identify training needs and explain how they will be addressed.	The County periodically offers Spanish language classes within its catalog of training opportunities that are open to all staff members with supervisor approval. Additional training opportunities in language and interpretation may also be offered on occasion at the discretion of individual departments.	<b>NOT IMPLEMENTED</b>  Training section should be about training staff to implement the language access plan, not about increasing Spanish proficiency.  Training is inconsistent. Out of 21 departments, only Property, Health, and 911 provide training to employees about providing translation and interpretation.  Staff were confused about who to contact with questions about language access. Take the auxiliary kit program for example. One staff member coordinated contractor selection, another updated the program, and another did the initial training.

Plan Criteria	Deschutes County	Implementation Status
<b>Monitoring and updating the plan, policies, and procedures</b>  A plan will explain the agency's approach to monitoring how it provides services to [people who need language access] individuals, how it monitors plan performance, and the process for reviewing, and, if appropriate, modifying current language access plans, policies, and procedures.	None	<b>NOT IMPLEMENTED</b>

Plan Criteria	Deschutes County	Implementation Status
<b>Collaborating with communities and other stakeholders</b>  Organizations that have significant contact with [people needing language access], such as schools, religious organizations, community groups, and groups working with new immigrants can be very helpful in linking [people who need language access] to an agency's programs and its language assistance services. The plan can include provisions for creating and conducting outreach and the actions needed to implement an effective system to gather feedback and involve outside entities or individuals in the review process.	<p>Since the previous Title VI policy update in 2019, County staff have made additional outreach efforts, including sharing social media content in both English and Spanish and launching a new Facebook page, El Condado de Deschutes, that will provide content to the public in Spanish.</p> <p>Staff has also engaged culturally specific local media to bolster existing outreach efforts. Communications staff, in coordination with the County's IT Department, has also worked to improve the ease with which website content can be translated and will continue to prioritize these efforts.</p>	<b>NOT IMPLEMENTED</b>  The plan addressed communication channels rather than engagement with communities.

**Procedures Best Practices**

**Language access procedures** are the "how to" for staff. They specify for staff the steps to follow to provide language services, gather data, and deliver services to people who need language services. According to the Tool, language access procedures often explain the following:

- How staff are to respond to telephone calls from [people needing language assistance].
- How staff together, track, and record language preference information.
- How staff inform [people needing language assistance] about available language assistance services.
- How staff will identify the language needs of [people who need language assistance].
- How staff are to respond to correspondence (letters and email) from [people who need language assistance].
- How staff will procure in-person interpreter services.
- How staff will access telephone or video interpreter services.
- How to use bilingual staff for services and which staff are authorized to provide in-language service.
- How to obtain translations of documents.
- How staff will process language access complaints.

**NOT IMPLEMENTED** Deschutes County does not have procedures to address these topics.

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:**

Elizabeth Pape – County Internal Auditor  
Aaron Kay – Performance Auditor

Phone: 541-330-4674

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**Audit committee:**

Daryl Parrish, Chair – Public member  
Phil Anderson – Public member  
Jodi Burch – Public member  
Joe Healy – Public member  
Summer Sears – Public member  
Kristin Toney – Public member  
Patti Adair, County Commissioner  
Charles Fadeley, Justice of the Peace  
Lee Randall, Facilities Director

***Please take a survey on this report by clicking this link:***

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***Or use this QR Code:***



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<http://bit.ly/DCInternalAudit>.

# Language Access Program

Low compliance risk, but  
better coordination and  
guidance needed

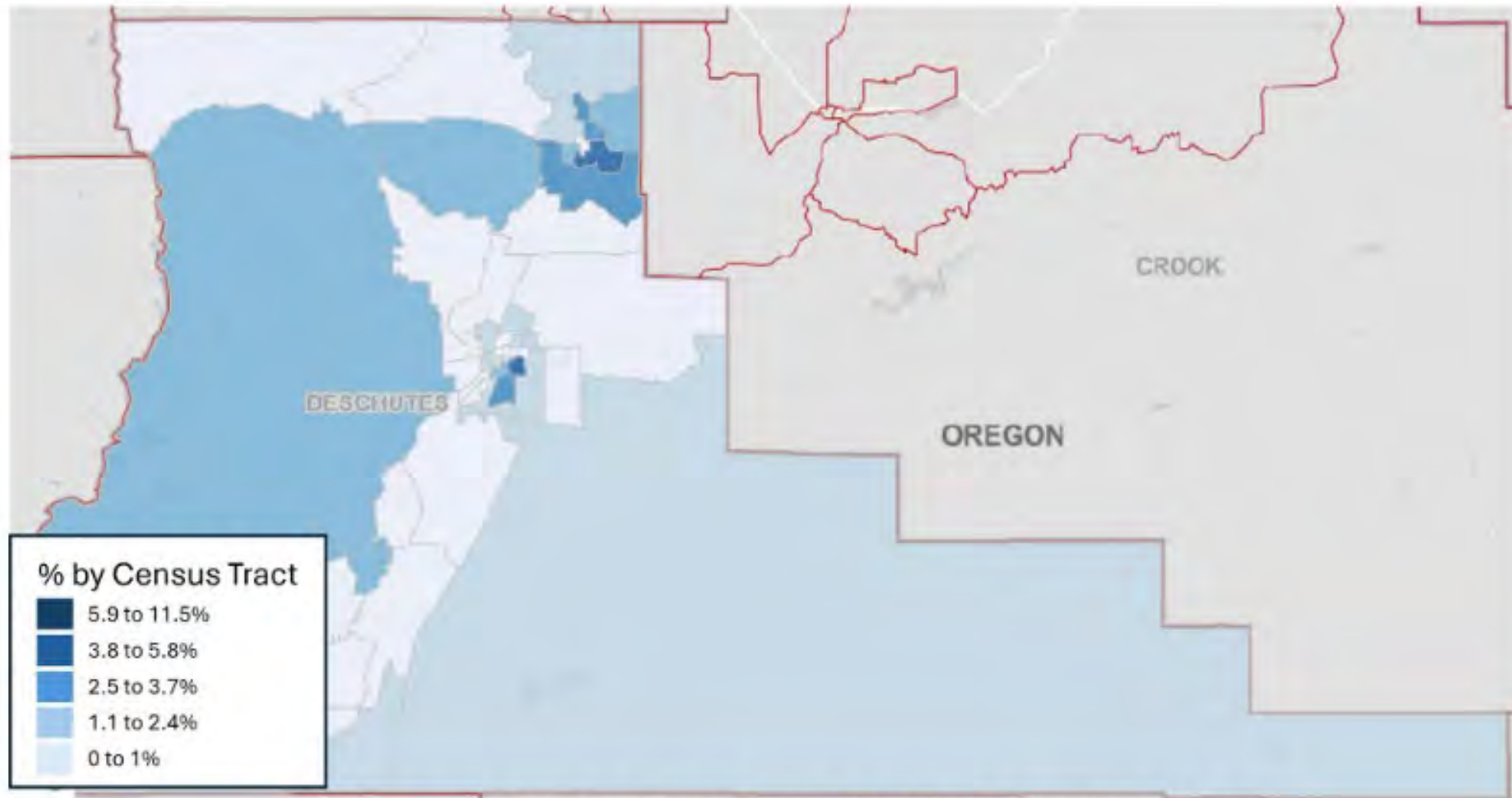


February 14, 2025

# Background

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# People needing language access



Source: 2022 U.S. Census Bureau American Community Survey

3,243  
people  
speak  
Spanish  
while also  
speaking  
English  
less than  
well





# Rules and Best Practices

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## Title VI of 1964 Civil Rights Act

- Prohibits national origin discrimination when information is provided only in English

## US Department of Justice

- Language Access and Assessment Planning Tool



# Audit Objective

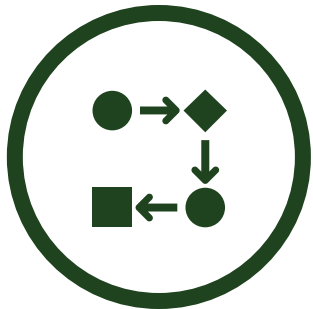
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Determine whether the County complies with rules related to translation and interpretation services and whether services are effectively and efficiently provided.



# Fieldwork

Processes



Expenses  
Vendors  
Staff



Compare to  
Criteria



Civil Rights Act Title VI  
US Dept of Justice—Language  
Access Assessment and Planning  
Tool  
[www.lep.gov/sites/lep/files/resources/2011\\_Language\\_Access\\_Assessment\\_and\\_Planning\\_Tool.pdf](http://www.lep.gov/sites/lep/files/resources/2011_Language_Access_Assessment_and_Planning_Tool.pdf)



# Findings and Recommendations

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# Some risk of noncompliance with federal rules

---

Meaningful Access Standards

- Size of population
- Frequency of contact
- Importance of service
- Available resources



# 1. Recommendation

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The County Administrator should assign responsibility for the language access program to a specific person.



**Agree**



# Policy did not provide clear guidance

County Civil Rights Act policy, GA-16

- ✗ Authority not specific to language access
- ✗ Definitions incomplete
- ✗ Accountability for “programs” instead of staff



## 2. Recommendation

---

Administration should update the Civil Rights Act policy to provide clearer guidance and include best practices.



**Agree**





# Don't know what's needed

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- ✗ Need based on Census
- ✗ No financial information
- ✗ No accountability
- ✗ No training for staff
- ✗ No notice to community
- ✗ No plan to monitor or evaluate



# 3. Recommendation

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Administration should create a language access plan based on the Language Access Assessment and Planning tool.



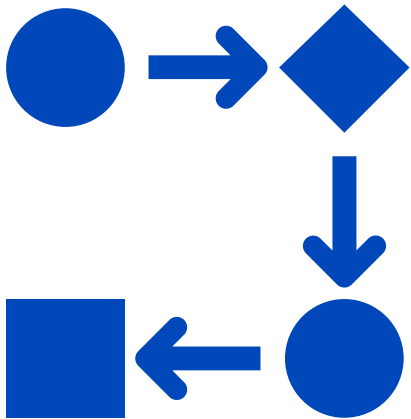
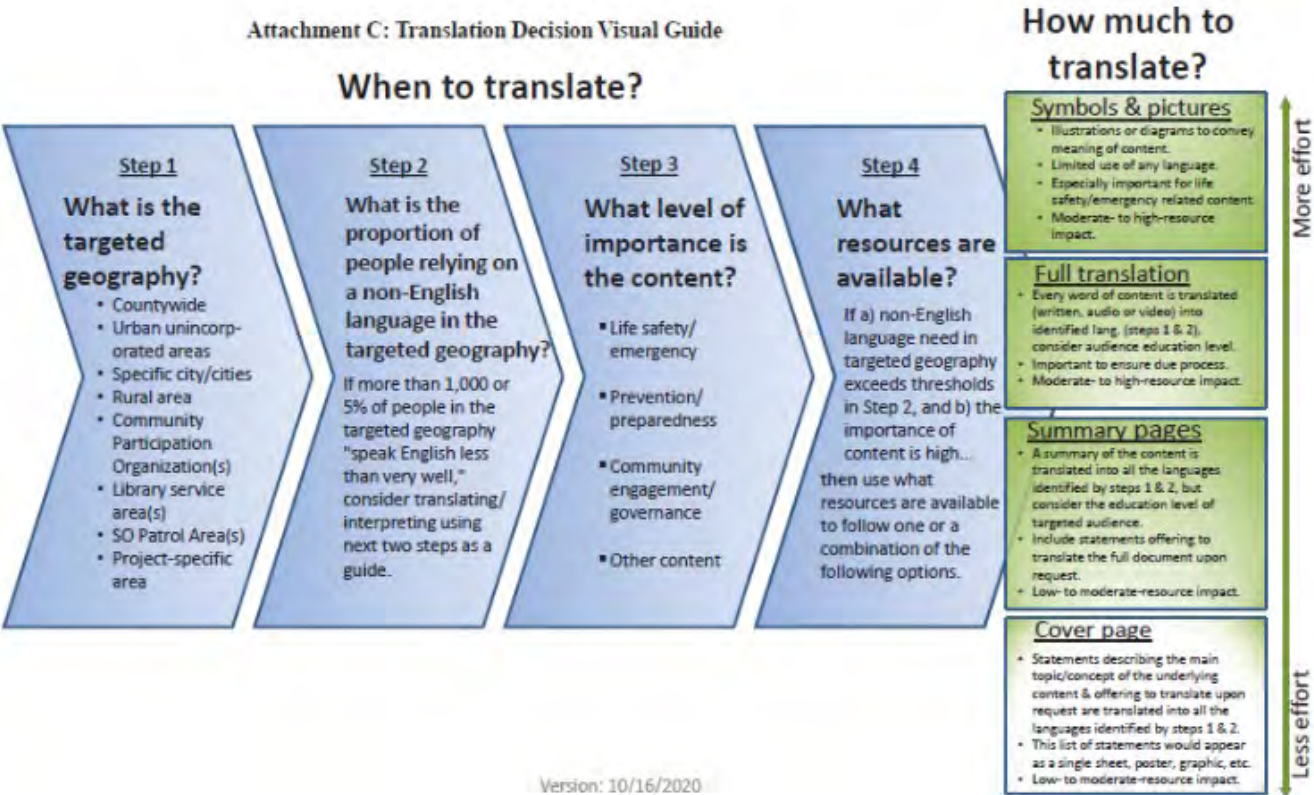
**Agree**



# Documents not available

## Contracts underused

Figure 3: Washington County Translation Decision Guide



No Countywide Procedures



# 4. Recommendation

---

Administration should add mandatory county-wide procedures to the language access policy.



**Accept  
Risk**



# Bilingual Employees Bore Burden

---

Assist other agencies  
Extra workload based on need  
Colleagues request help instead of using contractors  
One considering declining the stipend  
Stipends not consistently tied to skill or need



# 6. Recommendation

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Create a policy for the bilingual program that clarifies selection/hiring, testing, expectations, and compensation.



**Agree**



# Questions and Comments?

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## Complete the Survey!



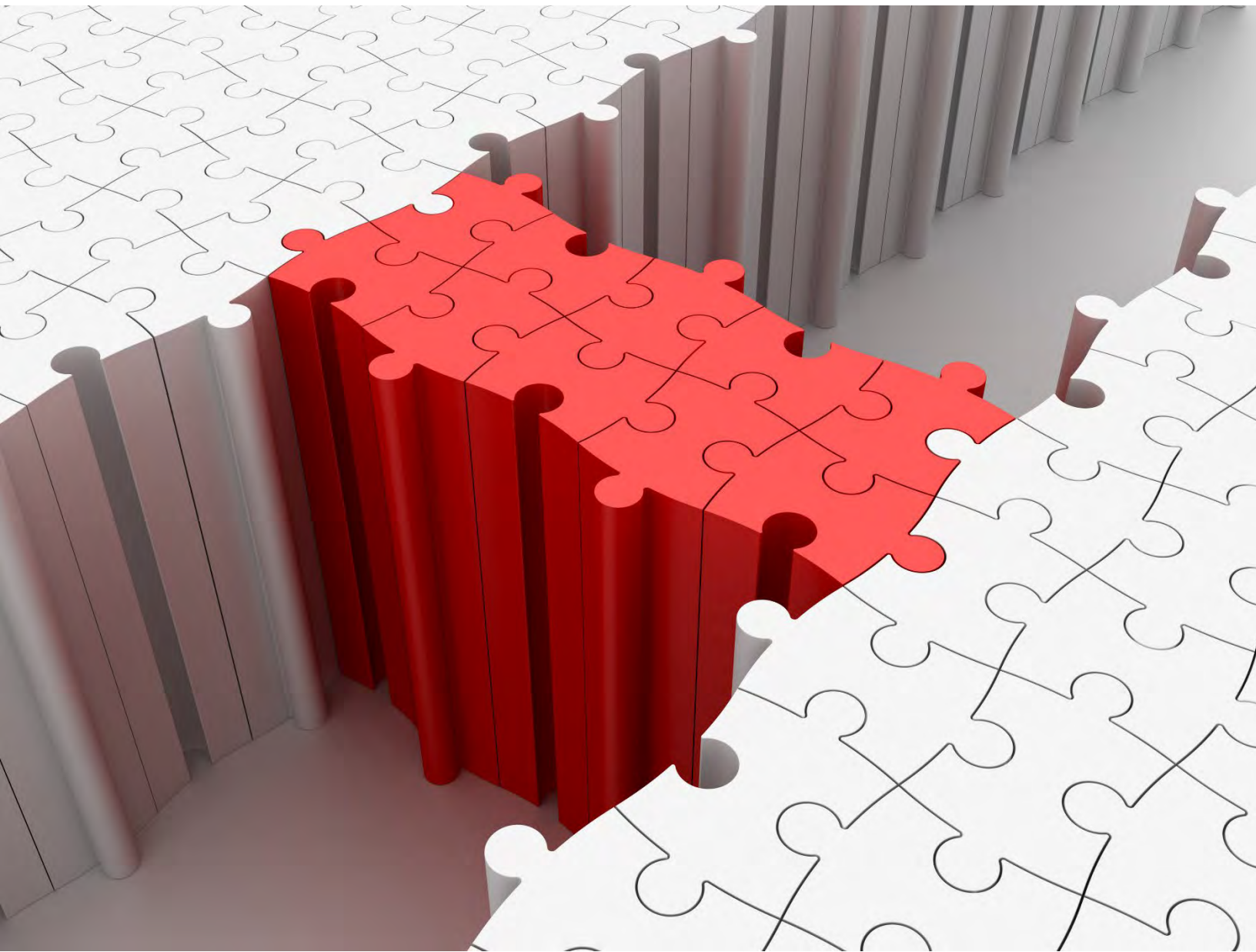




OFFICE OF  
INTERNAL AUDIT

## Audit Report

# Elected Sheriff Transition



To request this information in an alternate format, please call (541) 330-4674  
or send email to [internal.audit@Deschutes.org](mailto:internal.audit@Deschutes.org)

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## Highlights:

### **Why this audit was performed:**

Our Office traditionally performs a basic survey level audit whenever an elected department head leaves office.

### **We recommended that:**

- the Sheriff's Office review spending for split payments.
- the Sheriff's Office comply with County purchasing code.
- the new sheriff prioritize completion of overdue financial audits and establish a new strategy.
- the new sheriff address outstanding fiscal audit recommendations by assigning responsibility.

## Elected Sheriff Transition

Transition audits provide insight during leadership changes, ensuring operational continuity and proactively addressing key objectives. The Office of Internal Audit conducted similar audits during prior sheriff transitions, focusing on compliance and financial accountability.

### **What was found:**

The outgoing sheriff's transition plan exceeded legal requirements, aiding leadership change. Statutory obligations were met, access controls were enforced, and county assets were returned. However, auditors identified some fiscal issues:

- Procurement Practices

Most expenses reviewed complied with rules, but staff made payments above purchasing thresholds to two vendors without contracts, highlighting potential oversight weaknesses.

- Financial Reporting

Sheriff's Office staff did not complete financial statements for the Central Oregon Law Enforcement Services agency on time.

- Unresolved Fiscal Audit Recommendations

Two 2022 fiscal audit recommendations were yet to be fully addressed.

## 1. Introduction

Sheriff Shane Nelson announced his retirement on July 7, 2023. He planned to serve the remainder of his elected term ending on January 6<sup>th</sup>, 2025. Sheriff Kent van der Kamp was appointed sheriff by the Board of County Commissioners, effective December 31<sup>st</sup>, 2024, after winning the November general election. Because of the advance notice of the elected office transition, the Deschutes County Audit Committee authorized the transition review in the Internal Audit Program Work Plan for 2024-2025. Audit objectives, scope, and methodology can be found in **Appendix A**.

The Office of the County Internal Audit traditionally performs a basic survey level audit whenever an elected department head leaves office. The Audit Committee has endorsed conducting elected office transition audits since the County audit function was established in 2003. These audits help provide some assurance for incoming elected officials and help identify improvement priorities. The Office of Internal Audit also performed a transition audit when Sheriff Nelson originally took office in 2015.

The audit objectives focused on statutory compliance, transition best practices, and addressing outstanding internal or external audit recommendations. While the County does not mandate transition plans for department heads or elected officials, having a transition plan can be invaluable in ensuring continuity and a smooth handover. Sheriff Nelson's plans were comprehensive and provided a strong foundation for the newly elected Sheriff van der Kamp to build upon. However, we identified opportunities for procurement improvements that the newly elected sheriff should implement.

---

**Background****Deschutes County Sheriff's Office**

The Sheriff's Office is the lead law enforcement agency in Deschutes County, dedicated to providing a wide range of professional public safety services. The Sheriff's Office is led by an elected sheriff who has statutory authority for organizing the work of the Sheriff's Office.

**Transition Details**

Sheriff Nelson started working at the Sheriff's Office in 1993 and was appointed sheriff in 2015, serving in that role for nine years. His announced retirement brought forth two candidates for the position, which was won by Kent van der Kamp in the November 2024 general election. Sheriff van der Kamp has been a member of the Sheriff's Office for more than 20 years, most recently as Sergeant of the Central Oregon Drug Enforcement Team. Sheriff van der Kamp was appointed interim sheriff by the Board of County Commissioners on December 18, 2024, effective January 1, 2025, and officially sworn in as sheriff by Judge Wells Ashby on January 6, 2025.

**Office Successes**

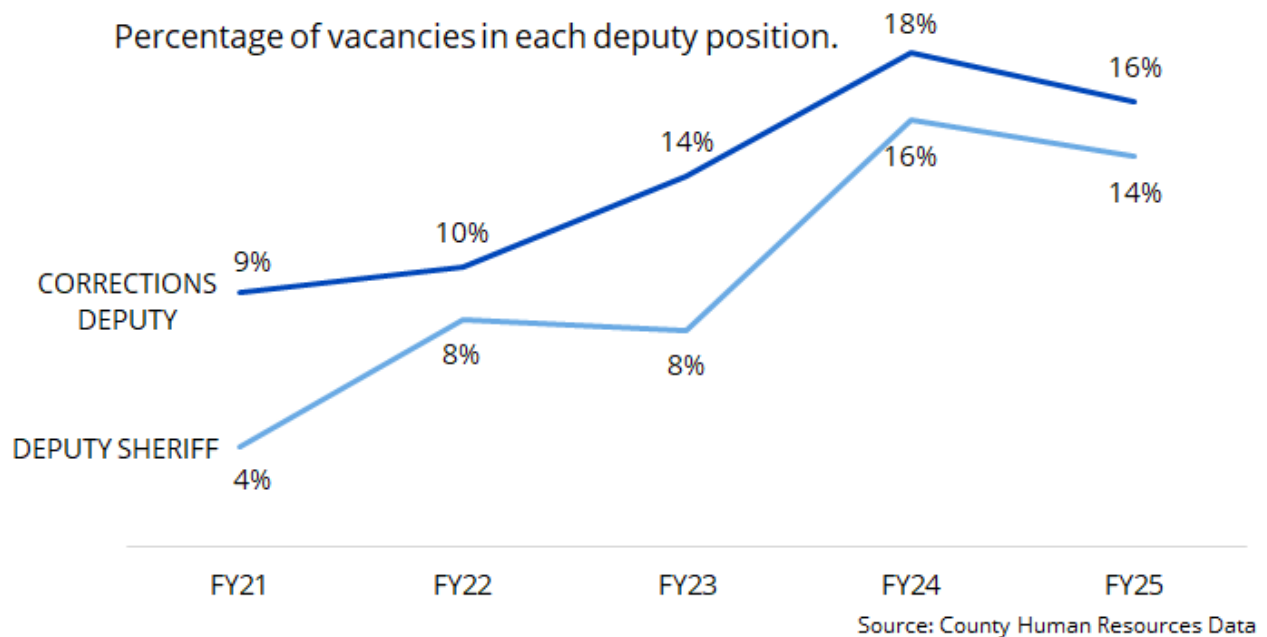
In 2019, Sheriff Nelson created a strategic plan that outlined the mission, vision, and values of the Office. According to a 2024 report to the Board County of Commissioners, the Office successfully implemented several initiatives from the plan, including in-car and body-worn cameras, drone integration, the creation of a regional digital forensic lab, and support for the Stabilization Center.

**Office Challenges**

The Sheriff's Office reported numerous operational challenges over the past decade, including adapting to changes in state drug laws, managing inmate health and safety during the pandemic, and reallocating resources to address the homelessness crisis.

However, the most pressing and persistent challenge was staffing. Long-term vacancies in key roles were a significant issue, which the outgoing sheriff attributed to shifting public sentiment toward law enforcement and shortages within the law enforcement profession. Among the 270 full-time positions in the Office, corrections deputies and deputy sheriffs are critical to operations. Yet, vacancies averaged 13% for corrections deputies and 10% for deputy sheriffs over the last five years. These persistent vacancies can severely impact staff morale, leading to increased stress, burnout, decreased productivity, and a higher likelihood of turnover.

**Figure I: Vacancies in both deputy positions continued to increase putting added pressure on existing staff.**



## 2. Findings and Observations

The audit's overall objective was to assess the effectiveness of the transition plans laid out by the outgoing elected sheriff in ensuring continuity of government. It included survey level analysis of fiscal and compliance aspects of the Office.

Sheriff Nelson directed staff to create comprehensive transition plans by enhancing the required compliance areas with many additional best practices. Other County officials ensured adherence to policies by accounting for County property and removing physical and electronic access for the outgoing sheriff. The following recommendations related to improving procurement practices, completing financial audits, and resolving outstanding fiscal audits are opportunities to strengthen the Office's financial management, a priority during Sheriff van der Kamp's campaign.

### Observations

#### **Transition planning was effective.**

Although the County does not require transition plans for department heads or elected officials, such plans are critical for maintaining continuity in government operations. The outgoing sheriff took proactive steps by directing staff to identify best practices in areas such as inventory management, swearing-in all deputies, continuing existing policies, and updating professional materials.

The Government Finance Officers Association identifies best practices for transition planning, emphasizing an integrated approach that includes workforce planning, succession planning, knowledge management, and recruitment and retention strategies.

#### Workforce planning

The outgoing sheriff highlighted the persistent challenge of filling vacant positions, stating:

"For the last decade, law enforcement agencies nationwide have struggled to fill vacant positions, and that remains true today."

The incoming sheriff anticipated further turnover, particularly among middle and upper management due to retirements. Identifying potential retirees and planning for their replacement can reduce the risk of losing qualified personnel. To address staffing shortages, the incoming sheriff aimed to increase lateral hires from other law enforcement agencies.

#### Succession planning

The transition plans outlined risks and strategies for the sheriff's transition in a structured framework. These plans identified critical areas that needed attention to ensure a seamless handover of staff responsibilities, such as inventory assurance of both evidence and equipment.

#### Knowledge management practices

Documented transition plans ensured continuity of existing policies and procedures, with Sheriff van der Kamp reviewing and approving all Office policies. The incoming sheriff planned to hire a third-party vendor to review and update policies, ensuring compliance with current case law and jurisdictional requirements.

#### Recruitment and Retention

Several strategic initiatives introduced by the outgoing sheriff were not fully realized. For instance:

- Attrition replacement initiatives marked as "in process" in FY24 did not advance further in FY25. Recruitment efforts were offset by natural attrition and the nationwide shortage of law enforcement recruits.
- A mentorship and succession program, prioritized in FY23, saw no significant development in later budget cycles.

To address retention, the incoming sheriff planned to enhance mentorship and internal development, focusing on building existing strengths and creating more opportunities for promotion within the Office.

**Statutory compliance was completed.**

Oregon Revised Statute 206 outlined the duties of county sheriffs, including specific requirements for transitions between elected sheriffs. These requirements included transferring responsibility for the jail and inmates, handling civil papers, and accounting for all funds in custody. Records of these transfers were filed with the County Clerk and Treasurer. Both the outgoing and incoming sheriffs complied with these statutory requirements.

**Findings****The Sheriff's Office inconsistently complied with County rules for procurement.**

During a review of the recent vendor expenses, more than \$175,000 was paid to purchase uniforms without a contract in Fiscal Year 2024. The Office contracted with the vendor for some specialty law enforcement purchases, but did not include uniform purchases which made up nearly half of the total invoices paid. Additionally, the vehicle outfitter used by the Sheriff's Office was paid over \$900,000 dollars in Fiscal Year 2024 without any contract or purchasing agreement in place. All other reviewed vendors had state procurement agreements, lease agreements, or contracts.

Deschutes County Public Contracting Code 2.37 outlines requirements when contracting with vendors for goods and services including competitive procurement above thresholds and required contract provisions.

Purchasing code provisions are in place to prevent bias and ensure that all vendors have an equal opportunity to sell goods and services to the County. Competitive procurement ensures that the County receives the best value for goods and services and also promotes free enterprise by removing barriers to entry. Contract provisions protect the County from risk by requiring insurance and mandating compliance with state and federal laws.



Staff avoided purchasing controls by splitting payments to vendors. Split payments may also have concealed the total value of the spending with these vendors. The outgoing sheriff said this was due to a misunderstanding of procurement rules and was corrected through training. At the time of the audit, the Sheriff's Office was aware of these procurement gaps and was actively working with the County's procurement manager to contract for these goods and services in accordance with County code.

***Recommendation #1***

***The Sheriff's Office should review and address any instances of split payments to ensure spending aligns with procurement rules and does not obscure total expenditures.***

***Recommendation #2***

***The Sheriff's Office should immediately formalize contracts with vendors for uniform purchases and vehicle outfitting services.***

**The Office did not complete financial statements for the Central Oregon Law Enforcement Services agency on time.**

The most recent financial statement audit for Central Oregon Law Enforcement Services, filed with the Secretary of State on April 2, 2024, covered Fiscal Year 2022—approximately 16 months past its due date. In January 2025, the agency was two years behind on its audit submissions for Fiscal Year 2023 and past the deadline for Fiscal Year 2024 as well.

Central Oregon Law Enforcement Services formed in 1999 under Articles of Agreement authorized by Oregon Revised Statutes 190.010. Sheriffs and police chiefs from Crook, Deschutes, and Jefferson counties served on the governing board and oversaw operations. Under Oregon Local Budget Law, the agency had to file annual financial statements with the Oregon Secretary of State. The County signed an Intergovernmental Agreement with the agency to provide limited financial services, with the Sheriff's Office managing financial matters, including financial reporting and arranging annual financial audits.

Due to late reporting, the contracted external audit firm recommended that the Deschutes County Finance Department take a more active role in preparing financial statements. Despite this recommendation, the Sheriff's Office continued to handle this responsibility internally, with the task assigned to the Business Manager. Over the past two years, the Finance Department reached out to the Business Manager with offers of assistance, but the offers were ignored. The Finance Department contacted the Business Manager, but did not inform Sheriff Nelson directly about delays in completing the financial audits, limiting his awareness of the issue.

At the time of the audit, the Sheriff's Office was actively working with the external audit firm to comply with Oregon Budget Law and complete the required audits.

***Recommendation #3***

***The newly elected Sheriff should continue with the plan to complete the overdue financial audits.***

Concerns about Central Oregon Law Enforcement Services financial reporting were long standing. The 2015 sheriff's transition [report](#) also found delinquent financial statement audits for Central Oregon Law Enforcement Services. It recommended creating a schedule to improve the timeliness of financial reporting. The Finance Department proposed three possible options to improve reporting:

- Transfer financial responsibility from the Sheriff's Office to another partner agency in Central Oregon Law Enforcement Services.
- Contract with an independent accounting firm to prepare financial statements.
- Delegate responsibility to prepare financial statements to the Finance Department aligning with the County's established financial statement audit process.

Ultimately, any decisions on future financial statement audits will be up to the newly elected Sheriff.

***Recommendation #4***

***The newly elected sheriff should initiate a new strategy to ensure timely completion of Central Oregon Law Enforcement Services financial reporting and audits.***

**Fiscal control improvements identified during previous audits remained unresolved.**

Fiscal controls minimize the potential for errors or irregularities, and if they do occur, will detect them in a timely manner.

The 2022 Comprehensive Sheriff's Office Cash Handling [audit report](#) highlighted three fiscal control finding areas with many guidance points specific to the conditions observed. The Office of Internal Audit followed up twice on the 2022 recommendations, most recently in [December 2024](#). Two of the three recommendations remained unresolved.

The finding "The Sheriff's Office could improve the internal control system over collected monies." included guidance to use the countywide financial information system to receipt all payments as they were received and balance transactions daily. Despite prior comments indicating that the Office would train staff to use the system, staff were not using the system, and the Sheriff's Office did not initiate additional controls to address risks for payments they receive.

The final recommendation to implement additional control activities through policies and procedures included a recommendation to record the Central Oregon Drug Enforcement agency checking account balance and activity within the County's accounting system to increase transparency and efficiency when preparing the audited financial statements for Central Oregon Law Enforcement Services. The Sheriff's Office did not consistently provide bank statements to the Finance Department

to document the financial information.

According to the transition team staff, absences in key positions as well as the uncertainty with the sheriff election and transition plan delayed the timely completion of these recommendations.

***Recommendation #5***

***The Sheriff should prioritize the resolution of outstanding audit recommendations, assigning clear responsibility for each guidance item to specific individuals to ensure accountability and timely completion.***

### **3. Conclusion**

By addressing these recommendations, the Sheriff's Office will strengthen financial management and improve overall accountability.

- Reviewing and rectifying split payments will ensure that spending aligns with procurement rules, providing a clearer picture of total expenditures.
- Formalizing contracts for uniform and vehicle outfitting services will establish clear financial commitments and improve vendor relationships.
- Prioritizing the completion of financial audits will enhance transparency and the accuracy of financial records and determining a strategy for timely preparation of future financial statements will ensure consistency with County processes, streamlining financial reporting and audits.
- Resolving outstanding audit recommendations and assigning clear responsibilities will foster a culture of accountability, ensuring timely resolution of issues.

Together, these steps will lead to improved financial oversight, greater efficiency, and a more robust system of financial management.

## 4. Management Responses



### Memo

**TO:** Elizabeth Pape, County Internal Auditor  
**FROM:** Kent van der Kamp, Deschutes County Sheriff  
**DATE:** 02/05/2025  
**RE:** Management's response to Audit report

---

#### **1. Recommendation: It is recommended for the Sheriff's Office to review spending for split payments.**

a) Management position concerning recommendation

☒ X Concurs

☐ Disagree

b) Comments:

We agree with the auditor's comments and are working on an internal process to regularly review frequently utilized vendors and the amounts spent. We will be providing updated training for all individuals entering the Purchase Orders and Contracts.

c) Estimated date of corrective action: In Progress. Completion May 1<sup>st</sup>, 2025

d) Estimated cost to implement recommendation, if significant \$0

#### **2. Recommendation: It is recommended for the Sheriff's Office comply with County purchasing code.**

a) Management position concerning recommendation

☒ X Concurs

☐ Disagree

## b) Comments:

We agree with the auditor's comments and we are updating the current procurement process in conjunction with additional training.

c) Estimated date of corrective action: In Progress; May 1<sup>st</sup>, 2025

d) Estimated cost to implement recommendation, if significant \$0.

**3. Recommendation: It is recommended for Sheriff prioritize completion of overdue financial audits and establish a new strategy.**

## a) Management position concerning recommendation

X Concurs

☐ Disagree

## b) Comments:

We agree with the auditor's comments this is a priority. We have assigned a staff member to oversee this process and hope to be caught up before the end of FY25.

c) Estimated date of corrective action: In Progress, completion by June 2025.

d) Estimated cost to implement recommendation, if significant \$0.

**4. Recommendation: It is recommended for the Sheriff address outstanding fiscal audit recommendations by assigning responsibility**

## a) Management position concerning recommendation

X Concurs

☐ Disagree

## b) Comments:

We agree with the auditor's comments and this remains a priority. We are in the process of converting cash transactions to cashless transactions.

c) Estimated date of corrective action: In Progress, Estimated Completion July 2025

d) Estimated cost to implement recommendation, if significant \$0.

---

**Management Response from Sheriff (Retired) L. Shane Nelson**

- **Unresolved Fiscal Audit Recommendations:** 2022 Audit Recommendations were addressed at the time except for the two recommendations. This was an oversight, and we handled the unaddressed recommendations after a discussion with the County Auditor's office and these were completed prior to our administration leaving office. The Undersheriff at the time oversaw this process after a discussion with the auditor.

As Sheriff, I ensured our policies and procedures were continually reviewed to comply with changes in the law, case law, and best practices. This was important to provide the best quality service to our community and to ensure we continued to be accredited in office operations through the Northwest Accreditation Alliance and the Oregon State Sheriffs' Association Oregon Jail Standards.

- **Audit Report page 2, Office Successes Response:** On page 2, this audit report states "In 2019, Sheriff Nelson created a strategic plan that outlined the mission, vision, and values of the Office." To clarify, our office had an existing strategic plan in place. I revamped and added to the strategic plan.
- **Audit Report pages 2, 3, and 5, Recruitment and Retention Response:** The Sheriff's Office historically had around a 6% vacancy rate in positions. This changed around the time of the George Floyd death in Minneapolis as there was a significant drop in applicants for employment. This is not a new challenge for law enforcement and is not specific to any one agency. This **Governing.com** article outlines the challenge for law enforcement agencies across the nation:

<https://www.governing.com/workforce/why-its-so-hard-to-recruit-police-officers#:~:text=It's%20not%20a%20new%20problem,shying%20away%20from%20the%20field.&text=In%20Brief%3A,that%20they%20can%20do%20remote%20work>

Attrition replacement initiatives did continue for our office. We had focused recruitment efforts on college campuses during "job fairs" and attended those with a booth offering information on employment with the Sheriff's Office. There were recruitment efforts toward military veterans to include scheduling "job fair" booths at military bases to include Fort Lewis in Washington State.

One of the military recruitment trips was canceled during COVID 19. Our recruiting teammates created a "QR Code" that would provide information about our office and employment opportunities.

The mentorship program prioritized in FY 23 saw continued progress. As Sheriff, I was ensuring that captains were part of my decision-making process and had exposure to meetings I attended and duties that were the responsibility of the Sheriff. There was ongoing supervisor training on an annual basis to ensure increased supervisor knowledge base. This contributed to success in their current duties and prepared them for future promotions. This program was a continuing as work in progress.

- **Audit Report page 7, Recommendation #1 Response:** I was unaware that this was taking place. Our office does comply with County Code and adjusted to comply once informed if this is not the case. Once I was made aware of it, the Undersheriff at the time, Paul Garrison now retired, took immediate action to train the manager and ensure the manager, and Business Management Unit, understood the correct way to do this. This was a training issue and was not intentional by the manager.
- **Audit Report page 7, Recommendation #2 Response:** Please see response to recommendation #1. The Undersheriff immediately began taking steps to remedy this situation. This contract was in the process of being formalized when I retired.
- **Audit Report page 7, The Office did not complete financial statements for the Central Oregon Law Enforcement Services agency on time:** The audit firm nor the County Finance Director did not inform me these audits were outstanding. I was never told that our office had not supplied the information needed to complete these audits. The Undersheriff at the time discovered the audit firm did not receive the necessary information after he did an unrelated review of our Business Management Unit. The Undersheriff contacted the audit firm and immediately took steps to supply the required information. Prior to my retirement, the audit firm was supplied the necessary information to complete the audits. In discussion with the County [Performance] Auditor Aaron Kay, Undersheriff (Retired) Paul Garrison, Sheriff van der Kamp, and myself, I believe that direct communication should be conducted with the audit firm conducting the audit.



## 5. Appendix A: Objective, Scope, and Methodology

The County Internal Auditor was created by the Deschutes County Code as an independent office conducting performance audits to provide information and recommendations for improvement.

Audit findings result from incidents of non-compliance with stated procedures and/or departures from prudent operation. The findings are, by nature, subjective. The audit disclosed certain policies, procedures and practices that could be improved. The audit was neither designed nor intended to be a detailed study of every relevant system, procedure, or transaction. Accordingly, the opportunities for improvement presented in the report may not be all-inclusive of areas where improvement may be needed and does not replace efforts needed to design an effective system of internal control.

Management has responsibility for the system of internal controls, including monitoring internal controls on an ongoing basis to ensure that any weaknesses or non-compliance are promptly identified and corrected. Internal controls provide reasonable but not absolute assurance that an organization's goals and objectives will be achieved.

### Objectives and Scope



*"Audit objectives" define the goals of the audit.*

Objectives included:

- Are succession/transition plans established and comprehensive to ensure continuity of government effectively?
- As of or close to the transition date, was the conveyance of the Office of Sheriff in accordance with Oregon Revised Statutes §206?
- Were recent Sheriff authorized transactions reasonable?
- As of or close to the transition date, were physical and information systems access and privileges addressed appropriately for both parties?
- As of or close to the transition date, were assets assigned

- directly to the Sheriff returned to the County?
- Were prior audit recommendations resolved prior to the transition?
  - Were any outstanding financial audits issued prior to the transition? Were any outstanding financial audits issued prior to the transition?

Scope and timing:

The audit occurred in December 2024 and January 2025. It included transactions for the last six months of service. The outgoing sheriff's last day was December 31, 2024.

## Methodology



*Audit procedures are created to address the audit objectives.*

Audit procedures included:

- Review of transition plans for the elected sheriff's position.
- Review of fiscal information for the Sheriff's Office.
- Review of physical and electronic permissions for the Sheriff's Office.
- Interviews of selected Office management and staff, including topics of
  - observance of internal controls;
  - security; and
  - segregation of duties.
- Review of Oregon Revised Statutes for any other areas to be addressed.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

(2018 Revision of Government Auditing Standards, issued by the Comptroller General of the United States.)

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:**

Elizabeth Pape – County Internal Auditor  
Aaron Kay – Performance Auditor

Phone: 541-330-4674

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Web: [www.deschutes.org/auditor](http://www.deschutes.org/auditor)

**Audit committee:**

Daryl Parrish, Chair - Public member

Phil Anderson – Public member

Jodi Burch – Public member

Joe Healy - Public member

Summer Sears – Public member

Kristin Toney - Public member

Patti Adair, County Commissioner

Charles Fadeley, Justice of the Peace

Lee Randall, Facilities Director

***Please take a survey on this report by clicking this link:***

<https://forms.office.com/g/bg5kMZUK3n>

***Or use this QR Code:***



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>.

# The Office of County Internal Audit

## Elected Sheriff Transition

#24/25-6



Audit Committee | February 14, 2025

# Background

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# Transition

---



Sheriff Nelson  
tenure 1993-2024  
Appointed Sheriff  
in 2015

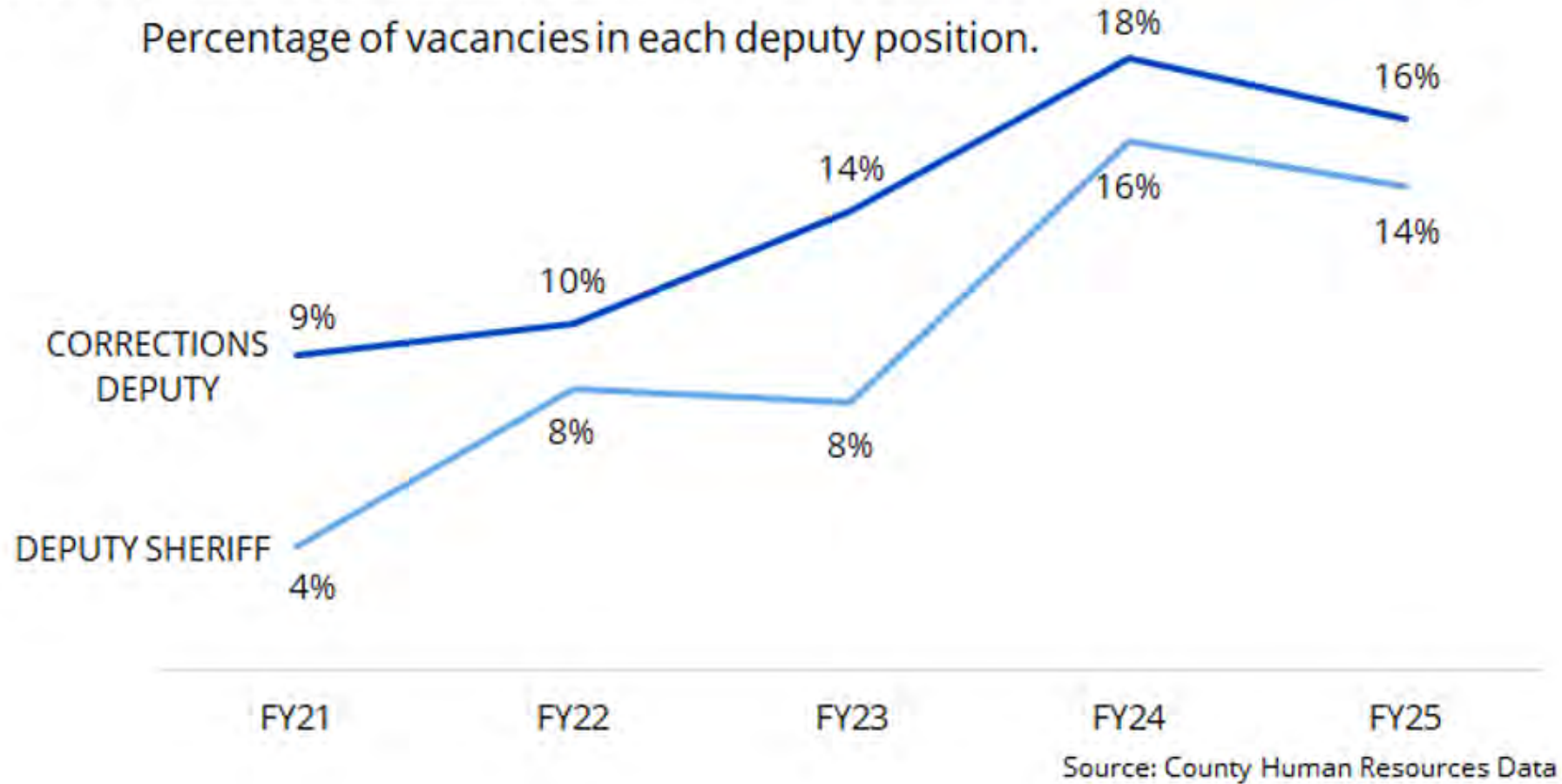


Sheriff van der Kamp  
tenure 2003-current  
Elected Sheriff in  
November 2024



# Staffing challenges

**Figure I: Vacancies in both deputy positions continued to increase putting added pressure on existing staff.**



# Audit Objectives

1. Succession/Transition Plans
2. ORS 206 Compliance
3. Fiscal Controls
4. Access Controls
5. Asset Management
6. Prior Internal Audits
7. Prior External Audits





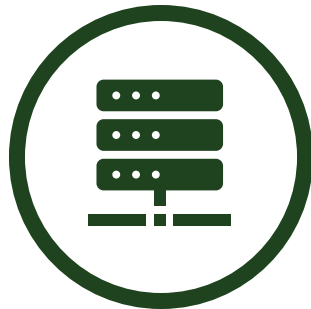
# Fieldwork

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Interviews



Reviewed  
Information  
Systems



Best  
practices



# Findings and Recommendations

---

# Procurement compliance inconsistent

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## Reviewed Top 10 Vendors

Uniform supplier was paid more than \$175,000 in FY24 using individual PO's.

Vehicle Outfitter paid more than \$900,000 in FY24 using split payments.

Eight other vendors followed purchasing rules.



# Recommendations

---

- 1 The Sheriff's Office should review and address any instances of split payments to ensure spending aligns with procurement rules and does not obscure total expenditures.
- 2 The Sheriff's Office should immediately formalize contracts with vendors for uniform purchases and vehicle outfitting services.



**Agree**

Updating processes for regular review and providing training



# Financial Audits

---



MOSSADAMS

**COLES**

FY23 and FY24 past  
deadline for submission



# Recommendation

---

- 3 The newly elected Sheriff should continue with the plan to complete the overdue financial audits.



**Agree**

Completion is a priority



# Financial Audits Prior Audit Finding

Sheriff's Office transition (7/1/2015) #14/15-9

August 2015



Deschutes County,  
Oregon

David Givans, CPA, CIA, CGMA  
Deschutes County Internal Auditor  
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**Sheriff's Office transition  
(7/1/2015)**

[Click here to take a  
survey on this report](#)



To request this information in an alternate format, please call (541) 330-4674 or send email to [David.Givans@Deschutes.org](mailto:David.Givans@Deschutes.org)

Audit committee:  
Shawn Armstrong, Chair - Public member  
Chris Earnest - Public member  
Lindsey Lombard - Public member  
Michael Shadrach - Public member  
Jennifer Welander, Chair - Public member  
Anthony DeBone, County Commissioner  
Nancy Blankenship, County Clerk  
Dan Despotopoulos, Fair & Expo Director

## 2015 Transition found late COLES financial audits

Finance Dept made proposals  
to the incoming sheriff



# Recommendation

---

- 4 The newly elected sheriff should initiate a new strategy to ensure timely completion of Central Oregon Law Enforcement Services financial reporting and audits.



**Agree**

Assigned staff to oversee process and aiming for completion before end of FY25.





# Fiscal Procedures Incomplete

Sheriff's Office - Comprehensive Cash Handling report #21/22-16

November 2022



Deschutes County,  
Oregon

Recommendations

3

## Sheriff's Office Comprehensive Cash Handling

Included service areas: Business Management, Corrections, Civil, Records,  
Evidence, Street Crimes, and Central Oregon Drug Enforcement (CODE)

The Office of County Internal Audit

David Givans, CPA, CIA - County Internal Auditor

Aaron Kay - Performance Auditor

[internal.audit@deschutescounty.gov](mailto:internal.audit@deschutescounty.gov)

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Scott Reich - Public Member

Summer Sears - Public Member

Stan Turel - Public Member

Patti Adair, County Commissioner

Charles Fadeley, Justice of the Peace

Lee Randall, Facilities Director

Take survey by  
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Two of three  
recommendations still  
unresolved after two  
years.



# Recommendation #1

---

**Using Munis to immediately receipt all payments as they are received and balance transactions daily:**

The Records Unit does not make receipts for any payments received by mail or if the customer declines a receipt. The Records Unit does not balance monies received daily against any accounting system. Because of the inconsistent usage of receipts, they have no complete record of the monies received to test against when funds are counted. During deposit preparation, monies are recorded in Munis without any receipts used to determine an expected total.



# Recommendation #3

---

## **Recording in the CODE fiduciary accounts the additional CODE checking account balance and activity:**

CODE occasionally uses investigative funds for emergency operational purchases. Since these purchases do not meet the intent of the investigative funds, they must be adjusted for in the accounting system. The County maintains a fiduciary accounting of CODE monies to the extent the County is aware of how the funds are disbursed. The County currently is not routinely tracking the checking account activities. The County external auditor's report on internal control over financial reporting has noted issues in the last three years with material audit adjustments and/ or reconciliation.



# Recommendation

---

- 3 The Sheriff should prioritize the resolution of outstanding audit recommendations, assigning clear responsibility for each guidance item to specific individuals to ensure accountability and timely completion.



**Agree**

Completion remains a priority.  
Converting to cashless transactions



# Observations

---

# Transition planning effective

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**Exceeded GFOA  
best practices**



# Statutory compliance completed

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**ORS 206**



# Don't forget to fill out the survey!

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## Questions/ Comments?





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# Thank you





OFFICE OF  
INTERNAL AUDIT

## Audit Report

# 2024 Global Follow-up and Annual Report



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or send email to [internal.audit@Deschutes.org](mailto:internal.audit@Deschutes.org)

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## 2024 Global Follow-up Executive Summary

Since December 2020, the Office of County Internal Audit has released 31 audit reports comprising a total of 209 recommendations, with subsequent follow-ups. This report emphasizes the County's achievements made thus far and identifies areas requiring further attention. The table below summarizes the status of those audit reports:

Resolved	Underway	Planned
<b>Fully completed.</b> Auditor will no longer monitor	<b>In Progress.</b> Auditor will continue to monitor.	<b>Agreed to without progress.</b> Auditor will continue to monitor.

Link to Audit Report	Key Follow-up Findings	Status of Recommendations		
		Resolved	Underway	Planned
<a href="#">Munis Security and Workflows</a>	Implemented enhanced financial controls.	18	0	0
<a href="#">Munis Vendor Master</a>	Increased efficiency and compliance in financial processes.	12	0	0
<a href="#">Munis P-Cards</a>	Anticipating new vendor updates and policy changes.	3	2	2
<a href="#">County Clerk Transition</a>	Improved Office security measures.	7	0	2
<a href="#">2021 County Fair Ticketing</a>	Implemented improved fiscal procedures.	17	0	0
<a href="#">Munis Analyses</a>	Guidance and training strengthened the financial system.	9	0	1
<a href="#">Management of Pandemic Case Investigation and Contact Tracing</a>	Need further improvement in managing temporary labor.	0	3	2
<a href="#">Adult Parole and Probation – Cash Handling</a>	Streamlining fiscal controls for infrequent client payments.	1	0	0
<a href="#">Administration and Risk – Cash Handling</a>	Optimizing County infrastructure for OLCC permit payments and reviews.	3	0	0
<a href="#">Assessor's Office – Cash Handling</a>	Strengthened fiscal controls and processes.	10	0	0

Link to Audit Report	Key Follow-up Findings	Status of Recommendations		
		Resolved	Underway	Planned
<a href="#">Initial Cybersecurity Assessment</a>	Prioritized cybersecurity efforts.	3	0	0
<a href="#">Justice Court – Cash Handling</a>	Improved reconciliation process for external payments.	2	0	0
<a href="#">Sheriff's Office - Cash handling</a>	Making progress toward a stronger control environment.	0	3	0
<a href="#">Vacation and Sick Leave</a>	Improved system data; policy revisions still needed.	5	5	0
<a href="#">Elected District Attorney Transition</a>	Expanded fiscal controls.	5	0	0
<a href="#">Personal Information Data Privacy</a>	Implemented physical and electronic privacy safeguards.	4	0	0
<a href="#">Treasurer Transition 2022</a>	Collaborating to define the newly elected County Treasurer position.	7	0	0
<a href="#">Finance/Tax – Controls over receipts</a>	Developed oversight in key areas.	4	0	0
<a href="#">Continuity of Operations Plans</a>	Resumed planning to strengthen resiliency.	5	0	1
<a href="#">Behavioral Health – Practices Improvement</a>	Developing productivity measures.	5	4	0
<a href="#">Office of the District Attorney – Cash Handling</a>	Documented processes to reduce fraud risk.	1	0	0
<a href="#">Facilities and Property Management – Cash Handling</a>	Need clarification of conflict-of-interest procedures.	3	0	1
<a href="#">Overtime and Compensatory Time</a>	Revising policies.	4	4	0
<a href="#">Fair and Expo - Cash Handling</a>	Need fraud risk assessment to implement procedures.	3	2	0
<a href="#">Wage Equity</a>	Anticipating salary study and market review results.	2	2	1
<a href="#">Custom Developed Software</a>	Create policies and advisory group for software lifecycle and selection.	0	2	11

Link to Audit Report	Key Follow-up Findings	Status of Recommendations		
		Resolved	Underway	Planned
<a href="#">Clerk's Office Integrated</a>	Control settings mitigate risks by safeguarding system integrity.	9	2	2
<a href="#">County Legal Integrated</a>	Documented fiscal procedures.	2	1	0
<a href="#">Recreational Vehicle Park Integrated</a>	Planning to improve fiscal control and information security.	0	0	5
<a href="#">Courthouse Pre-Construction Management</a>	Planning safeguards for future capital investments.	0	0	3
<a href="#">Health Benefits Program</a>	Need improvement in third-party reporting.	2	0	2

## 1. Introduction

This is the sixteenth annual global follow-up looking back at recommendations included in prior follow-ups. This year also marks the first time the Office is presenting performance metrics comprehensively in this format, aligning them closely with our mission and goals. In previous years, these data were shared through various platforms, including the County's online dashboard, reports to the audit committee, and the Global Follow-Up Report. The Office tracks performance using key data points, such as:

- Reader survey satisfaction rate
- Audit duration
- Audit work schedule adherence
- Recommendation resolution rates

Additionally, other metrics, used primarily for annual risk assessments, are included in this report for informational purposes.

## Office Mission and Goals

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.

### **Our goals are to:**

1. Increase public trust in Deschutes County government.
2. Be a trusted advisor to Elected officials and County management.
3. Create positive change in County government.
4. Strengthen team knowledge, skills, and fulfillment.

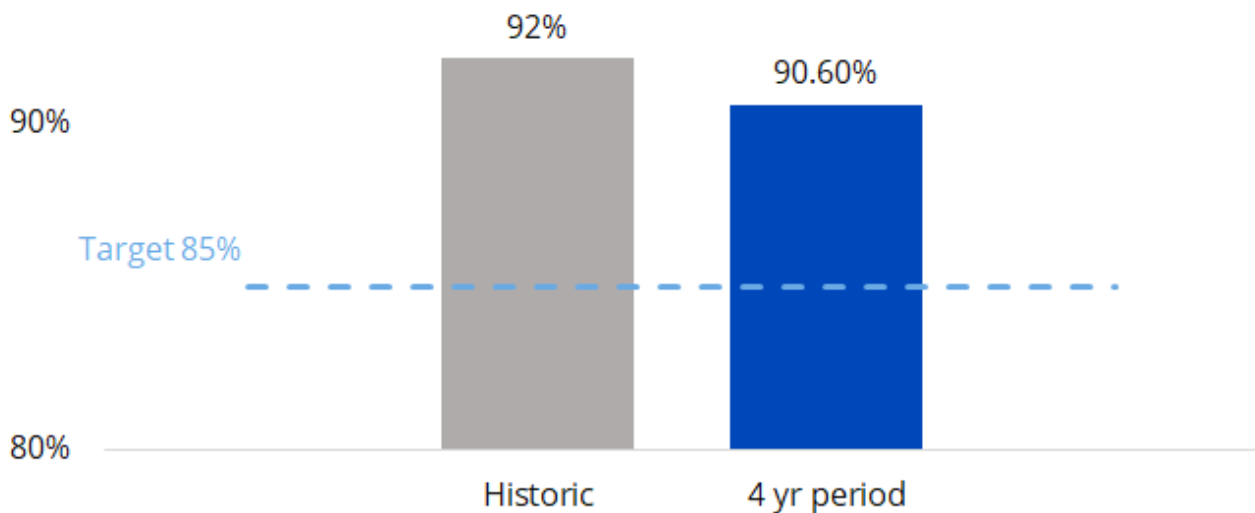
## 2. Annual Report

### Performance Metrics

#### Reader Survey Satisfaction Rate

Each audit report includes a survey inviting the public and staff to provide feedback. In addition to evaluating the report, the public can also share comments or suggest topics for future audits. This valuable communication channel enables the Office to continuously assess and enhance the quality of its reports and services.

**Figure 1:** Reader satisfaction exceeds target value but is lower than historical levels.  
100%



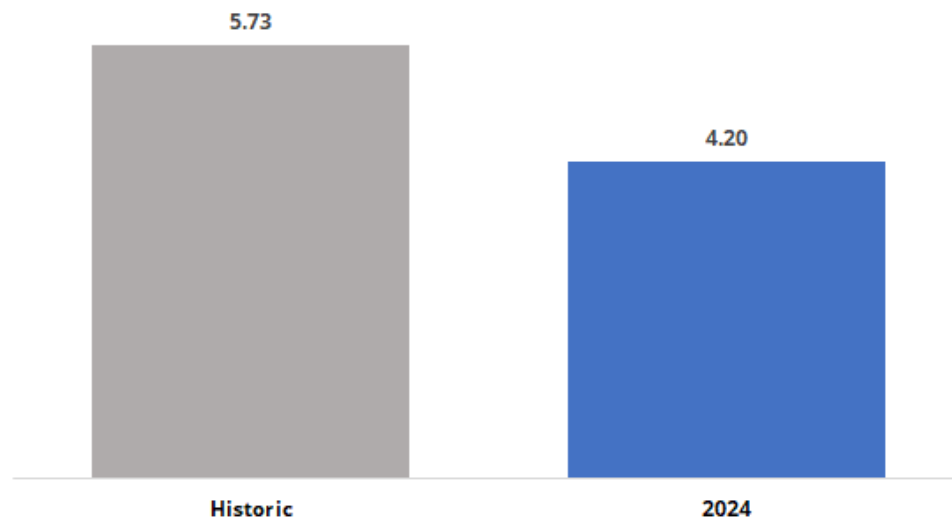
#### Audit Duration

The duration of an audit is a key indicator of the Office's operational efficiency. Audit timelines vary significantly depending on the scope, complexity, and risk level of the subject being audited. The target timeline is less than historic average. While



streamlining processes and implementing improvements can help reduce audit times, the primary focus will remain on the thoroughness and accuracy of findings.

**Figure 2:** Audits in 2024 took nearly two months less to complete than historical averages.



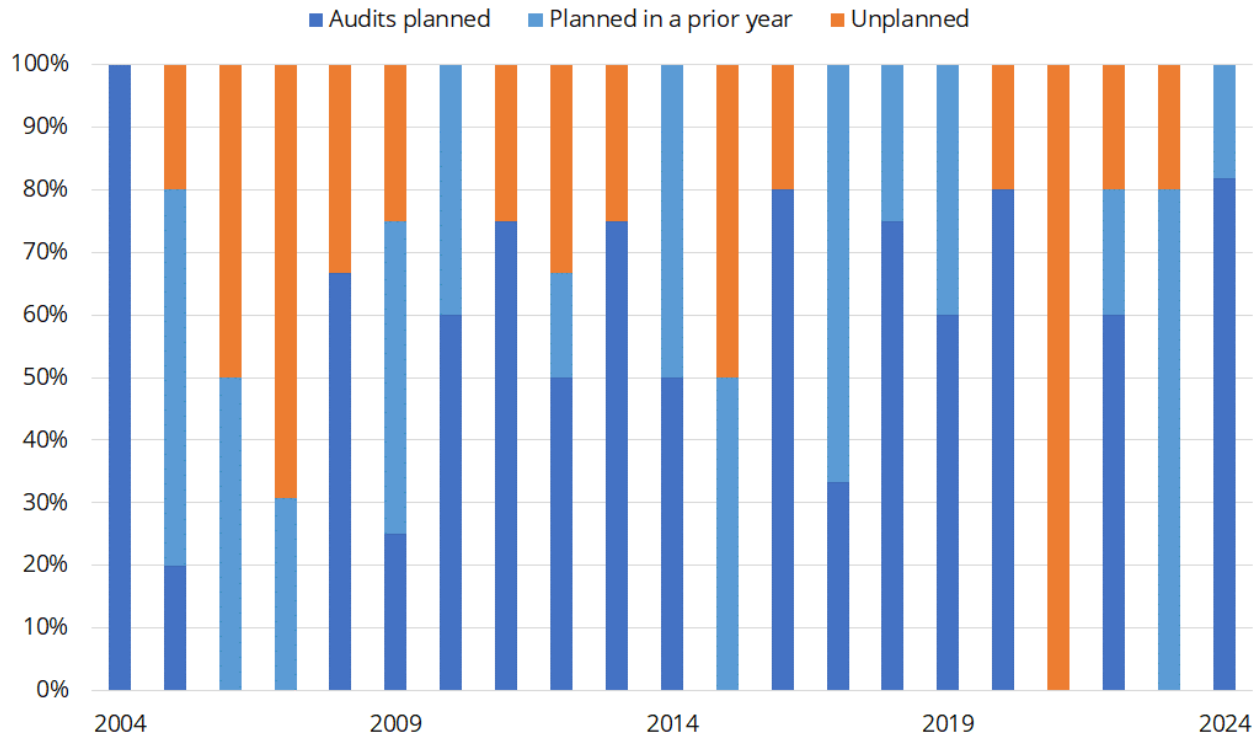
### Audit Work Schedule Adherence

The Office Audit Work Schedule is developed every two years following a comprehensive risk assessment process designed to identify the most significant risks facing the County. This risk-based approach ensures that the allocation of audit resources is strategic, prioritizing areas that pose the greatest financial, operational, or compliance risks. The schedule is aligned with the County's Fiscal Year, which begins each July 1st, and provides a clear roadmap for planned audits during the two-year cycle.

The ability to follow the Work Schedule closely reflects the accuracy and reliability of the initial risk assessment process. A well-executed schedule indicates that the risk assessment was thorough and that planned audits adequately addressed the most critical areas. Unplanned audits are an inevitable and necessary part of the audit process, often triggered by new risks or developments that were not foreseeable during the initial

planning phase, such as legislative changes, fraud investigations, or issues raised by external stakeholders, regulatory bodies, or the public.

**Figure 3:** All the audits started in Fiscal Year 2024 were planned.



### Recommendation Resolution Rate

The percentage of audit recommendations that are agreed upon and fully resolved serves as a key indicator of the effectiveness and impact of audits on County operations. The Office aims to have 75% of recommendations resolved within four years of the original report. Out of 209 recommendations made, 197 had sufficient time to allow for progress<sup>1</sup>. During the initial follow-up process, 103 of these recommendations were successfully resolved. Of the 94 recommendations that remained open, 41 have since been resolved. This brings the overall four-year resolution rate to 73.10%. This resolution rate reflects the

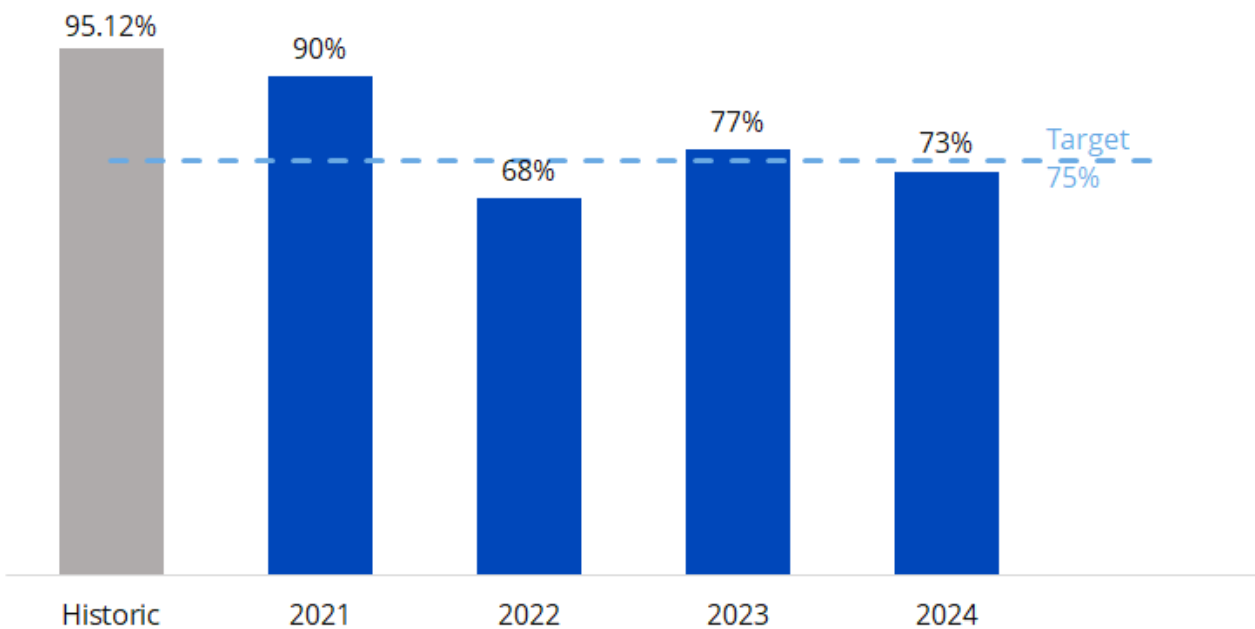
<sup>1</sup> Audit reports on Health Benefits Program, Courthouse Pre-Construction Management, and Recreational Vehicle Park Integrated Audit were released this fall.

County's commitment to implementing audit findings and improving its processes over time.

**Appendix C** provides a comprehensive breakdown of the 28 audit reports issued and followed over the past four years, along with the percentage of recommendations resolved in each. This appendix allows for greater transparency and detailed insight into the effectiveness of individual audit reports.

When assessing the status of recommendations, the Office of Internal Audit may adjust the resolution status initially provided by departments. These adjustments are based on additional communications or follow-up actions that clarify the extent to which the recommendations have been implemented. This process ensures that the status reported is both accurate and reflects the true level of progress made by the departments.

**Figure 4:** The four-year resolution rate in 2024 slipped below the 75% target.

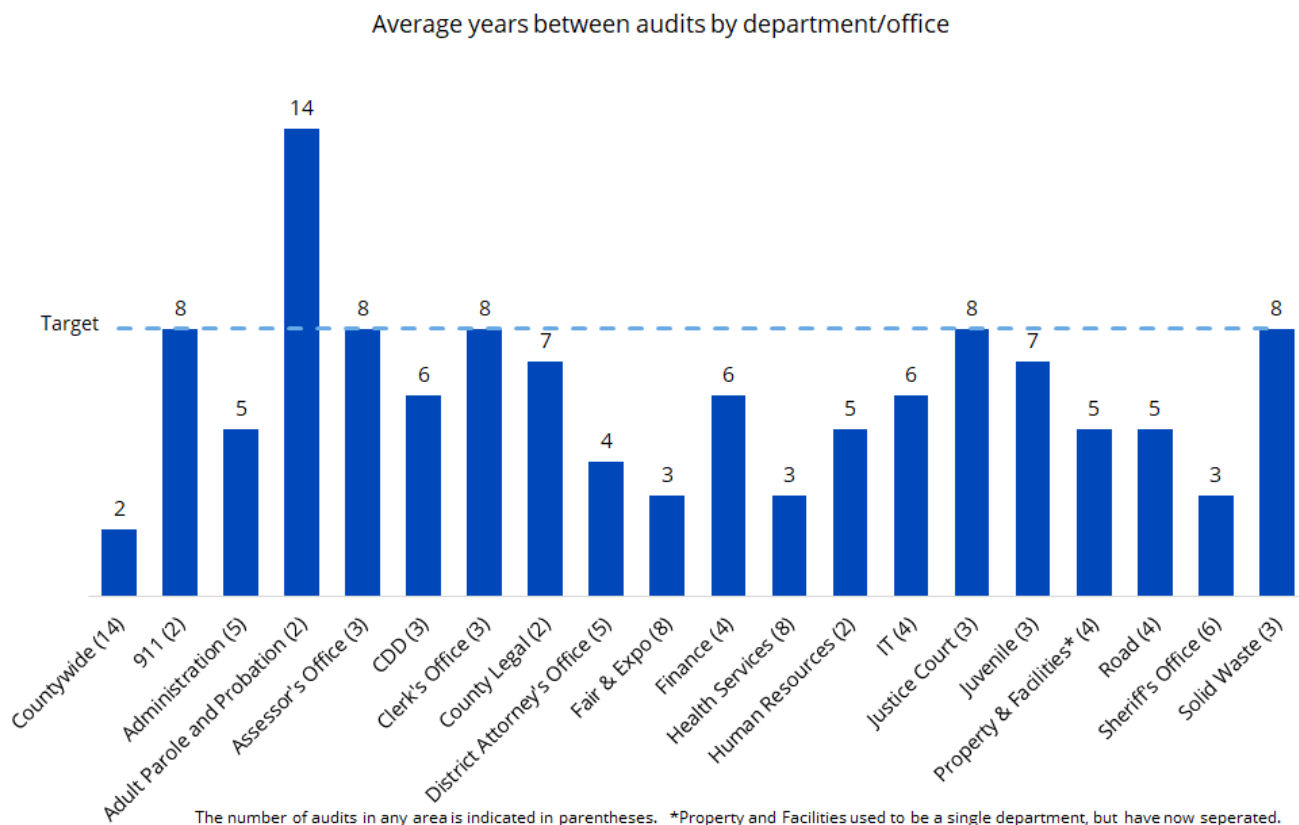


## Informational Metrics

### County Elected Offices and Departments Audit Coverage

Distributing audit activities throughout the County ensures that risks are systematically identified, accountability is reinforced, and opportunities for improvement are maximized. This balanced allocation of resources ultimately strengthens the County's control environment and enhances its long-term resilience. The Office hopes to engage each elected office or department at least every eight years.

**Figure 5:** The Office has not audited Adult Parole and Probation within the eight-year timeframe.

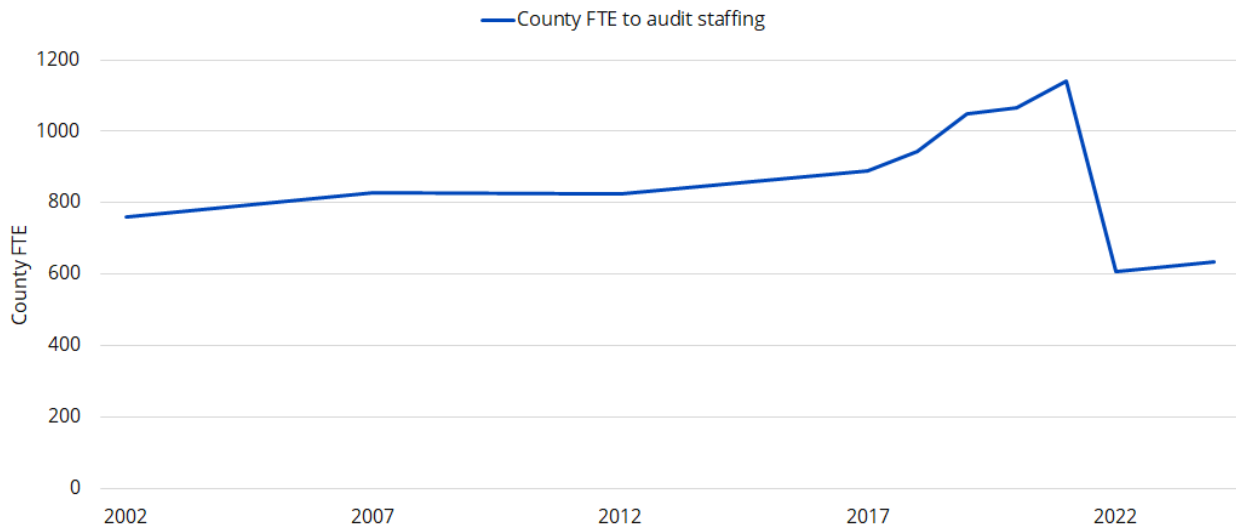


### Office Staffing Ratio

An audit office's ability to perform thorough, timely reviews is directly tied to its staffing levels relative to the size of the organization. An optimal ratio ensures the department has the capacity to manage its workload effectively and identify risks in a

timely manner. The large change in 2022 was due to the addition of audit staff and not a reduction in County full-time equivalents.

**Figure 6:** Audit staff ratios are lower than when the Office was established in 2002.



### 3. Global Follow-Up

The Office of County Internal Audit follows up on all recommendations until resolution. The details of this follow-up and the associated commentary are included at the end of the report in **Appendix A**.

#### Auditor Highlights

Certain recommendations deserve special recognition for their successful resolution, while others, particularly those that remain unresolved and pose significant risks, should be highlighted for immediate attention.

#### Successful Resolution

Implemented recommendations are a chance to highlight improved County practices and areas of decreased risk. These are areas where the County deserves recognition for making operations more effective and efficient.

The Information Technology Department resolved recommendations related to cybersecurity that were rated the among the highest risk areas for the County in the [2023 Global Follow-up](#). In today's landscape of escalating cyber threats, organizations face significant risks, including data breaches, financial losses, and reputational harm. A strong cybersecurity program is essential to protect sensitive information, ensure operational continuity, and counter evolving threats. Recognizing these risks, the department developed a cybersecurity program, approved by the Board of County Commissioners, emphasizing strategic planning, continuous monitoring, and enhanced security measures for the county's information. To further strengthen these efforts, the department created a dedicated position to manage the program, raise awareness, and formalize procedures. This demonstrates the department's commitment to addressing critical operational vulnerabilities identified through audit recommendations.

### **High risk recommendations**

Some recommendations are related to exceptionally high areas of risk. They are areas that deserve increased attention from management.

The highest risk among open recommendations is related to reporting the results of the [wage equity](#) study. Oregon law requires employers to pay equal wages for equal work and courts can impose financial judgements if they find disproportionate wages. However, the law also protects employers that perform a wage equity study. Deschutes County has not performed a study since the law was passed in 2017. By not conducting a study, the County exposes itself to financial, compliance, employee satisfaction, and reputational risks. The County is in the process of conducting a study and has agreed to report results at its conclusion.

More detailed comments can be found in **Appendix A**.

## Long Outstanding Recommendations

Some recommendations are complicated and take longer to implement. This is why the Office tracks recommendation status for four years. But in some cases, management does not prioritize risk identified by auditors and recommendations languish without attention. Unresolved recommendations often involve weaknesses in internal controls, processes, or systems. Failure to address these gaps can lead to inefficiencies, errors, or breakdowns in operations, resulting in service delivery delays, higher costs, or operational disruptions. They can also be an indication of a lack of accountability within the County. This can diminish the overall effectiveness of the audit function, reduce motivation for elected offices and departments to implement changes, and undermine the County's culture of accountability.

**Figure 9** on page 12, highlights revisions to policies concerning mobile device access to County information and purchasing cards which have been pending for over four years and should be prioritized by the County. The Policy Advisory Committee, tasked with ensuring policies are relevant, efficient, and aligned with County objectives, currently has numerous pending policy revisions awaiting review.

Human Resources has not addressed a recommendation related to Munis implementation. The recommendation will increase efficiency and control of receipted transactions but has remained unresolved for over four years. Updated comments from Human Resources Interim Director, Jason Bavuso, indicate that the department pilot program was successful, but implementation across all receivables is ongoing. These comments can be found in **Appendix A**.

## Progress towards resolution

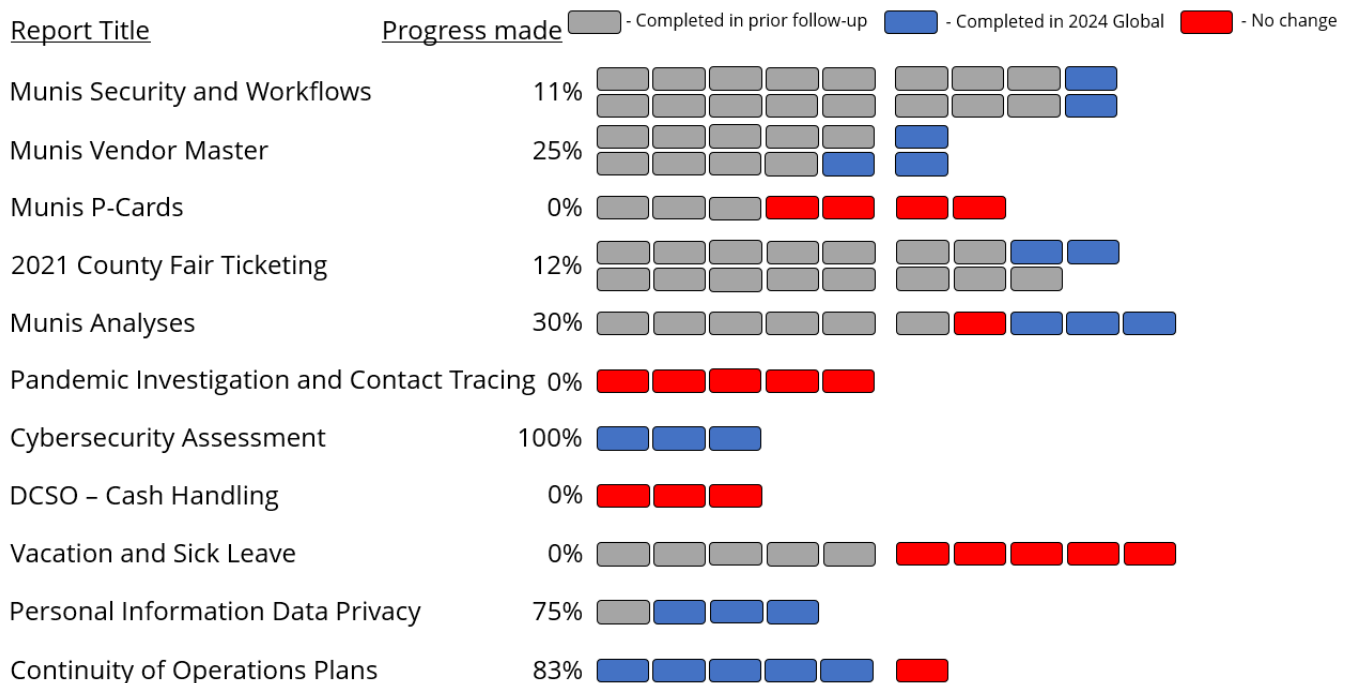
### Status Updates

Any unresolved recommendations are included in the Global follow-up. Status updates and commentary were requested from

elected offices and departments that were primarily responsible for implementing the action plans described in their management response. The Office tracks these recommendations for four years or until they are resolved. Reports issued prior to 2024 have undergone at least one follow-up report providing ample time for elected offices and departments to address the recommendations.

In 2024, the Office issued nine audit reports, including a total of 61 recommendations. Most recommendations from those audits have not yet been subject to the nine-month follow-up review. Status updates were requested, though not required, for all audits issued prior to August 2024. Accordingly, **Appendix A** provides updates on the status and commentary for these audits. Progress on any open recommendations will be monitored and reported through the regular follow-up process.

**Figure 7:** Percent of resolved recommendation progress between the last follow-up and the 2024 Global Follow-up. Some audit reports saw **no progress** in the percentage of recommendations resolved.



**Figure 7** illustrates the progress made in implementing the recommendations since the last information request; however, a

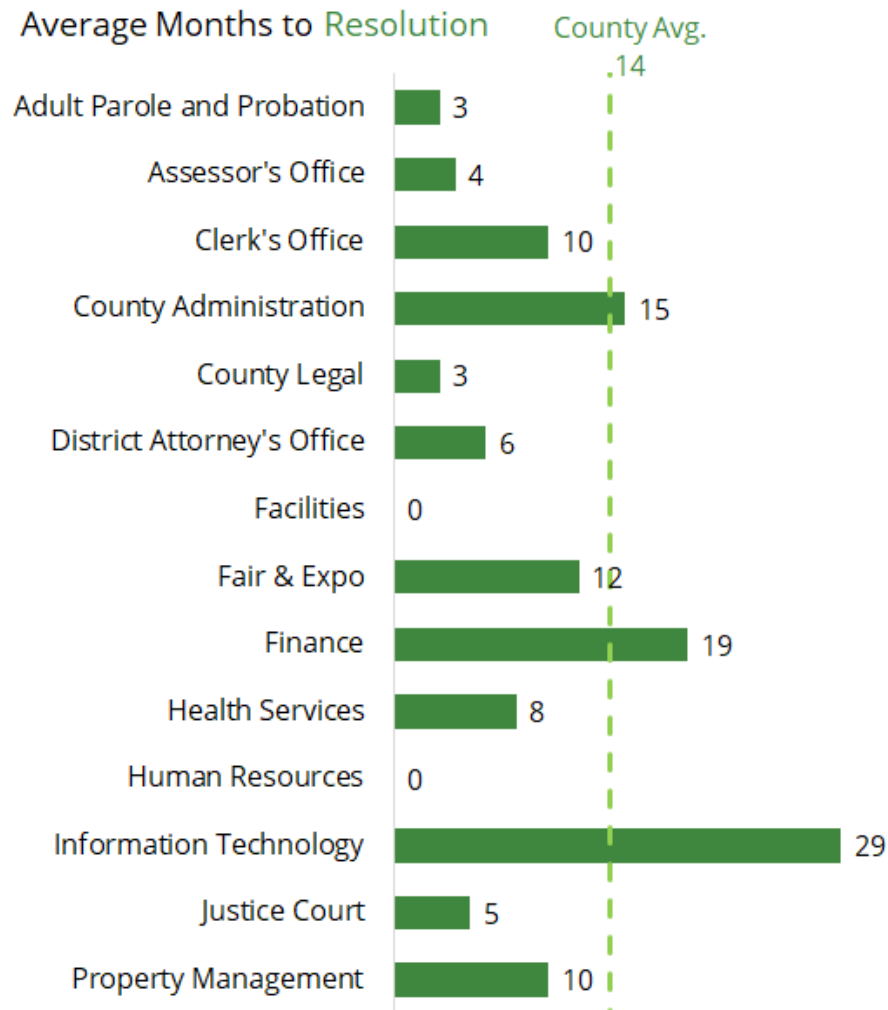


lack of visible movement does not imply no work has been performed but rather indicates that the matter is not yet be fully resolved. Not all reports included in this follow-up are displayed.

### **Duration to resolution**

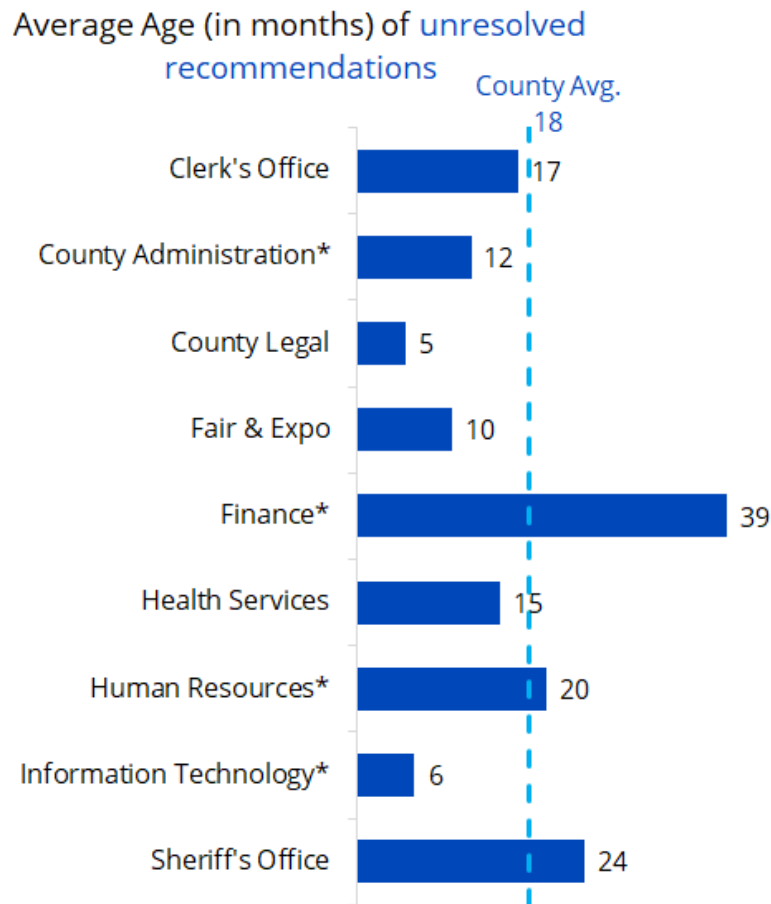
Certain recommendations can be implemented or resolved more swiftly than others. Typically, those pertaining to organizational governance tend to require a more extended timeframe for completion. Internal Audit is monitoring the time it takes offices/departments to address the recommendations. It is noteworthy that, at times, the audited department may not be the primary entity responsible for resolving a given recommendation. A notable example is found in the 2023 [Facilities and Property Management Cash Handling audit](#), where we recommended reviewing the County's conflict-of-interest disclosure policy. Although the audit focused on Facilities and Property Management, Human Resources became responsible for addressing the recommendation. This is because the conflict-of-interest policy is part of the Personnel Rules, making Human Resources the process owner. This highlights the nuanced nature of recommendation resolution, where the responsible party may not always align with the subject of the audit.

**Figure 8** – Recommendations to develop and implement a cybersecurity program took more than two years for Information Technology resolve.



The average time to resolution has increased from the [2023 Global](#) average of 9 months to 14 months, indicating a slower pace due to the higher complexity in resolving current recommendations. However, the average duration of unresolved recommendations has dropped significantly from 26 months last year to 18 months. Possibly reflecting a prioritization shift towards closing older recommendations, which may reduce the backlog and improve timeliness in the longer term.

**Figure 9** – Recommendations relating to purchasing cards have been outstanding for more than three years.



The unresolved items marked with an asterisk (\*) in **Figure 9** include recommendations related to contract or policy revision. As previously mentioned, these take longer to complete. Policy revisions in progress include County Administration collaborating with Information Technology to draft a new policy for mobile device access to County information and Human Resources updating labor agreement language to reflect current leave practices as those agreements are negotiated. The Finance Department indicated their purchasing card policy revisions will coincide with a new purchasing card vendor. Refer to **Appendix A** for detailed comments.

**4. Appendix A: Updated workplan (status as of December 2024)**

<b>Audit</b>	<b>Recommendation</b>	<b>Updated Status</b>	<b>Updated Comment</b>
HR – Cash Handling	It is recommended for Human Resources to consider using Munis to enter and provide receipts and bill and manage receivables.	<b>Underway</b>	HR previously implemented a process to use Munis to enter and provide receipts for receivables. HR successfully piloted in Spring 2024 utilizing Munis for billing of receivables. Work to implement Munis billing for all HR receivables is ongoing.
Cellular Costs - Verizon	It is recommended for the County to consider updating the Cell Phone Policy to address management and expectations around utilization. This would include monitoring and routine assessment as to whether an employee truly needs the device/phone, what services, and what plan best fits their intended usage.	<b>Underway</b>	<b>Admin-</b> The County has completed consideration of these updates. Proposed policy updates are currently with unions and then will return to the Board.
Cellular Costs - Verizon	It is recommended for the County to consider updating policies regarding cellular devices to improve adherence to policy, reduce costs, and reduce risks. The policy improvements should consider addressing: <ul style="list-style-type: none"> <li>• relationship of stipend levels to the cost of cellular phone services to the County;</li> <li>• developing plan selection criteria for business needs aligned with anticipated usage to right size costs;</li> <li>• developing legal and information technology framework to assure that technologies, data, and security are aligned and appropriate given the rise in new technologies and software;</li> <li>• criteria for selecting between employee phone (stipend) and County owned phone;</li> <li>• monitoring and modification of plan levels (including elimination of devices) for actual usage below anticipated;</li> <li>• utilizing free devices and</li> </ul>	<b>Underway</b>	<b>Admin-</b> The County has completed consideration of these updates. Proposed policy updates are currently with unions.

Audit	Recommendation	Updated Status	Updated Comment
	upgrades to maintain the level of technology as well as getting credits for devices sold back. <ul style="list-style-type: none"> <li>• establishing when devices require mandatory applications and restrictions from modification for protecting data; and</li> <li>• addressing applicability of policy to non-employee users.</li> </ul>		
Cellular Costs - Verizon	It is recommended the County consider how to address the risks that come with allowing mobile device access or external computer access to internal County information and who and how the risks will be mitigated.	Underway	<b>Admin-</b> The County has completed consideration of these updates. Proposed policy updates are currently with unions and then will return to the Board.
Cellular Costs - Verizon	It is recommended the County provided forms for cell phone allowance be updated to reflect any updated policy language.	Underway	<b>Admin-</b> The County's Policy Advisory Committee will be reviewing an updated version of the cell phone allowance form at their January meeting.
Munis Security and Workflows	It is recommended for vendors who are to be setup for payment through purchase card be setup from the beginning by the department.	Resolved	Purchase cards do not require a vendor to be set up to make a purchase. That is the benefit of a P-Card program. Not all P-card purchases require a separate vendor.
Munis Security and Workflows	It is recommended for the County to consider some of the workflows they have not been using.	Resolved	Completed the last annual review on 01/04/2024. Next review scheduled for January 2025.
Munis Vendor Master	It is recommended that Finance and County departments investigate if they are receiving all of the discounts they can get by paying in a timely manner.	Resolved	Finance determined departments are entering the invoice net of the discount. The County does not delay payment to vendors.
Munis Vendor Master	It is recommended for Finance to work with departments to utilize the discounts field when discounts are available.	Resolved	Discount fields are available in Requisition Entry and Vendor Entry. Vendor Entry is used for early payments purposes.

Audit	Recommendation	Updated Status	Updated Comment
Munis Vendor Master	It is suggested that vendors be evaluated as to whether a better type could be assigned that better reflects the service or product they provide.	Resolved	This is highly utilized for Fair, Employee Reimbursement, Weed Cost Share, and Nitrogen Reducing Rebates. It is already in the handout instructions provided on Tyler ERP. There is a tendency to default to OTHER. Additional information is provided to departments to address this.
Munis P-Cards	It is recommended for cardholders to enter in invoice/receipt numbers to help prevent duplicate payments.	Underway	At the moment there is too much of a delay for when P-Cards statements are uploaded for this to be much of a help. Procurement is looking into a new PCARD vendor that will be able to offer uploads more often to allow for reconciliation as transactions post, instead of waiting for the statement to close.
Munis P-Cards	It is recommended the policy clarify whether an employee can have more than one P-Card assigned to them; whether other employees can use the P-Card; and whether non-employees can be provided a P-Card.	Underway	PCARD policy update will fall in line with new PCARD vendor. Planned for first quarter 2025 for potential transfer over.
Munis P-Cards	It is recommended for the policy to address deployment of these high-dollar P-Cards and procedures and controls over their usage.	Planned	PCARD policy update will fall in line with new PCARD vendor. Planned for first quarter 2025 for potential transfer over. In addition to the policy update new end user agreements and a user manual will be provided to card holders.
Munis P-Cards	It is recommended for the County to consider the suggested policy improvements (1-8) in an updated policy and any associated changes to procedures.	Planned	PCARD policy update will fall in line with new PCARD vendor. Planned for first quarter 2025 for potential transfer over. In addition to the policy update new end user agreements and a user manual will be provided to card holders.

Audit	Recommendation	Updated Status	Updated Comment
County Clerk Transition	It is recommended for the Clerk's Office identify and proceed with developing contracts and contract renewals with significant vendors.	Planned	Discussions have taken place with the county's Procurement Manager, who has expressed a willingness to collaborate and provide support. Their assistance will help ensure that our department adheres to and is in compliance with relevant county procurement rules. We have a planning meeting set for next week to move toward developing these contracts.
County Clerk Transition	It is recommended the Clerk's Office enter any contracts into the County financial system as contracts so that effective approvals and contract management can occur.	Planned	Discussions have taken place with the county's Procurement Manager, who has expressed a willingness to collaborate and provide support. Their assistance will help ensure that our department adheres to and is in compliance with relevant county procurement rules. We have a planning meeting set for next week to move toward developing these contracts.
County Clerk Transition	It is recommended for the County to consider addressing the remaining recommendations from the Office of Homeland Security.	Resolved	The Clerk's Office has resolved all outstanding Homeland Security recommendations.
County Clerk Transition	It is recommended for the Clerk's Office to see if the recording software provider can further improve the audit trail.	Resolved	The recording software provider will not address this recommendation.
County Clerk Transition	It is recommended for the County to amend code section 8.35.070(D) to direct the notification responsibilities to a more appropriate party than the County Clerk.	Resolved	The code was amended through BOCC order in June 2024.
2021 County Fair Ticketing	It is recommended for fair management to split out convenience fee revenue and associated ticketing costs to improve transparency of the ticketing technology net cost.	Resolved	The fee breakdown is split out in reporting from our ticketing company. To maintain historical continuity in Munis, the revenue input did not change.

Audit	Recommendation	Updated Status	Updated Comment
2021 County Fair Ticketing	It is recommended for the County to use an expanded contract form for a contractor used for handling monies and include a background check, Legal Counsel review, Risk Management review, and appropriate bonding.	Resolved	Fair & Expo now utilizes a specialized contract for any/all contractors who handle cash as part of the admissions process; with input from Legal, and Risk management departments. Fair & Expo has, and will continue to require bonding by the admissions coordinator; which began in 2022.
Munis Analyses	It is recommended for Finance to assess, periodically, the usage of bulk approving and the impacts on the purchasing workflow.	Planned	After initial research was completed, a new query and reporting system would need to be developed. Due to staffing constraints, this item is postponed until June 2025.
Munis Analyses	It is recommended, with the incidence of some invoices not being entered against a purchase order or contract, that Finance consider whether it would be beneficial to provide departments a tool to reference their purchase orders.	Resolved	There is a tool for this purpose through the Tyler ERP system. There are many search features that can be used in the Tyler ERP system including Purchase Order Central, Contract Central, and Vendor Central.
Munis Analyses	It is recommended for Finance to work with departments to identify and consider setting up routine payments with a purchase order or contract.	Resolved	The newly hired Procurement Manager has made strides towards getting contracts entered into Tyler ERP. They provided some training to get them up to speed on the process and why it's important.
Munis Analyses	It is recommended the County limit usage of its accountable plan payments to employees/volunteers and that other departmental payments should not to be paid through the County's accountable plan.	Resolved	Quarterly review of accountable plan payments through vendor 999992 implemented.
Management of Pandemic Case Investigation and Contact Tracing	It is recommended for the County to develop a new invitation to bid to cover the newer needs of the County for temporary labor and address the handling of margin and concerns noted above.	Planned	<b>HR-</b> RFP for temporary and agency staffing pushed out for one additional year due to HR staffing.



Audit	Recommendation	Updated Status	Updated Comment
Management of Pandemic Case Investigation and Contact Tracing	It is recommended the current contract with the primary vendor for temporary labor be extended out 12-18 months until an invitation to bid can be developed and issued.	Underway	<b>HR-</b> Contract evaluated to be in draft status as of the time of this response. Interim staff will be prompted to finalize draft edits and execute contract extension by the end of January 2025.
Management of Pandemic Case Investigation and Contact Tracing	<p>It is recommended for the County to establish more effective leadership and management of the temporary labor contracts and how they are used by County departments. They may want to consider a policy or procedures to address the variety of human resource (HR) issues that come with using a temporary workforce. This would include whether an in-house labor pool could be developed and when departments should consider contracted labor.</p> <p>Human Resources has indicated they will be taking over efforts to work on the temporary labor RFP/contracts.</p>	Planned	<b>HR-</b> No updates on resolution from the prior management comment:  HR will draft guidelines for oversight of temporary and agency workforce management.
Management of Pandemic Case Investigation and Contact Tracing	It is recommended for the County (and Health Services) consider what practices should be employed to provide feedback (formal and informal and to what extent) to contracted temporary staff working for the County.	Underway	<b>HR-</b> HR will include guidance in the upcoming revised employee performance management project. That project is currently on hold due to HR staffing.
Management of Pandemic Case Investigation and Contact Tracing	It is recommended for Health Services and the County to consider using more metrics as they manage temporary and remote staffing workloads (for case investigation and contact tracing).	Underway	<b>HR-</b> HR will include guidance in the upcoming revised employee performance management project and the guidelines for oversight of temporary and agency workforce management. That project is currently on hold due to HR staffing.

Audit	Recommendation	Updated Status	Updated Comment
Initial Cybersecurity Assessment	It is recommended for the County to implement a cybersecurity program that includes establishing a framework and continuous cycle of activity for assessing risk, developing and implementing effective security controls and procedures, and monitoring the effectiveness of those procedures as noted above.	Resolved	A cybersecurity program has been established that includes a custom framework, continuous proactive activity, and a way to track Deschutes County's cybersecurity posture.
Initial Cybersecurity Assessment	It is recommended, at least annually, the Board of County Commissioners review and approve the County's cybersecurity program.	Resolved	The cybersecurity program was approved by the Board of County Commissioners on Nov. 18, 2024.
Initial Cybersecurity Assessment	It is recommended for the County, led by the IT Department, continue improvements in addressing cyber defenses.	Resolved	With the approved cybersecurity program, tracking mechanisms and a strategic plan goal to protect Deschutes County Digital Assets & Information, continuous improvements are imminent.
Sheriff's Office - Cash handling	It is recommended the Sheriff's Office strengthen the internal control system to better oversee all payments they receive and periodically assess their operating environment to assure the system is operating as intended.	Underway	Recommendation is completed in several guidance areas; Working with County for needed training.
Sheriff's Office - Cash handling	It is recommended the Sheriff's Office develop procedures to make more timely deposits.	Underway	Recommendation is completed in several guidance areas; Weekly deposits will occur when monies are logged into evidence, at present this is not a regular occurrence due to monies not being logged into evidence on a consistent basis.
Sheriff's Office - Cash handling	It is recommended the Sheriff's Office implement additional control activities through policies and procedures.	Underway	Recommendation is completed in several guidance areas; A statement will be provided monthly to County to record in Munis.
Vacation and Sick Leave	It is recommended Human Resources and Payroll establish secondary review processes for employee leave balance limit calculations and adjustments.	Underway	<b>Finance</b> - The Policy Advisory Committee reviewed the audit recommendations in November 2024 and has recommended policy updates.

Audit	Recommendation	Updated Status	Updated Comment
Vacation and Sick Leave	It is recommended the County develop a process to support supervisors in monitor employees' use of vacation leave in compliance with policy.	Underway	<b>HR-</b> The County has a policy covering expectations for employee's use of vacation leave. It is a supervisor's responsibility to hold their employees accountable to all policies, including this one. Human Resources will update the attendance expectations in the employee performance evaluation form to include this review. This will prompt supervisors to review all aspects of an employee's attendance and use of leave with respect to County policies. The performance evaluation update is on hold due to HR staffing.
Vacation and Sick Leave	It is recommended the County revise leave policy HR-16 to be in conformance with State law.	Underway	<b>HR-</b> HR has drafted policy updates to HR-16 to be in conformance with State law. This policy will be provided to the Policy Advisory Committee in December 2024.
Vacation and Sick Leave	It is recommended the County update policy and CBA contract language to align with practice.	Underway	<b>HR-</b> HR has drafted policy updates and currently planning to circulate to the Policy Advisory Committee once vetted internally. HR will engage with AFSCME and DCSEA in early 2025 and propose modifications for the contract renewal to align CBA language with practice.
Vacation and Sick Leave	It is recommended for the County to consider adjustments to the leave cash out policies to further address constructive receipt.	Underway	<b>HR-</b> HR and Finance have determined an annual process for vacation sellback which addresses constructive receipt. Implementation is tentatively scheduled to occur in time for 2026 vacation sellback activities.
Personal Information Data Privacy	It is recommended for the County departments/offices to assign an employee over each department's/office's personal information security program who will also be responsible for establishing appropriate training and compliance with County policy.	Resolved	In March 2024, we contacted departments to initiate the formal process of having each office/department appoint an employee to oversee their data privacy initiatives. This work is now complete, and we are scheduled to convene our inaugural meeting with this cohort of data privacy liaisons next week. This group will be submitting information to IT about where they store different types of data, learning about County policies and receiving required training.

<b>Audit</b>	<b>Recommendation</b>	<b>Updated Status</b>	<b>Updated Comment</b>
Personal Information Data Privacy	It is recommended for departments/offices to consider the risks and develop and/or deploy technology appropriate to the situation for communicating and sharing personal information.	<b>Resolved</b>	IT and Admin have created a Data Privacy workgroup with all departments and offices. This focus has been communicated to participants as a focus for the group's work and through training, which will continue.
Personal Information Data Privacy	It is recommended County departments/offices consider whether they are following policies and could reduce the amount of personal information they collect or retain and make changes to associated processes.	<b>Resolved</b>	IT and Admin have created a Data Privacy workgroup with all departments and offices. This focus has been communicated to participants as a focus for the group's work and through training, which will continue.
Continuity of Operations Plans	It is recommended the County determine whether the capabilities of the new COOP software system meet their requirements or explore other viable alternatives.	<b>Resolved</b>	Staff has determined that the new COOP system does not meet requirements and has selected Smartsheet as the alternative software.
Continuity of Operations Plans	It is recommended the County direct staff to complete comprehensive COOP planning documentation with the support of DCSO-ESU.	<b>Resolved</b>	The County Administrator has directed staff to do this work.
Continuity of Operations Plans	It is recommended the County re-establish regular COOP planning meetings to review and revise COOP plans.	<b>Resolved</b>	The County has re-established regular COOP meetings.
Continuity of Operations Plans	It is recommended the County review and update its COOP activation scenarios to include pandemics and other potential crises.	<b>Resolved</b>	Despite initially accepting the recommendation, we do not plan to include pandemics as an activation scenario.
Continuity of Operations Plans	It is recommended the County establish a COOP training program for all personnel.	<b>Resolved</b>	The County has established a County-wide training for all employees. New employees are receiving the training during onboarding. Training will be assigned to all staff during National Preparedness Month September.
Continuity of Operations Plans	It is recommended the County conduct regular COOP exercises and make necessary improvements identified as weaknesses.	<b>Planned</b>	As departments update their COOP plans, the County will conduct regular COOP exercises.

Audit	Recommendation	Updated Status	Updated Comment
Finance/Tax – Controls over receipts	It is recommended the Finance/Tax department resume audits of transient room taxpayers.	Resolved	Finance has contracted with an external audit firm for the transient room tax audit. Preliminary audit results anticipated December 2024.
Behavioral Health – Practices Improvement	It is recommended Behavioral Health go through the process to develop appropriate productivity measures as well as clarify expectations for staff.	Underway	<p>No new updates from July 2024.</p> <p>Behavioral Health has started three workgroups to dive into the root causes of the challenges related to our current productivity standards. Each workgroup has a goal of creating one solution to an identified problem by the end of 2024.</p> <p>Utilization Management - focus on caseload management, intakes and discharges. We are moving towards a contract with third party consultant who specialize in helping organizations reach maximum efficiencies and outcomes.</p> <p>Administrative Burden workgroup - focused on reducing excessive admin burden in our EHR, documentation and processes.</p> <p>Clinical Vision Workgroup - focused on guiding the clinical vision of the department and ensuring our services are of the highest quality as well as identifying gaps in care and solutions to those gaps.</p>
Behavioral Health – Practices Improvement	It is recommended Behavioral Health review the accuracy of the data contributing to clinician workload measures	Underway	<p>No new updates from July 2024.</p> <p>The above section also addresses this area and our work with the consultant will review all of our current data and collection methods to identify gaps and solutions for improvement.</p>
Behavioral Health – Practices Improvement	It is recommended Behavioral Health strengthen the controls for first treatment appointment assignment and client discharge.	Underway	<p>No new updates from July 2024.</p> <p>While we have strengthened and improved our FTA's and the timelines, there is more comprehensive work to be done. Our work with the consultant will address this more fully.</p>

Audit	Recommendation	Updated Status	Updated Comment
Behavioral Health – Practices Improvement	It is recommended Behavioral Health create a comprehensive library of division-approved smart tools to improve clinical documentation efficiency and provide training to clinicians on how to use them.	Underway	No new updates from July 2024.  The Administrative Burden workgroup is actively working on this and we expect to have this completed by the deadline.
Facilities & Property Management - Cash handling	The Human Resources Department should align Section 8.020 with State conflict-of-interest laws and establish a standardized disclosure procedure. This could include a template for written notifications.	Planned	<b>HR-</b> No updates on resolution from the prior management comment:  Human Resources agrees with the auditors' comments and recommendation and will work on updating HR-Personnel Rules to better establish expectations and procedures.
Wage Equity	County Administration should continue with the plan to conduct an equal-pay analysis.	Underway	The project is underway. Phase I of the project is expected to be complete in Spring of 2025.
Wage Equity	County Administration should report results of the equal-pay analysis in a format accessible to leadership, employees, and community members.	Planned	At the conclusion of the Salary Study and Market Review project, a report will be generated and presented that will include deliverables that address the requirements listed above. Throughout the process, the selected consultant will assist the County with all appropriate communications.
Wage Equity	Human Resources should update the Personnel Rules to include the Equity Review process.	Underway	The County anticipates receiving from the pay equity study project consultant recommended updates to Personnel Rules inclusive of discussion and rules regarding OR Pay Equity compliance. Once received, those updates will be vetted through the County's Policy Advisory Committee and provided to the Board of County Commissioners for consideration.
Wage Equity	Human Resources should update the Equity Review procedures to include review for employees offered steps one or two.	Resolved	Human Resources added this content and published to the HR Procedures Reference Teams channel.

Audit	Recommendation	Updated Status	Updated Comment
Wage Equity	Human Resources should add the Equity Review process and procedures to the Supervisor Tool Kit.	Resolved	Human Resources added the Candidate Qualifications Review section to the Recruitment & Selection Toolkit and announced the addition to all department heads, managers, and supervisors via email.
Custom Developed Software	Central Information Technology should establish an advisory body comprising diverse County stakeholders to drive a project-centric investment process to support executive decision making.	Planned	No new updates from May 2024 original audit.  Regular audit follow-up will occur in February 2025.
Custom Developed Software	Central Information Technology should develop and implement a policy for custom software development, outlining a standardized methodology for determining costs associated with projects throughout the County.	Planned	No new updates from May 2024 original audit.  Regular audit follow-up will occur in February 2025.
Custom Developed Software	Central Information Technology should develop and implement a policy requiring annual reporting of all software applications used by each department and elected office to ensure an updated inventory is maintained.	Planned	No new updates from May 2024 original audit.  Regular audit follow-up will occur in February 2025.
Custom Developed Software	Central Information Technology should develop and implement a policy for custom software development identifying security and privacy requirements for all projects throughout the County.	Underway	A policy has been created and undergoing the approval process through the Deschutes County standard approach.
Custom Developed Software	Central Information Technology should develop and implement a policy for custom software development incorporating formal documentation of system architecture for all projects throughout the County.	Planned	No new updates from May 2024 original audit.  Regular audit follow-up will occur in February 2025.

Audit	Recommendation	Updated Status	Updated Comment
Custom Developed Software	Central Information Technology should develop and implement a policy for custom software development, defining unified coding standards for all developers throughout the County.	Underway	A policy has been created and undergoing the approval process through the Deschutes County standard approach.
Custom Developed Software	Central Information Technology should develop and implement a policy for custom software development, defining standardized testing conditions and criteria for all projects throughout the County.	Planned	No new updates from May 2024 original audit.  Regular audit follow-up will occur in February 2025.
Custom Developed Software	Central Information Technology should provide access to the secure repository for all County developers.	Planned	No new updates from May 2024 original audit.  Regular audit follow-up will occur in February 2025.
Custom Developed Software	Central Information Technology should develop and implement a policy for custom software development, requiring comprehensive system and user documentation for software applications throughout the County.	Planned	No new updates from May 2024 original audit.  Regular audit follow-up will occur in February 2025.
Custom Developed Software	Central Information Technology should establish internal agreements with departments requesting developed software or when inheriting maintenance responsibilities of previously deployed applications.	Planned	No new updates from May 2024 original audit.  Regular audit follow-up will occur in February 2025.
Custom Developed Software	Central Information Technology should develop and implement a policy for custom software development maintenance protocols throughout the County.	Planned	No new updates from May 2024 original audit.  Regular audit follow-up will occur in February 2025.



Audit	Recommendation	Updated Status	Updated Comment
Custom Developed Software	Central Information Technology should continue efforts to capture data for maintaining custom-developed software and make those tools available to other information technology personnel.	Planned	No new updates from May 2024 original audit.  Regular audit follow-up will occur in February 2025.
Custom Developed Software	Central Information Technology should use collected data to create performance measures for custom-developed software.	Planned	No new updates from May 2024 original audit.  Regular audit follow-up will occur in February 2025.
Clerk's Office Integrated Audit	The Clerk's Office should conduct a fraud risk assessment, and document outcomes.	Planned	No update. We agree with the auditors' comments and will explore conducting a fraud risk assessment.
Clerk's Office Integrated Audit	The Clerk's Office should document and implement procedures to address fraud risks identified in the risk assessment.	Planned	No update. We agree with the auditors' comments and will explore conducting a fraud risk assessment.
Clerk's Office Integrated Audit	The Clerk's Office should consult with the new procurement staffer about procurement requirements.	Underway	Discussions have taken place with the county's Procurement Manager, who has expressed a willingness to collaborate and provide support. Their assistance will help ensure that our department adheres to and is in compliance with relevant county procurement rules. We have a planning meeting set for next week to move toward developing these contracts.
Clerk's Office Integrated Audit	The Clerk's Office should conduct competitive procurements, put contracts in place, and get Administrator sign-off related to services identified in the audit.	Underway	Discussions have taken place with the county's Procurement Manager, who has expressed a willingness to collaborate and provide support. Their assistance will help ensure that our department adheres to and is in compliance with relevant county procurement rules. We have a planning meeting set for next week to move toward developing these contracts

Audit	Recommendation	Updated Status	Updated Comment
Clerk's Office Integrated Audit	The Clerk's Office should analyze how often and when staff need to review a document they record and then decide whether recording and reviewing duties should be segregated.	Resolved	The Clerk's Office has adopted the recommendation to enable software controls to segregate recording and reviewing (verification), while maintaining the department's current level of customer service. These enabled software controls ensure no single person can record and verify their own work.
Clerk's Office Integrated Audit	If the Clerk's Office decides record and review duties should be segregated, it should re-enable controls in the information system to enforce segregation. If the Office decides that duties should not be segregated, it should formally accept the risk by allowing role conflicts in a procedure.	Resolved	The Clerk's Office has adopted the recommendation to enable software controls to segregate recording and reviewing (verification), while maintaining the department's current level of customer service. These enabled software controls ensure no single person can record and verify their own work.
Clerk's Office Integrated Audit	The Clerk's Office should document workflow impacts of requiring supervisor approval of voided receipts including how often they happen and how long the process takes. After collecting this information, the Office should decide whether voids should require supervisor authorization.	Resolved	Software controls have been reactivated to enforce a requirement for supervisor approval on any voided receipts. This ensures an additional layer of oversight and accountability, preventing unauthorized voids and helping to maintain accurate financial records.
Clerk's Office Integrated Audit	If the Office decides that voids should require supervisor authorization, it should use controls in the information system to enforce authorization. If the Office decides that it will not require authorization, it should document compensating controls and formally accept the risks.	Resolved	Software controls have been reactivated to enforce a requirement for supervisor approval on any voided receipts. This ensures an additional layer of oversight and accountability, preventing unauthorized voids and helping to maintain accurate financial records.
Clerk's Office Integrated Audit	The Clerk's Office should review how staff use the generic account including how often it is used.	Resolved	We have discontinued the use of a generic username and password for access to computers in the Clerk's Office.
Clerk's Office Integrated Audit	If the Office continues to use the generic account, it should formally accept and document the risks associated with its use.	Resolved	We have discontinued the use of a generic username and password for access to computers in the Clerk's Office.

<b>Audit</b>	<b>Recommendation</b>	<b>Updated Status</b>	<b>Updated Comment</b>
Clerk's Office Integrated Audit	The Clerks' Office should assign someone to keep the payment card secured while continuing to use the log.	<b>Resolved</b>	The Purchase Card is now secured under lock and key with the exception of when it is in use.
Clerk's Office Integrated Audit	The Clerk's Office should improve performance reporting by including data about staff to number of pages recorded, clarifying why staff to voter registration is "In-Progress" or changing status to "True", and including historical context/goals in the narrative section to cost per ballot tallied.	<b>Resolved</b>	We have updated the measures to reflect the correct status, ensuring that any "In-Progress" entries are now accurately categorized. Moving forward, the department will continue to assess the provided metrics to ensure they offer meaningful insights and align with county goals. We will also work on integrating historical context and clearer data points, such as FTE to voter registration ratios and cost per ballot tallied, to provide a more comprehensive picture of the work being done by the department.
Clerk's Office Integrated Audit	The Clerk's Office should request that the Board of County Commissioners amend County Code to give responsibility to distribute copies of the code chapter about weed control to the Road Department.	<b>Resolved</b>	The code was amended through BOCC order in June 2024.
County Legal Integrated Audit	County Legal should create new performance measures that are more useful, relevant, and adequate. Consider measures used by benchmark counties including staff workload, timeliness, and satisfaction.	<b>Underway</b>	These will be reported on or around the FY budget cycle.
County Legal Integrated Audit	County Legal should document and implement procedures to address fraud risks identified in the risk assessment.	<b>Resolved</b>	We created and implemented a check handling policy that segregates duties and addresses risks identified in the assessment.

## 5. Appendix B: Authority, Objective, Scope, and Methodology

### Audit Authority

The Deschutes County Audit Committee has suggested that follow-ups occur within nine months of the reports. The Audit Committee would like to make sure departments satisfactorily address any prior recommendations that have not been completed at the time of the initial or subsequent follow-ups.

### Objective and Scope



*"Audit objectives" define the goals of the audit.*

#### Objective:

The objective was to follow up on previously unresolved recommendations.

#### Scope and timing:

This 2024 Global follow-up included all reports issued with unresolved recommendations. Reports that had a follow-up report completed in approximately nine months were subject to a new request for information. Updates to the recommendations outlined in the audit reports presented in **Figure I** have been incorporated into this report and are detailed in **Appendix A**. There are ninety (90) recommendations included in this update over twenty (22) audit reports.

Status was determined through information provided by elected offices and departments in December 2024. The original internal reports should be referenced for the full text of recommendations and associated discussion. All internal audit performance reports are published on the County website at <https://www.deschutes.org/administration/page/internal-audit-reports>.

### Methodology

The follow-up report was developed from information provided by appropriate staff in the associated offices and departments. In cases where recommendations have not been implemented, comments were sought for the reasons why and the timing for

addressing these. The follow-ups are, by nature, subjective. In determining the status of recommendations that were followed up, we relied on assertions provided by those involved and did not attempt to independently verify those assertions.

Since no substantive audit work was performed, Government Auditing Standards issued by the Comptroller General of the United States were not followed.

## 6. Appendix C: Audit Reports Issued

Audit Title	Original Report #	Report Issued	# of Original Recommendations	# of Recommendations Outstanding	% Resolved
<a href="#">Munis purchasing topics Part I - Security and Workflows</a>	19/20-9	Jan-21	18	0	100%
<a href="#">Munis purchasing topics Part II - Vendor Master</a>	20/21-6	Mar-21	12	0	100%
<a href="#">Munis purchasing topics Part III - P-Cards</a>	20/21-8	May-21	7	4	43%
<a href="#">County Clerk Transition</a>	20/21-11	Jul-21	9	2	78%
<a href="#">2021 County Fair - Ticketing and selected areas</a>	21/22-1	Sep-21	17	0	100%
<a href="#">Munis purchasing topics Part IV - Analyses</a>	20/21-9	Nov-21	10	1	90%
<a href="#">Management of Pandemic Case Investigation and Contact Tracing</a>	21/22-5	Mar-22	5	5	0%
<a href="#">Adult Parole and Probation - Cash Handling</a>	21/22-11	May-22	1	0	100%
<a href="#">Administrative Services &amp; Risk - Cash handling</a>	21/22-10	May-22	3	0	100%
<a href="#">Assessor's Office - Cash Handling</a>	21/22-13	Jun-22	10	0	100%

Audit Title	Original Report #	Report Issued	# of Original Recommendations	# of Recommendations Outstanding	% Resolved
<a href="#">Initial Cybersecurity Assessment</a>	21/22-6	Jul-22	3	0	100%
<a href="#">Justice Court - Cash handling</a>	21/22-15	Sep-22	2	0	100%
<a href="#">Sheriff's Office - Cash handling</a>	21/22-16	Nov-22	3	3	0%
<a href="#">Vacation and Sick Leave</a>	21/22-17	Dec-22	10	5	50%
<a href="#">Elected District Attorney Transition</a>	22/23-4	Jan-23	5	0	100%
<a href="#">Personal Information Data Privacy</a>	22/23-2	Feb-23	4	0	100%
<a href="#">Treasurer Transition 2022</a>	21/22-12	Mar-23	7	0	100%
<a href="#">Finance/Tax – Controls over receipts</a>	22/23-8	Apr-23	4	0	100%
<a href="#">Continuity of Operations Plans</a>	22/23-6	Jun-23	6	1	83%
<a href="#">Behavioral Health – Practices Improvement</a>	22/23-9	Sep-23	9	4	56%
<a href="#">District Attorney's Office – Cash Handling</a>	23/24-4	Sep-23	1	0	100%
<a href="#">Facilities and Property Management – Cash Handling</a>	23/24-2	Oct-23	4	1	75%
<a href="#">Overtime and Compensatory Time</a>	24/23-6	Jan-24	8	4	50%
<a href="#">Fair and Expo – Cash Handling</a>	23/24-8	Feb-24	5	2	60%

Audit Title	Original Report #	Report Issued	# of Original Recommendations	# of Recommendations Outstanding	% Resolved
<a href="#">Wage Equity</a>	23/24-5	Mar-24	5	3	40%
<a href="#">Custom-Developed Software</a>	23/24-13	May-24	13	13	0%
<a href="#">Clerk's Office Integrated Audit</a>	23/24-14	Jun-24	13	4	69%
<a href="#">County Legal Integrated Audit</a>	23/24-19	Jun-24	3	1	67%
<b>Total</b>	<b>28</b>		<b>197</b>	<b>53</b>	<b>73.10%</b>

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>.

The Office of County Internal Audit

# Global Follow-Up and Annual Report



AUDIT COMMITTEE | February 14, 2025



# 2024 Global Report – Statistics

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31 – Reports issued



209 – Recommendations made



146 – Resolved



63 – remain unresolved

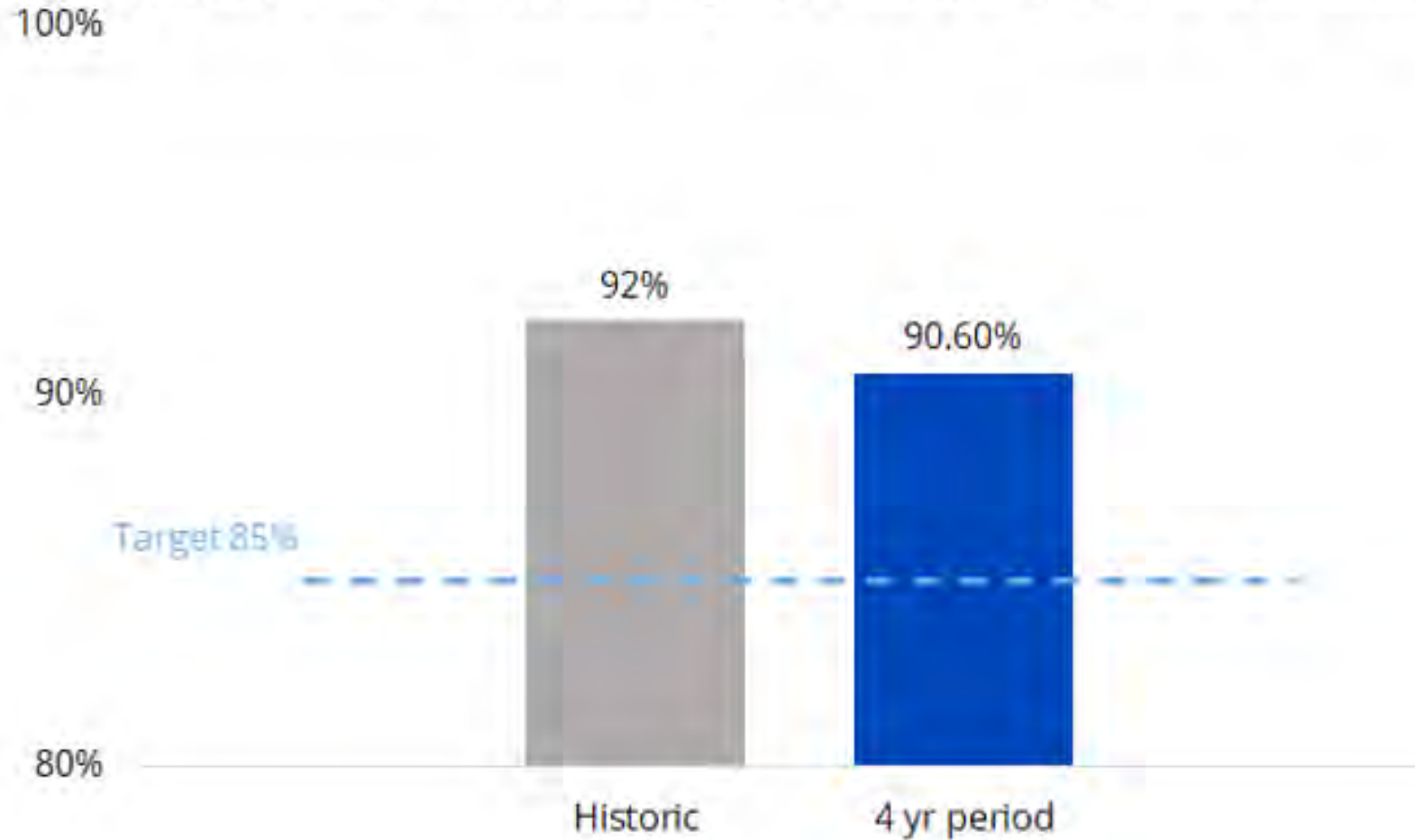


73% - 4-year resolution rate



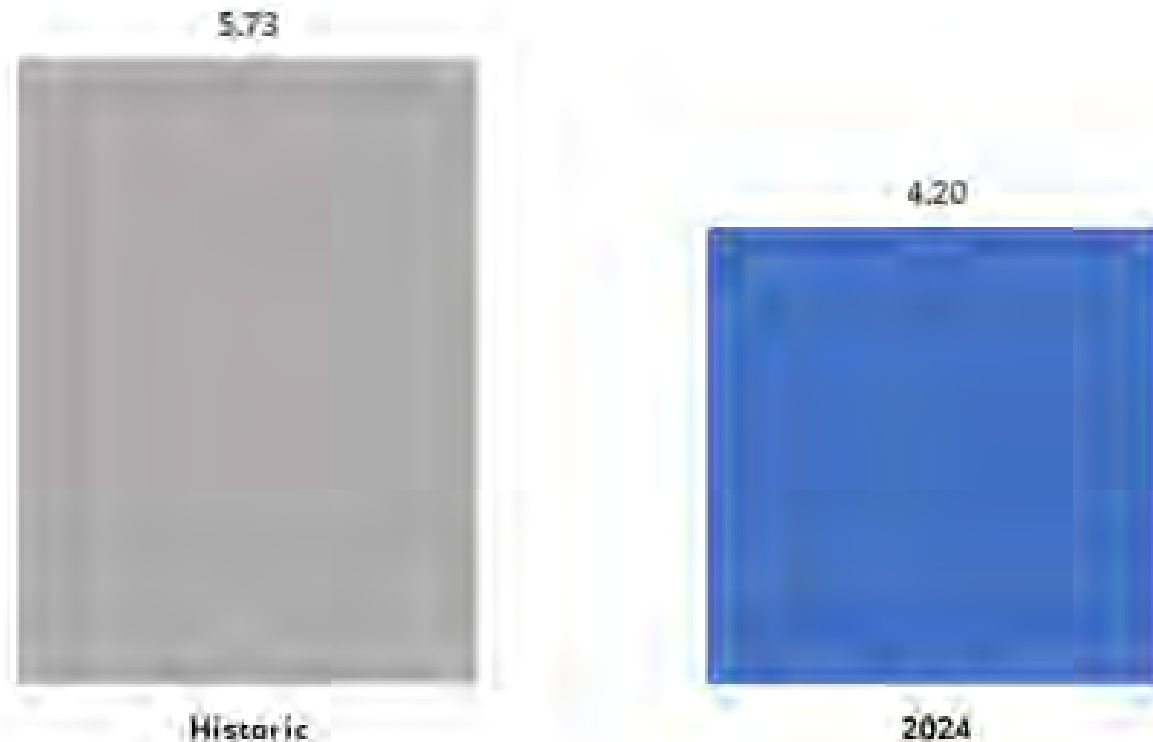
# Reader Satisfaction

**Figure 1:** Reader satisfaction exceeds target value but is lower than historical levels.



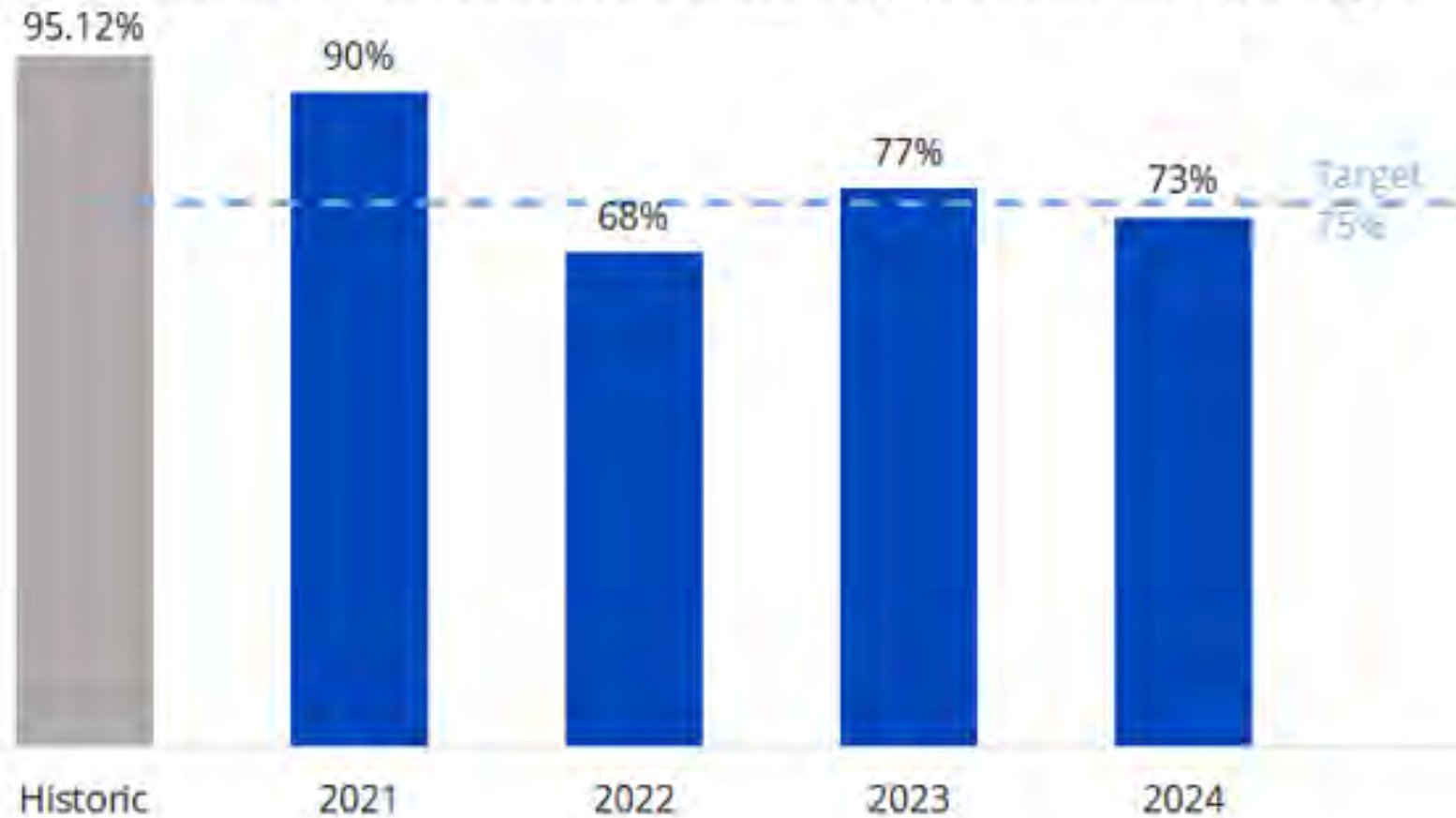
# Audit Duration

**Figure 2:** Audits in 2024 took nearly two months less to complete than historical averages.



# Four Year Resolution Rate

**Figure 4:** The four-year resolution rate in 2024 slipped below the 75% target.



# Recommendation Highlights

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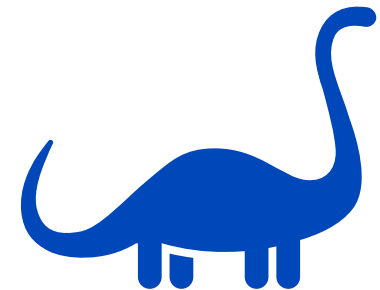
Success  
Cyber Security



High Risk  
Wage Equity

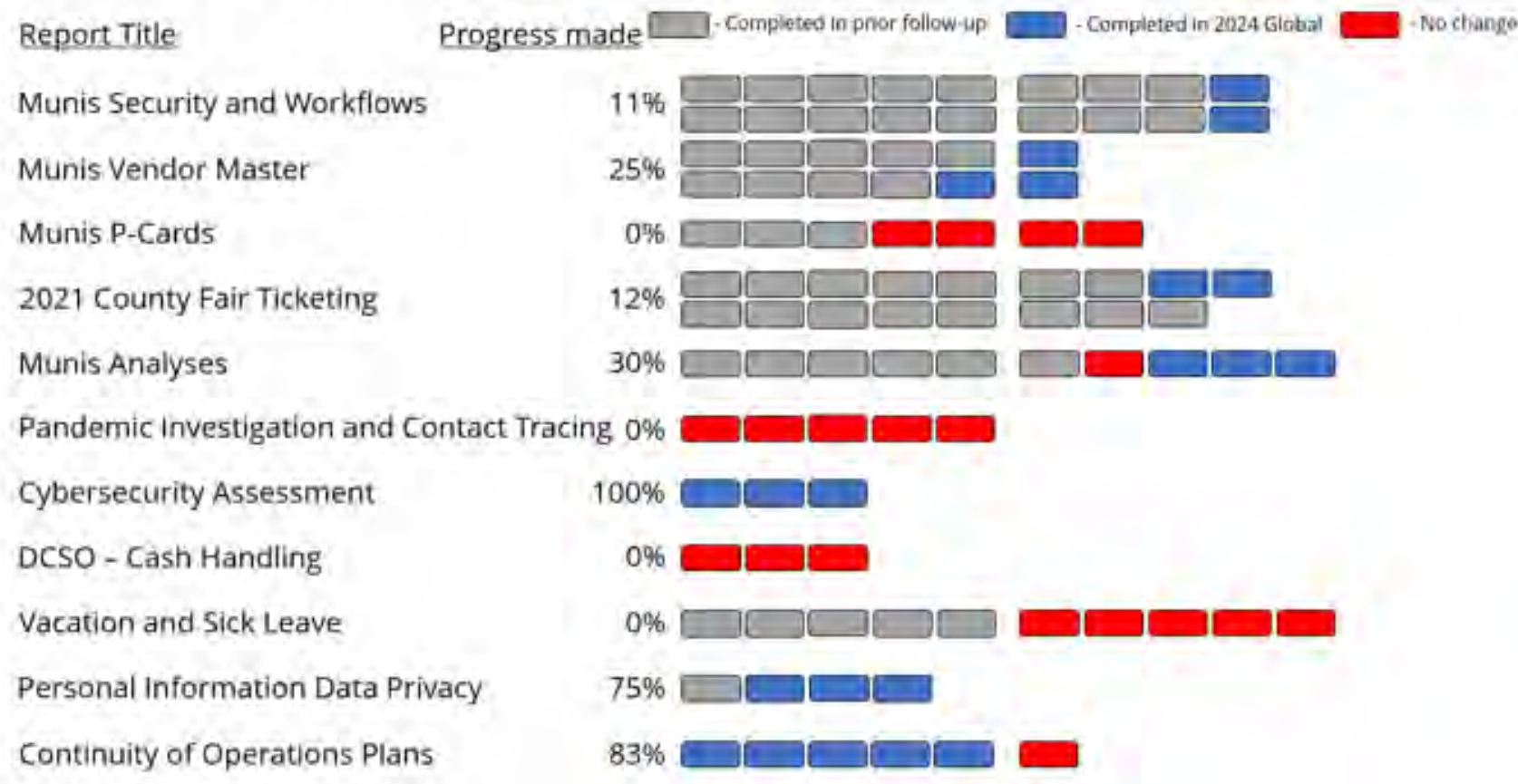


Long  
Outstanding  
Mobile Devices  
P-Cards

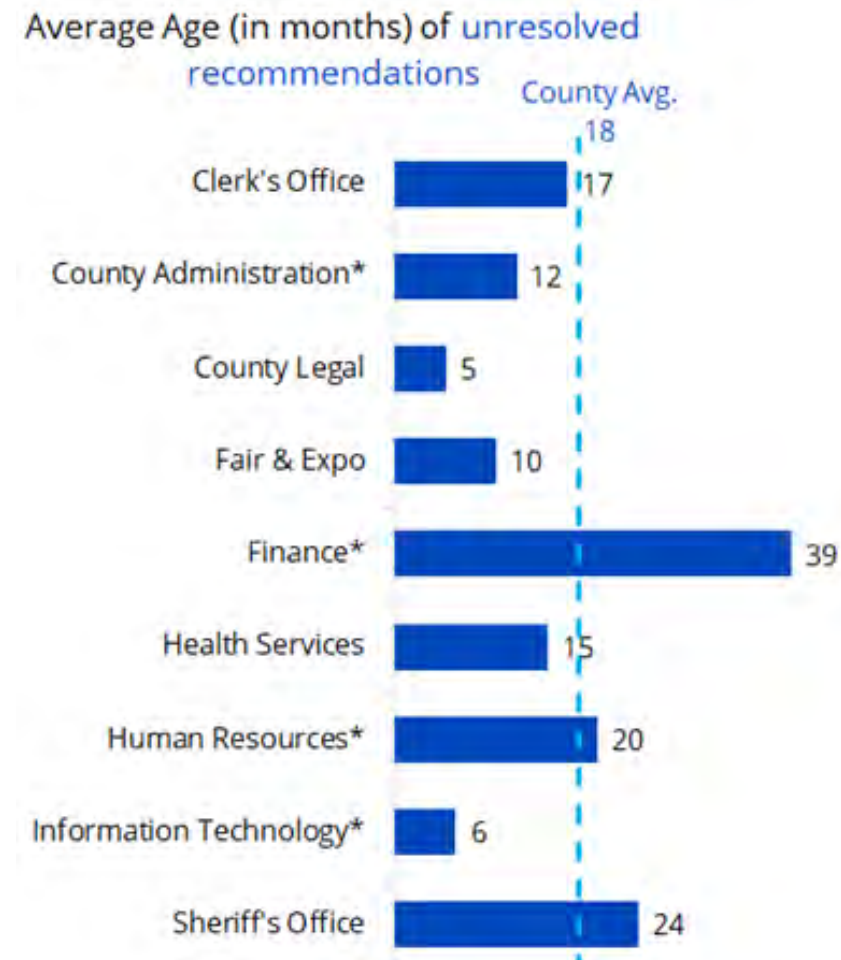
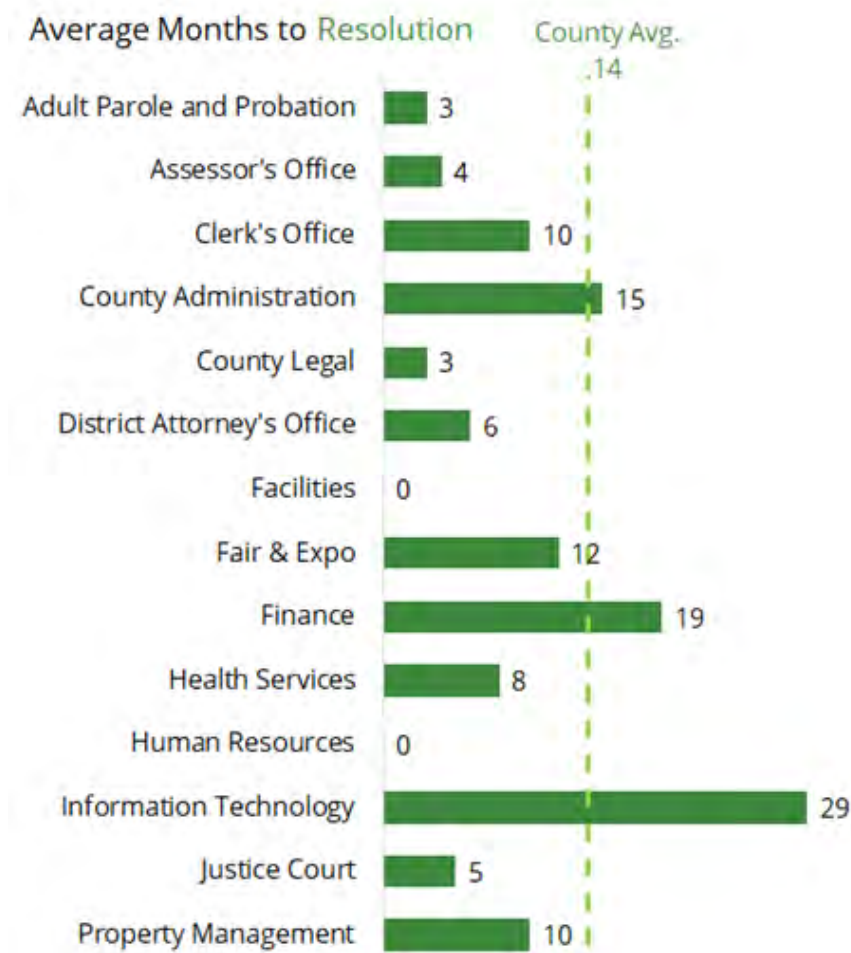


# 2024 Global Report - Progress

**Figure 7:** Percent of resolved recommendation progress between the last follow-up and the 2024 Global Follow-up. Some audit reports saw **no progress** in the percentage of recommendations resolved.



# 2024 Global Report - Duration



# Other Data Included in the Report

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## Office of Internal Audit Data

- Adherence to work schedule
- Department and Office coverage
- Office staffing ratio

## Recommendation Status





# Questions?

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# Thank you





OFFICE OF  
INTERNAL AUDIT



## Wage Equity Audit Follow-up Report: Human Resources improved procedures for determining starting salaries. Equal-pay analysis in progress.




January 2025

Our [2024 audit of wage equity](#) found race and gender wage gaps at the County. Nine months after the audit report, the County was in the process of conducting an equal-pay analysis with plans for completion by Spring of 2025. Human Resources updated procedures for the equity review process and added the process to the Supervisor Tool Kit but was waiting on advice from consultants before proposing updates to personnel rules.



To request this information in an alternate format, please call (541) 330-4674 or send email to [internal.audit@Deschutes.org](mailto:internal.audit@Deschutes.org)

## Wage Equity Audit Update: Improved procedures, Analysis still in progress

 2 Resolved	 3 In Process	 0 Accept Risk
<i>Management addressed risk. Auditors will no longer monitor.</i>	<i>Recommendations are in progress. Auditors will continue to monitor.</i>	<i>Management accepted the risk of not implementing the recommendation.</i>

The County was conducting an equal-pay analysis.

In Process 

We recommended that County Administration continue with the plan to conduct an equal-pay analysis. Administration anticipated that the analysis would run through Spring 2025. Target completion date: March 2025.

The County planned to report results of the equal-pay analysis upon completion.

In Process 

We recommended that County Administration report results of the equal-pay analysis in a format accessible to leadership, employees, and community members. The County planned to report study results upon completion. Target completion date: March 2025

Human Resources planned to update personnel rules after completion of the equal-pay analysis.

In Process 

We recommended that Human Resources update the Personnel Rules to include the Equity Review process. Staff said that they would wait until receiving advice from consultants at the end of the equal-pay analysis to propose changes to personnel rules to the Board of County Commissioners. Target completion date: March 2025

Human Resources updated procedures to include employees offered salary steps one and two.

Resolved



We recommended that Human Resources update the Equity Review procedures to include review for employees offered steps one or two. Human Resources added the information to guidance documents.

Human Resources added the Equity Review Procedure to the Supervisor Tool Kit.

Resolved



We recommended that Human Resources add the Equity Review process and procedures to the Supervisor Tool Kit. Human Resources added the information to the tool kit.

**Next Steps:** We will continue to report on the status of 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:**

Elizabeth Pape – County Internal Auditor

Phone: 541-330-4674

Email: [internal.audit@deschutes.org](mailto:internal.audit@deschutes.org)

Web: [www.deschutes.org/auditor](http://www.deschutes.org/auditor)

**Audit committee:**

Daryl Parrish, Chair - Public member

Phil Anderson – Public member

Jodi Burch – Public member

Joe Healy - Public member

Summer Sears – Public member

Kristin Toney - Public member

Patti Adair, County Commissioner

Charles Fadeley, Justice of the Peace

Lee Randall, Facilities Director

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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

# Wage Equity Follow-Up

Original audit published  
3/18/24



February 14, 2025

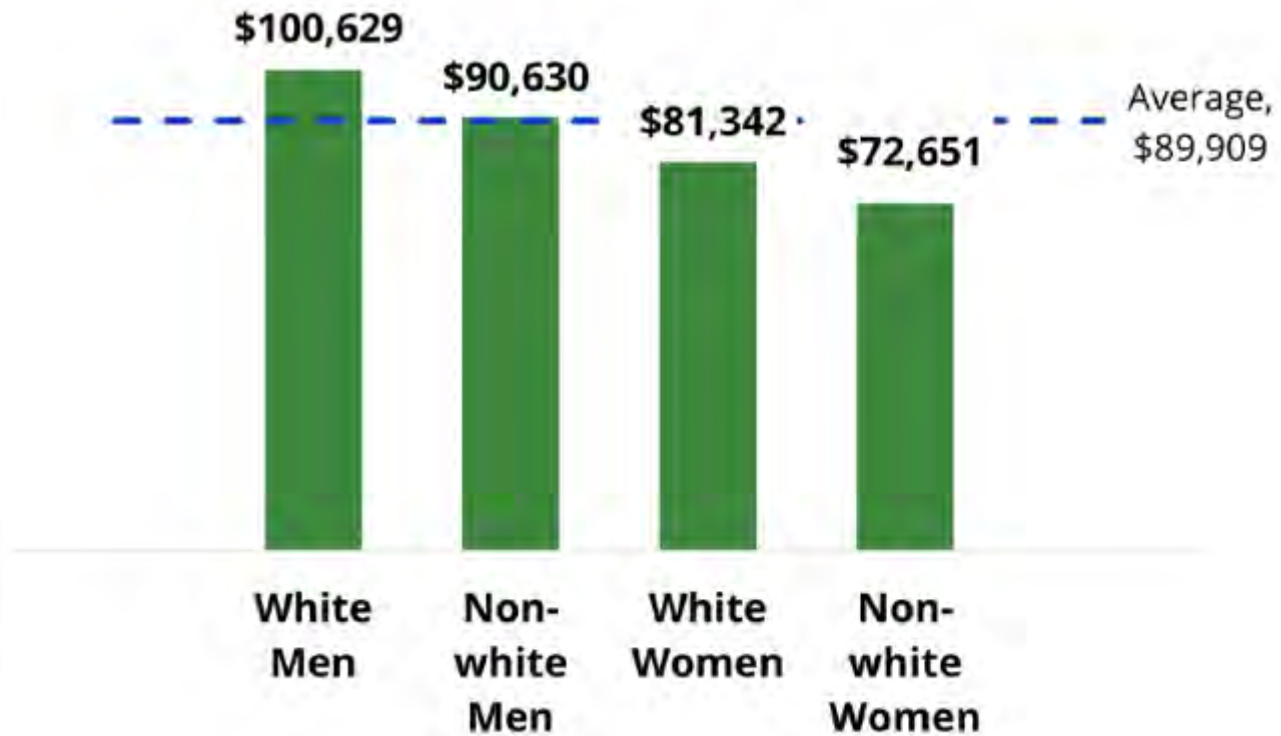
# Background

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# Wage Inequities Existed

**Figure X:**

**White men earned more in total compensation than other staff in 2022.**



Source: Deschutes County Financial System

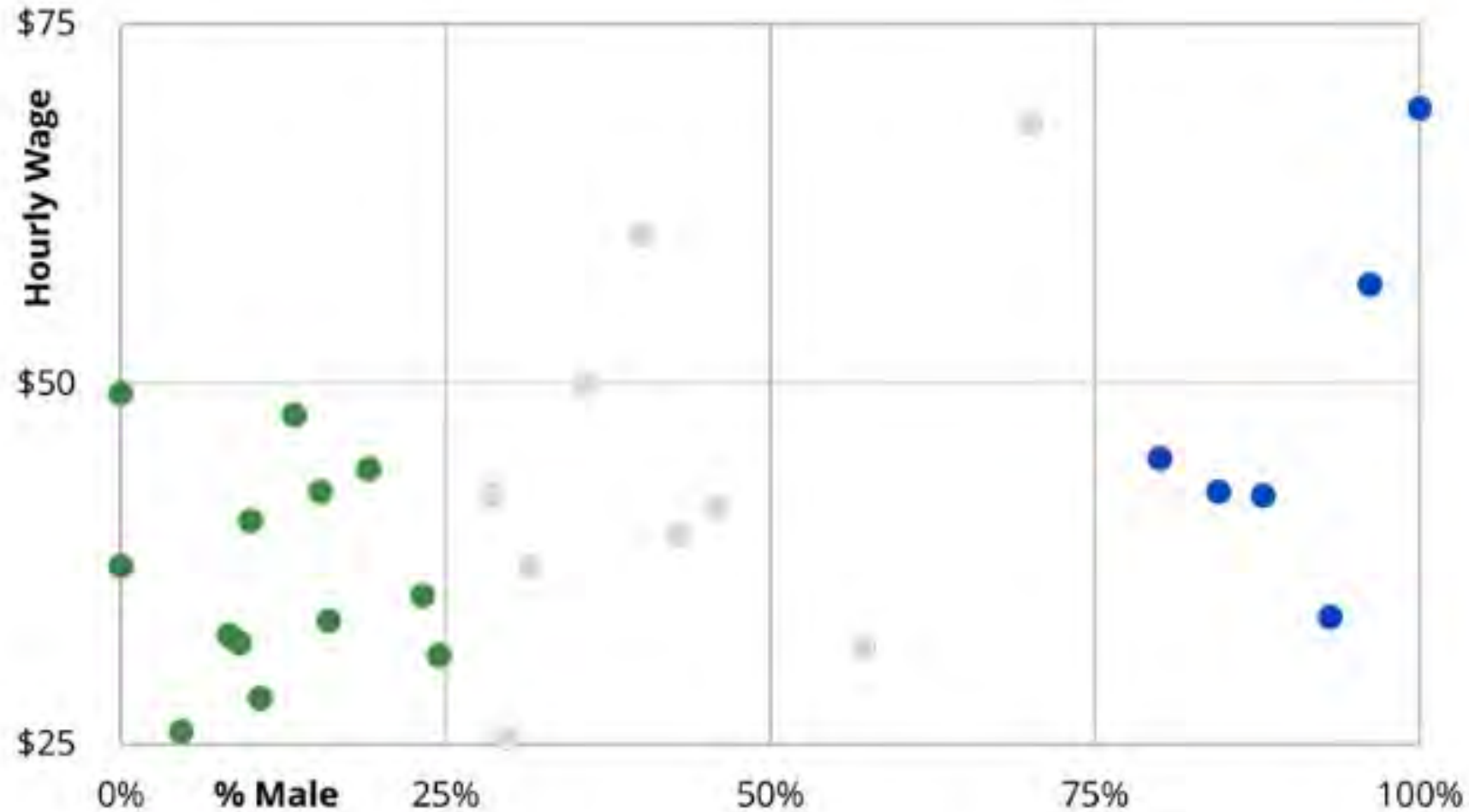




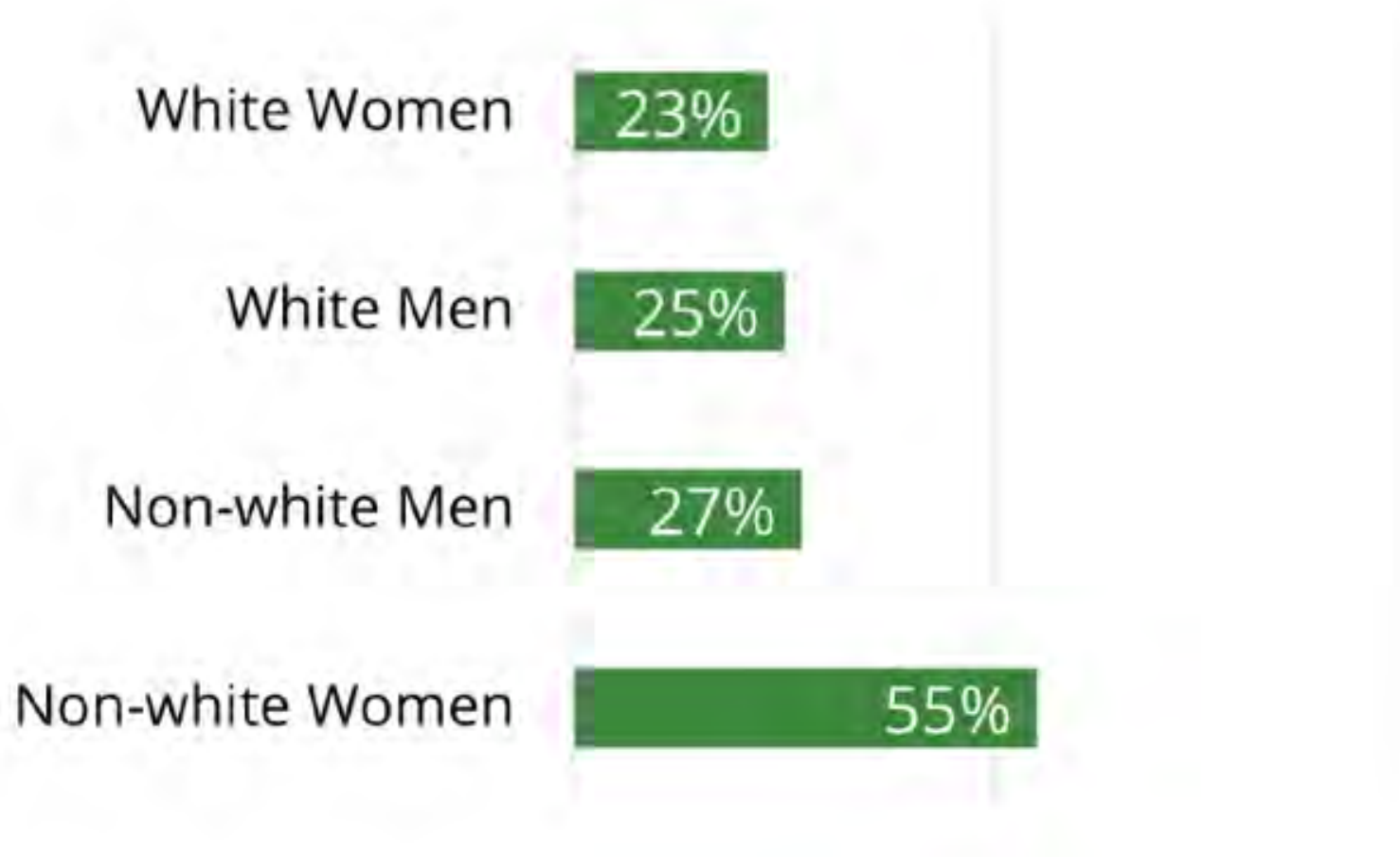
# Factors not covered by law: Overtime



# Factors not covered by law: Job sorting



# Factors not covered by law: Tenure



% who left  
County within 2  
years.



# Recommendation Updates

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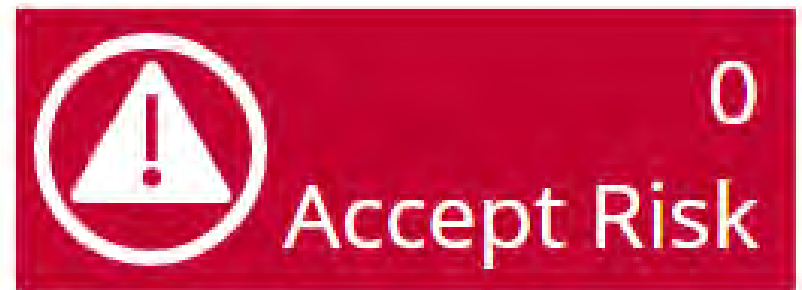
# Improved procedures, analysis still in process



*Management addressed risk.  
Auditors will no longer monitor.*



*Recommendations are in  
progress. Auditors will continue  
to monitor.*



*Management accepted the risk of  
not implementing the  
recommendation.*



---

The County was conducting an equal-pay analysis.

In Process



We recommended that County Administration continue with the plan to conduct an equal-pay analysis. Administration anticipated that the analysis would run through Spring 2025. Target completion date: March 2025.



---

The County planned to report results of the equal-pay analysis upon completion.

In Process



We recommended that County Administration report results of the equal-pay analysis in a format accessible to leadership, employees, and community members. The County planned to report study results upon completion. Target completion date: March 2025



---

Human Resources planned to update personnel rules after completion of the equal-pay analysis.

In Process



We recommended that Human Resources update the Personnel Rules to include the Equity Review process. Staff said that they would wait until receiving advice from consultants at the end of the equal-pay analysis to propose changes to personnel rules to the Board of County Commissioners. Target completion date: March 2025





---

Human Resources updated procedures to include employees offered salary steps one and two.

Resolved



We recommended that Human Resources update the Equity Review procedures to include review for employees offered steps one or two. Human Resources added the information to guidance documents.



---

Human Resources added the Equity Review Procedure to the Supervisor Tool Kit.

Resolved



We recommended that Human Resources add the Equity Review process and procedures to the Supervisor Tool Kit. Human Resources added the information to the tool kit.



# Next Steps

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We'll continue to follow-up on in process recommendations during annual global follow-ups.



# Questions and Comments?

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## Office of County Internal Audit

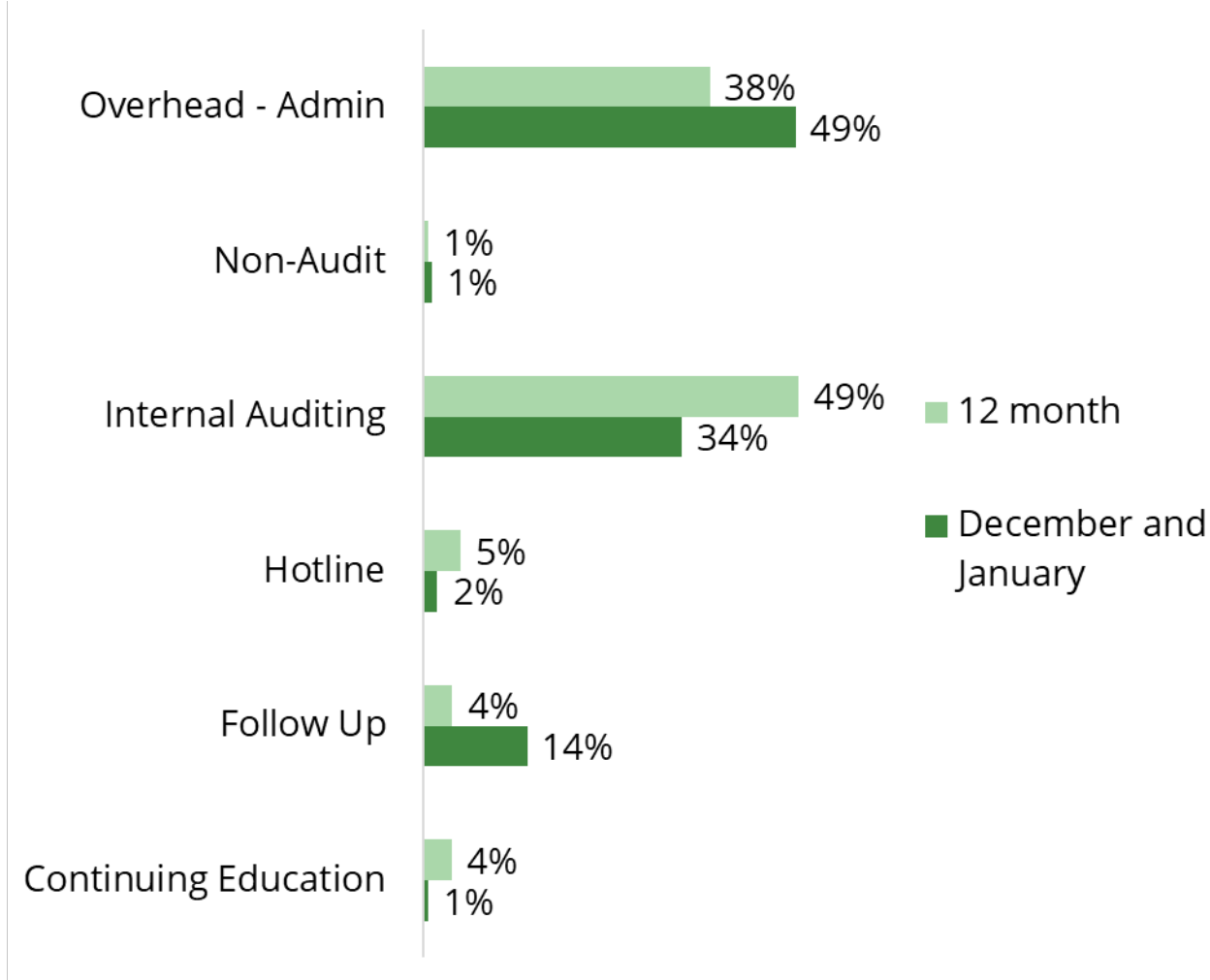
Elizabeth Pape, CIA, CFE – County Internal Auditor

Phone: 541-330-4674

[internal.audit@deschutescounty.gov](mailto:internal.audit@deschutescounty.gov)

# INTERNAL AUDIT STATUS REPORT December 2024 and January 2025

Highlights for the period include:



Overhead higher due to budget and position changes

Follow-Up higher due to Global Follow-Up Report

Time management leave not included

### Audit work:

- Translation and Interpreter Services – Published
- Public Health Integrated – Published
- Elected Sheriff Transition – Published
- Fair Alcohol Sales – Reporting phase
- Sheriff's Office Body Cams – Planning phase
- Clerk's Office 2025 Election Controls – Planning phase

**Follow-up work:**

- 2024 Global
- Wage Equity

**Administrative:**

- County meetings and miscellaneous
- Hiring Performance Auditor

**CPE:**

- Web-based: Adapting Anti-Fraud Practices in the Generative AI Age
- Web-based: AI for auditing

**Audit committee:** Audit committee meeting and support

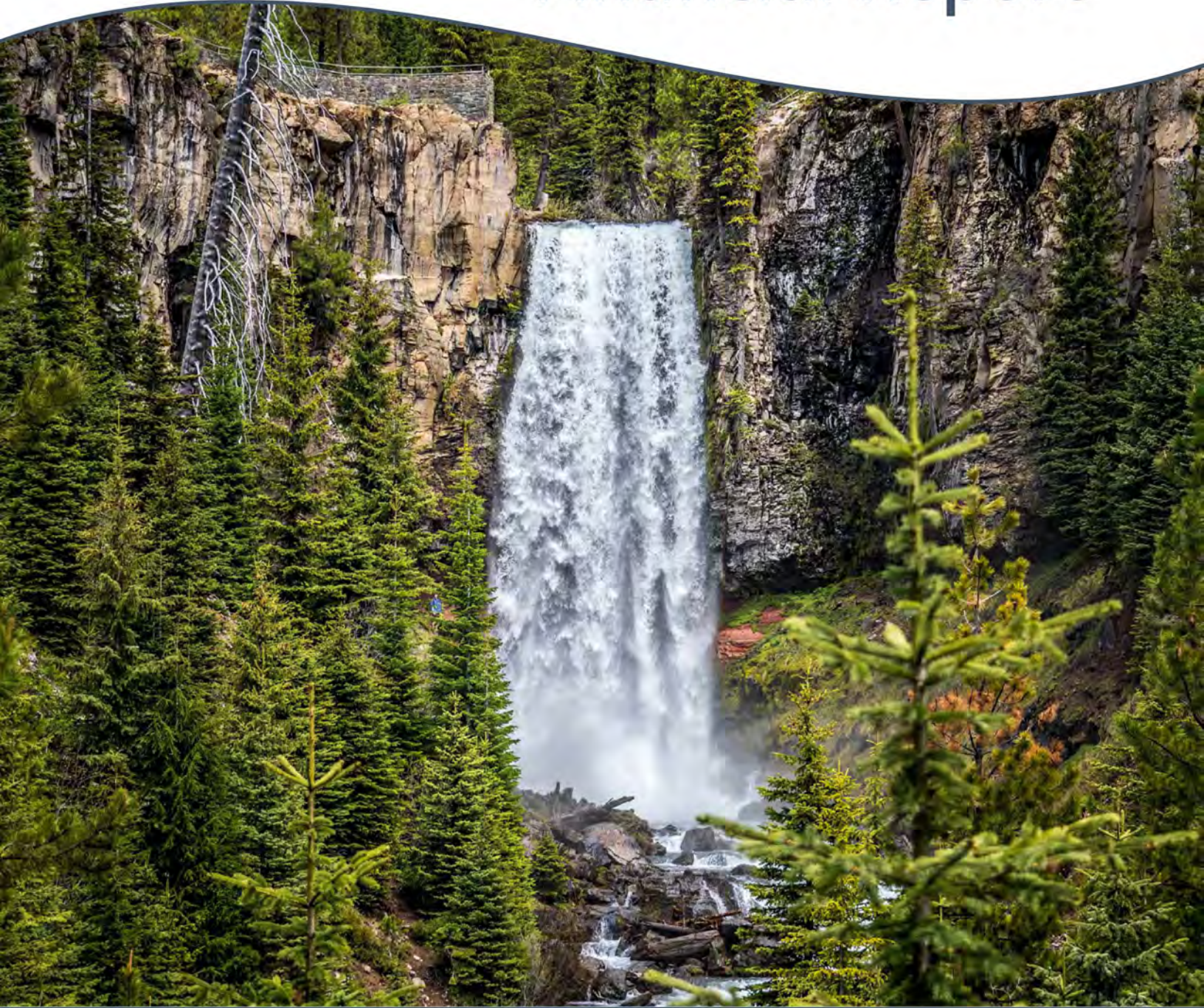
**Hotline:** Administration

**Non-Audit:** Policy Advisory Committee





# Popular Annual Financial Report



**For the Fiscal Year Ended June 30, 2024**

Deschutes County, Oregon



# Table of Contents

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## Introduction

Residents of Deschutes County,

The purpose of the Deschutes County Popular Annual Financial Report (PAFR) is to provide residents with a relatively quick read of the highlights from the County’s Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024, and to provide insight into long-term trends of the County’s largest financial indicators.

The ACFR is a detailed and complete financial presentation prepared in conformance with the United States Generally Accepted Accounting Principles (GAAP) and is available in its entirety online at [www.deschutes.org/finance](http://www.deschutes.org/finance). The ACFR was audited by Moss Adams LLP, an independent auditing firm, and received a clean opinion.

Respectfully Submitted,

Robert Tintle, MPA  
Chief Financial Officer

Jana Cain, CPA  
Controller





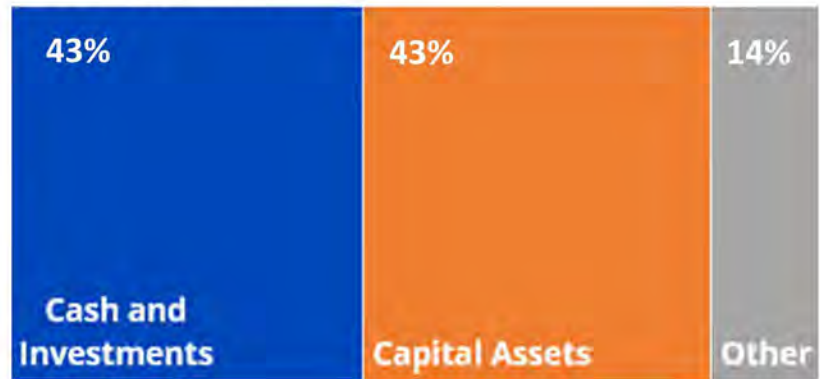
# Assets

Total assets held by Deschutes County as of June 30, 2024 was **\$659 million**, an **increase of 16%** over the prior year.

During fiscal year 2024, the County invested significantly in capital assets which support long-term service delivery. Capital assets increased by \$38.4 million primarily due to major transportation projects and building improvements across multiple County service areas.

"Other" assets are made up of receivables and inventory.

## Assets by Percent



Assets (in millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Cash and Investments	\$ 127	\$ 141	\$ 148	\$ 164	\$ 191	\$ 197	\$ 245	\$ 268	\$ 256	\$ 286
Capital Assets	184	190	193	194	193	199	199	203	243	281
Other	34	24	63	49	55	73	80	82	87	92
Total Assets	\$ 345	\$ 355	\$ 404	\$ 407	\$ 439	\$ 469	\$ 524	\$ 553	\$ 586	\$ 659

# Liabilities

Total liabilities incurred by Deschutes County as of June 30, 2024 was **\$387 million**, a **15% increase** over the prior year.

In December of 2023, the County received \$26.6 million from issuing new debt for the expansion of the County Courthouse and refunding of prior debt at favorable terms. This debt has a true interest cost of 3.86%.

## Liabilities by Percent



Future pension and other post-employment benefits (OPEB) payments continue to be the largest individual County liabilities.

Liabilities (in millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Pension	\$ -	\$ 46	\$ 96	\$ 87	\$ 102	\$ 121	\$ 143	\$ 142	\$ 147	\$ 155
Debt	72	66	59	55	52	47	43	38	51	70
OPEB	46	20	33	34	35	35	36	44	44	42
Payables and Other Claims	26	29	29	35	34	35	67	77	80	102
Knott Landfill Closure	10	11	11	9	8	11	10	12	14	18
Total Liabilities	\$ 154	\$ 172	\$ 228	\$ 220	\$ 231	\$ 249	\$ 299	\$ 313	\$ 336	\$ 387

# Net Position

Deschutes County's net position as of June 30, 2024 was approximately **\$272 million**. Net Position is broken into two types: Capital Assets and Other Assets.

**Net position—Capital assets** represents the book value of the County's capital assets (acquisition cost minus accumulated depreciation and amounts owed on the related assets).

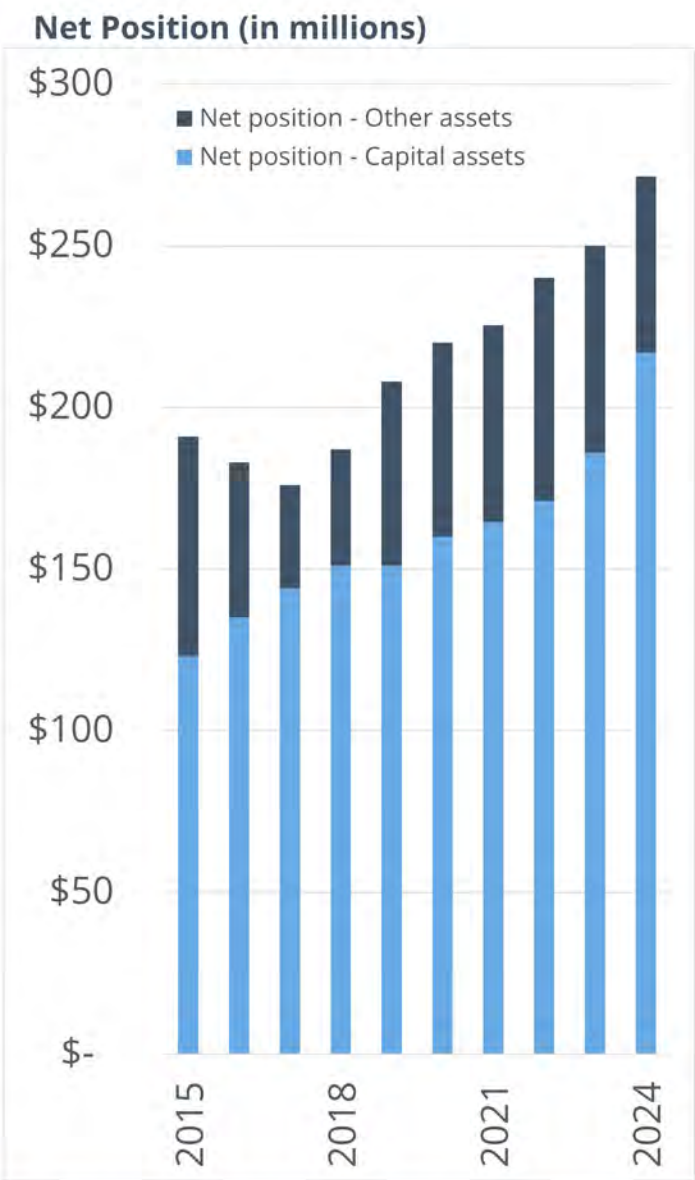
- Capital assets includes the County's investment in:
- Buildings and building improvements
  - Land and land improvements
  - Equipment and vehicles
  - Infrastructure (e.g. roads, bridges, sidewalks)
  - Intangibles (e.g. computer software)

The net position of capital assets could be viewed in a similar manner as home-equity (i.e. in 2024, capital assets are worth \$217 million more than what is owed).

**Net position—Other assets** represents the current value of all other assets, offset for amounts owed.

- Cash
- Investments
- Receivables (businesses or people owing the County money)

The current value in net position of all other assets could be viewed in a similar manner to that of a checking account (i.e. other assets are worth \$55 million more than what is owed).



Net Position (in millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net position - Capital assets	\$ 123	\$ 135	\$ 144	\$ 151	\$ 151	\$ 160	\$ 164	\$ 171	\$ 186	\$ 217
Net position - Other assets	68	48	32	36	57	60	61	69	64	55
Total Net Position*	\$ 191	\$ 183	\$ 176	\$ 187	\$ 208	\$ 220	\$ 225	\$ 240	\$ 250	\$ 272

\* Since 2017, our net position has shown consistent year-over-year growth, driven primarily by our investment in capital assets.

## Net Position Per Capita





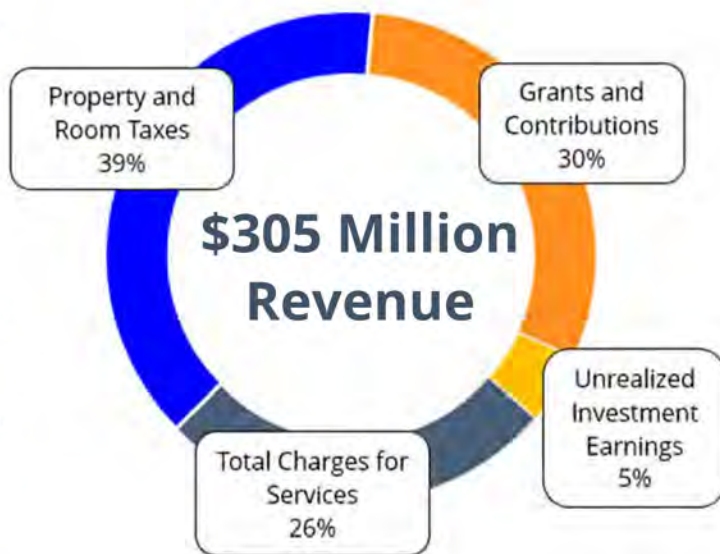
# Revenues

Deschutes County revenues for Fiscal Year 2024, were **\$305 million**, an increase of 8.0% over the prior year.

**Taxes** include both property tax revenue and room-tax revenue. Total tax revenue for the year was \$118 million, a 13.3% increase over the prior year. This was partly driven by a 5.7% increase in assessed property value and an addition of 1,544 new property tax accounts, as well as the law enforcement districts raising their tax levies to the full permanent rates.

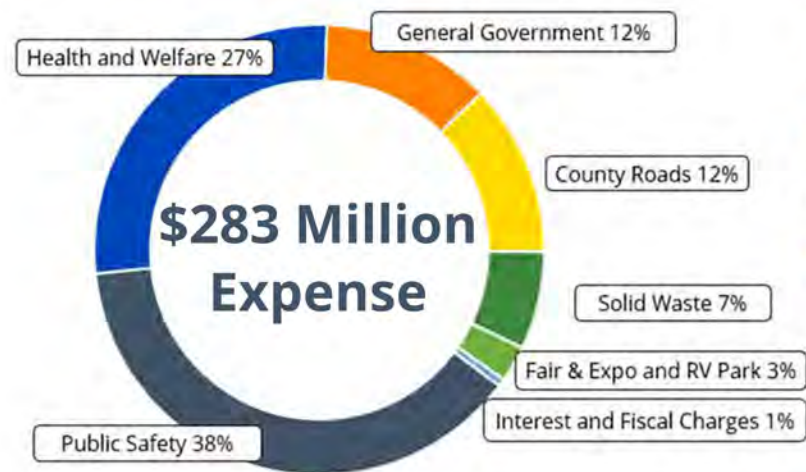
**Charges for Services** include payments made by residents for a specific service provided to the resident. Total charges for services for the year was \$80 million, a 7.7% increase over the prior year.

**Grants and Contributions** include payments made for services by the Federal, State, and other local governments. Grants and contributions totaled \$93 million, a 6.0% decrease from the prior year. The decrease was primarily driven by fewer available resources in the American Rescue Plan Act (ARPA) fund.



# Expenses

Deschutes County expenses for Fiscal Year 2024, were **\$283 million** (a 3.9% increase over the prior year).



**Solid Waste** expenses increased primarily due to the costs incurred to expand services such as the Negus Transfer Station & Recycling Center, as well as additional operating costs and costs associated with the Knott Landfill closure which is projected to reach capacity in 2029.

**Fair & Expo** expenses increased 15.7% due to continuing to grow a number of events such as the High Desert Stampede, Fairwell Festival, and Cascade Equinox Festival.

**Public Safety** expenses increased 0.4% remaining consistent with prior year costs.

**Health and Welfare** expenses increased by 15.9%. However, revenues for this service area increased by 12.4% as a result of expanded services to County residents.

**General Government** expenses decreased by 48.4%, primarily due to fewer available resources from ARPA and the transient room tax.

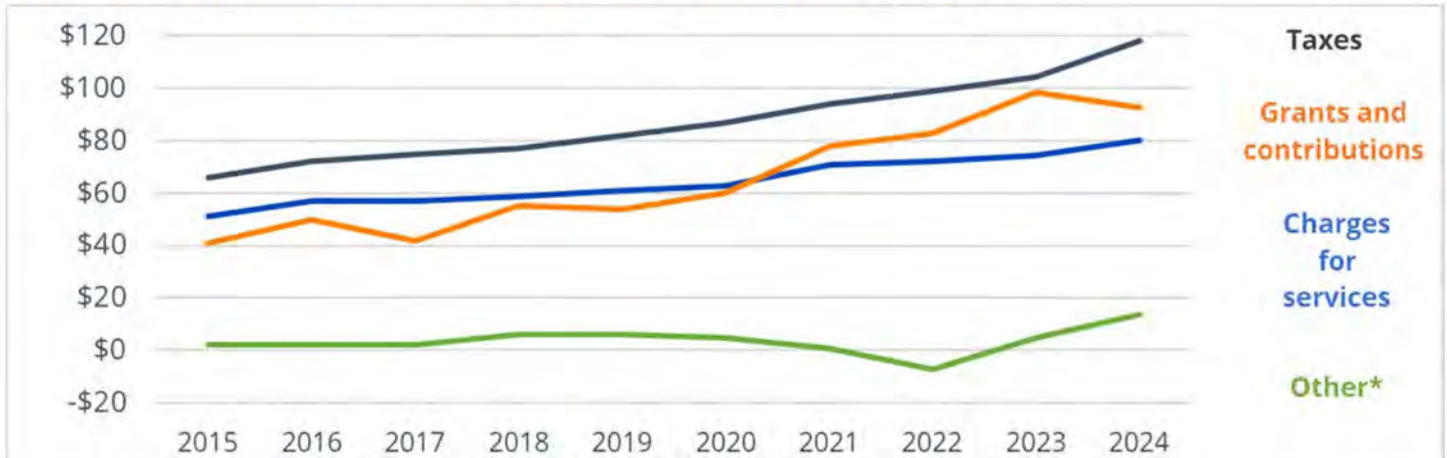
**County Roads** expenses increased due to payment of the County's portion of the multi-year US 97 Lower Bridge Way-NW 10th Street project in Terrebonne as well as significant inflation within construction material and labor costs.



Negus Transfer Station & Recycling Center in Redmond, OR



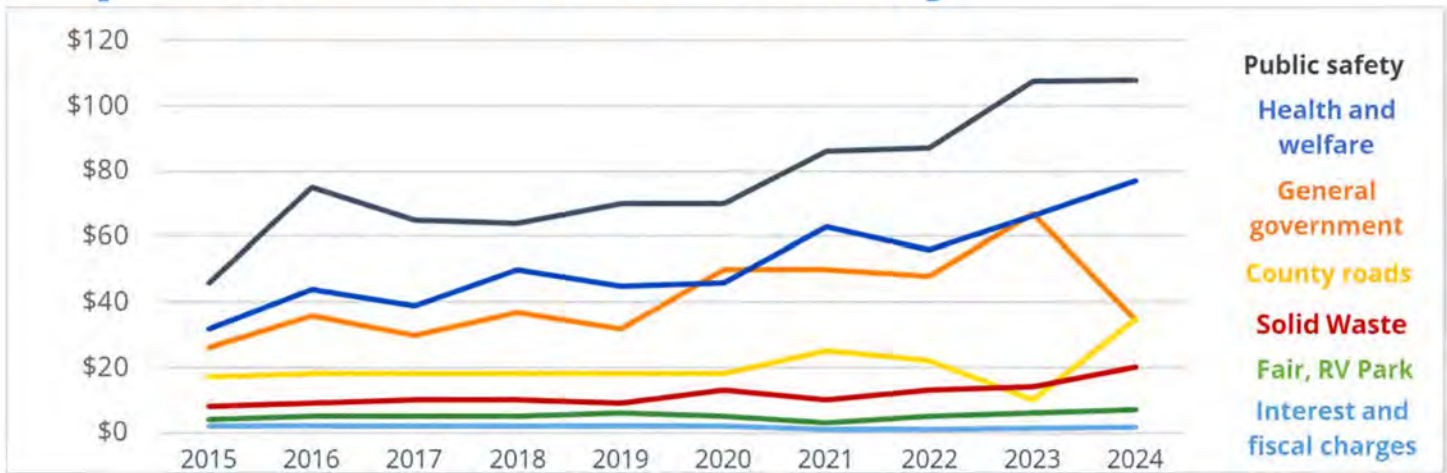
## Revenues — 10 Year History



Revenues (in millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Taxes	\$ 66	\$ 72	\$ 75	\$ 77	\$ 82	\$ 87	\$ 94	\$ 99	\$ 104	\$ 118
Charges for services	51	57	57	59	61	63	71	72	74	80
Grants and contributions	41	50	42	55	54	60	78	83	99	93
Other*	2	2	2	6	6	5	1	(7)	5	14
<b>Total Revenues</b>	<b>\$ 160</b>	<b>\$ 181</b>	<b>\$ 176</b>	<b>\$ 197</b>	<b>\$ 203</b>	<b>\$ 215</b>	<b>\$ 244</b>	<b>\$ 247</b>	<b>\$ 282</b>	<b>\$ 305</b>

\* FY22 other revenues decreased due to unrealized investment losses.

## Expenses — 10 Year History



Expenses (in millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public safety	\$ 46	\$ 75	\$ 69	\$ 64	\$ 70	\$ 70	\$ 86	\$ 87	\$ 107	\$ 108
Health and welfare	32	44	45	50	45	46	63	56	66	77
General government	26	36	32	37	32	50	50	48	67	35
County roads	17	18	19	18	18	18	25	22	10	34
Solid Waste	8	9	11	10	9	13	10	13	14	20
Fair & Expo and RV Park	4	5	5	5	6	5	3	5	6	7
Interest and fiscal charges	2	2	2	2	2	2	1	1	1	2
<b>Total Expenses</b>	<b>\$ 135</b>	<b>\$ 189</b>	<b>\$ 183</b>	<b>\$ 186</b>	<b>\$ 182</b>	<b>\$ 204</b>	<b>\$ 238</b>	<b>\$ 232</b>	<b>\$ 271</b>	<b>\$ 283</b>



# Debt

During fiscal year 2024, Deschutes County borrowed \$26.6 million; \$20.6 million for the expansion of the Deschutes County Courthouse, and \$6.0 million to refinance prior debt at favorable repayment terms. This increased the debt to **\$70.2 million** (Par Value of \$64.3 million).

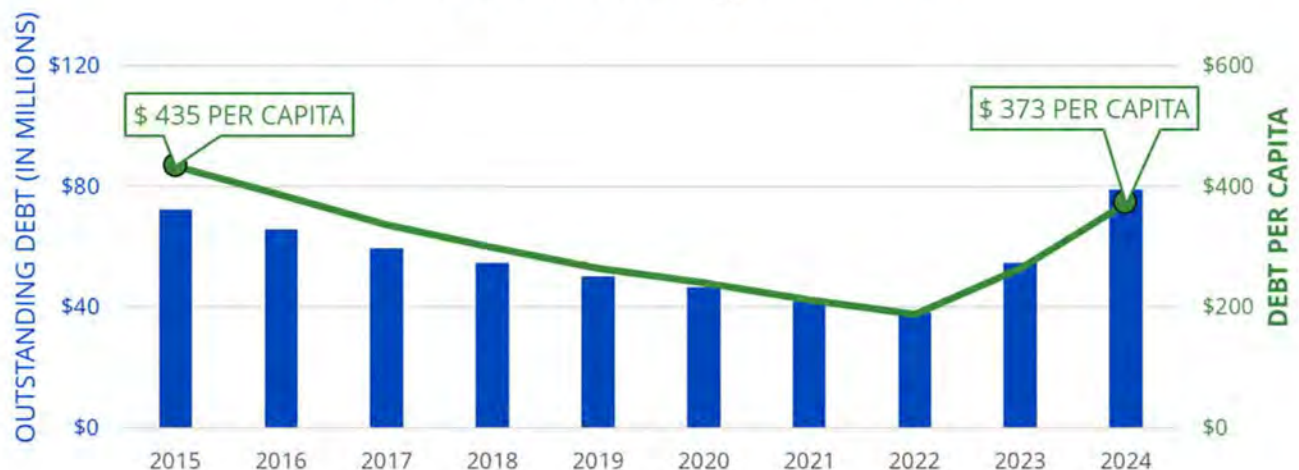


*Expansion of Deschutes County Courthouse*



The chart below presents the amount of debt outstanding each year, as well as the amount attributable to each resident in Deschutes County. The debt per capita metric illustrates the County's debt burden in relation to an individual resident.

## 10 Year History of Debt

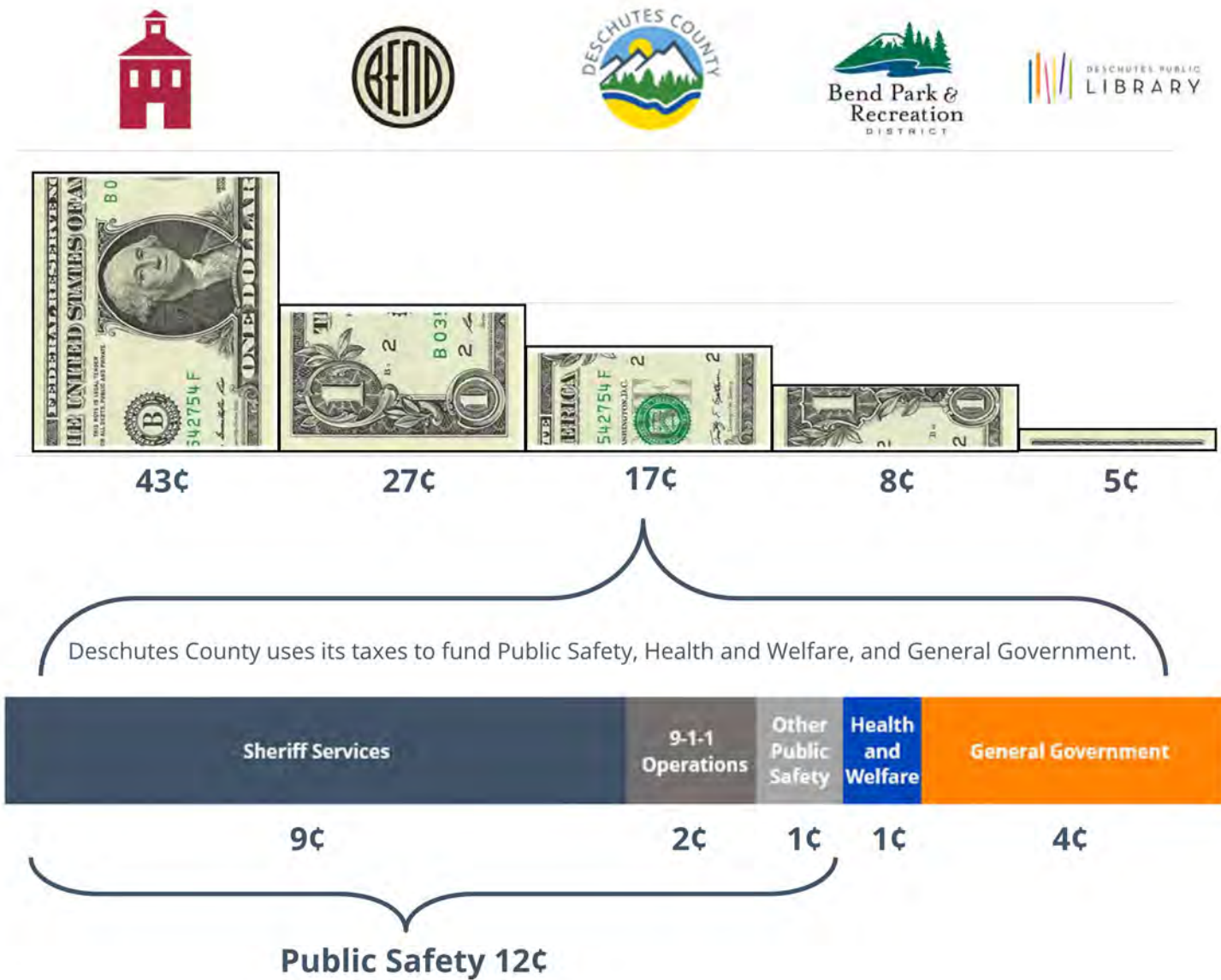




# Where do your taxes go?

Although Deschutes County is the tax collector for all taxing districts within the county, overall **only 17 cents of each dollar paid in taxes is retained by the County**. The remaining 83 cents is passed through to other government agencies to provide for schools, police and fire departments, parks, libraries, and more.

**NOTE:** The tax allocation shown below is based on the City of Bend Taxing District (Tax Code 1001). All other city/rural allocations are similar.



**Public Safety** includes the Sheriff's Office, Deschutes 9-1-1, Community Justice, District Attorney's Office (including Victims' Assistance), and Justice Court.

**Health and Welfare** includes Deschutes County Health Services and Veterans' Services.

**General Government** includes a variety of departments, such as the Assessor's Office, Clerk's Office including elections, and Community Justice.

# Property Taxes

In Oregon, property taxes are billed based on the **assessed value** of a property multiplied by the approved (levied) **tax rate**.

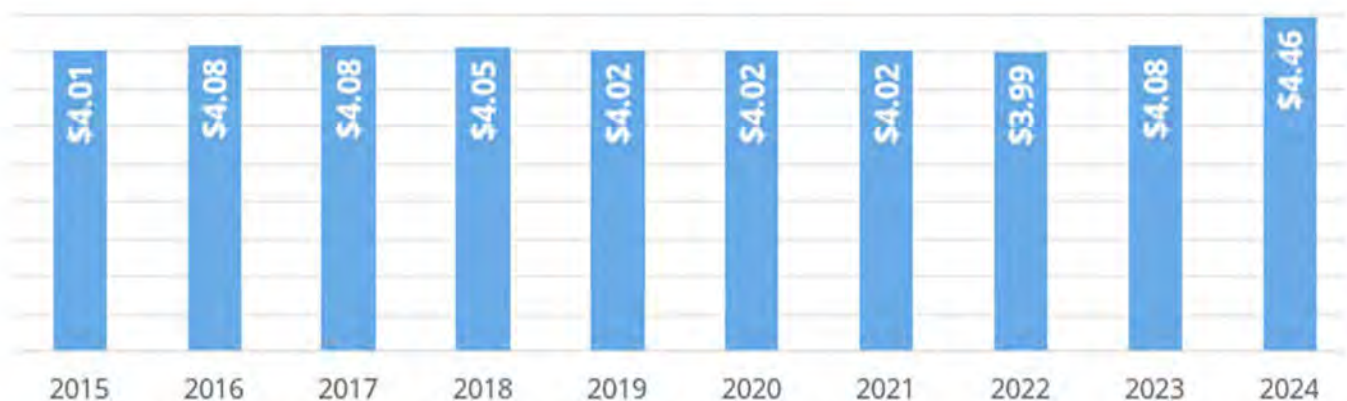
$$\text{Assessed Value} \times \text{Tax Rate} = \text{Tax Bill}$$

Deschutes County is funded, in part, by five separate tax levies.

- General Deschutes County Levy: District Attorney, Assessor, Community Justice, and more, for all residents.
- Countywide Law Enforcement Levy: County Jail, Civil Unit, and Search and Rescue for all residents.
- Rural Law Enforcement Levy: Detectives, Patrol, and Records for residents outside of city limits.
- 9-1-1 Levy: Traditional 9-1-1 services for all residents.
- Extension and 4-H Levy: Extension and 4-H services for all residents.

The cumulative total of **tax rates** levied and the **assessed value** for the past 10 years are shown below.

## 10 Year History of the Tax Rates\*



\*Rate per \$1,000 of assessed value (excludes expired local option levies)

## 10 Year History of Assessed Value



\*% Change in Assessed Value from prior year

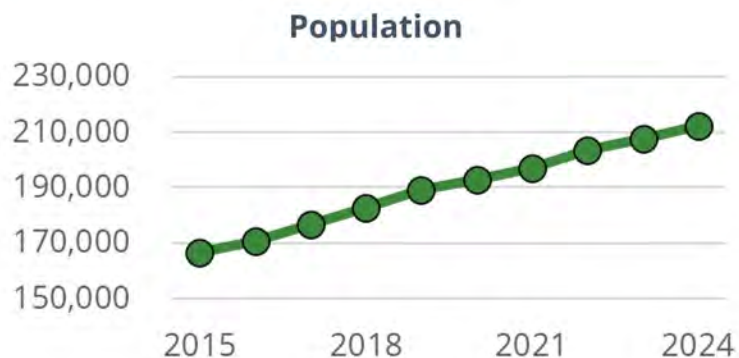


# Demographics and Staffing Ratio

**Population** for Deschutes County has increased by 27% over the 10 year period. This translates into an average annual growth rate of **2.7%**. The average annual growth rate for the State or Oregon overall was 0.7% during the same period.

Deschutes County's population increased by 2.2% in 2024 to 212,141.

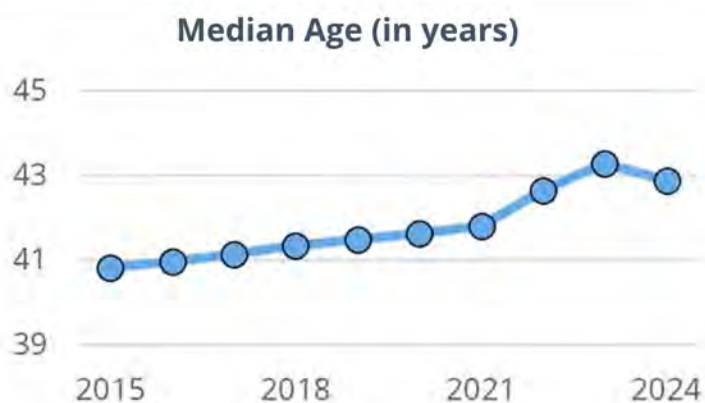
Source: Portland State University



**Median Age** for Deschutes County has increased by 2.06 years since 2015. The median age for the United States over that same period hovered around 38 years old.

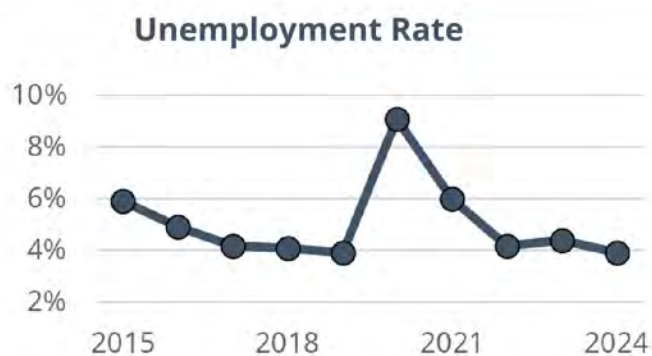
At the end of Fiscal Year 2024, 50% of County residents were older than **42.88** years and 50% were younger.

Source: Portland State University



**Unemployment Rate** for Deschutes County during Fiscal Year 2024 was on average **3.9%**. Deschutes County started the 10 year period shown with an unemployment rate of 5.9%.

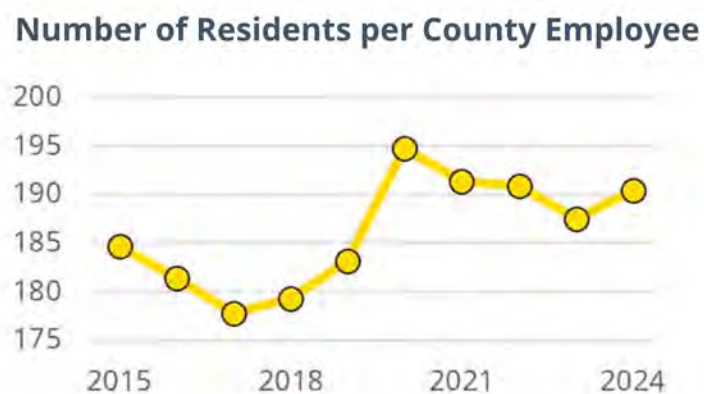
Source: Oregon Employment Department



**Population Per Full-Time Employee** for Deschutes County has remained stable over the last 10 years. At the end of Fiscal Year 2024, there were **190** residents per County employee.

This data point provides insight into the size of government versus the population governed.

Source: Deschutes County





# Additional Information

**Intended audience:** Residents seeking high-level financial information concerning the County.

**Measurement focus:** The financial data presented in the Popular Annual Financial Report (PAFR) uses the same measurement focus and basis of accounting as the County's Annual Comprehensive Financial Report (ACFR).

**Financial information:** Financial information from the ACFR's government-wide financials have been reproduced (full-accrual). Fund-level information has not been provided, but is available in the ACFR. All financial entities (including component units), as presented in the ACFR, have been consolidated in the PAFR.

**Departures from accounting terminology:** In preparing the PAFR, minor departures were made from standard *generally accepted accounting principal (GAAP)* prescribed terminology. Such departures were made in an attempt to avoid confusion concerning the materials presented. Highlighted departures from GAAP are:

- "Assets" as used in this report, at times, include both Assets and Deferred Outflows.
- "Liabilities" as used in this report, at times, include both Liabilities and Deferred Inflows.
- "Net Position - Other Assets" includes both Restricted and Unrestricted Net Position.
- "Net Position - Capital Assets" is Net Investment in Capital Assets.

**Volatility due to changes in accounting measurement:** Over the course of the 10 years presented, the Government Accounting Standards Board (GASB) has made modification to how certain items are presented (e.g. pensions and other post-employment benefits). Such changes in recognition practices introduced volatility to the 10 year trend information, as presented.



## Contact Information:

Deschutes County Finance Department  
1300 NW Wall Street, Suite 200  
Bend, Oregon 97703  
[finance@deschutes.org](mailto:finance@deschutes.org)

*Special thanks to Finance Department staff and their commitment to the underlying debits/credits.*

# Fiscal Year 2023 PAFR Award



Government Finance Officers Association

## Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**Deschutes County  
Oregon**

For its Annual Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO



FINANCE



# **Deschutes County Audit Committee By-Laws**

## **BY-LAWS**

### **Article I Name and Address**

The name of this body shall be the Deschutes County Audit Committee (Committee). The permanent address for the Committee will be 1300 NW Wall St. Bend, Oregon 97703. The Committee shall carry out its responsibilities consistent with Deschutes County Code 2.15.

### **Article II Purpose**

Consistent with DCC 2.15.001, the Committee is established to advise the Board on fulfilling its responsibilities for financial reporting, internal controls, and compliance with laws, regulations, and ethics within the County. The Audit Committee provides oversight to auditing (external and internal) for the County.

The audit committee receives and reviews County information on:

- A. financial condition;
- B. the accuracy of financial record keeping;
- C. compliance with applicable laws, policies, guidelines, and procedures; and
- D. efficiency and effectiveness of operations.

The Audit Committee strengthens the independence of auditing by serving as a transparent third-party review body.

### **Article III Authority**

Consistent with DCC 2.15.010, the Audit Committee is an advisory committee. The committee shall advise the Board and County Administrator on significant audit matters including, but not limited to:

- A. The selection, compensation, and removal of external auditors hired to audit the financial statements for the County and its related entities;
- B. Consultation with the County Administrator or Board regarding the appointment or dismissal of the County Internal Auditor should include a consultation with a majority of the public members of the audit committee;

- C. Increases and decreases to the requested budget for the internal audit program; and
- D. The work plan for internal audits performed under DCC 2.14.040.

#### **Article IV Responsibilities**

Consistent with DCC 2.15.040, the Audit Committee is responsible for:

- A. Overseeing the independent audit of the County's financial statements, including:
  - 1. Overseeing the selection, renewal or removal of the independent external auditor by making a recommendation to the Board for final approval;
  - 2. Meeting with the external auditors during planning of the audit, presentation of the audited financial statements, and discussion of the letter to management on recommendations; and
  - 3. Overseeing the resolution of audit findings in areas such as internal control, legal and regulatory compliance, and ethics.
- B. Working to assure coordination between the internal and external auditors, management, the County Administrator and Board.
- C. Ensuring the Office of County Internal Audit performs its function. The committee shall:
  - 1. Review the internal audit ordinance (DCC 2.14) at least every other year;
  - 2. Review proposed internal audit work plans and make recommendations concerning internal audit projects;
  - 3. Review the budget and staffing levels of the Office of County Internal Audit (DCC 2.14.050);
  - 4. Review internal audit reports and other communications developed for the County;
  - 5. Review and provide input on Office of County Internal Audit goals;
  - 6. Review any quality assurance reviews created pursuant to DCC 2.14.090; and
  - 7. Perform the County Internal Auditor's performance review each year.
- D. Making appropriate recommendations concerning the Office of County Internal Audit based upon the reviews that it conducts pursuant to subsection C of this section.



- E. Making an annual report to the Board summarizing the committee's activities and recommendations. The report may be delivered at an audit committee meeting attended by the Board or may be scheduled for a regularly scheduled meeting of the Board.
- F. Performing other activities related to this chapter as requested by the Board.

## **Article IV Meetings**

### **Section I. Meeting Schedule:**

Consistent with DCC 2.15.030, the audit committee shall meet as the committee deems necessary.

All Committee meetings shall be open to the public. Public meeting law requires public notice of the meeting at least 24 hours before the meeting. Meetings will be announced on the Deschutes County public meeting web page and committee members will receive email announcements. The goal is to have meeting materials posted five business days before scheduled meetings.

From time to time, the Committee may meet in Executive Session upon motion by any member of the committee for a reason outlined in ORS 192.660. When an Executive Session is called, the Chair will announce the reason for the Executive Session and all non-committee members will be excused. Upon close of the Executive Session the public will be invited back into the room.

### **Section II Quorum:**

Consistent with DCC 2.15.030, a quorum shall constitute a majority of the members appointed. Vacant positions shall not be considered in determining whether a quorum exists.

### **Section III Minutes:**

Consistent with DCC 2.15.030, minutes shall be prepared in accordance with the Oregon Public Meeting Law.

### **Section IV. Voting:**

Each regular Committee member shall have one vote. Consistent with DCC 2.15.030, a department head audit committee member shall not vote on an issue relating to an audit directly pertaining to his or her department. If there is any question as to whether audit committee members should recuse themselves from a vote, the committee should vote to determine whether the member should recuse himself or herself.

## **Article V Membership**

### **Section I. Composition:**

Consistent with DCC 2.15.020, the audit committee shall be comprised of not less than seven or more than nine members appointed by the Board.

Each member shall be appointed to serve a term of two years. Upon initial formation of the committee, the Board may appoint any member to a shorter term. A member may be appointed to more than one term. The Board may remove a member of the committee at any time. In the event of a vacancy on the committee the Board shall, as soon as practicable, appoint a person to serve the unexpired portion of the former member's term.

The committee shall consist of one (1) member county commissioner, two (2) county department head members, and four (4) to six (6) public members. The County Administrator shall be an *ex-officio* nonvoting member. An elected official who is not a department head or county commissioner, for example the treasurer, may occupy one of the department head positions.

A public member shall be a registered voter within Deschutes County. The chair of the committee shall be a public member and shall be selected by a majority of the public members. The chair shall serve a one-year term and may be selected for additional terms. If the public members cannot decide upon a chair, the larger committee shall decide. The chair shall preside over meetings, as well as provide input on topics for the agenda.

### **Section II. Nominations:**

When there are vacancies, the Committee may make nominations for membership to the Deschutes County Board of Commissioners for consideration and appointment.

### **Section III. Attendance:**

Committee members shall endeavor to attend all meetings. Two (2) consecutive unexcused absences, without prior notice to the Chair, shall constitute grounds for removal.

### **Section V. Removal:**

Any member may be removed whenever the best interests of the Committee are not served.

Grounds for removal include without limitation, taking a position that is in conflict with

the mission of the Committee or having two (2) consecutive absences from Committee meetings without prior notification to the Chair.

The member whose removal is placed in issue shall be given prior notice of his/her proposed removal and a reasonable opportunity to appear and be heard at a meeting of the Committee. A member may be removed pursuant to this section by a two-thirds majority vote of the total number of members then serving on the Committee, or by majority vote of the Board of County Commissioners.

## **Article VI Officers**

### **Section I. Officers:**

The Committee shall elect a Chairperson and Vice-Chairperson each to serve a one-year term. In Addition, The Vice-Chairperson shall be eligible for election to the Chair after Chairperson's term ends or they resign. If no other candidates come forward expressing interest in the Chair position, the Vice-Chair may become Chair upon the consent of the Committee. In the event of a Chair resignation, the Vice-Chair may assume the Chair position upon consent of the Committee and finish the resigning Chair's term of office or request a full two-year term.

### **Section II. Elections:**

Elections of new officers shall take place prior to the end of the calendar year with the new term beginning prior to the first regular meeting of the year in February. Terms will begin and end January 1, unless the election takes place after such date, in which case the term will begin immediately or when feasible. In the event that nominations for Officer positions are not received by the scheduled election, a six (6) month extension will be offered to the current officer. In the event that only one nominee is available for an Officer position, the Committee may elect that nominee through consensus.

### **Section III. Duties:**

Duties of the officers are as follows:

#### **A. Chair:**

1. Shall assist the Internal Auditor in preparing the agenda.
2. Shall conduct the meeting in accordance with parliamentary procedure and comply with the rules and regulations of County and State with regard to public meetings.
3. May call special meetings of the Committee as are necessary.



4. Shall serve as an Ex-Officio member of all subcommittees.
5. Shall sign off on advocacy position letters and present to the Board of County Commissioners when needed.

B. Vice-Chair:

1. Shall assist the Chair as needed.
2. Shall serve as Chairperson during such time as the Chair is absent or unable to serve.
3. Shall sign off on advocacy position letters and present to the Board of County Commissioners when needed.

### **Article VIII Subcommittees**

Subcommittees may be established by the Committee as needed. Only members of the Committee may serve on subcommittees. Potential subcommittee tasks could include leading the Internal Auditor's annual performance review and participating in the selection of contract external auditors. Once a subcommittee has completed all assigned tasks and reported to the Committee, it shall expire.

### **Article IX Conflict of Interest**

Any member's business or personal relationship that may affect impartiality must be disclosed to the Committee.

Department head members will recuse themselves from votes involving their departments, including the adoption of the audit work schedule.

### **Article X Parliamentary Authority**

Meetings shall be conducted using the general guidelines of Robert's Rules of Order.

### **Article XI Adoption, Amendment**

The Committee shall review, revise, and recommend approval and adoption of these By-Laws. After Committee approval, the By-Laws shall be delivered to the Board of County Commissioners for final approval and formal adoption.

APPROVED BY ### DATE.

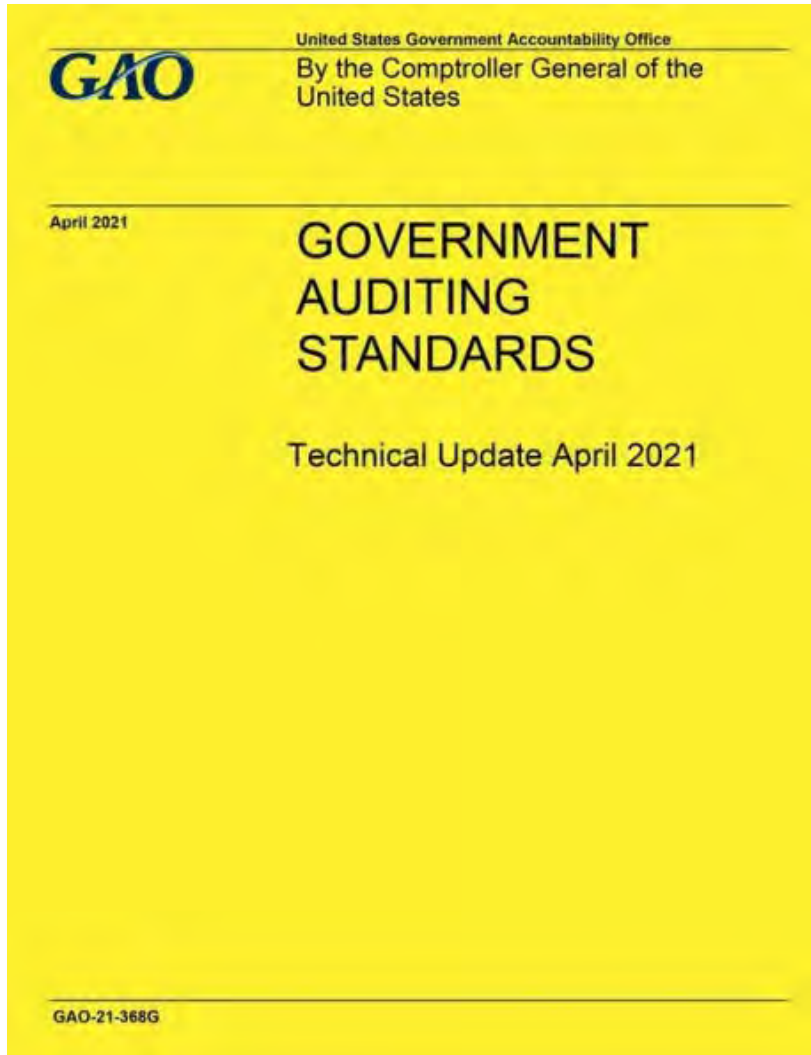
Office of the County Internal Auditor

# 2024 Quality Review



February 14, 2025

# Government Auditing Standards



## GAS 5.44

The audit organization should analyze and summarize the results of its monitoring process at least annually, with identification of any systemic or repetitive issues needing improvement, along with recommendations for corrective action.



# System of Quality Control

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Annual independence and compliance statements



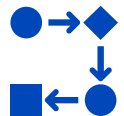
Procedures for adopting an audit plan



Minimum qualifications for staff



Procedures to document continuing professional education



Policies and procedures for conducting audits



Indexing report to evidence and second review



# System of Quality Control

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Engagement checklist for each audit



Review by County Internal Auditor annually



Outside peer review every three years



# 2024 Quality Review Results

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Systems working as intended.



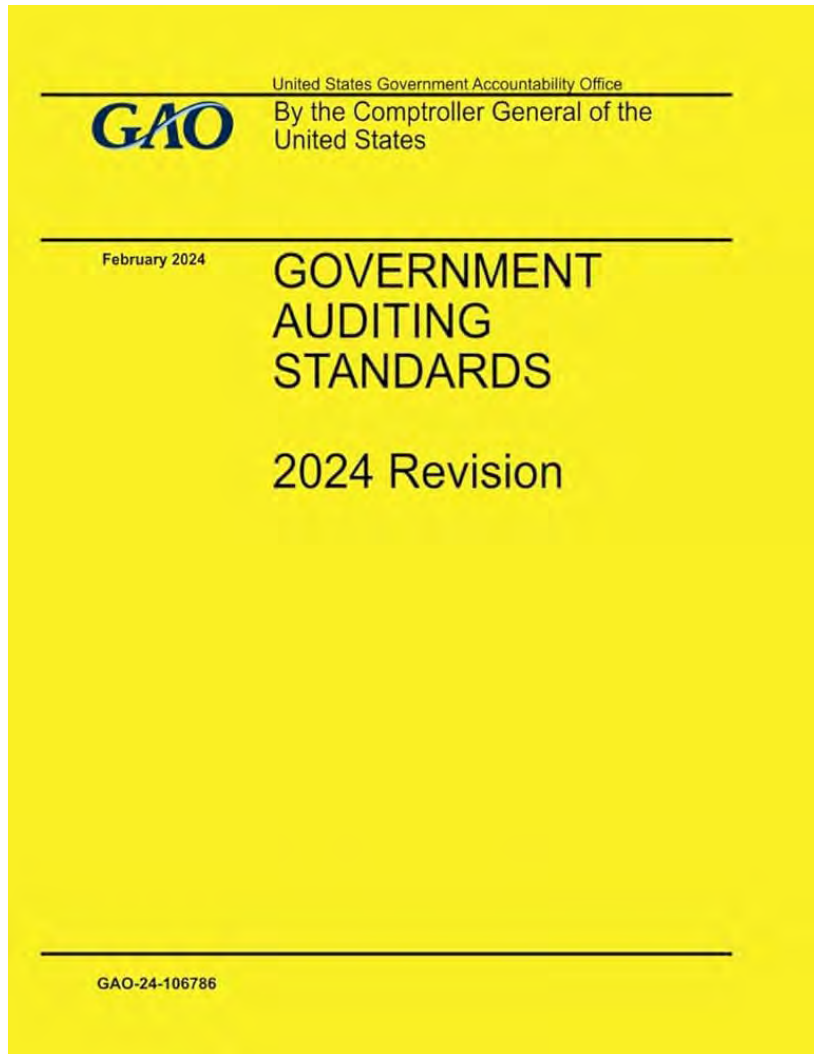
One audit missing engagement checklist. Probably due to information system transfer. Checklist conducted and audit met all requirements.



Elizabeth forgot to sign annual independence statement. Signed in January. No impairments. Created Outlook reminder.



# New Government Auditing Standards



Released February 1, 2024

Implementation December 15, 2025

**Risk-based approach** to  
quality management

**(Also thinking about risk  
because of staffing changes.)**





# New: Quality Management

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Risk-based approach

Risks to these objectives

- Governance and leadership
- Independence, legal, and ethical requirements
- Acceptance, initiation, and continuance of engagements
- Engagement Performance
- Resources
- Information and communication

Design a system to mitigate for risks identified



# Supervision

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- directing and guiding staff in performing work
- complying with standards,
- staying informed about significant problems encountered during an audit,
- reviewing work performed before a report is issued,
- providing on-the-job training

GAS 8.87



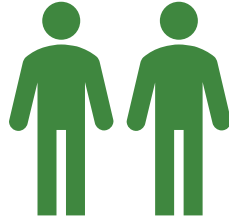
# Supervision

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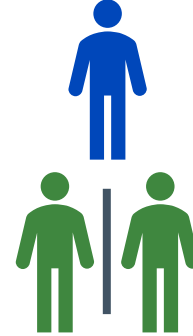
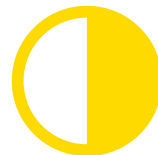
1 person  
Due to  
vacancy or  
leave

None  
Rely on  
experience



2 people  
(or 1.5)

Some  
Rely on  
each other



3 people

Good  
Dedicated  
Supervisor



# Engagement Review

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Gold standard is an **Engagement Review**.

A person not involved in the audit checks all facts and conclusions for sufficient and appropriate evidence. In large audit shops, a team may be dedicated solely to engagement review.



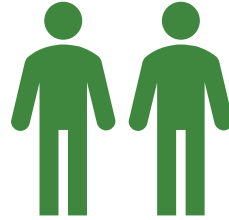
# Engagement Review

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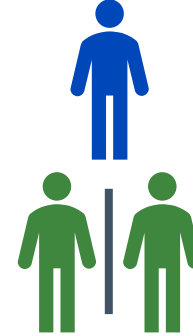
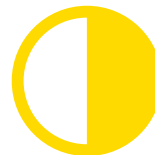
1 person  
Due to  
vacancy or  
leave

Self review



2 people  
(or 1.5)

Second  
review. Not  
independent



3 people

Independent  
review  
possible





# Deschutes County Audit Committee Meeting

Friday, February 14, 2025

Type of Meeting:	<b>Audit Committee Meeting</b>
Facilitator:	<b>Elizabeth Pape</b>

## Committee Members

### Six Public Members

- Daryl Parrish, Retired - City Manager of Covina, CA **{CHAIR}**
- Phil Anderson, Attorney
- Jodi Burch, Financial Controller, Best Care
- Joe Healy, Controller - Sunriver Owners Association
- Kristin Toney, Administrative Services Director Bend Parks and Recreation
- Summer Sears, Summer Sears CPA, LLC

### Three County Management Members

- Patti Adair, County Commissioner
- Charles Fadeley, Justice of the Peace Justice Court
- Lee Randall, Facilities Director

### **{Quorum of five}**

### Also Invited

- Nick Lelack, County Administrator
- Erik Kropp, Deputy County Administrator
- Whitney Hale, Deputy County Administrator
- Bill Kuhn, Treasurer
- Robert Tintle, Chief Financial Officer
- Jana Cain, Controller
- Aaron Kay, Management Analyst
- Angie Powers, Administrative assistant

**Special note:****Next Meeting  
April 11, 2025***{See other meeting dates below– please put on your calendar!}***Calendar – Future Audit Committee Meeting**

Meetings are from 1pm to 3pm. We generally meet in the Allen Room (or DeArmond Rm), at the Deschutes Services Center (County/State building). Locations may vary, so please watch for notifications. ***Please put these dates on your calendars and let me know if you have any conflicts.***

*(General rule: Even Number Months, second Friday of the month, 1pm -3pm)*

- **April 11, 2025 – Friday (1pm-3pm) Hybrid**
- **June 13, 2025 – Friday (noon-3pm) Hybrid**

**Committee Appointments and Expiration Dates 4-6 Public; 3 County**

Name	Type	Original Appt.	Appt. Expiration date
Phil Anderson	Public	7/1/24	6/30/26
Jodi Burch	Public	10/9/19	6/30/25
Joe Healy	Public	9/7/22	6/30/26
Daryl Parrish	Public	9/7/16	6/30/26
Kristin Toney	Public	1/2024	6/30/25
Summer Sears	Public	10/9/19	6/30/25
Patti Adair	County	1/2019	12/2025
Charles Fadeley	County	9/1/21	6/30/25
Lee Randall	County	9/1/21	6/30/26

*(Committee composition 4-6 Public, 3 County) (7-9 total)***Status of Communication / Reports**

Communication / Report	Status
County code review – Audit committee and County Internal Auditor	Reviewed 6/2024 – no changes
Audit Committee survey	<b><i>{Next survey 2026}</i></b> Last survey 2023
Continuing education activity	<b>Ongoing presentations</b>

Communication / Report	Status
New audit committee member orientation	Orientation for new member
Deeper understanding of County operations. Meetings at departments.	Community Justice 10/2024 Facilities 8/2024 Information Technology Tour 9/2022 Elections discussion 9/2020
Annual report to Board of County Commissioners	12/13/24 meeting
Reports of possible material violations of laws or alleged breaches of fiduciary duties are discovered.	None noted
County updates on changes	Standing Agenda Item
Significant audit issues or changes	No updates
Understanding County internal controls	Presentation Planned 10/2024
Review and ensure significant external audit recommendations are addressed.	None for FY23 Annual Comprehensive Financial Report
External audit recommended financial entries have been posted.	None for FY23 Annual Comprehensive Financial Report
Review and ensure significant Internal audit recommendations are addressed.	See ongoing follow-ups.
Reviews management representation letters.	Last done 9-2020
Assesses any independence issues with External auditors from non-audit work.	Agreement to perform policy reviews No non-audit work performed
Adjustments to financials from the external audit process are reviewed by audit committee.	None received for FY23 Annual Comprehensive Financial Report
Audit committee is consulted if management seeks a second opinion on accounting or audit matter	None in FY through 12/2024
Review of internal audit plan and budget	Budget discussion 3/2024 Bi-Annual Work plan through 6/2025. Adopted 6/2023, updated 6/2024
Process to assess effectiveness and value of internal audit.	Performance measures – Overall survey rating 91% FY23
Peer review performed (every 3 years. Internal audit reporting relationships reviewed)	<b>{Next Peer review scheduled 2027}</b> Peer review completed 10/2024
Establishes and manages the process for the selection, appointment, oversight, evaluation, retention and	Contract and support completed 6-2022



Communication / Report	Status
preapproval of services of the external auditors. Oversees fees.	(contract good for 5 years before option)
Succession planning for audit committee	Board driven.
Whistleblower Hotline report (biannual?)	No report 7/2024 First report 7/2022