



Audit Committee

Friday, April 11, 2025

1:00 p.m.

Via Zoom:

<https://us02web.zoom.us/j/7904362359?pwd=akxWT002QnZRUVVpQVBMaGQ1S1J6dz09&omn=83108455127>

Meeting ID: 790 436 2359 Passcode: audit2023

Allen Room

Deschutes Services Building

1300 NW Wall St Bend, OR

- I. **Call to Order**
- II. **Introductions/Notices**
- III. **Review/Approve minutes from February 14, 2025, meeting**
- IV. **Internal Audit Reports**
 - a. Fair and Expo Alcohol Sales: [Report](#), [Presentation](#)
 - b. Follow-up Custom Developed Software: [Report](#), [Presentation](#)
 - c. Follow-up Clerk's Office Integrated Audit: [Report](#), [Presentation](#)
 - d. Follow-up County Legal Integrated Audit: [Report](#), [Presentation](#)
 - e. In-process and Upcoming
 - Sheriff's Office Body and Auto Cameras
 - May 2025 Election Controls
 - [Status Report](#)
- V. **Special Topics**
 - a. New performance auditor: Susan Dejoode
 - b. [Fiscal Year 2026 Budget Proposal](#)
 - c. Brainstorm ideas for next two-year audit plan

d. Member terms expiring

VI. Other Discussion Items

a. **Administrative Update**

VII. Closing & Adjourn



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OFFICE OF
INTERNAL AUDIT

Audit Report

County Fair and Rodeo Alcohol Sales: Net profits higher but return lower



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Highlights:

Why this audit was performed:

According to management, alcohol sales have the highest profit margin of any product offered at the County Fair and Rodeo. A change in the model for selling alcohol from in-house to partnering with a Contractor prompted a review of how the new and prior sales models compared.

We recommended that Fair and Expo management:

Periodically evaluate fair alcohol sales against prior models or other contractors.

Design a program that limits County risk.

Clarify contract language regarding roles and responsibilities.

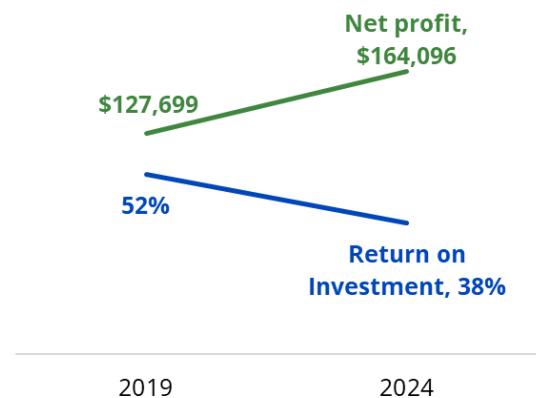
County Fair and Rodeo Alcohol Sales: Net profits higher but return lower

The audit objective was to determine whether alcohol sales at the County Fair were cost effective. Sub-objectives included determining how the partnership arrangement compared to the prior in-house model and whether cash and inventory were adequately controlled.

Performance of the partnership arrangement remained unclear. We found that management couldn't demonstrate the success of

the partnership program. A high-level review of expenses and revenue revealed mixed results with the County netting more revenue with the partnership model but with a lower return on investment.

Though the contract between Fair and Expo and the Contractor managed risk in some areas, others contained unclear language and opened the County to financial risks. On the positive side, the contract required the Contractor to purchase liquor liability insurance. However, the fair alcohol sales program was a patchwork of in-house and concessionaire programs where roles and responsibilities were not clear and introduced risk, leaving the County vulnerable to cash and inventory losses.



1. Introduction

Each year Deschutes County Fair and Expo Center hosts the Deschutes County Fair and Rodeo. The event includes a championship rodeo, concerts, animals, carnival rides, and fair concessions and exhibits.

In 2024, there were more than 100,000 visitors to the Fair who generated \$1 million in admission revenue.

Fair alcohol sales are profitable. According to Fair and Expo Center management alcohol sales have the highest profit margin of any product offered at the County Fair. Even if the County loses money on a performance, alcohol sales offset the loss. Fair and Expo sold \$455,000 worth of alcohol at the 2024 Fair with net profits of \$164,000.

In recent years, the alcohol sales model at the County Fair has evolved. Prior to Covid-19, the entire alcohol program was managed in-house. A staff person decided how much and what to sell, ordered and managed inventory, and hired temporary staff to serve alcohol. The Deschutes County Fair and Expo Center has a license from the Oregon Liquor and Cannabis Commission to sell alcohol. The County sold alcohol at the Fair in beer gardens with age restrictions for entry. Fair goers were not allowed to take alcohol to other fairground areas.

According to Fair and Expo management, a few factors caused them to reconsider the alcohol sales model.

- Covid-19 closures demonstrated the risk the County was taking on by holding alcohol inventory. Prior to Covid-19 closures, the County purchased alcohol for two events which were cancelled. Alcohol is a perishable good. The County was able to return some, but not all inventory.
- The staffer who ran the alcohol program was preparing to retire. The person's skill set included food and beverage management, catering, and alcohol sales. Fair and Expo management anticipated that this skill set would be difficult to replace and began to look for other options.

- The beer garden sale model had fallen out of favor. Though it allowed for sales in an age-restricted area, making it easier to prevent serving to minors, it also concentrated negative factors associated with alcohol sales. Staff said that customers would drink quickly so that they could get back to their families in other areas, possibly causing them to drink more in a short period of time. Management noted that there were more security incidents and fights with the beer garden model.
- After Covid-19 it was more difficult to hire temporary staff to sell alcohol.

Fair and Expo management contracted with Oregon Beverage Services, Inc to provide alcohol at events in the Summer of 2022 and the Contractor has partnered in running the County Fair alcohol program since then. Though the Contractor was also a licensed alcohol vendor, they continued to sell alcohol using the Deschutes County alcohol license.

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

2. Findings

The audit objective was to determine whether alcohol sales at the County Fair were cost effective. Sub-objectives included determining how the partnership arrangement compared to the prior in-house model and whether cash and inventory were adequately controlled.

After conducting the audit, the performance of the partnership arrangement remained unclear. We found that management couldn't demonstrate the success of the partnership program. A high-level review of expenses and revenue revealed mixed results with the County netting more revenue with the partnership

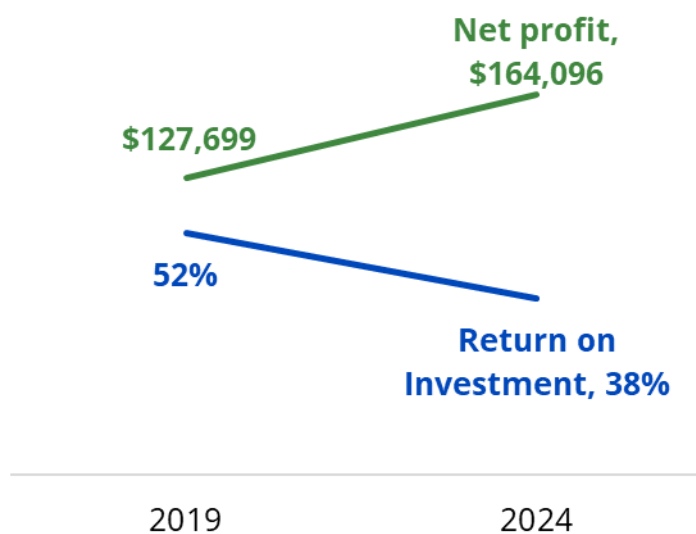
model but with a lower return on investment. The partnership model did not adequately define roles and responsibilities, leaving the County vulnerable to losses of cash and inventory.

We recommend that Fair and Expo management periodically evaluate fair alcohol sales against prior models or other contractors, design a program that limits County risk, and clarify contract language regarding roles and responsibilities.

Fair and Expo management couldn't demonstrate new alcohol program success

The County did not evaluate the new partnership alcohol sales program to the previous in-house model. Auditors performed a high-level review of revenue and expenses, but results were inconclusive. Total alcohol sales were higher in 2024 but the County's return on sales were lower. Net profits increased from \$128,000 in 2019 to \$164,000 in 2024. The return on alcohol decreased from 52 percent to 38 percent.

Figure I: Net profit increased with the new model, but return on investment decreased



If there was a 52 percent return in 2024, profits would have increased from \$164,000 to \$237,000; a \$73,000 difference. Factors other than the program model, such as the cost of labor or supplies, may also have impacted both overall sales and the return on investment.

Fair and Expo management may not be getting the best deal from the Contractor. Buyers usually rely on the free market to ensure they are getting the best price for goods and services. However, in this case, there weren't any other competitors providing the service. Fair and Expo advertised a request for proposals to provide alcohol service management but only one contractor responded.

The Government Finance Officers Association recommends strategic planning processes when executing new initiatives that include monitoring and evaluation. Fair and Expo management reported budget and actual revenue for overall concessions but did not perform more specific evaluation such as comparing alcohol program results to the previous model or returns offered by other contractors.

- 1. Fair and Expo management should periodically evaluate program outcomes including comparison to an in-house program or other contractors if available.***

Confusion about alcohol sales management responsibilities introduced risk

Contracts between governments and private partners should be clear and comprehensive regarding rights and responsibilities between parties, risk allocation, and how to manage change or disputes. Contracts should also include performance requirements that include expectations for quality and quantity of services as well as how performance will be monitored and

maintained.

Unclear contract language and program design exposed the County to risks of losing revenue and inventory.

Though the contract between Fair and Expo and the Contractor managed risk in some areas, others contained unclear language and opened the County to financial risks. On the positive side, the contract required the Contractor to purchase liquor liability insurance.

Other areas of the contract were vague about which party was responsible and increased liability for the County. Fair and Expo staff indicated that the Contractor was responsible for revenue collection and any cash that went missing during sales was the Contractor's responsibility. However, some elements in the contract implied more County control over cash than existed. For example, the contract required policies and procedures developed in conjunction with Fair and Expo management and compliance with County accounting system standards and internal control requirements. Contractor internal controls did not comply with Deschutes County standards. For example, multiple staff shared tills without formal cash transfer documentation and staff did not deposit money daily. Fair and Expo staff said language related to policies and procedures should have been specific to the responsible server guidelines and that requirements to comply with accounting and internal control were only intended to require an electronic point of sale system.

The payment methodology outlined in the contract was contradictory. The Schedule of Performance or Delivery section stated that the Contractor would retain 62 percent of gross sales. The Compensation section stated that the Contractor would provide Deschutes County with 100 percent of gross sales and then invoice for 62 percent of gross sales.

Other critical elements of the program were not included. There was no mention of who owned inventory, how it transferred from one party to another or who was liable for lost inventory. Water

sales were not included in the contract.

The fair alcohol sales program was a patchwork of in-house and concessionaire programs where roles and responsibilities were not clear and introduced risk. Alcohol and revenue transferred among four parties: alcohol distributors, Fair and Expo staff, Oregon Beverage Services staff, and fair attendees.

Step 1: The Contractor paid money to Fair and Expo up front that Fair and Expo used to pay for alcohol.

Step 2: Fair and Expo purchased and paid for alcohol from distributors using the Fair and Expo liquor license.

Step 3: Distributors delivered alcohol to Fair and Expo. The Contractor accepted alcohol and signed invoices indicating receipt.

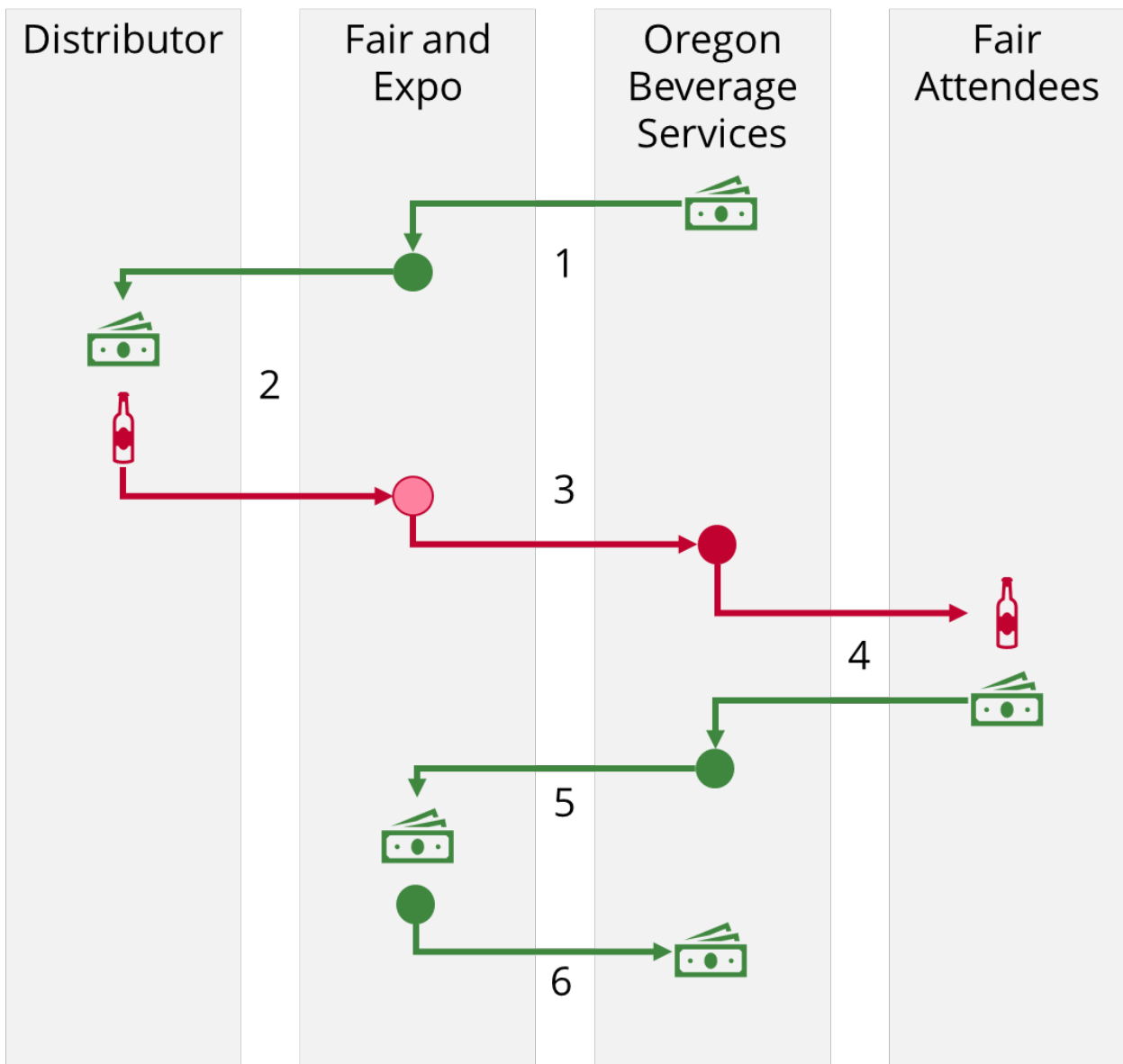
Step 4: The Contractor sold alcohol to Fair attendees, who paid the Contractor.

Step 5: The Contractor paid 100 percent of the revenue to Fair and Expo.

Step 6: Fair and Expo paid 62 percent of the revenue back to the Contractor.

Steps are illustrated in Figure II.

Figure II. County Fair Alcohol Sales Process



This process came with inefficiencies and risks.

Step 1: The Contractor issued blank signed checks to Fair and Expo staff to use to pay for alcohol. Though staff keep the checks in a locked drawer and used them only to pay for alcohol, there was a risk that checks could be stolen and the County could be liable for funds.

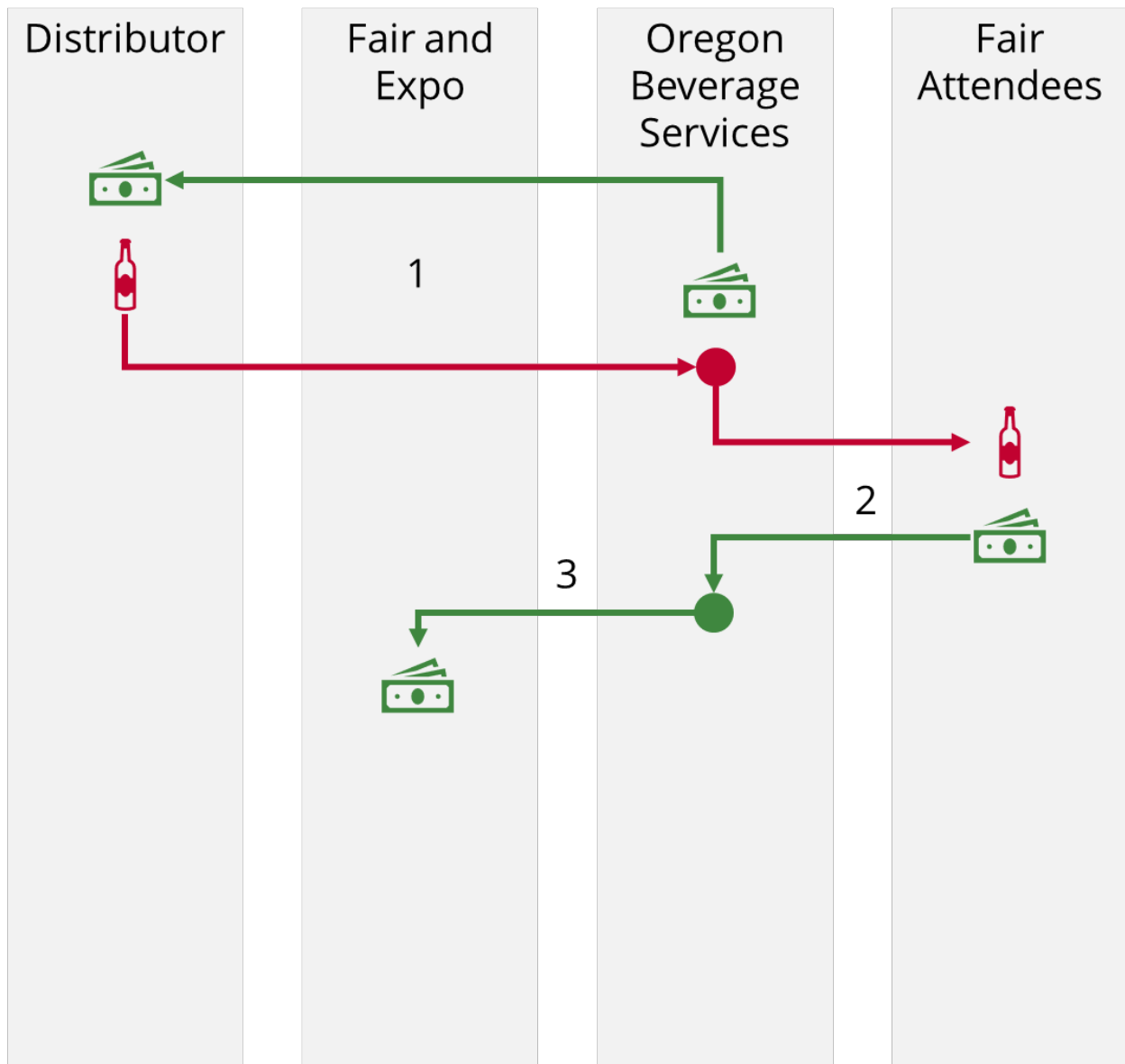
Steps 2 and 3: Ownership of alcohol was uncertain. In some ways, it appeared that alcohol belonged to the County. For example, distributors delivered alcohol to Fair and Expo and the

County's name was on distributor invoices. Fair and Expo staff also said that they preferred to purchase alcohol under their own license because it gave them more flexibility if the Contractor went out of business or was unavailable. In other ways it appeared that alcohol belonged to the Contractor. The Contractor gave Fair and Expo money to purchase alcohol, and the Contractor signed distributor invoices and received inventory. Fair and Expo did not have any inventory controls in place because staff believed the alcohol belonged to the Contractor.

Step 5 and 6: Every time funds transfer between one entity and another, there is some risk. In step 5 the Contractor paid the County 100 percent of revenue from alcohol sales and then in step 6 the County paid the Contractor 62 percent. Step 6 would not be necessary if the Contractor paid the County 38 percent instead of 100 percent.

A simpler process would have the Contractor purchase alcohol directly from distributors and pay Fair and Expo 38 percent of sales instead of 100 percent. This model is more like a traditional concessionaire model.

Figure III: Alcohol sales in a more traditional concessionaire model



Step 1: The Contractor purchases alcohol from distributors.

Step 2: The Contractor sells alcohol to Fair attendees, who pay the Contractor.

Step 3: The Contractor pays 38 percent of the revenue to Fair and Expo.

This model is for illustrative purposes and may also come with drawbacks. Fair and Expo spoke about some of the disadvantages compared to the model in place, but those can also be countered.

Change	Disadvantage Raised by Management	Counter Argument
Having the Contractor purchase alcohol from the distributor.	Alcohol would not belong to Fair and Expo. If the Contractor were to go out of business, Fair and Expo would need to purchase alcohol.	Fair and Expo would not have as much time but could still purchase alcohol using its own license.
Having the Contractor purchase alcohol from the distributor.	Fair and Expo relies on reports from distributors to know how much alcohol is onsite and what the Contractor is selling.	This is not a foolproof control. As a licensed seller itself, the Contractor could still bring other alcohol onsite to sell in the current set-up as well.
Having the Contractor pay 38 percent to Fair and Expo instead of 100 percent.	Fair and Expo staff considered 100 percent of revenue to be theirs and wanted to be in control of the funds to pay any expenses the Contractor did not pay.	The Contractor already reimbursed Fair and Expo for the cost of the alcohol. Other expenses are paid directly by the Contractor and not by Fair and Expo.

Developing a program that makes sense will take consultation with multiple parties including Oregon Beverage Services and County Counsel.

- 2. Fair and Expo management should consult with Oregon Beverage Services and County Counsel to evaluate risks in the current system and consider implementing a program with fewer risks.***

- 3. *If Fair and Expo management decides to proceed with the current program, it should develop stronger liquor inventory controls including a system to document ownership transfer.***

3. Conclusion

According to Fair and Expo management, alcohol sales have the highest profit margin of any product offered at the County Fair. Alcohol sales program changes after Covid-19 closures, from a fully in-house model to a partnership model with an outside Contractor, prompted a review of the new model to determine whether alcohol sales were cost effective. We found mixed results with higher alcohol sales and net profits in 2024 but a lower return on sales. We also found that the partnership model was a patchwork of in-house and concessionaire programs where roles and responsibilities were not clear and introduced loss of cash and inventory risks. We recommended that Fair and Expo management:

1. Periodically evaluate program outcomes including comparison to an in-house program or other contractors if available.
2. Consult with Oregon Beverage Services and County Counsel to evaluate risks in the current system and consider implementing a program with fewer risks.
3. Develop stronger liquor inventory controls including a system to document ownership transfer.

4. Management Response



Audit Report

County Fair and Rodeo Alcohol Sales: Audit Response:

Audit Finding 1: Fair and Expo management should periodically evaluate program outcomes including comparison to an in-house program or other contractors if available.

Response: We appreciate the audit's recommendation and agree on the importance of periodically evaluating the alcohol sales program. While Fair and Expo management currently conducts periodic reviews, we recognize the need for a more robust evaluation moving forward. This will include a thorough comparison to prior models and analysis of potential returns from other contractors, where applicable.

We acknowledge that external factors such as inflation, labor costs, and availability have significantly changed since 2019 and have impacted both sales and return on investment. These factors have been considered in our recent analysis, and we will ensure they are part of future reviews to better understand their impact.

Additionally, we will strengthen the clarity of roles and responsibilities within the partnership model and improve contract language to mitigate risks related to cash and inventory.

Overall, we are committed to improving our review process to ensure the best outcomes for the County while addressing external challenges.

Audit Finding 2: Fair and Expo management should consult with Oregon Beverage Services and County Counsel to evaluate risks in the current system and consider implementing a program with fewer risks.

Response: Consultation with Oregon Beverage Services and County Counsel

We acknowledge the audit's recommendation to consult with Oregon Beverage Services and County Counsel to evaluate the risks associated with the current alcohol sales system. We agree that a more comprehensive evaluation of potential risks and a clearer understanding of our responsibilities under the current program are essential.

As such, we will be coordinating with Oregon Beverage Services and County Counsel to review the current model, identify areas of concern, and explore a program that minimizes risks while maintaining operational effectiveness. We are committed to implementing a system that protects the County and improves the overall efficiency and safety of alcohol sales at Fair & Expo events.

Finding 3: Fair and Expo management should consult with Oregon Beverage Services and County Counsel to evaluate risks in the current system and consider implementing a program with fewer risks.

Response: We recognize the need for stronger liquor inventory controls and agree with the recommendation to implement a system to document ownership transfers and improve tracking. The current model has presented challenges, including confusion about alcohol ownership and the transfer of inventory, which has introduced unnecessary risk.

To address this, we will develop more robust inventory controls to ensure clear documentation of ownership transfers, along with daily reconciliations and proper cash handling procedures. This will include more specific guidelines for the transfer of alcohol, ensuring both parties have clear accountability. Additionally, we will update our procedures to ensure that inventory is monitored and reported accurately and consistently.

Conclusion:

We are committed to enhancing the management of alcohol sales at the Deschutes County Fair & Expo Center by collaborating with Oregon Beverage Services and County Counsel to evaluate and mitigate risks. In parallel, we will implement stronger inventory controls and refine the alcohol sales process to ensure the County is protected, and financial and operational risks are minimized.

Thank you for your valuable insights, and we look forward to ensuring a more efficient and secure system moving forward.

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 Authority

The audit included limited procedures to understand the systems of internal control around alcohol sales. No significant deficiencies were found in this audit. A significant deficiency is defined as an internal control deficiency that could adversely affect the entity's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. The findings noted were primarily compliance and efficiency matters.

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

The audit objective was to determine whether alcohol sales at the County Fair were cost effective. Sub-objectives included



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

determining how the partnership arrangement compared to the prior in-house model and whether cash and inventory were adequately controlled.

The scope included a review of alcohol revenue and expenses from the 2019 and 2024 Deschutes County Fair and Rodeo and a review of the contract in place with Oregon Beverage Services in 2024. The audit took place in the Fall of 2024 after the Fair.

Methodology



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

Audit procedures included:

Interviewing Fair and Expo and Oregon Beverage Services staff about procedures for receiving inventory, selling alcohol, and transferring funds between the County and Contractor.

Reviewing financial data from the County’s financial system related to revenue and expenses from the 2019 and 2024 Fairs.

Reviewing the contract between Fair and Expo and Oregon Beverage Services.

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

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Web: 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/uT5eY5Vdcq>

Or use this QR Code:

Office of County Internal Audit -
County Fair Alcohol Sales #A0117



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

County Fair and Rodeo Alcohol Sales

Net profits higher but
return lower



April 11, 2025

Background

2024 County Fair Numbers



- 100,000 visitors
- \$1 million in admission revenue
- \$455,000 alcohol sales
- \$164,000 net revenue on alcohol



Why Reconsider Alcohol Sales Model

- Excess inventory during Covid-19
- Staff in-charge preparing to retire
- Beer garden model falling out of favor
- Harder to hire temporary staff



Audit Objective

Determine whether alcohol sales at the County Fair are cost effective.



Fieldwork

Compare
Financial
Reports



Review
Procedures
and
Documents

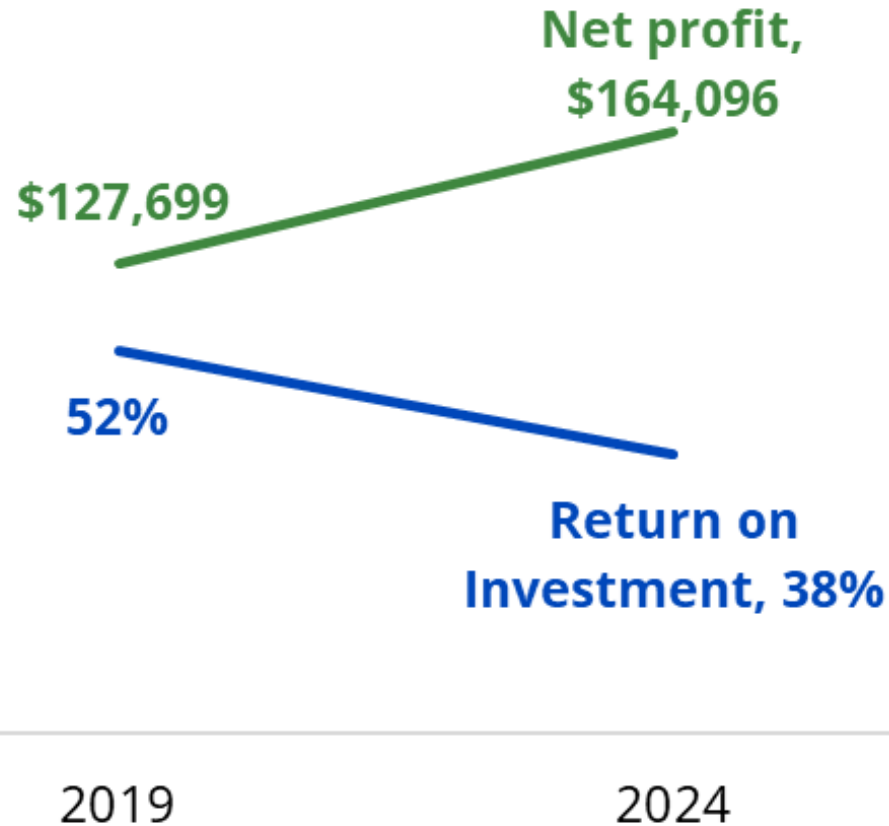


Onsite
Observation
Sales and
Inventory



Findings and Recommendations

Can't demonstrate program success

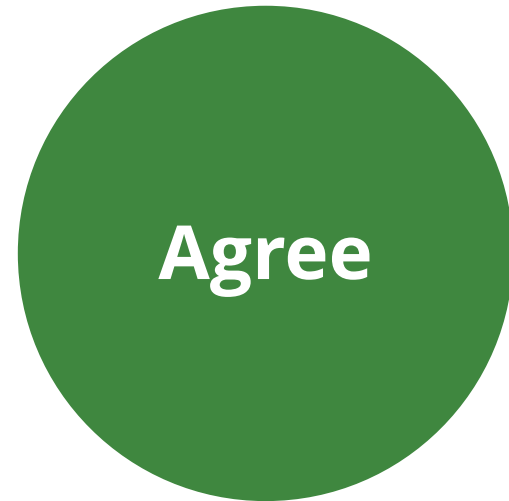


2024:
\$237,000
net profit at
52% return



Recommendation

- 1 Periodically evaluate program outcomes. Compare to in-house program or other contractors if available.



Confusion causes risk: Contract

Some elements imply more control over cash than exist

- Requirement for policies and procedures
- Accounting system and internal control requirements
- Turning over 100 percent of sales to Fair and Expo

Method of payment is not clear

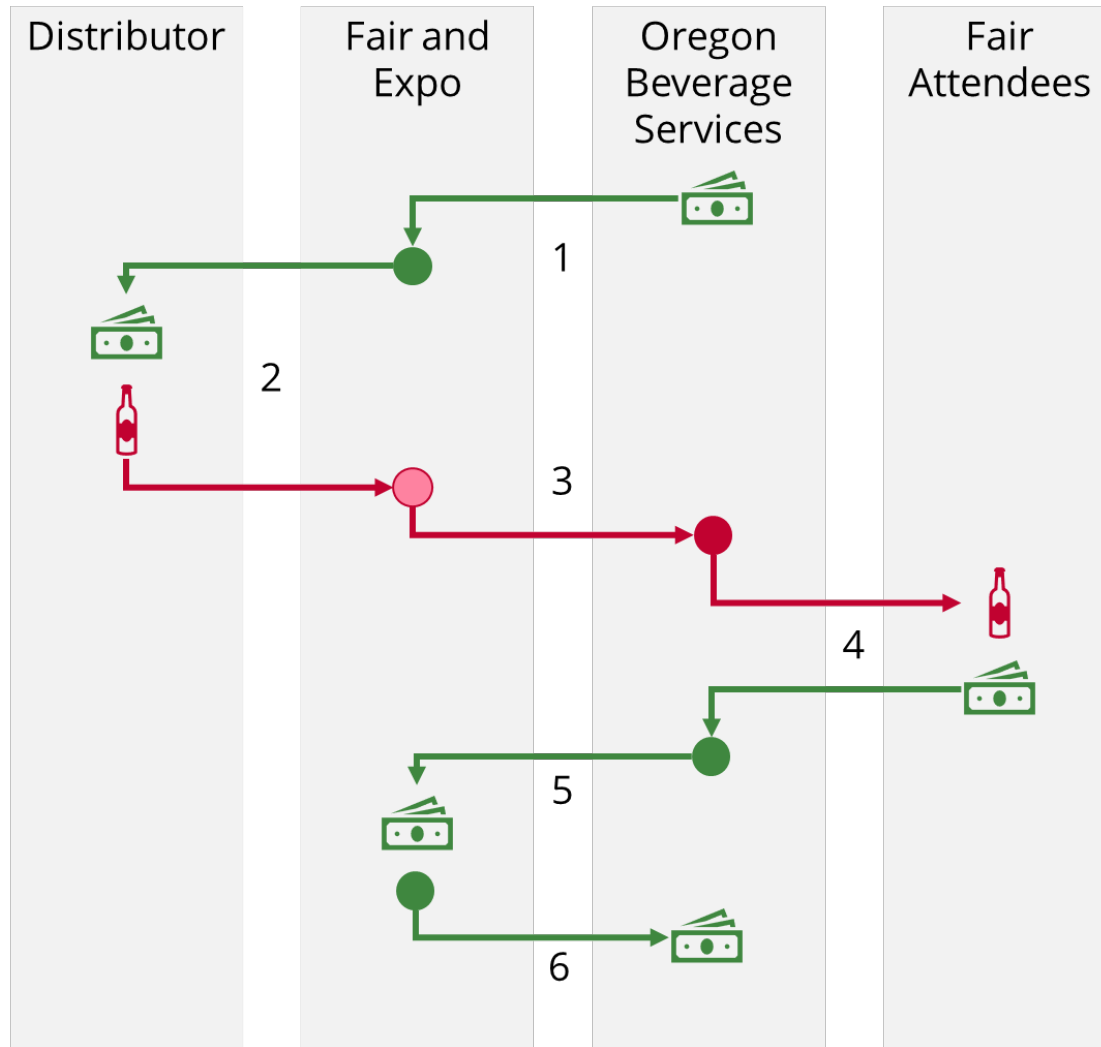
- Schedule of Performance or Delivery section states that OBS will retain 62 percent of gross sales.
- Compensation section states that OBS will provide Deschutes County with 100 percent of gross sales and then invoice DCFE for 62 percent of gross sales.

Inventory not included

Water sales not included



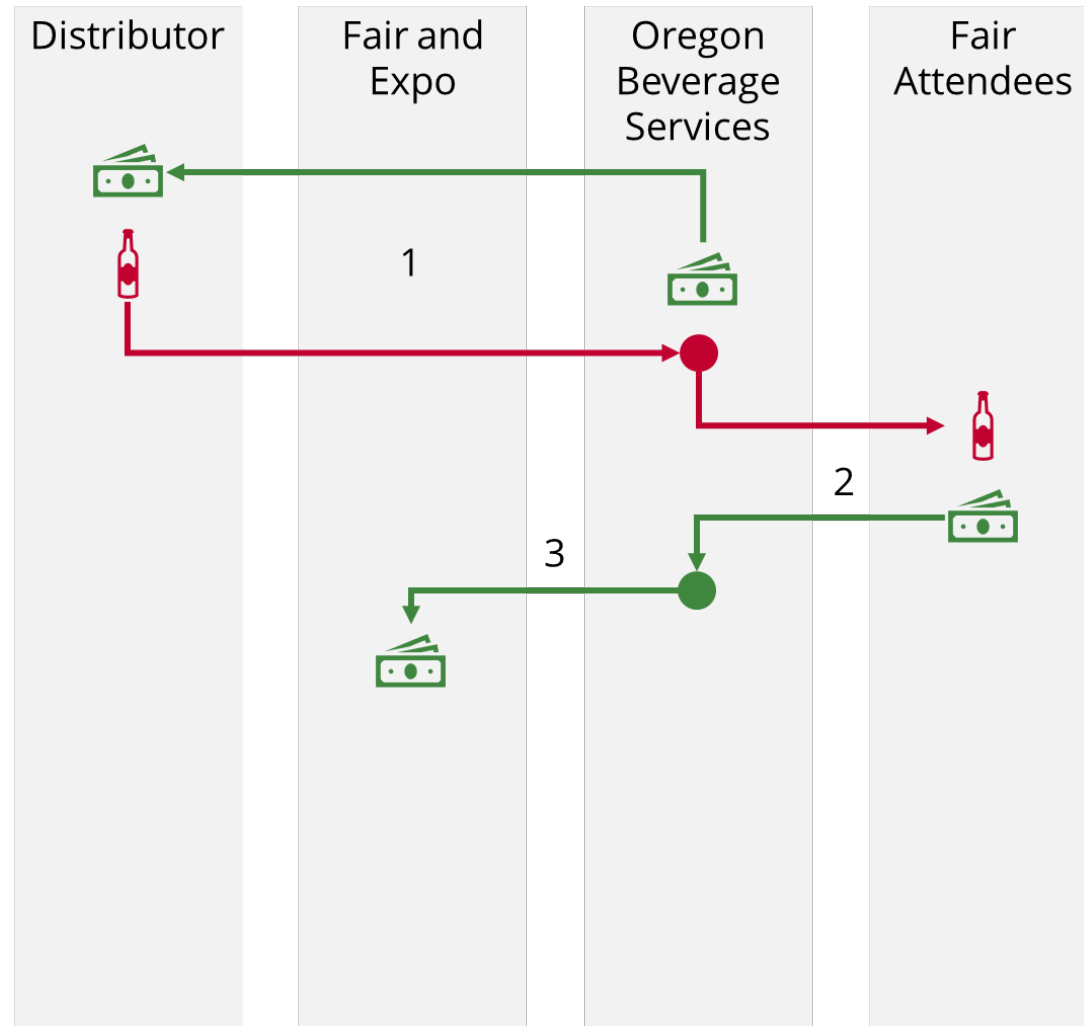
Confusion causes risk: Design



1. The Contractor paid money to Fair and Expo upfront that Fair and Expo used to pay for alcohol.
2. Fair and Expo purchased and paid for alcohol from distributors using the Fair and Expo liquor license.
3. Distributors delivered alcohol to Fair and Expo. The Contractor accepted alcohol and signed invoices indicating receipt.
4. The Contractor sold alcohol to Fair attendees, who paid the Contractor.
5. The Contractor paid 100 percent of the revenue to Fair and Expo.
6. Fair and Expo paid 62 percent of the revenue back to the Contractor.



Confusion causes risk: Design

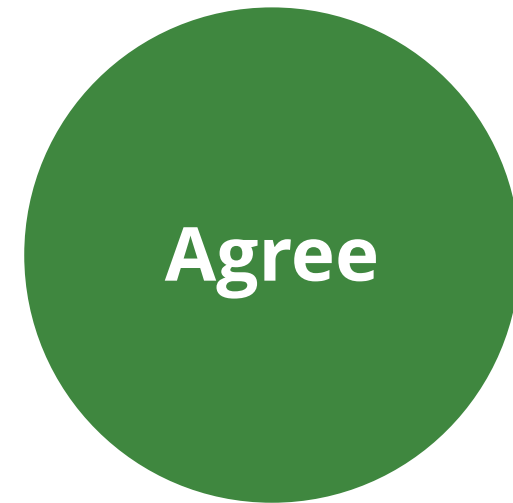


1. The Contractor purchases alcohol from distributors.
2. The Contractor sells alcohol to Fair attendees, who pay the Contractor.
3. The Contractor pays 38 percent of the revenue to Fair and Expo.



Recommendations

- 2 Fair and Expo management should consult with Oregon Beverage Services and County Counsel to evaluate risks in the current system and consider implementing a program with fewer risks.
- 3 If Fair and Expo decides to proceed with the current program, it should develop stronger liquor inventory controls including a system to document ownership transfer.



Questions and Comments?

Complete the Survey!








Custom Developed Software Follow-up Report: New policy implemented; additional improvements planned.

March 2025 Our [2024 audit of custom developed software](#) found increasing reliance on decentralized information technology without robust governance, documentation, and oversight to mitigate custom software development risks. Nine months later, the Information Technology Department created a new policy to guide software development across departments but additional procedures to increase security, efficiency, and performance were still in the planning stages.



Recommendation Status Key:

 2 Resolved <i>Management addressed risk. Auditors will no longer monitor.</i>	 11 In Process <i>Recommendations are in progress. Auditors will continue to monitor.</i>	 0 Accept Risk <i>Management accepted the risk of not implementing the recommendation.</i>
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New custom-developed software policy nearly complete.

Resolved 

Outdated technology policies, some nearly 20 years old, did not address system architecture documentation for custom software raising the risk of incomplete security practices. We recommend that Information Technology develop and implement a policy for custom-software development identifying security and privacy requirements for all projects throughout the County. The Department prioritized developing a policy for custom developed software, stating, “We cannot afford to underestimate the consequences of security incidents, as any self-inflicted incident could have severe financial and reputational repercussions for the County as a whole.” As of March 2025, a policy was substantially complete with expected final approval by the Board of County Commissioners in the Spring.

Uniform coding standards to be adopted.

Resolved 

Department software developers did not have a consistent approach to coding and County technology policies did not include unified coding standards. Without a documented process, software implementation faced inefficiencies, inconsistencies, delays, errors, and increased costs. We recommended that Information Technology develop and implement a policy for

custom-software development, defining unified coding standards for all County developers. The Department stated that unified coding standards would “ensure that all developers operate from the same playbook, promoting coherence and efficiency in our coding practices” promoting efficiency, collaboration, transparency, and accountability. A proposed policy included coding standards and was substantially complete as of March 2025, with final approval expected by the Board of County Commissioners in the Spring.

Software advisory body planned.

In Process



Staff in various departments made decisions about software without documenting risks or countywide considerations about performance and security. We recommended that Information Technology lead the way in developing a central advisory body to drive a project-centric investment process to support executive decision making. The Department agreed that establishing of an advisory body would be a great step towards enhancing the technology investment process, but also noted that it would take a significant amount of effort, as many as 240 hours of work. Staff estimated a completion date of December 2026. At the time of the March 2025 update, the Department had not reported any specific steps taken to establish the committee.

Cost framework delayed for input from advisory body.

In Process



Departmental staff did not have countywide information about the full cost of custom software and in some cases considered custom software to be "free" despite potentially higher costs than commercial products. We recommended that Information Technology develop and implement a policy for custom-software

development, outlining a standardized methodology for determining costs associated with projects throughout the County. The Department agreed a framework would improve transparency and accountability, but but felt a countywide advisory committee would add a business perspective to technical decision making. Staff anticipated forming the committee would be significant work, with completion expected by June 2027. As of March 2025, the Department had not reported any steps toward establishing the committee or creating a cost methodology.

For the time-being, reliance on other departments to identify software.

In Process



Central Information Technology staff inherited custom software when department developers left, sometimes unaware of these projects, leading to unexpected maintenance costs. We recommended that Information Technology 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. The Department agreed that identifying assets supports lifecycle management but emphasized the need for cooperation from other departments. They anticipated creating a policy for mandatory reporting by June 2027. At the time of the March 2025 update, the Department had not reported any specific steps taken to create a policy.

County continued to depend on employees for institutional knowledge about software.

In Progress



Developers inconsistently recorded software architecture resulting in gaps in understanding and documentation of security and privacy requirements. We recommended Central Information Technology develop and implement a policy for custom-software

development incorporating formal documentation of system architecture for all projects throughout the County. The Department committed to implementation and noted risks associated with siloed software development stating “in today's dynamic technological landscape, relying solely on individual employees to hold institutional knowledge is a risk and no longer a sustainable practice.” The Department anticipated completing the recommendation by June 2027, and did not report any progress for the March 2025 update.

New system for independent software testing still in progress.

In Process 

There was no independent quality review for most custom applications because most involved only one developer in design. This not only fostered departmental and developer siloing but also heightened the risk of software flaws. We recommended that Central Information Technology develop and implement a policy for custom-software development, defining standardized testing conditions and criteria for all projects throughout the County. The Department accepted the recommendation because testing conditions and criteria “not only streamline our testing processes but also create opportunities for mutual support and collaboration.” The Department anticipated completing the recommendation by June 2027, and did not report any progress for the March 2025 update.

Secure repository for software development delayed due to budget issues.

In Process 

Staff did not keep some applications in a secure repository that could ensure source code protection and version control. Version control not only tracks modifications made to the code but also provides the ability to revert to previous versions if needed,

thereby protecting against accidental or malicious changes during testing. We recommended that Central Information Technology provide access to the secure repository for all County developers. The Department recognized the importance of this recommendation, and hoped to implement it by September 2025. However, providing access to the repository required a \$1,800 investment which was not included in the Fiscal Year 2026 budget. The Department was still planning to implement the recommendation.

Policy for comprehensive system and user documentation still in development.

In Process



To support the development of software-related service agreements, we recommended Central Information Technology develop and implement a policy for custom-software development, requiring comprehensive system and user documentation for software applications throughout the County. The Department stated that it was already documenting aspects of software applications, but that standardization would increase documentation efficiency while also making it easier for end-users to access documentation to navigate, use, and troubleshoot software. The Department anticipated completing the recommendation by June 2027, and did not report any progress for the March 2025 update.

Software services agreements planned but not in place.

In Process



Developers and software stakeholders did not formally document the purpose, scope, roles, responsibilities, management commitment, or coordination between departments and elected offices for deployed custom developed software. Without clear agreements in place, there was a heightened risk of

inconsistencies, misunderstandings, and mismanagement of software deployment processes. We recommended that Central Information Technology establish internal agreements with departments requesting developed software or when inheriting maintenance responsibilities. The Department committed to implement agreements to clarify service expectations and resource requirements, but noted that it would take significant work to create agreements for the many already built solutions across the County. The Department anticipated completing the recommendation by June 2027, and did not report any progress for the March 2025 update

Policy for custom software maintenance planned for completion in 2027.

In Process 

There was not a policy to guide software maintenance including identifying and fixing bugs or errors, implementing updates or patches to address vulnerabilities, optimizing performance, and change management. We recommended that Central Information Technology develop and implement a policy for custom-software development maintenance protocols throughout the County. The Department agreed, stating “Security issues are a significant concern in today's digital landscape, and regular maintenance is essential for mitigating these risks.” The Department anticipated completing the recommendation by June 2027, and did not report any progress for the March 2025 update.

Staff planning to track maintenance costs but no progress reported.

In Progress 

Staff maintained custom software, but did not track maintenance costs or time spent. We recommended that Central Information Technology continue efforts to capture data for maintaining custom-developed software and make those tools available to

other information technology personnel. The Department had already identified this need and noted that real-time data would help optimize resources and mitigate risks. The department acknowledged that this was a large project that would take significant labor to roll out, but with a budget of \$30,000 a year, it planned to complete the recommendation by June 2025. It did not report any progress for the March 2025 update.

Custom software performance measures still in development.

In Process



Staff could not access data about software maintenance to assess software performance to aid decisions about whether to update or retire software. We recommended that Central Information Technology use collected data to create performance measures for custom-developed software. The Department planned to implement the recommendation and noted several potential advantages: understanding successes, insights about value and efficiency, understanding whether solutions continue to meet evolving needs, and identifying when software should be retired. The Department anticipated completing the recommendation by June 2027, and did not report any progress for the March 2025 update.

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.

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Office of the County Internal Auditor

Custom Developed Software

Original audit published
5/13/24



April 11, 2025

Background

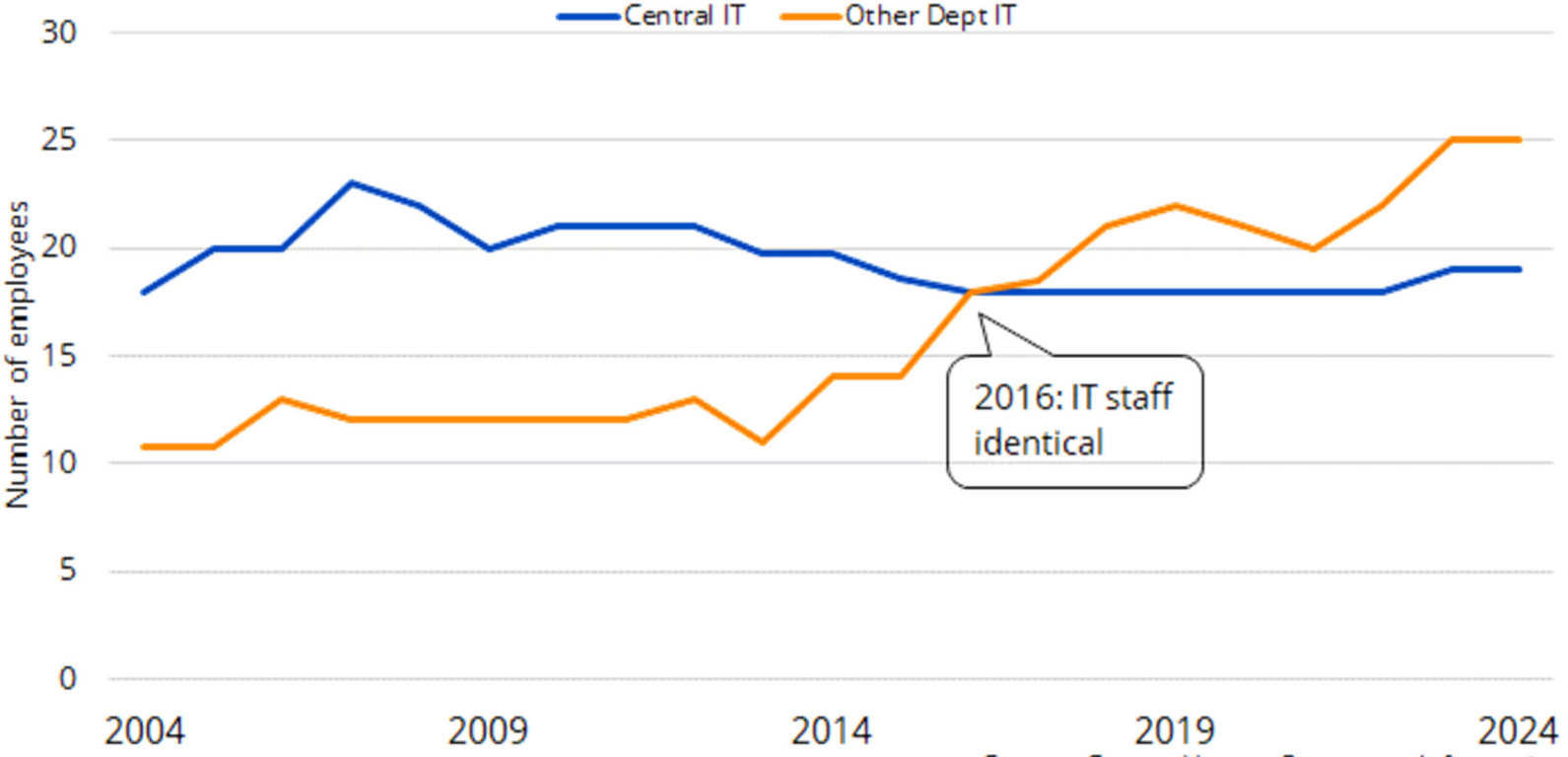
Software Development Process



Source: Amazon Web Services



More IT employees outside of Department



Source: County Human Resources Information



Pros and Cons of Organizational Structure

IT Structure



Centralized

Advantages

Consistency
Economies of Scale
Efficiency

Disadvantages

Rigidity
Slowness
Bureaucracy



Federated

Adaptability
Responsiveness
Proximity

Inequity
Unrealized savings
Duplication



Recommendation Updates

New policy implemented, additional improvements planned



2

Resolved

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



11

In Process

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



0

Accept Risk

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



New custom-developed software policy nearly complete.

Resolved



We Found

20-year-old policies did not address system architecture documentation for custom software raising the risk of incomplete security practices.

We Recommended

Information Technology develop and implement a policy for custom-software development identifying security and privacy requirements for all projects throughout the County.

Update

a policy was substantially complete with expected final approval by the Board of County Commissioners in the Spring.



Uniform coding standards to be adopted.

Resolved



We Found

Without a consistent approach to coding, software implementation faced inefficiencies, inconsistencies, delays, errors, and increased costs.

We Recommended

Information Technology develop and implement a policy for custom-software development, defining unified coding standards for all County developers.

Update

The proposed policy included coding standards.



Software advisory body planned.

In Process



We Found

Staff in various departments made decisions about software without documenting risks or countywide considerations about performance and security.

We Recommended

Information Technology lead the way in developing a central advisory body to drive an investment process to support executive decision making.

Update

Staff anticipated forming the committee would be significant work, with completion expected by June 2027.



Cost framework delayed for input from advisory body.

In Process



We Found

Departmental staff did not have information about full costs and considered custom software to be "free" despite potentially higher costs.

We Recommended

Information Technology develop a standardized methodology for determining costs associated with projects.

Update

The Department noted it would take significant effort, as many as 240 hours of work, and estimated a completion in December 2026.



For the time-being, reliance on other departments to identify software.

In Process



We Found

Information Technology staff inherited custom software when department developers left, sometimes unaware of these projects.

We Recommended

Information Technology develop and implement a policy requiring annual reporting of all software applications.

Update

Anticipated completion June 2027.



County continued to depend on employees for institutional knowledge about software.

In Process



We Found

Developers inconsistently recorded software architecture resulting in gaps in understanding and documentation of security and privacy requirements.

We Recommended

Information Technology develop and implement a policy incorporating formal documentation of system architecture for all projects throughout the County.

Update

Anticipated completion June 2027.



New system for independent software testing still in progress.

In Process



We Found

There was no independent quality review for most custom applications because most involved only one developer in design.

We Recommended

Information Technology develop and implement a policy for custom-software development, defining standardized testing conditions and criteria for all projects throughout the County.

Update

Anticipated completion June 2027.



Secure repository for software development delayed due to budget issues.

In Process



We Found

Staff did not keep some applications in a secure repository that could ensure source code protection and version control.

We Recommended

Information Technology provide access to the secure repository for all County developers.

Update

The Department hoped to implement by September 2025. However, a required \$1,800 investment was not included in the Fiscal Year 2026 budget



Policy for comprehensive system and user documentation still in development.

In Process



We Found

Developers and stakeholders did not document the purpose, scope, roles, responsibilities, management commitment for custom software.

We Recommended

Information Technology develop and implement a policy for custom-software development, requiring comprehensive system and user documentation for software applications.

Update

Anticipated completion June 2027.



Software services agreements planned but not in place.

In Process



We Found

Without clear agreements in place, there was a risk of inconsistencies, misunderstandings, and mismanagement of software deployment processes.

We Recommended

Information Technology establish internal agreements with departments requesting developed software or when inheriting maintenance responsibilities.

Update

Anticipated completion June 2027.



Policy for custom software maintenance planned for completion in 2027.

In Process



We Found

There was not a policy to guide software maintenance including identifying and fixing bugs or implementing updates or patches.

We Recommended

Information Technology develop and implement a policy for custom-software development maintenance protocols throughout the County.

Update

Anticipated completion June 2027.



Staff planning to track maintenance costs but no progress reported.

In Process



We Found

Staff maintained custom software, but did not track maintenance costs or time spent.

We Recommended

Information Technology continue efforts to capture data for maintaining custom-developed software and make those tools available to other personnel.

Update

With a budget of \$30,000 a year, the Department planned completion by June 2025, but did not report progress for the March 2025 update.



Custom software performance measures still in development.

In Process



We Found

Staff could not access data about software maintenance to assess software performance to aid decisions about whether to update or retire software.

We Recommended

Information Technology use collected data to create performance measures for custom-developed software.

Update

Anticipated completion June 2027.



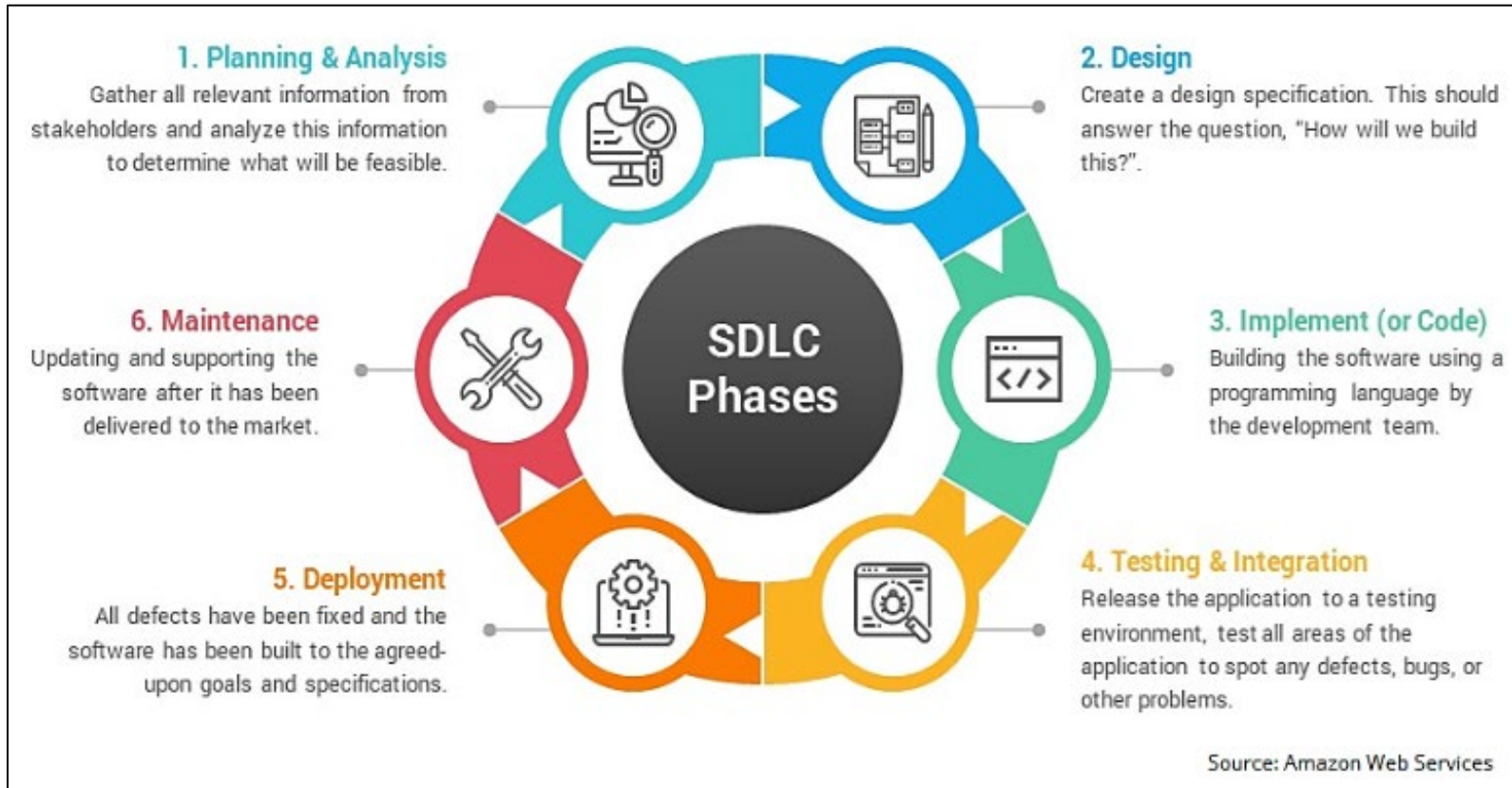
Next Steps

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



Questions and Comments?








Custom Developed Software Follow-up Report: New policy implemented; additional improvements planned.

March 2025 Our [2024 audit of custom developed software](#) found increasing reliance on decentralized information technology without robust governance, documentation, and oversight to mitigate custom software development risks. Nine months later, the Information Technology Department created a new policy to guide software development across departments but additional procedures to increase security, efficiency, and performance were still in the planning stages.



Recommendation Status Key:

 2 Resolved <i>Management addressed risk. Auditors will no longer monitor.</i>	 11 In Process <i>Recommendations are in progress. Auditors will continue to monitor.</i>	 0 Accept Risk <i>Management accepted the risk of not implementing the recommendation.</i>
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New custom-developed software policy nearly complete.

Resolved 

Outdated technology policies, some nearly 20 years old, did not address system architecture documentation for custom software raising the risk of incomplete security practices. We recommend that Information Technology develop and implement a policy for custom-software development identifying security and privacy requirements for all projects throughout the County. The Department prioritized developing a policy for custom developed software, stating, "We cannot afford to underestimate the consequences of security incidents, as any self-inflicted incident could have severe financial and reputational repercussions for the County as a whole." As of March 2025, a policy was substantially complete with expected final approval by the Board of County Commissioners in the Spring.

Uniform coding standards to be adopted.

Resolved 

Department software developers did not have a consistent approach to coding and County technology policies did not include unified coding standards. Without a documented process, software implementation faced inefficiencies, inconsistencies, delays, errors, and increased costs. We recommended that Information Technology develop and implement a policy for

custom-software development, defining unified coding standards for all County developers. The Department stated that unified coding standards would “ensure that all developers operate from the same playbook, promoting coherence and efficiency in our coding practices” promoting efficiency, collaboration, transparency, and accountability. A proposed policy included coding standards and was substantially complete as of March 2025, with final approval expected by the Board of County Commissioners in the Spring.

Software advisory body planned.

In Process



Staff in various departments made decisions about software without documenting risks or countywide considerations about performance and security. We recommended that Information Technology lead the way in developing a central advisory body to drive a project-centric investment process to support executive decision making. The Department agreed that establishing of an advisory body would be a great step towards enhancing the technology investment process, but also noted that it would take a significant amount of effort, as many as 240 hours of work. Staff estimated a completion date of December 2026. At the time of the March 2025 update, the Department had not reported any specific steps taken to establish the committee.

Cost framework delayed for input from advisory body.

In Process



Departmental staff did not have countywide information about the full cost of custom software and in some cases considered custom software to be "free" despite potentially higher costs than commercial products. We recommended that Information Technology develop and implement a policy for custom-software

development, outlining a standardized methodology for determining costs associated with projects throughout the County. The Department agreed a framework would improve transparency and accountability, but but felt a countywide advisory committee would add a business perspective to technical decision making. Staff anticipated forming the committee would be significant work, with completion expected by June 2027. As of March 2025, the Department had not reported any steps toward establishing the committee or creating a cost methodology.

For the time-being, reliance on other departments to identify software.

In Process



Central Information Technology staff inherited custom software when department developers left, sometimes unaware of these projects, leading to unexpected maintenance costs. We recommended that Information Technology 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. The Department agreed that identifying assets supports lifecycle management but emphasized the need for cooperation from other departments. They anticipated creating a policy for mandatory reporting by June 2027. At the time of the March 2025 update, the Department had not reported any specific steps taken to create a policy.

County continued to depend on employees for institutional knowledge about software.

In Progress



Developers inconsistently recorded software architecture resulting in gaps in understanding and documentation of security and privacy requirements. We recommended Central Information Technology develop and implement a policy for custom-software

development incorporating formal documentation of system architecture for all projects throughout the County. The Department committed to implementation and noted risks associated with siloed software development stating “in today's dynamic technological landscape, relying solely on individual employees to hold institutional knowledge is a risk and no longer a sustainable practice.” The Department anticipated completing the recommendation by June 2027, and did not report any progress for the March 2025 update.

New system for independent software testing still in progress.

In Process



There was no independent quality review for most custom applications because most involved only one developer in design. This not only fostered departmental and developer siloing but also heightened the risk of software flaws. We recommended that Central Information Technology develop and implement a policy for custom-software development, defining standardized testing conditions and criteria for all projects throughout the County. The Department accepted the recommendation because testing conditions and criteria “not only streamline our testing processes but also create opportunities for mutual support and collaboration.” The Department anticipated completing the recommendation by June 2027, and did not report any progress for the March 2025 update.

Secure repository for software development delayed due to budget issues.

In Progress



Staff did not keep some applications in a secure repository that could ensure source code protection and version control. Version control not only tracks modifications made to the code but also provides the ability to revert to previous versions if needed,

thereby protecting against accidental or malicious changes during testing. We recommended that Central Information Technology provide access to the secure repository for all County developers. The Department recognized the importance of this recommendation, and hoped to implement it by September 2025. However, providing access to the repository required a \$1,800 investment which was not included in the Fiscal Year 2026 budget. The Department was still planning to implement the recommendation.

Policy for comprehensive system and user documentation still in development.

In Process



To support the development of software-related service agreements, we recommended Central Information Technology develop and implement a policy for custom-software development, requiring comprehensive system and user documentation for software applications throughout the County. The Department stated that it was already documenting aspects of software applications, but that standardization would increase documentation efficiency while also making it easier for end-users to access documentation to navigate, use, and troubleshoot software. The Department anticipated completing the recommendation by June 2027, and did not report any progress for the March 2025 update.

Software services agreements planned but not in place.

In Process



Developers and software stakeholders did not formally document the purpose, scope, roles, responsibilities, management commitment, or coordination between departments and elected offices for deployed custom developed software. Without clear agreements in place, there was a heightened risk of

inconsistencies, misunderstandings, and mismanagement of software deployment processes. We recommended that Central Information Technology establish internal agreements with departments requesting developed software or when inheriting maintenance responsibilities. The Department committed to implement agreements to clarify service expectations and resource requirements, but noted that it would take significant work to create agreements for the many already built solutions across the County. The Department anticipated completing the recommendation by June 2027, and did not report any progress for the March 2025 update

Policy for custom software maintenance planned for completion in 2027.

In Process 

There was not a policy to guide software maintenance including identifying and fixing bugs or errors, implementing updates or patches to address vulnerabilities, optimizing performance, and change management. We recommended that Central Information Technology develop and implement a policy for custom-software development maintenance protocols throughout the County. The Department agreed, stating "Security issues are a significant concern in today's digital landscape, and regular maintenance is essential for mitigating these risks." The Department anticipated completing the recommendation by June 2027, and did not report any progress for the March 2025 update.

Staff planning to track maintenance costs but no progress reported.

In Progress 

Staff maintained custom software, but did not track maintenance costs or time spent. We recommended that Central Information Technology continue efforts to capture data for maintaining custom-developed software and make those tools available to

other information technology personnel. The Department had already identified this need and noted that real-time data would help optimize resources and mitigate risks. The department acknowledged that this was a large project that would take significant labor to roll out, but with a budget of \$30,000 a year, it planned to complete the recommendation by June 2025. It did not report any progress for the March 2025 update.

Custom software performance measures still in development.

In Process



Staff could not access data about software maintenance to assess software performance to aid decisions about whether to update or retire software. We recommended that Central Information Technology use collected data to create performance measures for custom-developed software. The Department planned to implement the recommendation and noted several potential advantages: understanding successes, insights about value and efficiency, understanding whether solutions continue to meet evolving needs, and identifying when software should be retired. The Department anticipated completing the recommendation by June 2027, and did not report any progress for the March 2025 update.

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.

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Office of the County Internal Auditor

Clerk's Office Integrated Audit

Original audit published
6/6/24



April 11, 2025

Background

Clerk's Office Mission

- overseeing elections and voter registration,
- maintaining County records,
- recording real property and marriage licenses,
- coordinating the Property Value Appeals Board,
- acting as the custodian of County historical records dating back to 1871



Recommendation Updates

Stronger IT controls, cash and procurement risks persist



*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.*



Additional segregation of duties control did not negatively impact customer service.

Resolved



We Found

Low occurrence rates for times when employees created and reviewed documents raised doubts about why segregations of duties was over-ridden.

We Recommended

The Clerk's Office analyze how often and when staff need to review a document they recorded and then decide whether recording and reviewing duties should be segregated.

Update

The Clerk's Office found it was possible to use software controls to segregate recording and reviewing without negatively impacting customer service.



Segregation of recording and reviewing duties decreased risk of errors.

Resolved



We Found

Staff disabled segregation of duties settings in document recording software, increasing the risk of mistakes and errors.

We Recommended

If the Clerk's Office decided record and review duties should be segregated, it should re-enable controls in the information system to enforce segregation.

Update

The Office enabled software controls to segregate roles to ensure no single person could record and verify their own work.



Management chose to implement new controls on voided receipts.

Resolved



We Found

Management allowed staff to void receipts because of low staffing levels. However, voids were rare with no voided receipts on most days.

We Recommended

The Office document workflow impacts of requiring supervisor voids and then decide whether voids should require supervisor authorization.

Update

The Office reactivated settings requiring supervisor approval on voided receipts.



Management replaced undocumented controls with software controls on voided receipts.

Resolved



We Found

Management disabled settings that prevented staff from voiding their own receipts, and did not document compensating controls.

We Recommended

The Office decided whether voids should require supervisor authorization, and either use controls in the information system to enforce authorization or document other compensating controls.

Update

The Office re-activated settings requiring supervisor approval on voided receipts.



Management stopped using a generic password in lieu of analyzing how often it was needed.

Resolved



We Found

Staff shared password for times when another staffer used a workstation that was previously used, but had not documented how often it was needed.

We Recommended

The Clerk's Office review how staff used the generic account including how often it was used.

Update

Instead of performing this analysis, the Office stopped using a generic username and password for computer access.



Staff no longer sharing passwords.

Resolved



We Found

Staff shared password for times when another staffer used a workstation that was previously used, but said there were other compensating controls.

We Recommended

If the Office continued to use the generic account, it should formally accept and document the risks associated with its use.

Update

The Office stopped using a generic username and password for computer access.



Purchasing card secured.

Resolved



We Found

The purchasing card was unsecured during business hours, creating potential for staff to make disallowed or personal purchases without identification.

We Recommended

The Clerks' Office assign someone to keep the payment card secured.

Update

Management secured the purchasing card under lock and key except when in use.



Commitment to improved performance reporting.

Resolved



We Found

The Clerk's Office had performance measures, but they didn't provide clear information about how well the Office functioned.

We Recommended

The Office improve performance reporting.

Update

The Office updated measures to reflect the correct status and stated that moving forward, it would continue to assess metrics to ensure they offered meaningful insights and aligned with County goals.



County Code clarified to assign Weed Control program requirements to Road Department.

Resolved



We Found

The Clerk's Office still had not requested a change to Code to move responsibility for Weed Control program requirements to the Road Department.

We Recommended

The Clerk's Office request that the Board of County Commissioners amend County Code to give responsibility to the Road Department.

Update

The code was amended in June 2024.



Fraud risk assessment still pending.

In Process



We Found

The Office had some risky financial practices in place but had not conducted a fraud assessment to formally document acceptance of associated risks.

We Recommended

The Clerk's Office conduct a fraud risk assessment and document outcomes.

Update

The Office committed to explore conducting a fraud risk assessment by April 2025. At the time of the update, it had not reported any progress.



No progress reported on procedures to resolve risky cash handling practices.

In Process



We Found

No fraud was discovered, but the Clerk's Office had incomplete documentation for mitigating cash handling risks.

We Recommended

The Clerk's Office document and implement procedures to address fraud risks identified in the risk assessment.

Update

The Office committed to explore conducting a fraud risk assessment by April 2025. At the time of the update, it had not reported any progress.



Preliminary conversations with Procurement Manager, but no changes yet.

In Process



We Found

The Clerk's Office inconsistently complied with County rules for procurement.

We Recommended

the Clerk's Office consult with the new procurement staffer about procurement requirements.

Update

The Office planned to have the recommendation implemented by December 2024 but had not completed it at the time of the March 2025 update.



Discrepancies with County procurement rules not yet resolved.

In Process



We Found

A review of Clerk’s Office payments to its highest paid vendors revealed discrepancies with County rules.

We Recommended

The Clerk’s Office conduct competitive procurements, put contracts in place, and get Administrator signoff related to services identified in the audit.

Update

The Office planned to have the recommendation implemented by December 2024 but had not completed it at the time of the March 2025 update.



Next Steps

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



Questions and Comments?








County Legal Integrated Audit Follow-up: Fraud risks addressed but performance reporting still pending

March 2025

Our [2024 audit of the County Legal Department](#) found areas for improvement related to performance reporting and cash handling. Nine months later, the Department conducted a fraud risk assessment and updated procedures such as a new cash handling policy with better segregation of duties. The Department was still working on updating performance measures to better describe what the Department does and how well it does it.



Recommendation Status Key:

 2 Resolved <i>Management addressed risk. Auditors will no longer monitor.</i>	 1 In Process <i>Recommendations are in progress. Auditors will continue to monitor.</i>	 0 Accept Risk <i>Management accepted the risk of not implementing the recommendation.</i>
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Risk areas identified and addressed.

Resolved



Initial finding: When any organization collects revenue there is always the potential for fraud. The Department had not conducted and documented a fraud risk assessment to brainstorm ideas about how someone might defraud the County and then come up with processes to prevent it from happening.

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

Update: County Legal conducted fraud risk assessment identifying risks related to cash receipting, purchasing and office supply inventory. The Department adopted procedures to address these risks.

New procedures segregate duties to protect revenue.

Resolved



Initial finding: No fraud was discovered, but the Legal Department did not have documented procedures for mitigating cash handling risks.

Recommendation: County Legal should document and implement procedures to address fraud risks identified in risk assessments.

Update: County Legal created and implemented a check handling policy that segregates duties.

More descriptive performance reporting
in the works.

In Process



Initial finding: The Legal Department's performance reporting did not provide clear information about how well it functioned.

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

Update: The Department said it would report on improved measures prior to the start of the Fiscal Year 2026 budget cycle. At the time of the March 2025 update the measures were not updated yet.

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

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Office of the County Internal Auditor

County Legal Integrated Audit

Original audit published
6/17/24



April 11, 2025

Background

Provides Legal Services and Advice to

- the Board of County Commissioners
- leadership of elected and appointed departments and offices
- other boards and commissions
- County employees



Staff

- County Counsel (appointed by Board)
- Four attorneys
- Two paralegals



Services

- general counsel
- litigation
- planning and code enforcement
- employment and labor
- procurement and contracting
- public records requests



Recommendation Updates

Fraud risks addressed, performance reporting still pending



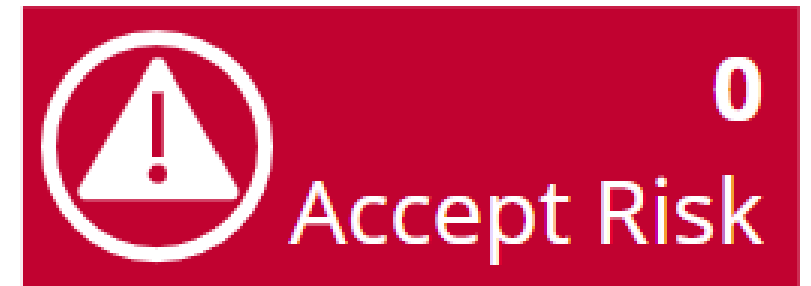
2
Resolved

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



1
In Process

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



0
Accept Risk

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



Risk areas identified and addressed.

Resolved



We Found

The Department had not conducted and documented a fraud risk assessment to brainstorm ideas.

We Recommended

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

Update

County Legal conducted a fraud risk assessment identifying risks related to cash receipting, purchasing and office supply inventory. The Department adopted procedures to address these risks.



New procedures segregate duties to protect revenue.

Resolved



We Found

The Legal Department did not have documented procedures for mitigating cash handling risks.

We Recommended

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

Update

County Legal created and implemented a check handling policy that segregates duties.



More descriptive performance reporting in the works.

In Process



We Found

The Legal Department's performance reporting did not provide clear information about how well it functioned.

We Recommended

County Legal should create new performance measures that are more useful, relevant, and adequate.

Update

The Department said it would report on improved measures prior to the start of the Fiscal Year 2026 budget cycle.



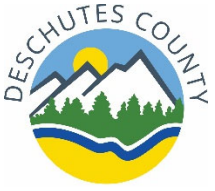
Next Steps

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



Questions and Comments?





Office of County Internal Audit

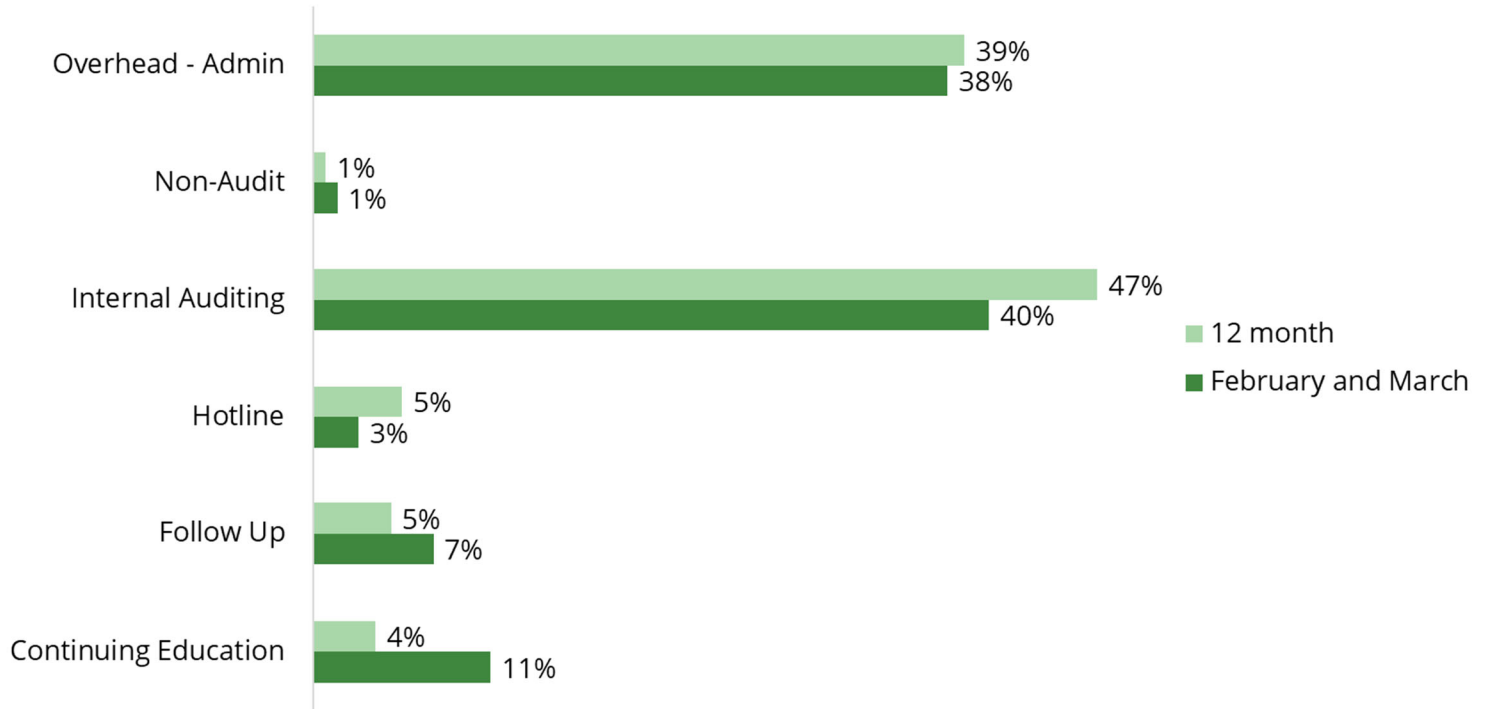
Elizabeth Pape, CIA, CFE – County Internal Auditor

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INTERNAL AUDIT STATUS REPORT February and March 2025

Highlights for the period include:



Follow-Up higher due to three reports issued

Continuing Education higher due to construction audit training

Time management leave not included

Audit work:

- Fair Alcohol Sales – Published phase
- Sheriff's Office Body Cams – Planning phase
- Clerk's Office 2025 Election Controls – Planning phase

Follow-up work:

- Custom Software
- Clerk's Office Integrated
- Legal Integrated

Administrative:

- County meetings and miscellaneous
- Hiring Performance Auditor

CPE:

- In-Person: Construction Auditing
- Web-based: Microsoft 365

Audit committee: Audit committee meeting and support

Hotline: Administration

Non-Audit: Policy Advisory Committee

Office of the County Internal Auditor

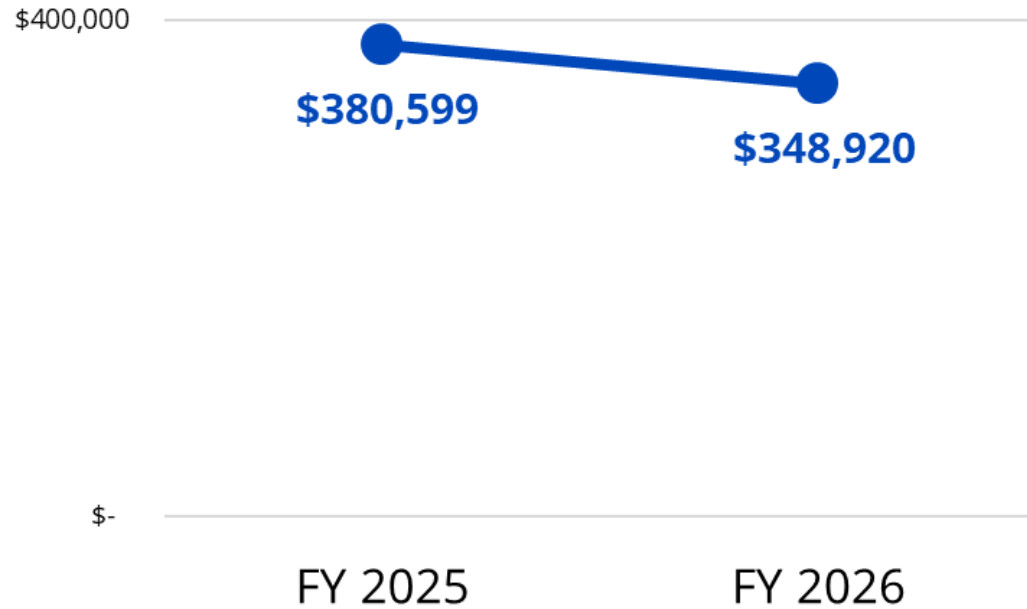
Budget Proposal

Fiscal Year 2026

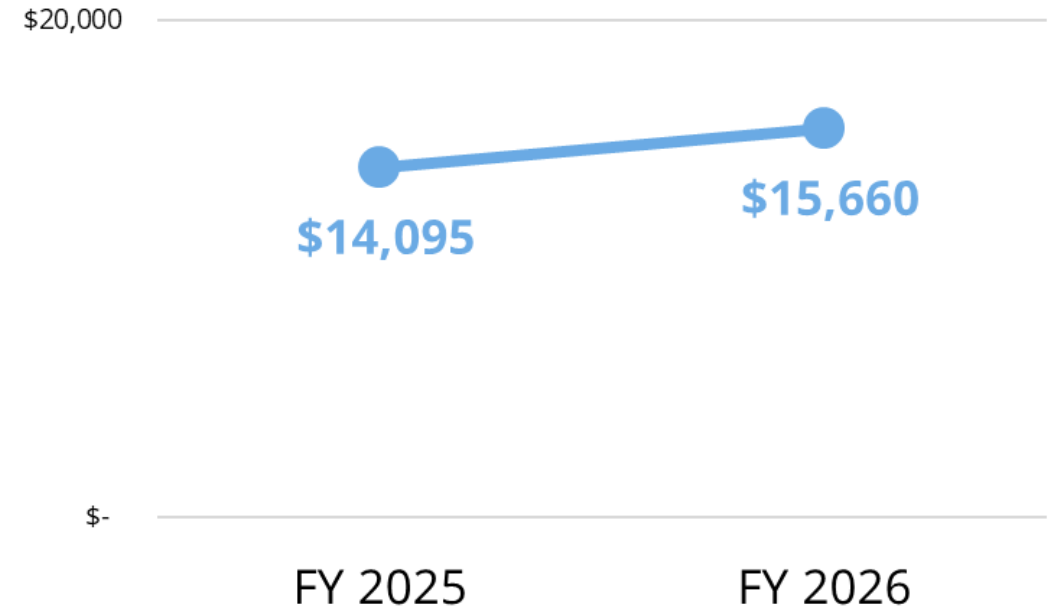


April 11, 2024

Previous Year Comparison



Personnel

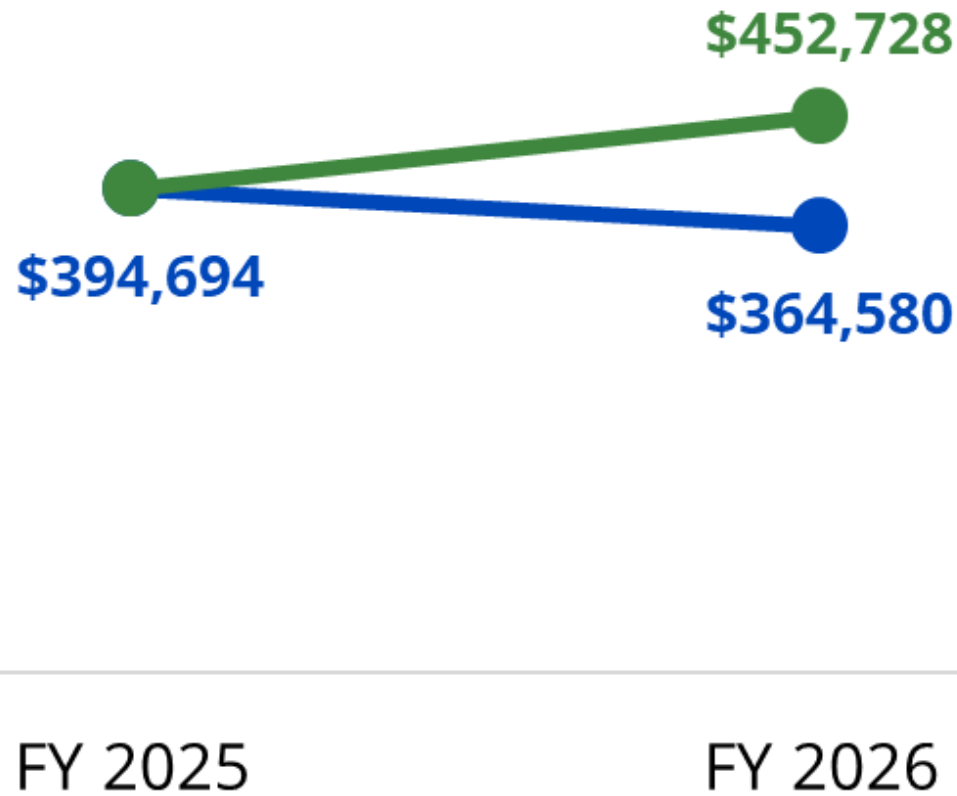


Materials and Services

Does not include ISF

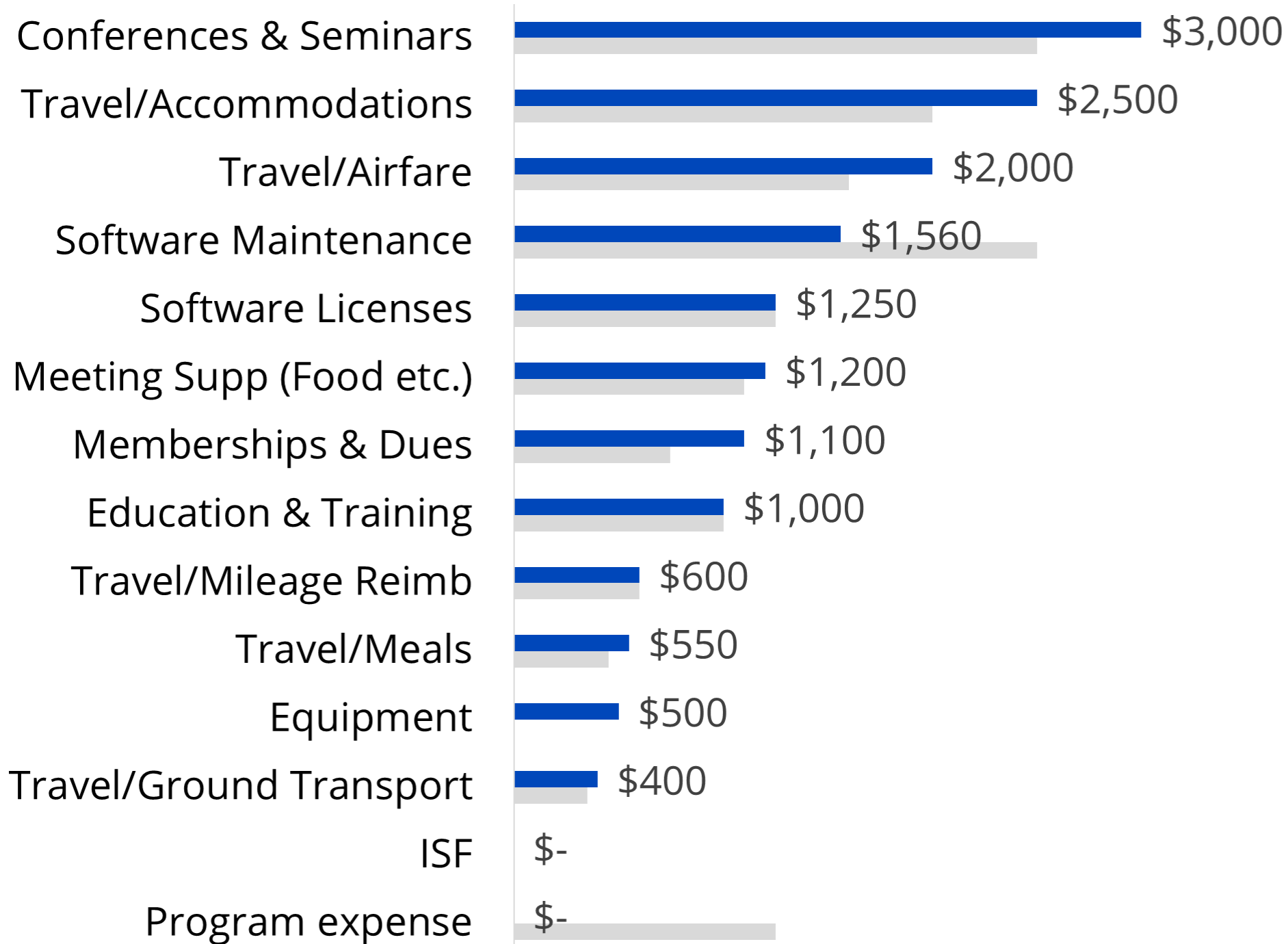


Impact of Decrease 2 to 1.5 FTE



Decreasing from **2** to **1.5** FTE saves \$88,000





Budget Week: May 12-15

Administration scheduled May 12 10:30 AM