



Elizabeth Comfort
Finance Director

Department of Finance

Public Services Building
2051 Kaen Road, Suite 490 | Oregon City, OR 97045

MEMORANDUM

TO: Clackamas County Board of County Commissioners (BCC)
FROM: Elizabeth Comfort, Finance Director
RE: Audit Review & Best Practice Recommendation
DATE: May 16, 2023

REQUEST: Informational update only. Review FY21-22 Audited Financial Statements, discuss expectations of FY22-23 audit completion, and audit best practice recommendation with Ashley Osten, Moss Adams.

BACKGROUND: The audited financial statements for Fiscal Year ending June 30, 2022 was completed April 10, 2023 by Moss Adams LLP, an independent auditing firm contracted with the County. The Board of County Commissioners received the document April 11, 2023 via email. There were no findings or issues, and one best practice recommendation. Moss Adams partner, Ashley Osten, will present a brief overview of the audit results and discuss the best practice recommendation.

In addition to the review, Ms. Osten and Ms. Comfort will share the proposed expectation completion date for Fiscal Year 2023 audited financial statements. This will include the eight component units and Clackamas County financials.

The annual audited statements are in compliance with our debt and worker compensation requirements, and meets our AAA Bond rating compliance deadline.

Respectfully submitted,

Elizabeth Comfort

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Finance Director

Attachments:

PowerPoint Presentation – Ashley Osten, Moss Adams

FY21-22 Audited Financial Statements:

<https://dochub.clackamas.us/documents/drupal/37d88376-634d-424c-82d9-d6d9905c69b2>



Audit Results

Better Together: Moss Adams & Clackamas County

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Agenda

1. Key Service Team Members
2. Nature of Services Provided
3. Auditor Opinions and Reports
4. Required Communications with Those Charged with Governance

Your Dedicated Team



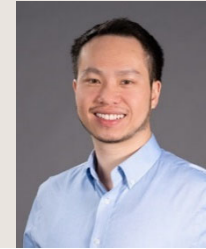
Ashley Osten
*Engagement Reviewer
and Partner*



Amanda McCleary-Moore
*Concurring Reviewer
and Partner*



Kevin Mullerleile
Senior Manager

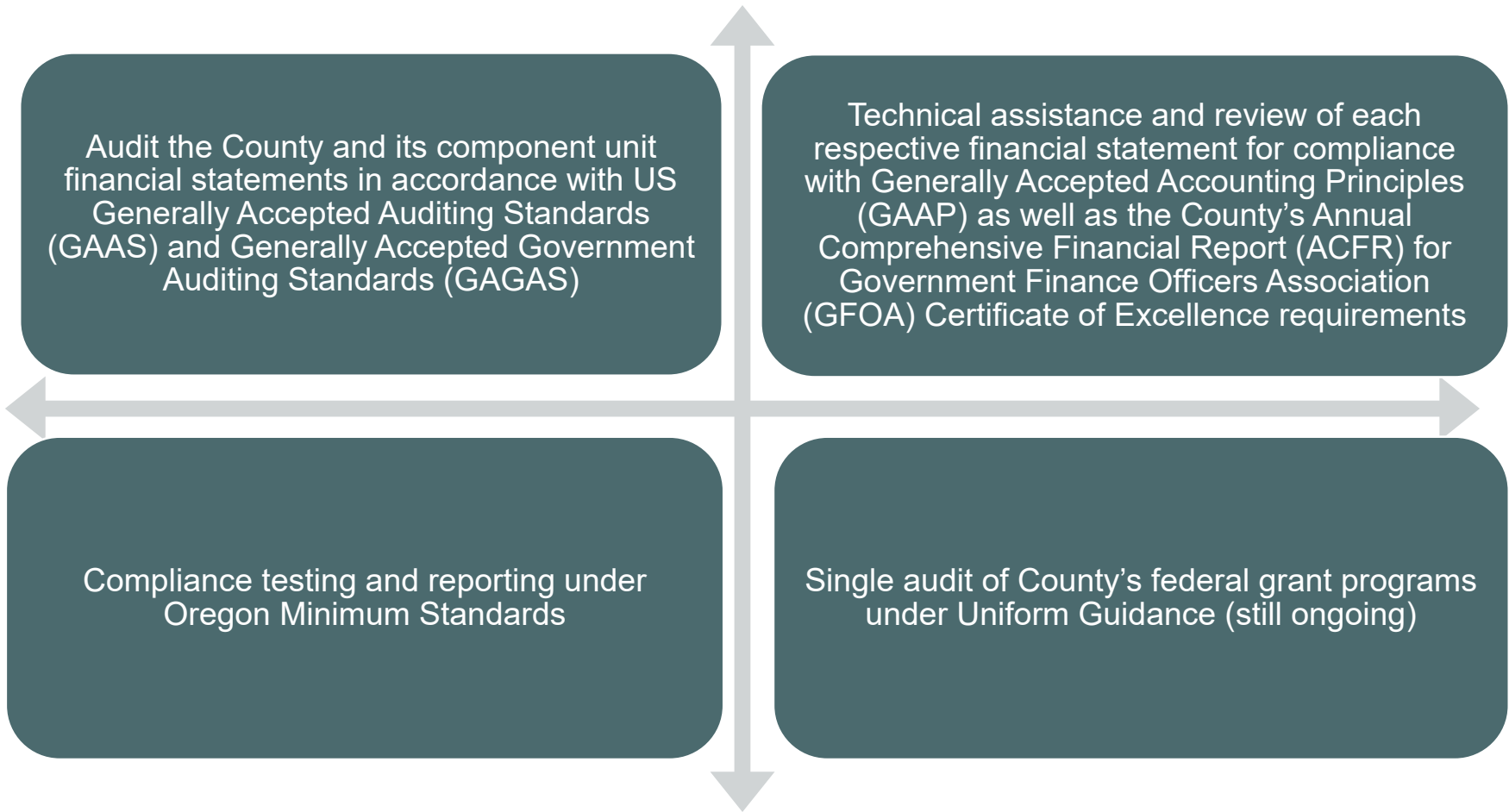


Harvey Wang
Manager



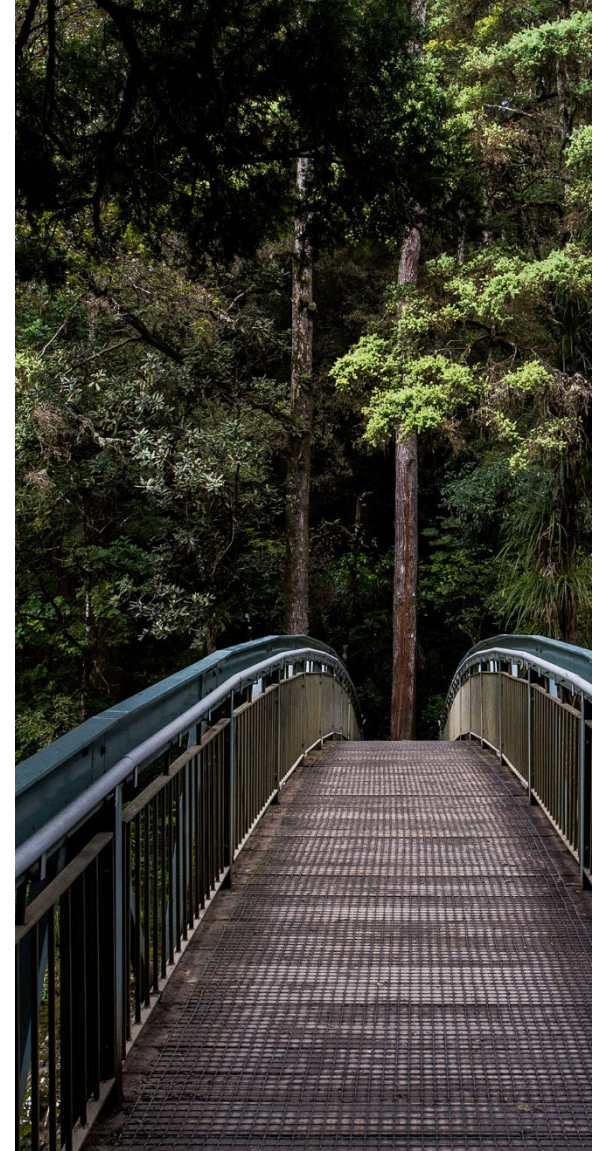


Nature of Services Provided





Auditor Opinions & Reports



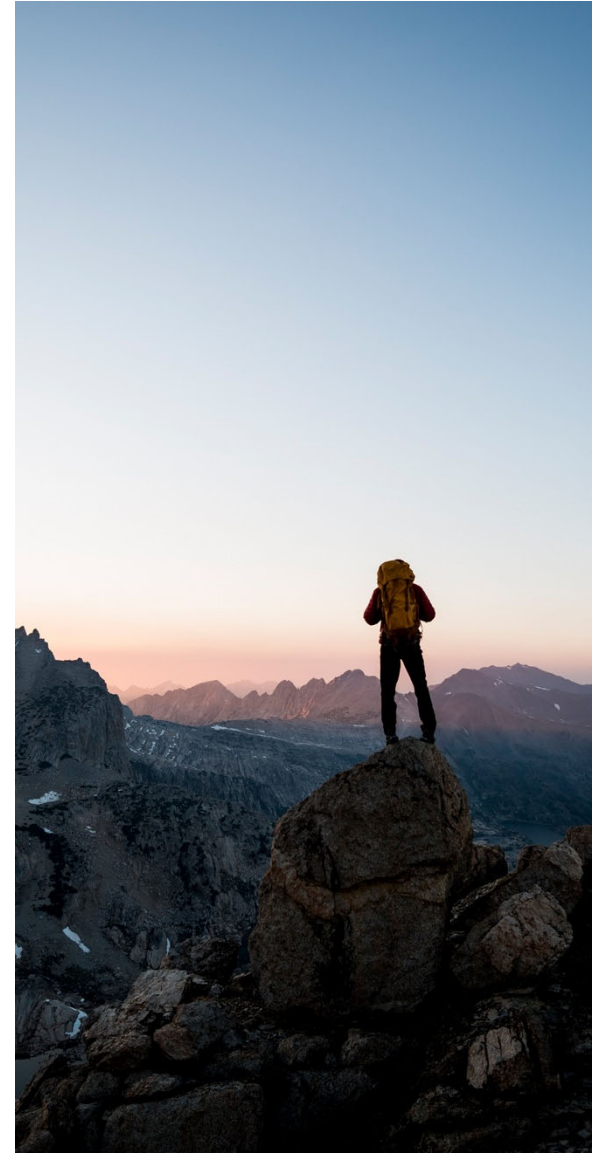


Auditor Reports on the County's ACFR

<p>Report of Independent Auditors</p>	<ul style="list-style-type: none">• Unmodified opinion• Financial statements are presented fairly in accordance with US GAAP
<p>Report of Independent Auditors Required by Oregon State Regulations</p>	<ul style="list-style-type: none">• No control findings• No compliance findings
<p>GAGAS Report on Internal Control Over Financial Reporting and on Compliance and Other Matters</p>	<ul style="list-style-type: none">• No control findings• No compliance findings



Communications with Those Charged with Governance





COMMUNICATION WITH GOVERNING BODY

Required Communications

Timing of the audit – We issued our audit report for the County’s ACFR on April 10, 2023 and submitted to the State ahead of the extended filing due date of April 14, 2023.

Audit adjustments

No corrected audit adjustments

One uncorrected audit adjustment – The County didn’t report certain investments at fair value as of June 30, 2022. Had this been corrected, unrealized earnings and miscellaneous expense would decrease in governmental activities by \$7.7 million and in the business-type activities by \$1.6 million.

No difficulties encountered in performing the audit

No disagreements with management



COMMUNICATION WITH GOVERNING BODY

Deficiencies in Internal Control

Any material weaknesses and significant deficiencies in the design or operation of internal control that came to the auditor's attention during the audit must be reported to the Audit Committee.

Our Comments

- **Material weakness**
 - None noted
- **Significant deficiencies & non-compliance**
 - None noted
- **Best practice recommendations**
 - During our review of the cash and investment audit schedule, we noted there was a reconciling item totaling \$9 million that was unidentified. Upon further investigation, this was the fair value adjustment and based on the timing of our review, remained unidentified approximately 9 months after year-end. Because the schedule is partially completed by Treasury and partially completed by Finance, we recommend there be better communication between the two departments to facilitate identification of reconciling items and adjustments when necessary at the time the reconciliation is completed.



Contact Us



Ashley Osten, Partner

ashley.osten@mossadams.com

(503) 478-2251



THANK
YOU