



Audit Committee

Friday, August 16, 2024

1:00 p.m.

Via Zoom: <https://us02web.zoom.us/j/84733024395>

Meeting ID: 847 3302 4395 Passcode: None

Deschutes County Administration Services Building,
2nd Floor, Allen Conference Room

- I. **Call to Order**
- II. **Introductions/Notices**
- III. **Review/Approve minutes from July 18, 2024, meeting**
- IV. **Internal Audit Reports**
 - a. **Count Legal Integrated Audit: [Report](#) and [Presentation](#)**
 - b. **Follow-ups: [Presentation](#)**
 - **Continuity of Operations Plans: [Report](#)**
 - **Behavioral Health Practices Improvement: [Report](#)**
 - **Facilities and Property Management Cash Handling: [Report](#)**
 - c. **[Status Report](#)**
 - **In-process and Upcoming**
 - **Courthouse Renovation Pre-Construction Audit**
 - **Health Benefits Third Party Administration**
 - **Translation and Interpreter Services**
- V. **Special Topics**
 - a. **[Bylaw Proposal](#)**
 - b. **[Government Auditing Standards Section 9—Reporting](#)**
- VI. **Other Discussion Items**
 - a. **Administrative Update**

- b. Input from committee on upcoming internal control presentation—Jana Cain
- c. [Committee Information](#)

VII. Closing & Adjourn

After the meeting is adjourned, Lee Randall will share a brief presentation about the Facilities Department and tour for any attendees who are interested in staying.



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Recommendations

3

County Legal Integrated Audit

Item IVa

The Office of County Internal Audit:

Elizabeth Pape, CIA, CFE – County Internal Auditor
Aaron Kay – Performance Auditor

Audit committee:

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

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Highlights:

Why this audit was performed:

A periodic review of administrative practices.

What was recommended:

We recommended that the County Legal:

- Improve performance reporting.
- Conduct a fraud risk assessment and implement procedures to address financial risks.

County Legal Integrated Audit

Our overall objective was to conduct a survey-level risk assessment of administrative practices in the County Legal Department. We did not review specific functions of the Department including providing counsel and legal services to County officials.

What was found:

We found areas for improvement related to performance reporting and cash handling.

- County Legal did not report performance measures that adequately described how well the Office functioned.
- No fraud was uncovered but cash collection procedures were not documented despite some risky practices.

In many areas, we observed that County Legal complied with administrative policies and best practices. Staff used the procurement card appropriately with adequate documentation. Staff complied with information system controls given the low-risk manner in which the system was used. The Department took steps to ensure that office space was accessible and safe.

Other areas we include in our standard integrated audit methods did not apply to County Legal. These included human resources, purchasing, and grants.

1. Introduction

The Deschutes County Audit Committee authorized the review of the County Legal Department 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 [2017](#). 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 human resources, procurement, and health and safety in addition to following up on outstanding audit recommendations.

Background on County Legal

The Deschutes County Legal Department provides legal services and advice to the Board of County Commissioners, leadership of elected and appointed departments and offices, other boards and commissions, and County employees. The Department strives to provide high quality services in a timely, effective, and professional manner according to the highest ethical standards.

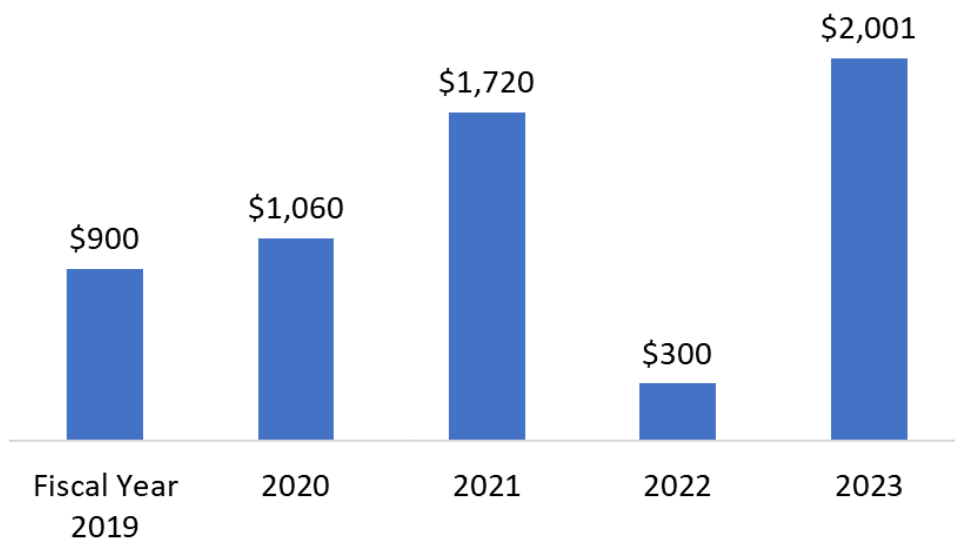
The Department is overseen by the County Legal Counsel who is appointed directly by the Board of County Commissioners. Other staff include four attorneys and two paralegals who provide services related to general counsel, litigation, planning and code enforcement, employment and labor, procurement and contracting, and public records requests. Over the past five years,

expenses have trended up slightly from \$1.1 million in fiscal year 2019 to \$1.6 million in 2023.

The Department collects a small amount of revenue, mostly for public records requests. Charges are based on the County fee schedule and are meant to cover costs for staff time. In many cases, the Department does not charge for public records requests either because staff time is minimal or the request serves the public interest (for example, requests from the media).

Figure I:

County Legal fee revenue doubled from 2019 to 2023.



Fee revenue doubled from Fiscal Year 2019 to 2023, from \$900 to \$2,000, but it was low compared to overall Department expenditures.

2. Findings and Observations

The Audit’s overall objective was to conduct a survey-level risk assessment of administrative practices. Audit objectives were focused on general areas of administrative risk and not on the specific functions of providing counsel and legal services to County officials. For a detailed list of audit objectives, see **Appendix A.**

We found that County Legal complied with most administrative policies and best practices including those related to purchasing cards, information system controls, and creating a safe and accessible workspace. In other areas, the Department operated in an administratively low-risk environment. However, we found areas for improvement related to performance reporting and cash handling.

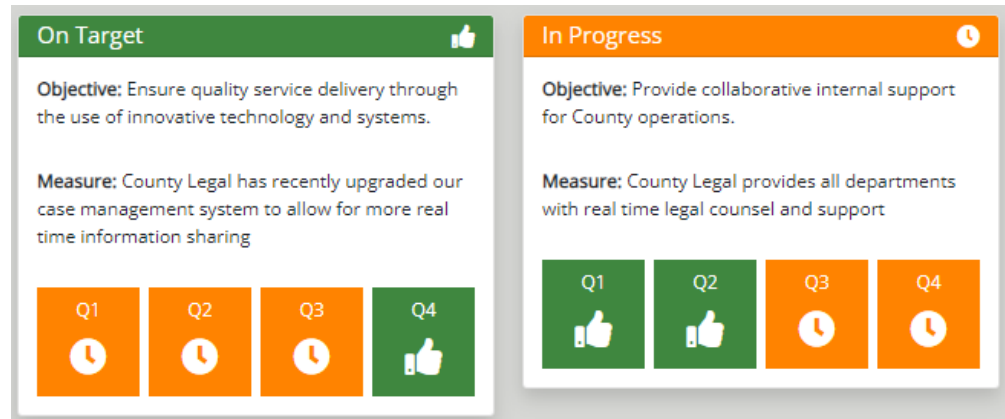
Findings

Performance reporting did not provide clear information about how well the Department functioned.

Good performance measures tell a story of what an organization does and how well it's doing. Performance measures inform decisions, facilitate improvement, and increase understanding of programs. In government, they increase accountability by informing voters about whether programs are meeting expectations. When measures show subpar performance, they can lead to evaluations that identify root causes and fixes. Less than ideal performance measures impede these processes. The Government Finance Officer Association recommends that all governments identify, track, and communicate performance measures as a best practice.

County Legal reporting did not meet the standards recommended by the Government Finance Officer Association. The Department reported on the County's [performance dashboard](#) but the reported activities were not performance measures. The Department reported that it used an updated case management system for real-time information sharing and provided all departments with real-time legal support.

**Figure II:
County Legal 2023
Performance
Measures.**



Other benchmark counties reported better performance measures. For example, County Legal’s report about using a case management system appears to be related to staff productivity. A better measure might be related to workload (projects per employee) as is reported by legal departments in Clackamas and Marion counties. Providing real-time support appears to be related to customer service. A better measure might be turnaround time for requests as reported Clackamas, Jackson, and Lane counties. Another option could be to report the results of an internal customer satisfaction survey as is done by Jackson and Lane counties.

- 1. 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.***

No fraud was uncovered, but County Legal did not have documented procedures for mitigating cash handling risks.

When any organization collects revenue there is always the potential for fraud. Section 6 of the County’s Financial Policy F-7, Bank Accounts and Cash Handling, tasks managers with designing and documenting procedures to prevent fraud to ensure that money ends up where it is supposed to go.

County Legal did not have written cash handling procedures despite engaging in some risky practices. There were no procedures to address:

- Segregation of duties. One staffer was responsible for most duties. For public records requests, the same person calculated fee estimates, notified requesters about fees, received payment, and conducted most of the work.
- Accounting for public record request fee estimates. Instead of an accounting system, fee estimates were documented only in the email account of the staffer responsible for calculating estimates and receiving payment.
- Reconciling cash receipts with the County financial system. There were no procedures for reconciling work performed to fulfill public records requests with receipts in the County financial system.

There may not have been procedures because the Department had not conducted and documented a fraud risk assessment. Fraud risk assessments offer an opportunity for managers and staff to brainstorm ideas about how someone might defraud the County and then come up with processes to prevent it from happening. Staff participation in an assessment increases buy-in by helping staff understand why procedures are in place even though they may seem redundant or inefficient. Fraud prevention processes might include limiting access to revenue, requiring secondary approval for transactions, or reconciling funds. In some cases, management may decide to accept a fraud risk because the likelihood of it happening is low or because there are not enough staff or resources to implement a mitigating procedure. In these cases, the acceptance of risk should be documented.

2. County Legal should conduct a fraud risk assessment, and document outcomes.

3. County Legal should document and implement procedures to address fraud risks identified in the risk assessment.

Observations

In many areas, we observed that County Legal complied with County administrative policies and best practices. Staff used the procurement card appropriately with adequate documentation. Staff complied with information system controls given the low-risk manner in which the system was used. The Department took steps to ensure that office space was accessible and safe.

Other areas we include in our standard integrated audit methods did not apply to County Legal. There were too few employees in the Department to draw meaningful conclusions related to human resources policy, though it should be noted that the County Counsel completed all employee performance reviews on time. The Department was not required to comply with competitive procurement policies because all purchases were below the dollar amount thresholds, and it was not required to comply with grant policy because it did not have any grants.

Payment card used appropriately.

Purchasing cards are convenient for making purchases for small items or training registrations where invoicing is not possible. However, they also create risk because of the potential for inappropriate use. Staff could use the purchasing card to make disallowed or personal purchases without identification. The County Purchasing Card Policy F-3 requires card holders to only use cards for appropriate transactions and to keep cards secure. Disallowed purchases include cash, alcohol, tobacco, firearms, casinos, and meals while on travel status.

In Fiscal Year 2023, County Legal charged \$10,600 to its purchasing card mostly for training and office supplies. There

were no inappropriate transactions on the card and there was appropriate documentation for most transactions. However, early in the year, receipts from one online retailer did not include details about purchases. This issue was resolved later in the year.

Suitable information system controls were in place considering low-risk use.

County Legal used an electronic case management system called FileVine for record keeping and file access control. Although the system could create reports, status updates, and timekeeping the Department was either not using it for these purposes or only using it internally for information purposes.

Information system controls ensure that data kept in electronic systems are secure and accurate. For example, segregating duties enhances data reliability by allowing staff to check work. Appropriately identifying and authenticating users (including disallowing generic user identification and passwords) promotes security. Documented procedures make sure that practical controls are in place. The Federal Information Systems Controls Audit Manual outlines best practices for information systems controls.

Overall, County Legal had appropriate information systems controls in place for FileVine. The Department implemented access controls with different user roles and there was an audit trail to report each time staff entered or changed data. However, there were no written procedures. The absence of procedures may have been acceptable considering that the information system was not used for tracking time, reviews, or approvals; to account for revenue including record public record request fees; or performance reporting. If the Department decided to use FileVine for these purposes, the risk level may change, and documented procedures would enhance the control environment.

County Legal took steps to ensure that office space was safe and accessible.

People spend a significant amount of their time at work, so it is important that office space is safe and accessible. The Americans with Disabilities Act requires reasonable accommodations to ensure spaces are accessible and Oregon Occupational Safety and Health Division requires quarterly safety committee meetings where safety inspections are reviewed.

County Legal complied with both requirements. The Department missed only two safety committee meetings since January 2022 and attended more meetings than any other department at the downtown campus except Risk Management which hosted the meetings. County Legal staff reported safety inspections every quarter and no accidents were reported. The Department did not have any Americans with Disability Act complaints.

3. Management Response



COUNTY LEGAL

Christopher Bell, Sr. Assistant Legal Counsel
John E. Laherty, Sr. Assistant Legal Counsel
Stephanie Marshall, Sr. Assistant Legal Counsel
Kimberly Riley, Sr. Assistant Legal Counsel

David Doyle, Legal Counsel

June 5, 2024

To: Elizabeth Pape, County Internal Auditor

From: David Doyle, Legal Counsel

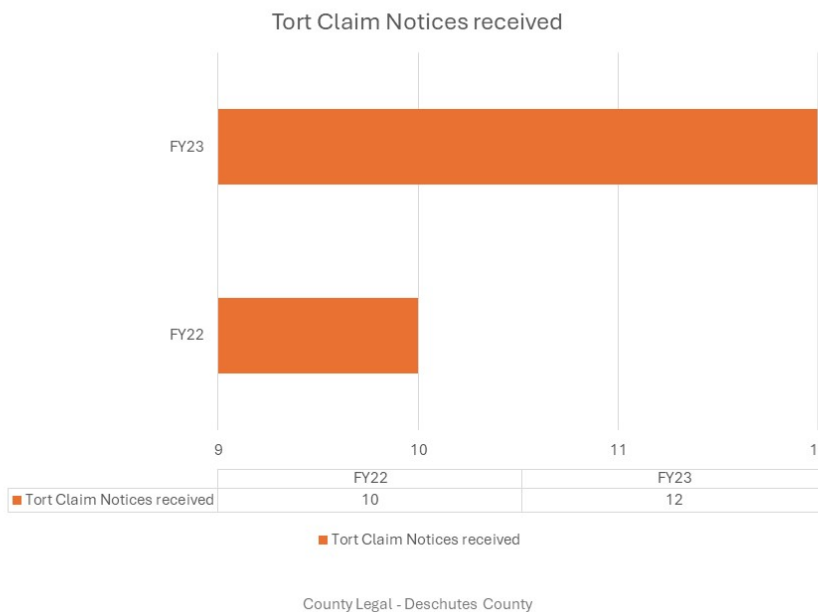
Subject: Management’s response to Audit report

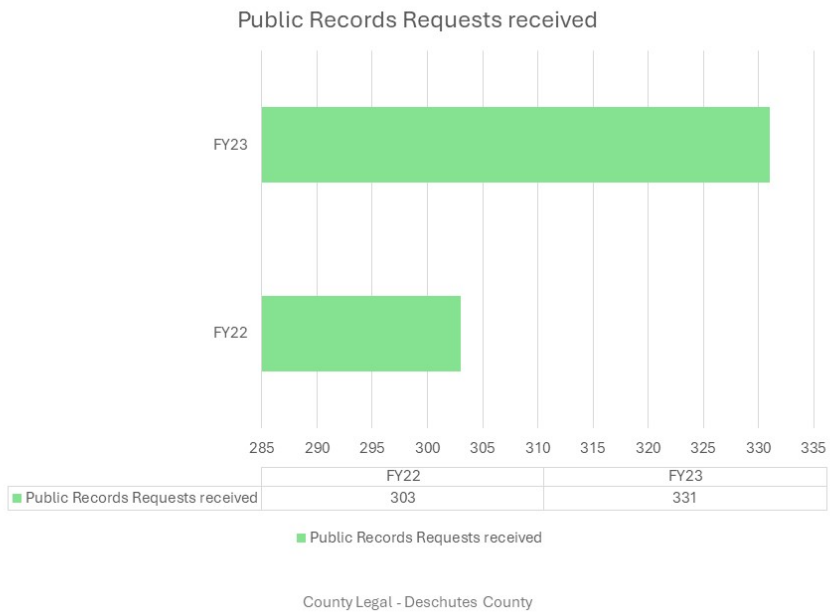
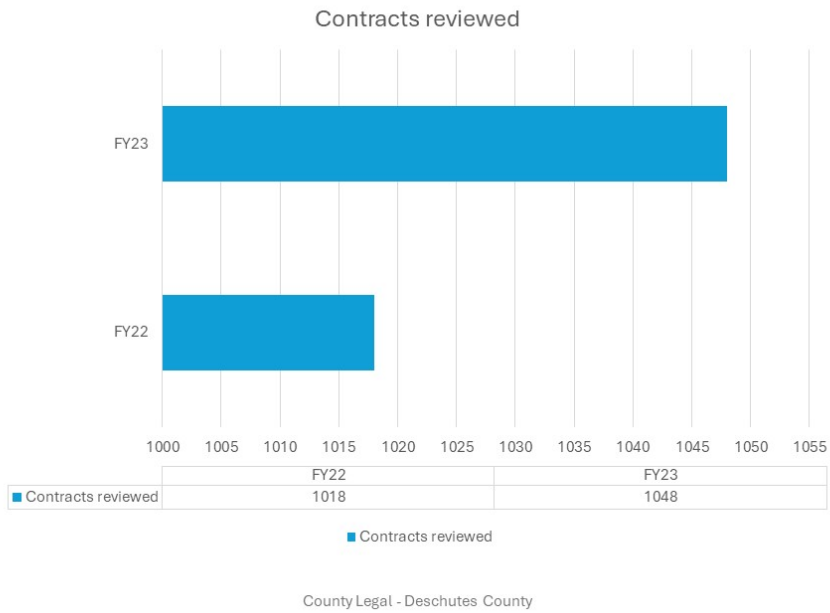
Recommendation:

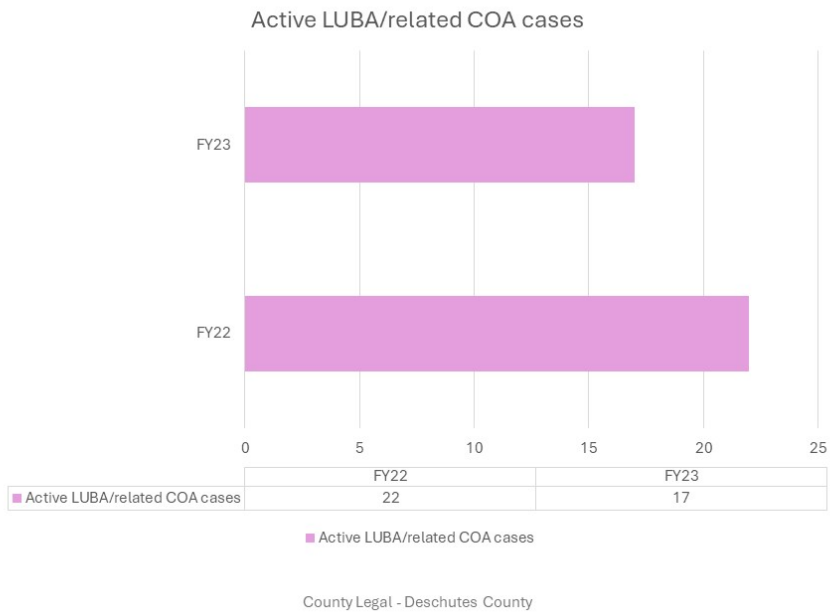
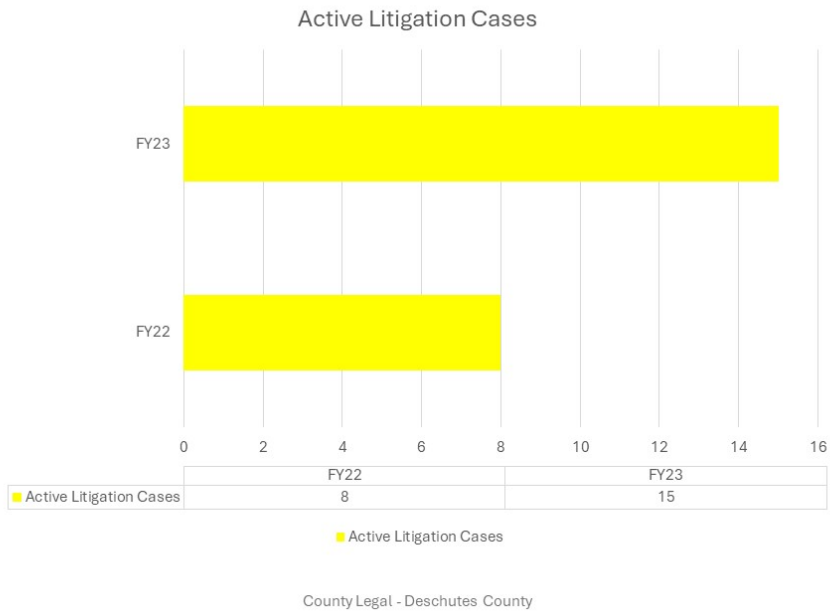
1. County Legal should create new performance measures that are more useful, relevant, and adequate. Consider measures used by benchmark counties including staff workload, timeliness, and satisfaction.

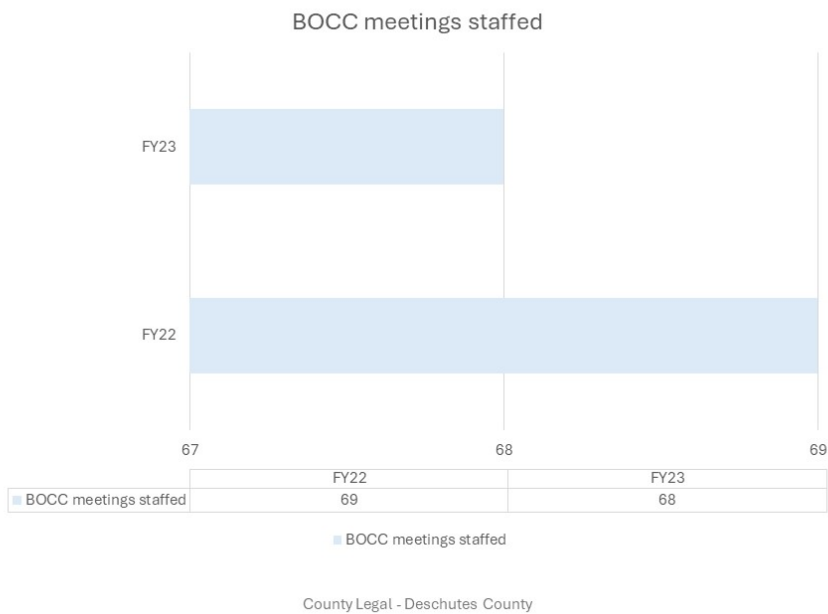
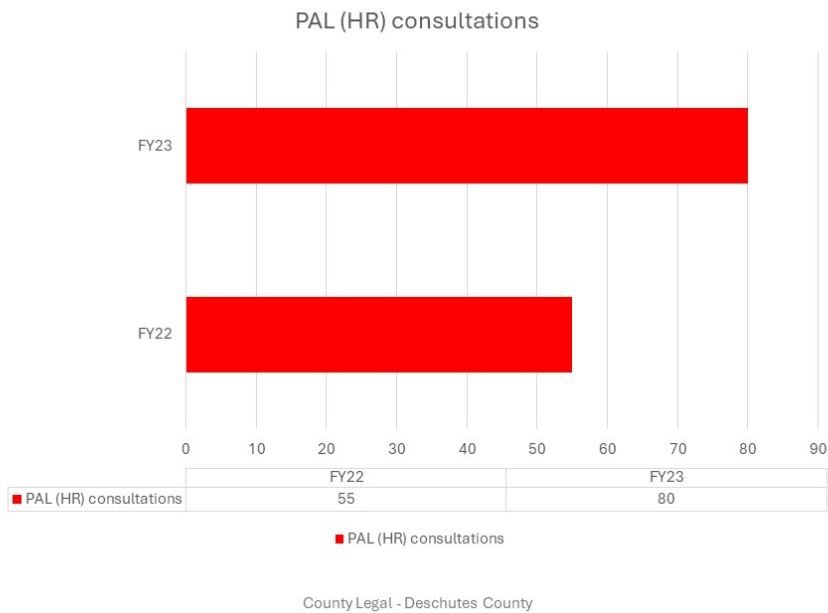
a) Management position concerning recommendation: Partially Agree

We disagree with this finding. Metrics and bar charts have little to no relevance with regard to the operations of County Legal. The practice of law weighs heavily upon the skills and experience of each attorney, and the complexity or duration of the specific assignment/matter. That said, and in the interest of providing metric-based year-over-year optics, County Legal will begin to track the following:









b) Comments: *{Relevant comments on findings, recommendations, corrective plan, clarification, or disagreement. }*

See 1.a.

c) Date completed 5/31/24 with FY25 data available once complete.

d) Estimated cost to implement recommendation, if significant

Recommendation:

County Legal should conduct a fraud risk assessment, and document outcomes.

a) Management position concerning recommendation: Agree

b) Comments: *{Relevant comments on findings, recommendations, corrective plan, clarification, or disagreement. }*

County Legal completed the following:

FRAUD RISK ASSESSMENT

1. Cash Receipting. County Legal receives monetary payments for public records requests and for processing annexation petitions. These amounts are small, usually averaging less than \$1,000. **Procedure to Address Risks:** One staff member will open the mail and take any payments to Finance; a separate staff member will receipt and process.
2. Purchasing. County Legal utilizes a department checking account and department P-Card to pay for a modest number of purchases. Department purchases typically include continuing education trainings, and witness fees. **Procedure to Address Risks:** Both accounts are reconciled monthly by County Legal and County Finance. Checks may not be signed by the same staff person who prepared the check, and check preparers do not have signing authority, or if a reimbursement, by the designated payee. Blank checks are never prepared or signed. All purchases are within budget authority.
3. Office Supply & Inventory. County Legal maintains a small inventory of office supplies, including copier paper, pens, paperclips, toner, batteries and sticky notes. **Procedure to Address Risks:** Inventory usage is tracked against prior use history; if inconsistent with prior use history, Legal Counsel inquires as to any specific reason or justification. If none, Legal Counsel addresses excessive usage with staff and will, if necessary, implement a sign-out procedure.

c) Estimate date of completion: Complete.

d) Estimated cost to implement recommendation, if significant

Recommendation:

County Legal should document and implement procedures to address fraud risks identified in the risk assessment.

a) Management position concerning recommendation: Agree

b) Comments: *{Relevant comments on findings, recommendations, corrective plan, clarification, or disagreement. }*

We already have segregated the duties around receiving mail and check processing when feasible for an office of two administrative staff. Implemented May 27, 2024.

Documentation and implementation of these procedures is under way.

c) Estimate date of completion: July 15, 2024.

d) Estimated cost to implement recommendation, if significant

4. 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:

1. 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.
2. Review internal controls for cash handling with County Legal as outlined in the section of 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 agency. 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. Use an information security checklist to test general level information security controls. Check against Federal Information Security Controls Audit Manual.
5. 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 Americans with Disabilities Act checklist. Test against County policy

- regarding Americans with Disabilities notice and grievance policy (GA-13).
6. Identify the number of active employees and demographic information; vacancy rate (current and historic); current turnover rate; employee evaluation completion. Compare trends over time and to County averages.
 7. Determine budgetary significance of grants for the agency. Review selected grant agreements. Test against County policy regarding grant applications and administration (GA-20).
 8. Be aware of any issues with compliance with federal and state regulations and requirements, as may be applicable.

We did not report findings related to objective six because there were too few employees in the Department to draw meaningful conclusions about employee information. We did not report findings about objective seven because the Department did not have any grants.

Scope and timing:

The audit occurred in April—June 2024. It included activity in Fiscal Year 2023 and 2024.

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.
- Reviewing user roles and reports in FileVine, the information system used for case management.

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.)

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

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

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>.

Office of the County Internal Auditor

Legal Department

Integrated Audit
2324-19

Item IVa



August 16, 2024

Background

Roles

General Counsel

Litigation

Planning and Code

Enforcement

Employment and Labor

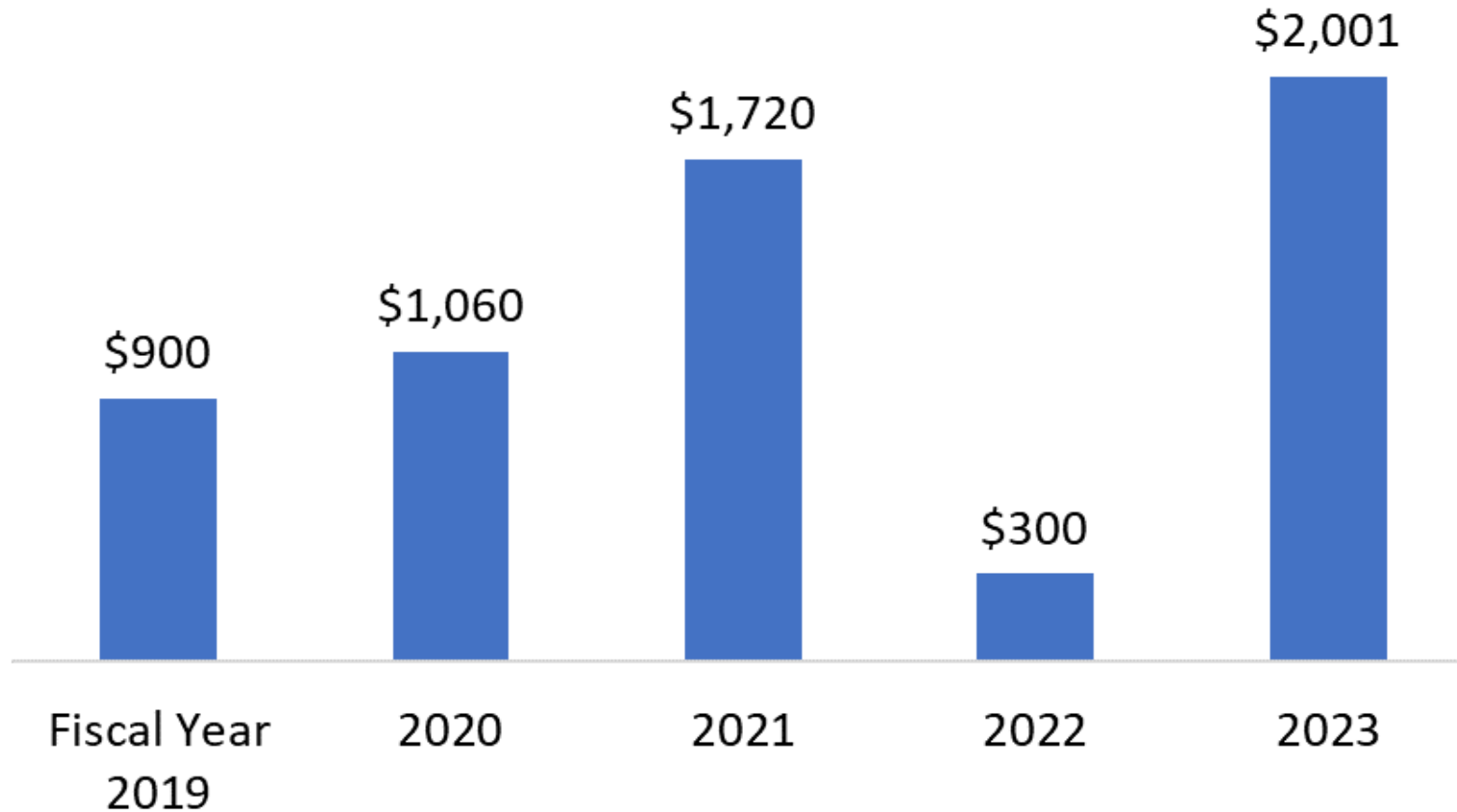
Procurement and

Contracting

Public Record Requests



Revenue



County legal fee revenue doubled from 2019 to 2023.



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. Previous Audit Findings

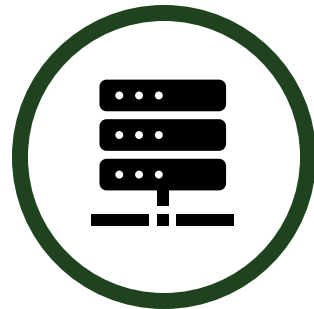


Fieldwork

Interview
and
checklist



Reviewed
Information
Systems





























Best
practices



Findings and Recommendations

Performance Measures

On Target 	In Progress 								
<p>Objective: Ensure quality service delivery through the use of innovative technology and systems.</p> <p>Measure: County Legal has recently upgraded our case management system to allow for more real time information sharing</p>	<p>Objective: Provide collaborative internal support for County operations.</p> <p>Measure: County Legal provides all departments with real time legal counsel and support</p>								
<table border="1"><tr><td data-bbox="114 885 331 1113">Q1 </td><td data-bbox="343 885 560 1113">Q2 </td><td data-bbox="573 885 802 1113">Q3 </td><td data-bbox="815 885 1031 1113">Q4 </td></tr></table>	Q1 	Q2 	Q3 	Q4 	<table border="1"><tr><td data-bbox="1172 828 1388 1056">Q1 </td><td data-bbox="1401 828 1617 1056">Q2 </td><td data-bbox="1630 828 1847 1056">Q3 </td><td data-bbox="1860 828 2076 1056">Q4 </td></tr></table>	Q1 	Q2 	Q3 	Q4 
Q1 	Q2 	Q3 	Q4 						
Q1 	Q2 	Q3 	Q4 						



1. Recommendation

Improve performance reporting.

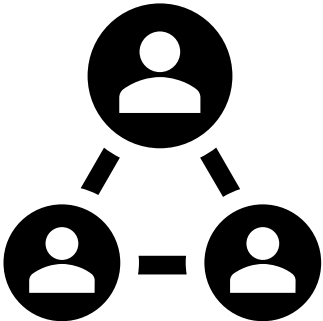


Agree

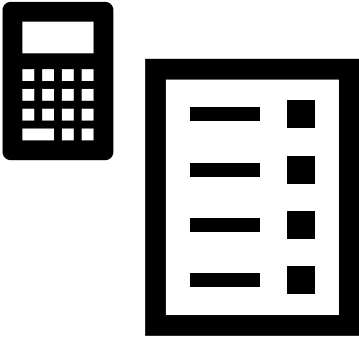
Will report workload but disagree that metrics have relevance to the operations of County Legal.



Procedures did not address risks



Segregation



Accounting

$$A = B$$

Reconciliation



Fraud Risk Assessment

Australian Government
Commonwealth Fraud Prevention Centre

Learn about fraud and fraudsters
How to assess risks



Risk identification



Risk analysis



Risk evaluation



Risk treatment



2. Recommendation

Conduct a fraud risk assessment and document outcomes.



Agree

Will conduct a risk assessment.



2. Recommendation

Document procedures to address the risks identified in the fraud risk assessment.



Agree

Will update procedures.



Observations

P-Card Use Appropriately



Information System Controls



Space Safe and Accessible



Questions and Comments?

Complete the Survey!



Completed Follow Ups

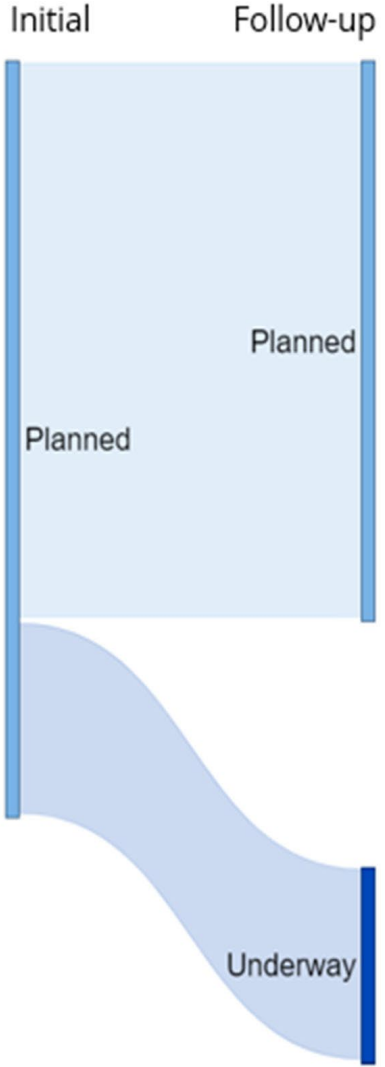
23/24-17- County continuity of operations plans
(22/23-6 issued June 2023)

23/24-21- Behavioral Health Practices
Improvement
(22/23-9 issued September 2023)

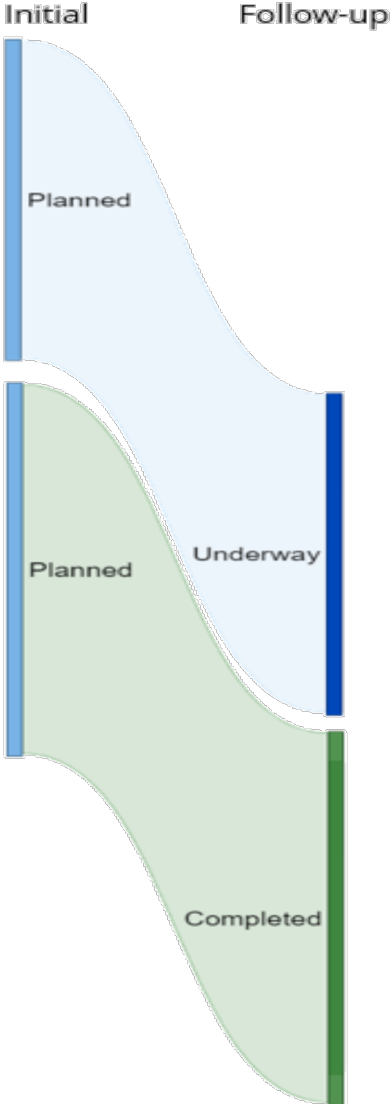
24/25-1 Facilities and Property Management
Depts.
Cash Handling
(23/24-2 issued October 2023)



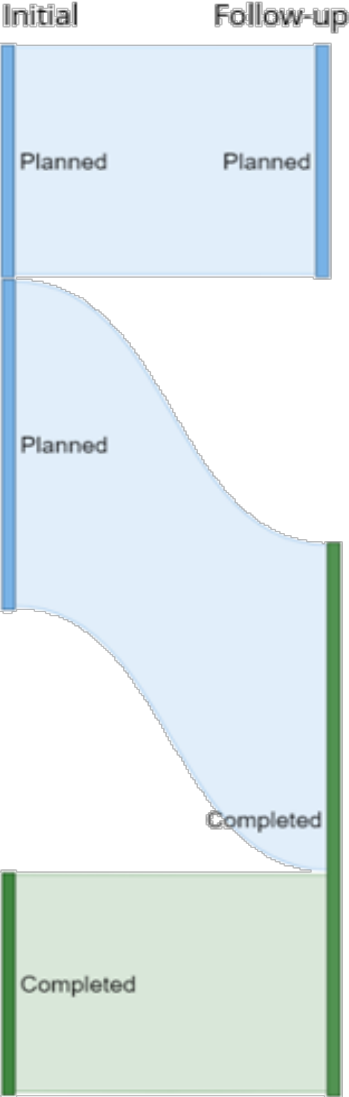
23/24-17 Continuity of Operations Plans (22/23-6)



23/24-21 Behavioral Health Practices Improvement (22/23-9)



24/25-1 Facilities and Property Cash Handling (23/24-2)



Questions?

Thank you





Recommendations

6

Follow-up Report

County continuity of operations plans – initial assessment

(Internal audit report #22/23-6 issued June 2023)

The Office of County Internal Audit:

Elizabeth Pape, CIA, CFE – County Internal Auditor
Aaron Kay – Performance Auditor

Item IVb

Audit committee:

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



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1. Introduction

Audit Authority

The Deschutes County Audit Committee has suggested that follow-ups occur within nine months of the report. The Audit Committee would like to make sure departments satisfactorily address recommendations.

Background on the Original Audit

The focus of the audit was to provide an initial assessment of the County's continuity of operations (COOP) plans to meet acceptable levels of service delivery and essential functions following a disruption when compared to industry best practices.

The assessment score of 4.9 out of ten indicated moderate progress towards creating a comprehensive COOP plan. The County has taken significant steps to establish COOP plans, identify essential functions, and consider critical operational capacities. Planning efforts were hindered because of the use of the State-contracted software system to guide individual office/department COOP development. The system contained conflicting directions and limited user options, so several aspects of planning were absent or insufficiently developed. The State is transitioning to a new software system provider, but the details of the system capabilities are unknown.

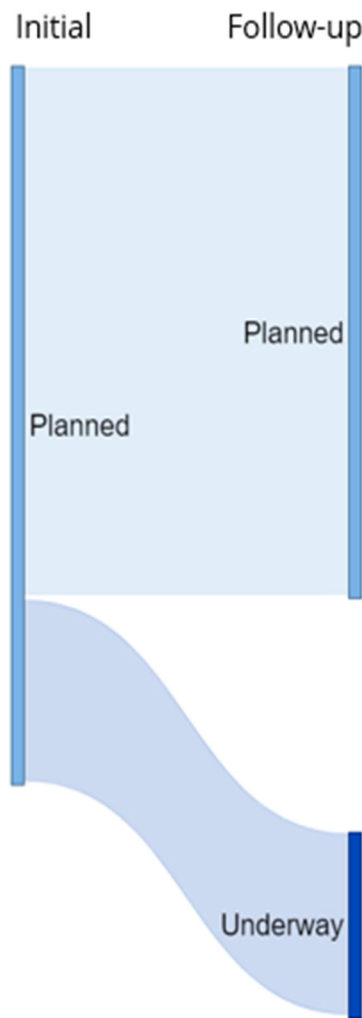
During the COVID-19 pandemic and its subsequent disruptions the County successfully applied some planned COOP strategies, such as remote work, yielding a more agile work environment. However, County COOP plans were not formally activated as guidance to navigate the pandemic largely due to the absence of pandemics in the activation scenarios and lack of overall staff awareness.

Continuous improvement of the County's COOP plans was hampered by the pandemic as it impacted regular evaluations and planned exercises. Assessments found a consistent need for additional COOP training to effectively increase staff awareness and understanding of the plans.

2. Follow-up Results

The follow-up included six outstanding recommendations agreed to by County Administration and the Deschutes County Sheriff's Office. **Figure I** provides an overview of the resolution status of the recommendations.

Figure I -
How were recommendations implemented?



The details of the follow-up are included at the end of the report in **Appendix A**. In interpreting the status, Internal Audit may sometimes raise or lower the status provided by the department based on communication received from the department.

With this follow-up, none of the outstanding recommendations have been fully addressed. While this outcome was not entirely unexpected, given the timing and coordination required to evaluate the new State-procured continuity software platform and reengage in planning efforts, it remains concerning. Without comprehensive continuity of operations plans in place, the County is susceptible to heightened risks, potentially leading to delays or suspensions of essential services during disruptive events.

3. Appendix A: Updated workplan (status as of April 2024)

Recommendation	Status	Resolution Goal	Updated Comment
It is recommended the County determine whether the capabilities of the new COOP software system meet their requirements or explore other viable alternatives.	Underway	September 2024	Staff evaluated the new State-procured software and along with a few other jurisdictions determined it was not the ideal option for implementation. Staff have been in discussions with technical staff (IT) to develop a product in-house with current resources. Due to limited staff time and competing projects, the design process is just now underway.
It is recommended the County direct staff to complete comprehensive COOP planning documentation with the support of DCSO-ESU.	Planned	December 2025	Dependent on the outcomes from re-establishing regular COOP planning meetings.
It is recommended the County re-establish regular COOP planning meetings to review and revise COOP plans.	Planned	December 2024	DCSO Emergency Management and County Administration have a planned meeting to identify roles, responsibilities, capacity, and next steps for a COOP transition.
It is recommended the County review and update its COOP activation scenarios to include pandemics and other potential crises.	Planned	December 2025	No new update. Previous comments were received from County Administration and Deschutes County Sheriff's Office: Administration will defer to the expertise of the DCSO Emergency Services on activation scenarios included in the COOP plan. Based on preliminary discussions,

Recommendation	Status	Resolution Goal	Updated Comment
			<p>this may include broader language such as “any event that impacts people, infrastructure locations or vital records.”</p> <p>DCSO Emergency Management, in cooperation with the County offices and departments, is willing to facilitate, plan and coordinate regular scenarios, to include those of a pandemic nature, in order to vet the current processes included in the COOP.</p>
<p>It is recommended the County establish a COOP training program for all personnel.</p>	<p>Planned</p>	<p>December 2025</p>	<p>This will be secondary to establishing the updated COOP program.</p>
<p>It is recommended the County conduct regular COOP exercises and make necessary improvements identified as weaknesses.</p>	<p>Planned</p>	<p>December 2025</p>	<p>COOP Exercises will be planned within a plan update/exercise schedule.</p>

4. Appendix B: Objective, Scope, and Methodology



Objective and Scope

“Audit objectives” define the goals of the audit.

Objective:

The objective was to follow up on recommendations from the original audit.

Scope and timing:

The follow-up included six recommendations from the internal audit report for [County continuity of operations plans – initial assessment #22/23-6](#) issued in June 2023. The original internal audit report should be referenced for the full text of the recommendations and associated discussion. The follow-up reflects the status as of April 2024.

Methodology

The follow-up report was developed from information provided by Sgt. Nathan Garibay, Deschutes County Sheriff's Office Emergency Manager. 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. The updates received were included in **Appendix A**.

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

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>.



Recommendations
9

Follow-up Report Health Services – Behavioral Health Practices Improvement

(Original report #22/23-9 issued September 2023)

The Office of County Internal Audit:

Elizabeth Pape, CIA, CFE – County Internal Auditor
Aaron Kay – Performance 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

Item IVb



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

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Methodology.....	7

1. Introduction

Audit Authority

The Deschutes County Audit Committee has suggested that follow-ups occur within nine months of the report. The Audit Committee would like to make sure departments satisfactorily address recommendations.

Background on Department and Original Audit

The Deschutes County Health Services Department includes the Deschutes County Behavioral Health (Behavioral Health) division, which operates as the Community Mental Health Program for the County. Behavioral Health plays a vital role in promoting mental health, supporting recovery, and providing compassionate care to individuals coping with behavioral health challenges, substance use disorders, as well as intellectual and developmental disabilities. Behavioral Health was concerned about improving and ensuring the consistency of productivity among clinicians across the division.

The review focused on developing an understanding of practices used by highly productive Behavioral Health clinicians to leverage best practices to improve overall productivity. Additionally, it included reviewing the supporting operational systems, client workflows, scheduling, and division productivity measures.

The Behavioral Health division utilized many effective performance measures. However, there was room within the division's productivity measures system to improve the following areas:

- developing appropriate productivity measures for staff;
- clarifying expectations for the staff;
- accurately reflecting the time clinicians spend on client care;
- equitably distributing cases within teams; and
- enhancing the division's ability to identify community needs for resource allocation.

EPIC, Behavioral Health's electronic health records system, features a collection of documentation aids collectively known as smart tools. Broadening the promotion, utilization, and training on these tools could greatly assist with the documentation requirements faced by all clinicians in the division.

The division could refine its onboarding processes for new employees and provide clearer guidelines regarding the supervision of interns.

When clinicians in downtown Bend need to provide services outside their workplace and division fleet vehicles aren't readily available nearby, their productivity is affected as they spend time finding and using alternative transportation options.

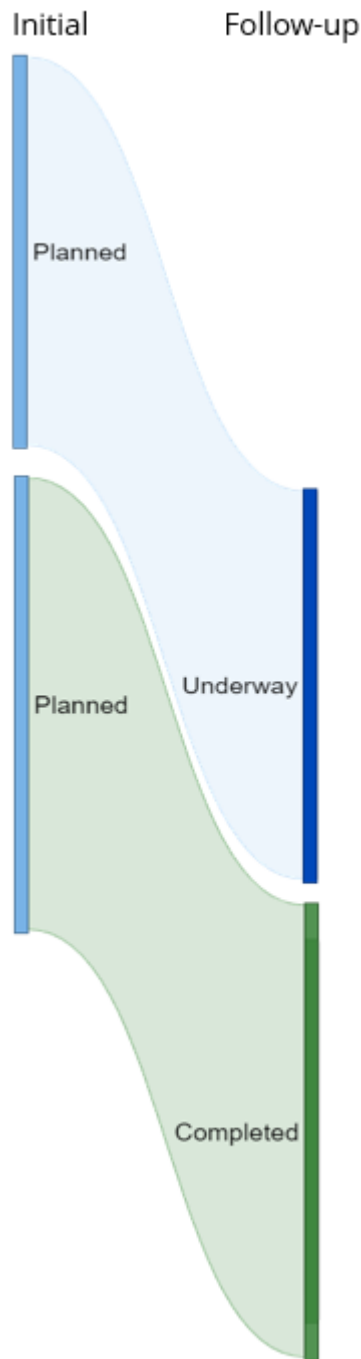
Recommendations included:

- going through the process to develop appropriate productivity measures;
- reviewing the accuracy of the data contributing to measures;
- creating a library of smart tools;
- evaluating onboarding processes;
- clarifying the policy for intern supervision; and
- optimizing fleet utilization at downtown Bend locations.

2. Follow-up Results

The follow-up included nine outstanding recommendations agreed to by the department. **Figure I** provides an overview of the resolution status of the recommendations. The details of the follow-up are included at the end of the report in **Appendix A**. In interpreting the status, Internal Audit may sometimes raise or lower the status provided by the department based on communication received from the department.

Figure I -
How were
recommendations
implemented?



With this follow-up, fifty-six percent (56%) of the outstanding recommendations have been fully addressed. As indicated in the provided responses, the department has improved training, onboarding, intern supervision, and caseload distribution. They have set goals to resolve the majority of the recommendations by the end of 2024 with the help of a consultant.

Finding a viable solution to the downtown fleet availability issue required more resources than the County could provide. Health Services will continue to support the downtown clinics and their fleet needs. Despite these ongoing efforts, Internal Audit has marked the status as completed due to the attempts made by Health Services and the timeline needed for any potential solution.

3. Appendix A: Updated workplan (status as of July 2024)

Recommendation	Status	Resolution Goal	Updated Comment
<p>It is recommended Behavioral Health go through the process to develop appropriate productivity measures as well as clarify expectations for staff.</p>	<p>Underway</p>	<p>January-25</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. 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. Administrative Burden workgroup - focused on reducing excessive admin burden in our EHR, documentation and processes. 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>
<p>It is recommended Behavioral Health review the accuracy of the data contributing to clinician workload measures.</p>	<p>Underway</p>	<p>January-25</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>
<p>It is recommended Behavioral Health strengthen the controls for first treatment appointment</p>	<p>Underway</p>	<p>Initially July -24 Moved to January-25</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>

Recommendation	Status	Resolution Goal	Updated Comment
assignment and client discharge.			
It is recommended Behavioral Health use the caseload measures to promote a more equitable distribution of work within teams.	Completed	July-24	We have improved the distribution of our caseloads and are applying a more equitable distribution across teams where we can. Our work with the consultant will build on this through the use of their caseload management tools.
It is recommended Behavioral Health re-evaluate the division’s flexibility to actively respond to the broader needs of the community.	Completed	July-24	<p>We have continued to provide our training through consultation to improve training and expertise across the organization. Since this audit, we completed the following trainings for staff:</p> <p>IDD and Behavioral Health Working with Families Suicide and Homicide Risk</p> <p><u>Auditors Note:</u> These training opportunities expanded clinicians' knowledge and reduced the industry's typical specialization barriers. As a result, the department is now better equipped to allocate staff to areas with the greatest need.</p>
It is recommended Behavioral Health create a comprehensive library of division-approved smart tools to improve clinical documentation efficiency and provide training to	Underway	January-25	The Administrative Burden workgroup is actively working on this and we expect to have this completed by the deadline.

Recommendation	Status	Resolution Goal	Updated Comment
clinicians on how to use them.			
It is recommended Behavioral Health evaluate the onboarding content, procedures, and supervision to better integrate new employees.	Completed	January-24	A 2-month evaluation process has been implemented.
It is recommended Behavioral Health clarify the policy for supervision of interns.	Completed	January-24	Since the audit, a policy has been created for supervision of interns and a stipend was implemented to support staff who take on this extra duty.
It is recommended Behavioral Health coordinate with the Road and Facilities Departments to explore solutions for the downtown Bend locations' fleet needs.	Completed	July-24	This measure is dependent upon Facilities and the Road Department to explore solutions for the downtown Bend locations fleet needs. To date, I'm not aware of any solutions that have been proposed. We will continue to find ways to support the Downtown Clinic and our fleet management, but it will be ongoing and on our own timeline since given we don't have the authority or resources to make the truly meaningful change that needs to happen downtown.

4. Appendix B: Objective, Scope, and Methodology

Objective and Scope



*“Audit objectives”
define the goals of
the audit.*

Objective:

The objective was to follow up on recommendations from the original audit.

Scope and timing:

The follow-up included nine recommendations from the internal audit report for [Health Services – Behavioral Health Practices Improvement 22/23-9](#) issued in September 2023. The original internal audit report should be referenced for the full text of the recommendations and associated discussion. The follow-up reflects the status as of July 2024.

Methodology

The follow-up report was developed from information provided by Holly Harris, Behavioral Health Director. 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. The updates received were included in **Appendix A**.

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

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>.



Recommendations
4

Item IVb

Follow-up Report Facilities and Property Management Departments– Cash Handling

(Original report #23/24-2 issued October 2023)

The Office of County Internal Audit:

Elizabeth Pape, CIA, CFE – County Internal Auditor
Aaron Kay – Performance 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



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

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Objective and Scope.....	4
Methodology.....	4

1. Introduction

The Deschutes County Audit Committee has suggested that follow-ups occur within nine months of the report. The Audit Committee would like to make sure departments satisfactorily address recommendations.

Background on Departments and Original Audit

The Facilities Department (Facilities) oversees County-owned buildings and facilities. Facilities programs include facility management, building and grounds maintenance, and custodial services.

The Property Management Department (Property Management) manages County-owned real estate, including the acquisition and disposition of holdings, leasing activity, and project management.

The audit was a periodic review of internal controls over handling of external customer payments and collections.

Recommendations were developed to help both departments comply with County policy and follow prudent business practices for cash handling.

The following areas were identified for further improvement, including:

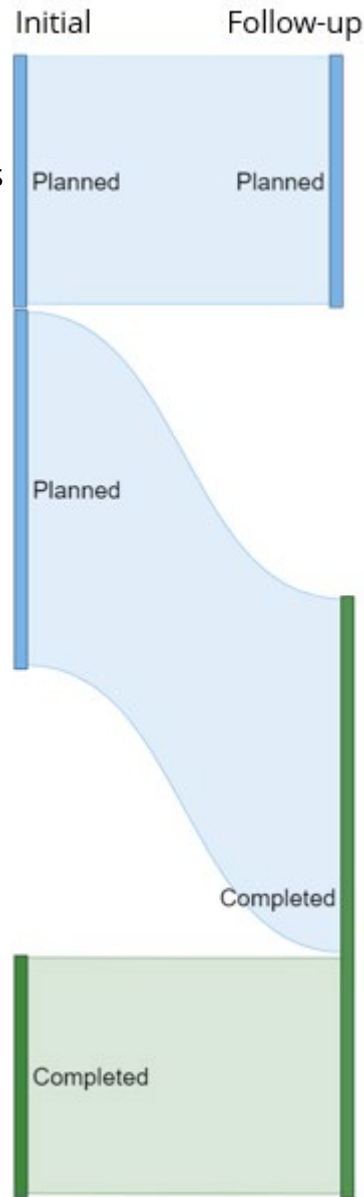
- Additional controls within the Facilities department accounting procedures could improve oversight over receipts.
- The Property Management department's accounting procedures were outdated.
- The Property Management department did not have a process for when to charge filing and recording fees.

Additionally, a routine disclosure of a potential conflict of interest in a land sale prompted a review of the County's conflict of interest policy. This policy, in contrast to Oregon State law, restricts the organization's flexibility and its ability to openly acknowledge such conflicts when they arise.

2. Follow-up Results

The follow-up included four outstanding recommendations agreed to by the departments. **Figure I** provides an overview of the resolution status of the recommendations.

Figure I –
How were
recommendations
implemented?



With this follow-up, seventy five percent (75%) of the outstanding recommendations have been fully addressed. As indicated in the provided responses, Facilities and Property Management have implemented accounting procedures to resolve the recommendations. Updates to the Human Resources Personnel Rules are still planned.

The details of the follow-up are included at the end of the report in **Appendix A**. In interpreting the status, Internal Audit may sometimes raise or lower the status provided by the department based on communication received from the departments.

3. Appendix A: Updated workplan (status as of August 2024)

Recommendation	Status	Date Completed	Updated Comment
The Facilities Department should complete documentation of their accounting policies and procedures to address identified concerns.	Completed	Oct 2023	Written cash handling policies and procedures have been completed in response to the audit recommendation.
The Property Management Department should revise its written accounting policies and procedures for monies collected.	Completed	Aug 2024	Written accounting procedures have been completed in response to the audit recommendation.
The Property Management Department should document the process and criteria for charging filing and recording fees.	Completed	Aug 2024	Written fee schedule procedures have been completed in response to the audit recommendation.
The Human Resources Department should align Section 8.020 with State conflict-of-interest laws and establish a standardized disclosure procedure.	Planned		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.

4. Appendix B: Objective, Scope, and Methodology

Objective and Scope



*“Audit objectives”
define the goals of
the audit.*

Objective:

The objective was to follow up on recommendations from the original audit.

Scope and timing:

The follow-up included four recommendations from the internal audit report for [Facilities and Property Management Departments- Cash Handling 22/23-2](#) issued in October 2023. The original internal audit report should be referenced for the full text of the recommendations and associated discussion. The follow-up reflects the status as of August 2024.

Methodology

The follow-up report was developed from information provided by Kristie Bollinger, County Property Manager, and Kathleen Hinman, Human Resources Director. 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. The updates received were included in Appendix A.

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

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>.



Item IVc

Office of County Internal Audit

Elizabeth Pape, CIA, CFE – County Internal Auditor

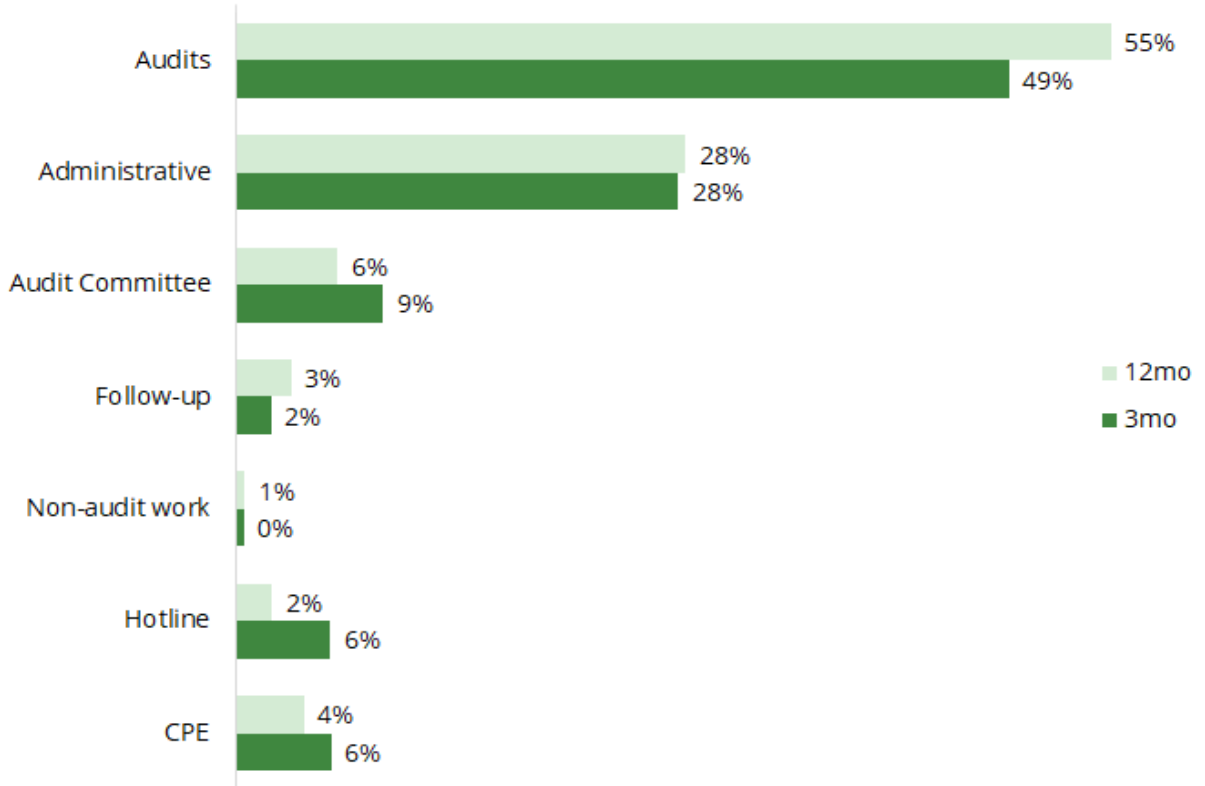
Aaron Kay – Performance Auditor

Phone: 541-330-4674

internal.audit@deschutescounty.gov

INTERNAL AUDIT STATUS REPORT May 2024 through July 2024

Highlights for the period include:



Audit work:

- Custom developed software – Report issued
- Clerk’s Office Integrated – Report issued
- Legal Integrated – Report issued
- Fair and Expo Center Recreational Vehicle Park Integrated - Report issued
- Health Benefits Trust – Administration – reporting phase
- Pre-construction services for the County Courthouse Expansion – reporting phase
- Translation and Interpreter Services - planning phase

Follow-up work:

- Behavioral Health Practices Improvement
- Facilities and Property Management Cash Handling

Administrative:

- County meetings and miscellaneous
- Internal process improvements

CPE: ALGA National conference

Audit committee: Audit committee meeting, support, and recruitment

Hotline: Administration of reports

DISCUSSION DRAFT

NOTE: Time management leave of 66 hours not included over the 3 months.

Deschutes County Audit Committee By-Laws

Mission Statement:

#####

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. Discuss and provide input on 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. Meetings will regularly be scheduled bi-monthly during even numbered months.

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.

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 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.

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, a nominating subcommittee shall make nominations for membership to the Deschutes County Board of Commissioners for approval and appointment

Section III. Attendance:

Committee members shall endeavor to attend all meetings. Three (3) consecutive unexcused absences 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 three (3) 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 not less than two-thirds 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 prepare the agenda with the assistance of the Internal Auditor.
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 and may consist of additional individuals from the community chosen for their expertise and knowledge and concern about a specific issue or a field of endeavor. Potential subcommittee tasks could include nominating new members when there are vacancies, 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

No Committee member shall be an employee of the Office of Internal Audit or an immediate family member of an employee of the Office.

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.

The Office of County Internal Audit

GAGAS Chapter 9

Reporting Standards for Performance Auditing

Item Vb



Overview



1. Report Compliance



5. Distribution



2. Format



6. Confidential Info



3. Content



7. After Reporting



4. Responses



1. Reporting Compliance

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.



2. Format

- Report for every audit
- Format appropriate for intended use
- In writing or another retrievable form
- Clearly communicate results
- Facilitate follow-up and corrective actions
- Can include written reports, letters, briefing slides, and other presentation materials



3. Content

- Objective and Scope
- Methods
- Findings
- Conclusion
- Recommendations
- Internal Control
- Noncompliance (Outside Agencies)
- Fraud



4. Responses

- Views of Responsible Officials:
Findings, conclusions,
recommendations, planned
actions
- Explain Disagreements



5. Distribution

- Those charged with governance
- Audited entity officials
- Appropriate oversight agencies



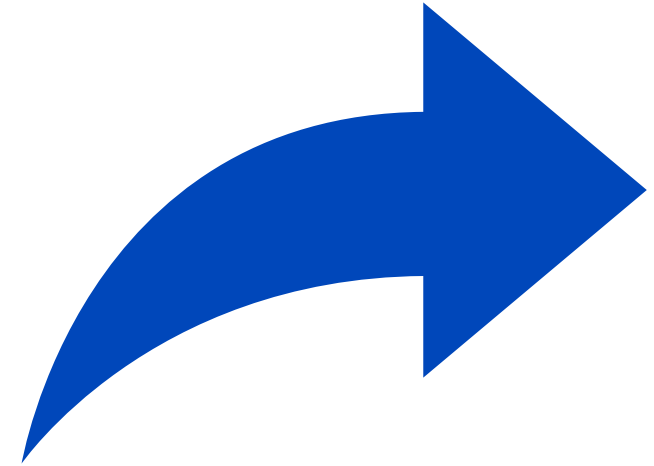
6. Confidential Information

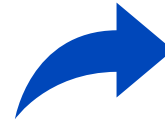
- Disclose information that is not included
- Evaluate whether omission could distort results or conceal improper actions
- Can issue two versions of a report



7. After Reporting

- Discovery of insufficient evidence after report release
- Similar to original report communication
- Can remove a report, but with a notice of removal





Questions/Comments??



Thank you





Deschutes County Audit Committee Meeting

Friday, August 16, 2024 – 1:00 PM to 3:00 PM

1300 NW Wall St—Allen Room

Type of Meeting: **Audit Committee Meeting**
Facilitator: **Elizabeth Pape**

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
- Kathleen Hinman, Human Resources Director
- Robert Tintle, Chief Financial Officer
- Jana Cain, Controller
- Aaron Kay, Performance auditor
- Angie Powers, Administrative assistant

Guests

- Dave Doyle, Legal Counsel

Special note:

Next Meeting October 11, 2024

{See other meeting dates below– please put on your calendar!}

Calendar – Future Audit Committee Meeting

Meetings are from Noon 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)

- **October 11, 2024 – Friday (1pm-3pm) Hybrid**
- **December 13, 2024 – Friday (noon-3pm) Hybrid**
- **February 14, 2025 – Friday (1pm-3pm) Hybrid**
- **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	12/2024
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	{Next survey 2026} Last survey 2023
Continuing education activity	Ongoing presentations
New audit committee member orientation	Orientation for new member
Deeper understanding of County operations. Meetings at departments.	Facilities 8/2024 Information Technology Tour 9/2022 Elections discussion 9/2020
Annual report to Board of County Commissioners	12/8/23 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 2/2025
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 8/2024
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

Communication / Report	Status
Peer review performed (every 3 years. Internal audit reporting relationships reviewed)	{Next Peer review scheduled 9/2024} Peer review leader 10/2022 Peer review completed 10/2021
Establishes and manages the process for the selection, appointment, oversight, evaluation, retention and preapproval of services of the external auditors. Oversees fees.	Contract and support completed 6-2022 (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