

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Sitting/Acting as (if applicable) Policy Session Worksheet

Presentation Date: 5/4/21 **Approx. Start Time:** 3:30pm **Approx. Length:** 30min

Presentation Title: Audit Presentation for FY20

Department: Finance

Presenters: Christa Wolfe, Deputy Finance Director; Ashley Osten, Moss Adams; Kevin Mullerleile, Moss Adams

Other Invitees: Elizabeth Comfort, Finance Director

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

None - Informational Policy Session

EXECUTIVE SUMMARY:

After completion of the Clackamas County annual audit for the year ending June 30, 2020, the independent auditors provided a detailed report the results to the Clackamas County Audit Committee and now will provide a brief report to the full Board of County Commissioners.

Our auditors, Moss Adams, LLP, will provide a slideshow presentation of the audit results for the various reports for the year ending June 30, 2020, which have been posted online at <https://www.clackamas.us/finance/financearchive.html>.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the cost? \$317,200 What is the funding source? Various

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department's Strategic Business Plan goals?

Annual audits increase financial transparency and accountability.

- How does this item align with the County's Performance Clackamas goals?

Annual audits build the public trust as we report on the County's financial practices, results, and internal controls.

LEGAL/POLICY REQUIREMENTS:

The County met the legal requirements or ORS 297.425 by having an independent audit of the financial operations for the year ending June 30, 2020.

PUBLIC/GOVERNMENTAL PARTICIPATION:

The results of the Audit were presented to the Clackamas County Audit Committee on 4/6/20.

OPTIONS:

NA

RECOMMENDATION:

NA

ATTACHMENTS:

- 1) Staff Presentation

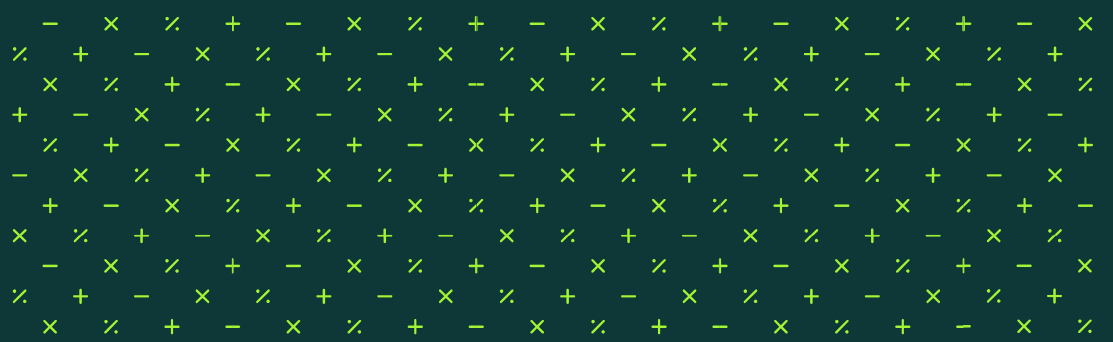
SUBMITTED BY:

Division Director/Head Approval CBW

Department Director/Head Approval EC

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Christa Wolfe @ 503-758-4839.



Clackamas County

Audit presentation to County

Commissioners For the Year Ending

June 30, 2020

May 4, 2021

AGENDA

Key Service Team Members

5 Questions and Answers on the Audit Process



Engagement Team

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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
- Perform substantive tests of details

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 Grant Guidance



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

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

- Individual meetings with audit committee members during fieldwork
- Regular 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 test procedures
- Perform technical review of financial statements

Results

- Unmodified (clean) opinion provided to the County for its financial statements
- Financial statements are presented fairly in accordance with US GAAP

Additional Audit Comments

- Presented audit results in more detail to the Audit Committee in March 2021
- 'Best practices' observations to be provided to management



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

Moss Adams Audit 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 noted two instances of non-compliance related to excess expenditures over appropriations
- Our testing of Federal Grants resulted in no compliance findings

Additional Audit Comments

- Management is aware of the compliance requirements that are subject to our audit procedures and monitor compliance throughout the year



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
- Brainstorm session to identify fraud risk areas
- Interview of individuals throughout the County

Results

- No instances of fraud, waste, or abuse were identified throughout the audit

Additional Audit Comments

- Overall, management is able to design and implement controls that are appropriate and help protect the County's resources from fraud, waste, and abuse



Question #5 – What the audit does not directly answer – the County’s financial condition...

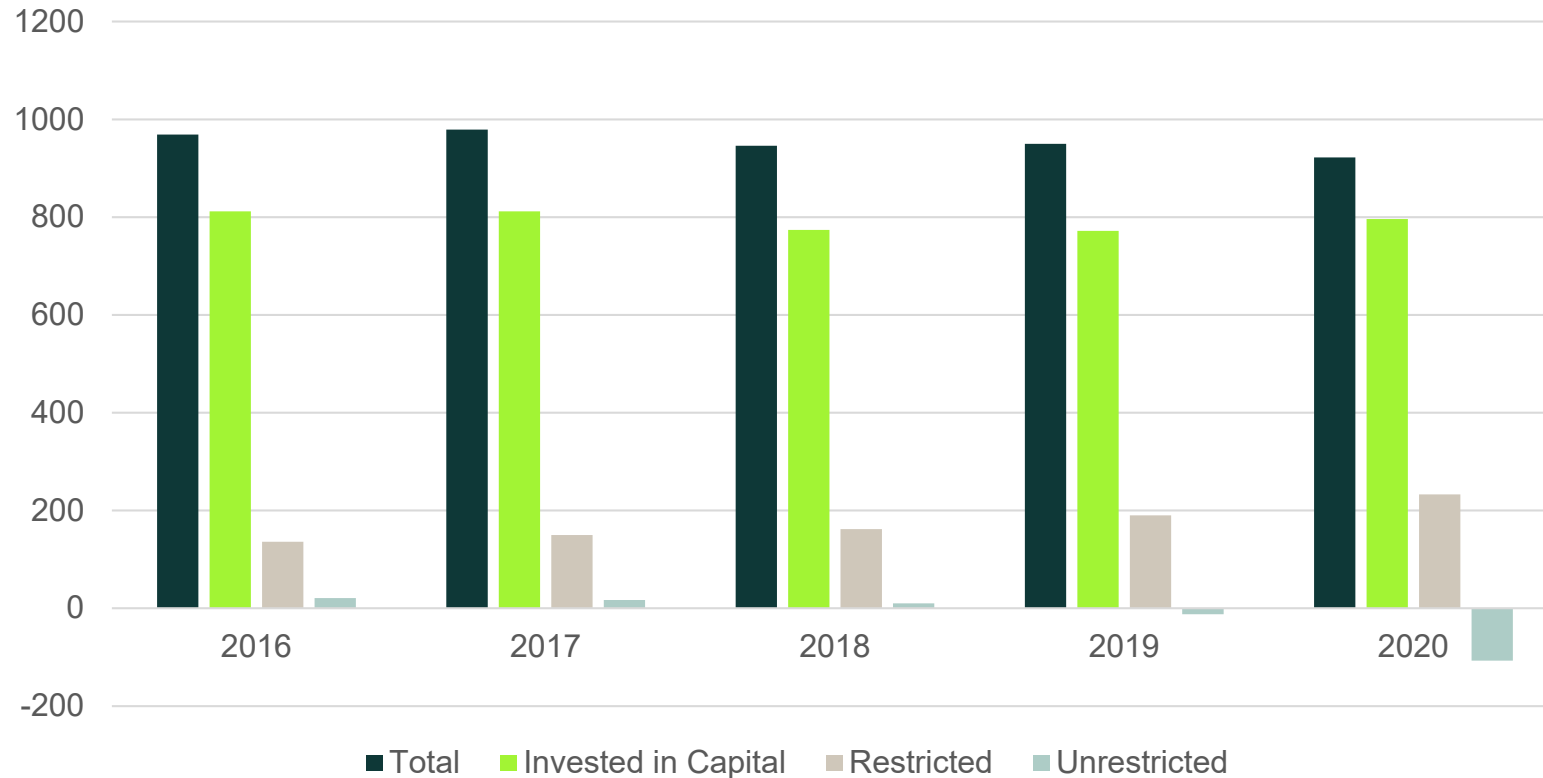
Results

- Overall Net Position



Financial Trends (Millions)

Overall County Net Position



Acknowledgements

Thanks to the County Commissioners for your leadership; the Audit Committee for working with us as your external auditors; Gary Schmidt for his management expertise; Elizabeth Comfort's leadership in further enhancing County financial management policies; Christa Bosserman-Wolfe for her technical knowledge of GAAP and federal award reporting requirements, and the many other staff who assisted us for their facilitation of the audit process.



- All personnel across all departments were courteous, responsive and fulfilled all of our requests.
- 'Tone at the Top' and attitude from management was one of helpfulness, candor, and openness in response to audit requests and discussion points.

THANK
YOU