



Jodi Cochran  
County Internal Auditor

**Office of County Internal Audit**

Public Services Building  
2051 Kaen Road, Suite 460 | Oregon City, OR 97045

TO: Gary Schmidt, District Administrator, North Clackamas Parks and Recreation District

FROM: Jodi Cochran, County Internal Auditor

RE: County Internal Audit consulting engagement: North Clackamas Parks and Recreation District Governance – Management Letter Amendment

DATE: October 24, 2022

The June 30, 2022, Office of County Internal Audit North Clackamas County Parks and Recreation District management letter provided three recommendations for corrective actions addressing Local Contract Review Board Rule noncompliance risks.

1. Ensure only employees with delegated signing authority execute North Clackamas Parks and Recreation District contracts and amendments.
2. Ratify the active contracts and agreements approved by the Board of County Commissioners on behalf of the North Clackamas Parks and Recreation District Board of Directors.
3. Establish an Intergovernmental Agreement between the North Clackamas Parks and Recreation District and the County clarifying the district's fiscal obligations with regard to the County's administration of the Oak Lodge Library and the Gladstone Library and Community Center projects.

During a recent status update and after the management letter and management response documents were issued on June 30, 2022, and August 1, 2022, respectively, your team discovered documentation of additional express written authority from the Board of County Commissioners which addresses Corrective Action #1. Board Order No. 2018-19, signed on November 29, 2018, delegates limited contract signing authority to certain positions that are not identified in Rule C-05-0100, including the North Clackamas Parks and Recreation District

Director. It has been determined this supplemental evidence satisfies conditions documented in Corrective Action #1.

This management letter amendment serves to update the corrective action recommendations made in the June 30, 2022, Office of County Internal Audit North Clackamas County Parks and Recreation District management letter. As resolved, Corrective Action #1 is withdrawn from the management letter. The remaining management letter elements remain unchanged. Two recommendations for corrective actions addressing Local Contract Review Board Rule noncompliance risks (numbers 2 and 3 above) are provided. An additional seven general recommendations, identifying sixteen specific continuous improvement opportunities for the North Clackamas Parks and Recreation District, are offered for consideration. Detailed recommendations are presented in the Recommendations Table attached to the June 30, 2022, management letter.

Thank you for your continuing efforts to clarify policies and processes and to implement the recommendations made in the June 30, 2022, Office of County Internal Audit North Clackamas County Parks and Recreation District management letter.

Copy:

North Clackamas Parks and Recreation District Board of Directors  
Michael Bork, North Clackamas Parks and Recreation District Director  
Nancy Bush, County Operating Officer  
Clackamas County Internal Audit Oversight Committee