



Elizabeth Comfort  
Finance Director

**Department of Finance**

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**MEMORANDUM**

TO: Clackamas County Board of County Commissioners (BCC)  
FROM: Elizabeth, Director, Finance  
RE: FY22/23 Audited Financials Report  
DATE: August 7, 2024

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**REQUEST:** The County's independent auditor from Moss Adams, LLC, Ashley Osten, Partner, will present an overview of the fiscal year 2022-2023 (FY22/23) audited financials.

**BACKGROUND:** The FY22/23 audit was finalized May 16, 2024. It is practice to present the audited comprehensive financial reports in summary to the Board.

**RECOMMENDATION:** Informational only.

Respectfully Submitted,

*Elizabeth Comfort*

Elizabeth Comfort  
Director, Finance

Attachments:

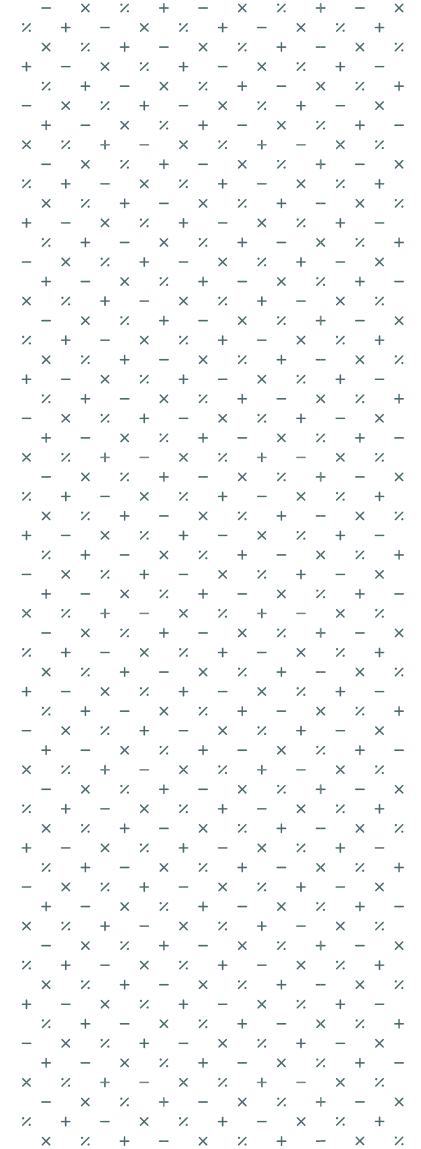
FY23 Audit Results



# Audit Results

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Better Together: Moss Adams & Clackamas County





# Agenda

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1. Key Service Team Members
2. Questions and Answers on the Audit Process
3. Required Communication with Those Charged with Governance



# Your Dedicated Team



**Ashley Osten**  
*Engagement Reviewer  
and Partner*



**Amanda McCleary-  
Moore**  
*Concurring Reviewer  
and Partner*



**Kevin Mullerleile**  
*Senior Manager and  
Delegated Engagement  
Reviewer*



# Question #1 – What does an audit of the County entail?

## Independent verification of transactions and balances

- Inspection of source documents
- Verification with third parties
- Analytical review and inquiry procedures
- Substantive testing procedures

## Evaluation of the effectiveness of internal controls

- Review key controls in all significant transaction cycles
- Testing for operational effectiveness
- Reporting of control weaknesses

## Testing compliance with Federal and State laws

- Oregon Minimum Audit Standards required tests of state laws
- Federal grants compliance testing under the Uniform Guidance



# Question #1 – What does an audit of the County entail? (continued)

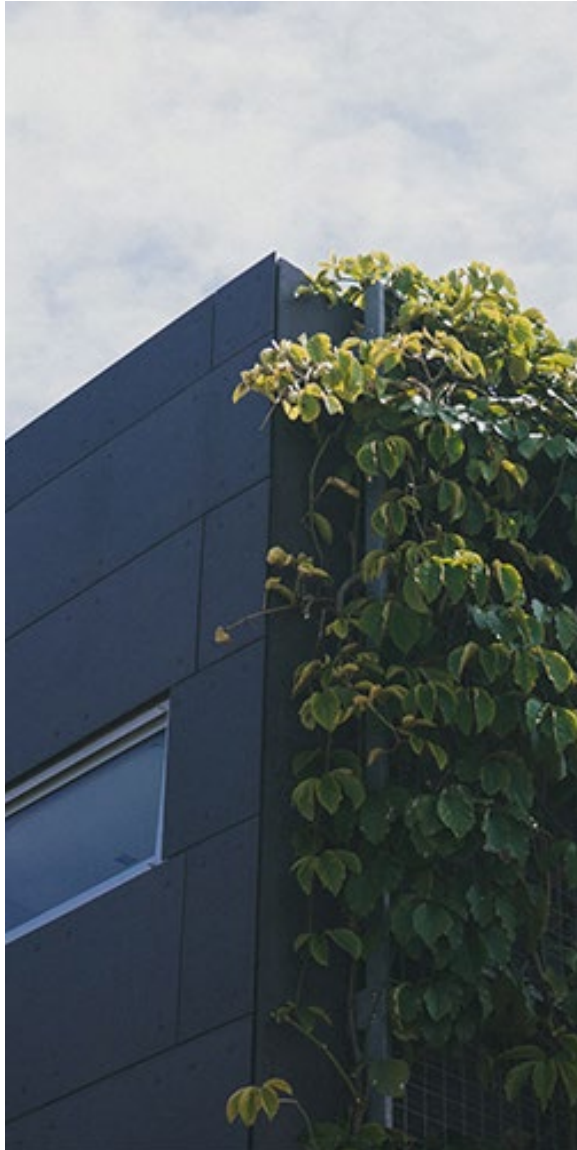
## Technical review of the financial statements

- Balances and transactions verified against audited amounts and documentation
- Financial statements meet all applicable GAAP, State, legal, and GFOA award requirements
- Supplementary information presented accurately

## Reporting of audit results

- Timely contact with Finance staff
- Exit meeting with Audit Committee
- Reporting to County Commissioners





## Question #2 – Are the financial statements accurate?

### Moss Adams Audit Procedures

- Perform risk assessment to identify significant risk areas
- Test internal controls for effectiveness
- Perform substantive testing
- Perform technical review of financial statements

### Results

- Unmodified opinion
- Financial statements are presented fairly in accordance with US GAAP



# Question #3 – Did the County comply with applicable Federal and State laws and regulations?

## Moss Adams Procedures

- Perform risk assessment to identify applicable and significant compliance requirements
- Perform compliance testing over federal grants and several state laws covering budgets and public contracting

## Results

- Our report on compliance with Oregon Minimum Standards resulted in one significant deficiency in internal controls over financial reporting and one compliance finding related to the County's overexpenditure of funds in the County School Fund
- Our testing of Federal grants resulted in one significant deficiency in internal controls over the reporting compliance requirement for the COVID-19 – Health Center Program Cluster and no compliance findings







## Question #4 – Did the audit identify any fraud, waste, or abuse?

### Moss Adams Audit Procedures

- Evaluation of key controls for all significant balances and transaction cycles
- Brainstorming session to identify fraud risk areas
- Interview individuals throughout the County

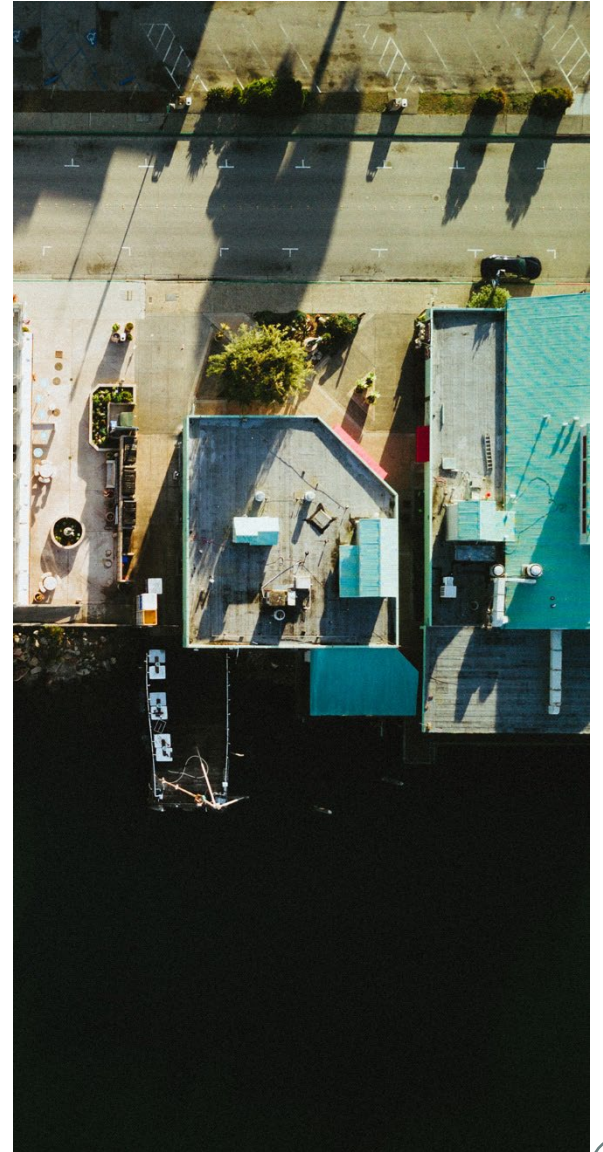
### Results

- Testing uncovered no reportable matters of fraud, waste, or abuse during the audit





# Communication with Those Charged with Governance



# Required Communications

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In-depth discussion including all required communications with Audit Committee in August

## Audit adjustments

No corrected audit adjustments

One uncorrected audit adjustment was identified – The County didn't report certain investments at fair value as of June 30, 2023. Had this been corrected, investments and unrealized earnings on investments would decrease in the governmental activities by \$9.2 million.

No difficulties encountered in performing the audit

No disagreements with management



# Contact Us

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# Acknowledgements

*Thank you to the County Commissioners, the Audit Committee for working with Moss Adams as your external auditors; Elizabeth Comfort, Patrick Williams, and all the other staff that contributed to an excellent facilitation of the audit process.*



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THANK  
YOU