

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS Policy Session Worksheet

Presentation Date: 5/9/17 **Approx Start Time:** 2:00 p.m. **Approx Length:** 15 minutes

Presentation Title: Results of the FY16 Financial Audits - Informational Session

Department: Finance

Presenters: Christa Bosserman-Wolfe, Assistant Finance Director; David Bodway, Finance Manager; and Toni Hessevick, Grants Manager

Other Invitees: Marc Gonzales, Laurel Butman, Laura Zentner, Doug Waugh, Jason Kirkpatrick

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

The purpose of this policy session is to communicate the results of the annual financial audits, required by statute, to the Board. Staff will share the independent auditor's opinions rendered, audit findings, and communicate the corrective action plan. Staff are available to answer any questions the Board may have.

EXECUTIVE SUMMARY:

Clackamas County is a complex entity with a large variety of service districts, each requiring independent audit services. These financial audits are required to be completed by December 31st (6 months after our fiscal year end) and filed with the Secretary of State's Audits Division. The County's Comprehensive Annual Financial Report is required to include these service districts, as component units of government. The process of preparing these audited financial reports begins in August and generally ends in December. The results of those audits are presented here.

Entity	Prepared By	Type of Audit Opinion	Audit Findings?	Comments in Oregon Auditing Standards Report?
Clackamas County	County Finance	Unmodified	No	Yes
Development Agency	County Finance	Unmodified	No	Yes
North Clackamas Park and Recreation District	BCS & County Finance	Unmodified	No	No
Clackamas County Service District 1	WES Finance	Unmodified	No	No
Tri-City Service District	WES Finance	Unmodified	No	No
Surface Water Management Agency	WES Finance	Unmodified	No	No
Housing Authority	HACC Finance	Unmodified	No	No
Enhanced Law Enforcement District	County Finance	Unmodified	No	Yes
Library District	BCS & County Finance	Unmodified	No	No
Extension and 4-H Service District	County Finance	Unmodified	No	Yes
Service District 5	County Finance	Unmodified	No	No
Clackamas County Audit of Federal Awards	County Finance	Unmodified	Yes	NA

The County adopts a corrective action plan in response to audit findings. The audit finding, in its entirety, can be found in the Clackamas County Audit of Federal Awards for the year ended June 30, 2016, on page 15 of the report.

<http://www.clackamas.us/finance/documents/2016sefa.pdf>

Items reported in the Oregon Auditing Standards Report were largely due to a previously reported error in budget publication, as well as certain budget categories being over-expended.

FINANCIAL IMPLICATIONS (current year and ongoing):

In the Clackamas County Audit of Federal Awards, audit findings reportable as a material weakness in internal controls have a financial implication to the County. This level of finding requires that the independent auditors treat the County as a high risk auditee and expands the number of programs the auditors must audit in order to issue an audit opinion. The higher level of work results in greater audit fees to the County. Audit fees are paid through the Finance budget and then subsequently recovered through allocated costs.

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department's Strategic Business Plan goals?
This item helps *improve knowledge of financial performance* by educating the public, County staff, and Board members about the County's financial audit process and outcomes.
- How does this item align with the County's Performance Clackamas goals?
This item helps to *build public trust through good government* by demonstrating and informing citizens that the County strives for excellence in financial reporting and is compliant with governmental accounting standards.

LEGAL/POLICY REQUIREMENTS:

N/A

PUBLIC/GOVERNMENTAL PARTICIPATION:

The Clackamas County Audit Committee met on March 14, 2017 and received the audit opinions and reports on the financial audits of the County. This was a public meeting.

OPTIONS:

NA

RECOMMENDATION:

NA – Informational Session

ATTACHMENTS:

Audit reports are published on the web at:

<http://www.clackamas.us/finance/financearchive.html>

<http://www.clackamas.us/wes/customerservice.html>

<http://www.clackamas.us/housingauthority/plansandreports.html>

SUBMITTED BY:

Division Director/Head Approval CBW

Department Director/Head Approval MG

County Administrator Approval LB

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