

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: March 15th, 2016 **Approximate Start Time:** 01:30pm

Approximate Length: 30 Mins.

Presentation Title: Results of the June 30, 2015 Annual Audits

Department: Finance

Presenters: Christa Bosserman Wolfe, CPA, Assistant Finance Director; Moss Adams; Jim Lanzarotta, CPA, Partner, Moss Adams

Other Invitees: Marc Gonzales, Finance Director; David Bodway, Finance Manager

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Receipt and acknowledgement of the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2015.

EXECUTIVE SUMMARY (why and why now):

Each year after completion of the Clackamas County annual audit, the independent audit firm contracted to perform the work provides the Clackamas County Audit Committee with a report of audit results.

The fiscal year after ended June 30, 2015 was audited by the independent audit firm of Moss Adams, LLP. The documents produced and presented for review include:

- 2015 Clackamas County Comprehensive Annual Financial Report (CAFR)
- 2015 Clackamas County Audit of Federal Awards

These documents have been posted online and can be viewed in electronic format on the Clackamas County website at <http://www.clackamas.us/finance/finance.htm>

The Clackamas County Assistant Finance Director will introduce the Partner from the audit firm.

Audit Accomplishments

- Audit the County's (and component units) financial statements in accordance with Generally Accepted Auditing Standards (GAAS) and Generally Accepted Government Auditing Standards (GAGAS)
- Assistance with CAFR preparation
- Technical review of the CAFR for compliance with Generally Accepted Accounting Principles (GAAP) as well as GFOA Certificate of Excellence requirements
- Compliance testing/ reporting under Oregon Minimum Audit Standards
- Single Audit of federal grant programs under OMB Circular A-133 and the Single Audit Act
- Audit reports completed and filed prior to the statutory deadlines

- Reporting to Audit Committee

Audit Action Plan

- County management resolution to the Single Audit finding reported

FINANCIAL IMPLICATIONS (current year and ongoing):

N/A

LEGAL/POLICY REQUIREMENTS:

N/A

PUBLIC/GOVERNMENTAL PARTICIPATION:

N/A

OPTIONS:

N/A

RECOMMENDATION:

N/A

ATTACHMENTS:

N/A

SUBMITTED BY:

Division Director/Head Approval CW/db

Department Director/Head Approval MG/db

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Christa Bosserman Wolfe @ 503-742-5407
--

Fiscal Impact Form

RESOURCES:

Is this item in your current work plan and budget?

- YES
 NO

START-UP EXPENSES AND STAFFING (if applicable):

N/A

ONGOING OPERATING EXPENSES/SAVINGS AND STAFFING (if applicable):

N/A

ANTICIPATED RESULTS:

N/A

COSTS & BENEFITS:

Costs:							
	Item	Hours	Start-up Capital	Other Start-up	Annual Operations	Annual Capital	TOTAL
	N/A						
Total Start-up Costs							
Ongoing Annual Costs							
Benefits/Savings:							
	Item	Hours	Start-up Capital	Other Start-up	Annual Operations	Annual Capital	TOTAL
	N/A						
Total Start-up Benefit/Savings							
Ongoing Annual Benefit/Savings							

AUDIT TEAM

James Lanzarotta
Partner
Responsible for Overall Engagement,
Technical Review of CAFR

Kevin Mullerleile
Senior Manager
Onsite Direction of Fieldwork

Ryan Luetkemeyer
Senior Manager
Concur Review

Julie Desimone
Partner
Concur Review for WES

Greg Damon
Senior Manager
IT Audit

Michael Smoot
Senior Manager
Onsite Director of WES Fieldwork

Jacqueline Irigoin
Manager
Onsite Direction of HACC Fieldwork

Micah Clinger
Senior Manager
Federal Awards Technical Resource

NATURE OF SERVICES PROVIDED

1

Audit the County's (and component units) financial statements in accordance with GAAS and GAGAS

2

Assistance with CAFR preparation

3

Technical review of the CAFR for compliance with GAAP as well as GFOA Certificate of Excellence requirements

4

Compliance testing/reporting under Oregon Minimum Audit Standards

NATURE OF SERVICES PROVIDED

5

Single Audit of federal grant programs under OMB Circular A-133 and the Single Audit Act


6

Reporting - Overall audit plan, audit results, communicating internal controls findings and noncompliance

2015 AUDIT REPORTS ISSUED

- **Extension and 4-H Service District** – September 30, 2015
- **Library Services District** – September 30, 2015
- **Service District No. 5** – September 30, 2015
- **Enhanced Law Enforcement District** – October 6, 2015
- **North Clackamas Parks and Rec District** – November 2, 2015
- **Clackamas County SD No. 1** – November 19, 2015
- **Tri-City Service District** – November 19, 2015
- **SWMACC** - November 19, 2015
- **Clackamas County Development Agency** – November 25, 2015
- **Housing Authority of Clackamas County** – December 14, 2015
- **Clackamas County** – December 30, 2015

AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS



Unmodified
(clean) opinions
for each financial
statement

- Financial statements are presented fairly and in accordance with US GAAP
- Emphasis of matter on implementation of GASB 68 and 71, which required restating beginning net position


OTHER AUDITOR'S REPORTS



GAGAS Reports on
*Internal Control over
Financial Reporting* and
on *Compliance* and
Other Matters

- Financial reporting findings:
 - *Enhanced Law Enforcement District – Late Payment on Contract Payable (Significant Deficiency over internal control)*
- No compliance findings

OTHER AUDITOR'S REPORTS



Report on Compliance with Requirements That Could Have a ***Direct and Material Effect on Each Major Federal Program and on Internal Control over Compliance*** in Accordance with OMB Circular A-133

- Single audit compliance findings:
 - *County's Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program*
 - *Cash Management (Unmodified opinion and Significant Deficiency over internal control)*

OREGON MINIMUM STANDARDS REPORT

- Excess expenditures over appropriations
 - County – 4 instances of noncompliance
- Deficit fund balance
 - County – 1 governmental fund, 1 internal service fund
- Non-compliance with one federally funding program

OTHER COMMENTS

MATTER TO BE
COMMUNICATED



**Difficulties Encountered
in Performing the Audit**

**Significant Audit Adjustments and
Unadjusted Differences Considered
by Management to be Immaterial**

**Disagreements with
Management**

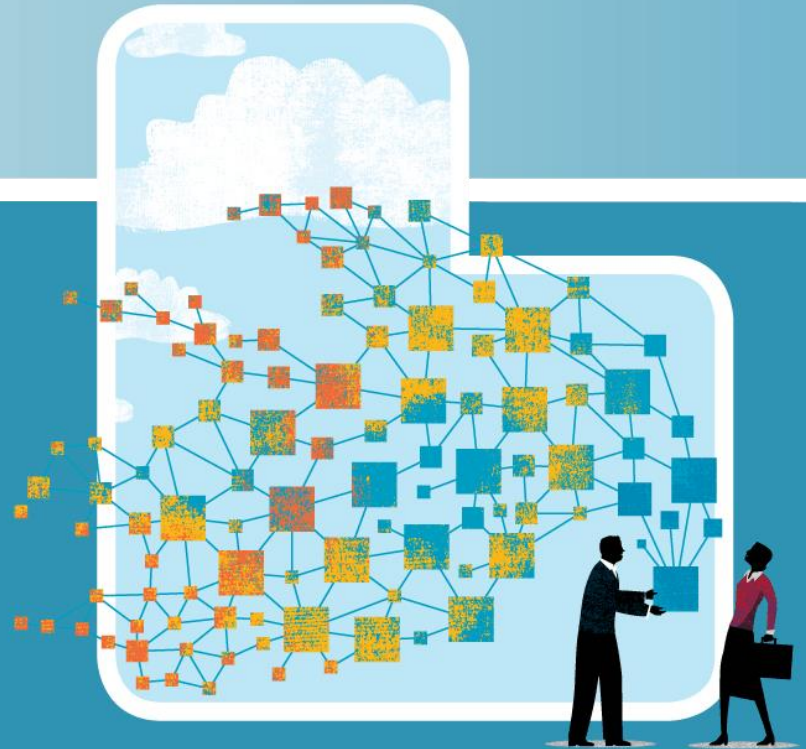
OUR COMMENTS



- No significant difficulties were encountered during our audit.
- \$134,278 audit adjustment made to Enhanced Law Enforcement District's financial statements
- No other audit adjustments
- No disagreements with management.

ACKNOWLEDGEMENTS

Thanks to Marc Gonzales, Christa Wolfe, David Bodway, Drew Bisenius, Toni Hessevick, other finance staff, and other County departments for assistance.



MOSS-ADAMS LLP
Certified Public Accountants | Business Consultants

Acumen. Agility. Answers.