

Clackamas County
Internal Audit Oversight Committee
Meeting Materials
Wednesday, August 21, 2024

Item #1
FY24-25 Audit Plan Presentation



Proposed FY24-25 Audit Plan

Internal Audit Oversight Committee

August 21, 2024

1

FY24-25 Audit Plan presentation topics

- ▶ Roles and responsibilities
 - ▶ Office of County Internal Audit
 - ▶ Oversight Committee
- ▶ Risk assessment results
- ▶ Proposed FY24-25 engagement activity
- ▶ Engagement evaluation criteria
- ▶ Recommended Committee action

Office of County Internal Audit role and responsibilities

- ▶ Prepare the audit plan
- ▶ Execute the audit plan

Internal Audit Oversight Committee role and responsibilities

- ▶ Review the audit plan and provide feedback, considering:
 - independence
 - objectivity
 - resources
 - criteria
- ▶ Adopt the audit plan
- ▶ Monitor progress of audit plan execution

Review of risk assessment results

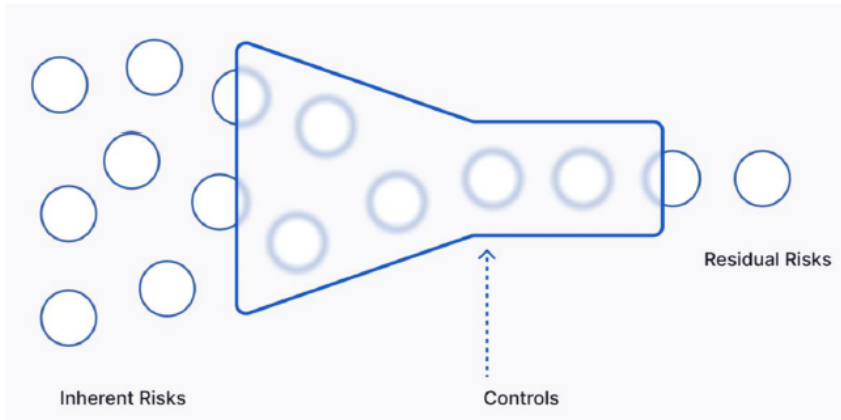
Offices and departments* with highest risk scores

- ▶ Health, Housing and Human Services
- ▶ Sheriff's Office
- ▶ Finance
- ▶ North Clackamas Parks and Recreation District
- ▶ Transportation and Development
- ▶ Water Environment Services
- ▶ Technology Services
- ▶ Clerk's Office
- ▶ Juvenile

* Presented alphabetically

Inherent risk vs Residual risk

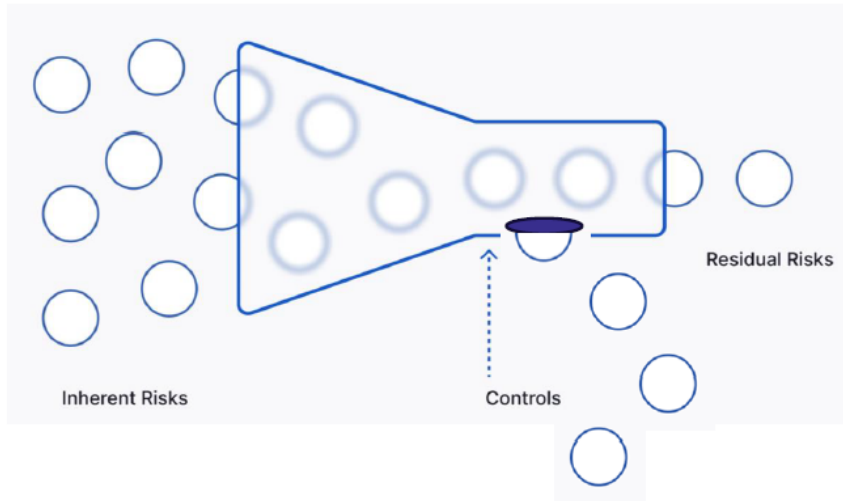
Audit engagements assess residual risk



- ▶ What controls (best practices, industry standards) should be in place?
- ▶ How much risk are we willing to accept?

Inherent risk vs Residual risk

Audit engagements assess residual risk



- ▶ Are the controls working the way we expect?
- ▶ How do we know?

Proposed FY24-25 Engagement Activity

Proposed FY24-25 Audit Engagements

- Clackamas County Clerk: Elections Audit Status Update*
 - Finance: Asset Management*
 - County Administration: County Courthouse Construction Project*
 - Clackamas County Sheriff's Office: Jail Operations*
 - Juvenile Department: Youth Services
 - Finance: Financial Condition Analysis
- ▶ Complete four in progress audits*
 - ▶ Start two new audits
 - ▶ Five county departments
 - ▶ Public safety; election integrity; stewardship of public funds

Audit engagement evaluation criteria

In compliance with professional standards (The Institute of Internal Auditors Standards)

The engagement:

- ▶ **Is risk-based** – Engagements represent high or moderate risk areas based on the annual risk assessment (Standards 2000 & 2100)
- ▶ **Supports County Strategic Priorities** – Engagement supports one of the five county strategic priorities, one of 10 Board of County Commissioners goals, and/or a department’s mission (Standards 2000 & 2100)
- ▶ **Emphasizes public services and community impact** – Engagement supports assessment of the availability, quality and equitable delivery of public services (Standards 2000 & 2100)
- ▶ **Considers comprehensive coverage of county services and operations** – Engagement supports long-term goal of County Internal Audit interaction, assessment and impact within all county departments and divisions (Standards 1300, 2000 & 2100)
- ▶ **Optimizes County Internal Audit resources** – County Internal Audit resources are adequate to conduct the engagement in a timely manner. County Internal Audit possesses the skills, knowledge, independence and objectivity to conduct the engagement. (Standards 1100, 1200 & 2030)

Proposed FY24-25 engagement Juvenile Department: Youth Services

Evaluation standards:

- Risk-based
- Supports county strategic priorities
- Emphasizes public services and community impact
- Considers comprehensive coverage of county services and operations
- Optimizes County Internal Audit resources

- ▶ Risk score: 422 (High)
- ▶ Ensure safe, healthy and secure communities; Build public trust through good government
- ▶ High inherent risks
- ▶ Not previously audited
- ▶ Staff qualified to apply professional analytics; No resource barriers

Proposed FY24-25 engagement

Finance: Financial Condition Analysis

Evaluation standards:

- Risk-based
- Supports county strategic priorities
- Emphasizes public services and community impact
- Considers comprehensive coverage of county services and operations
- Optimizes County Internal Audit resources

- ▶ Risk score: 520 (High)
- ▶ Build public trust through good government
- ▶ Demonstrates financial stability
- ▶ Addresses operations and services countywide; Trend analysis performed every other year
- ▶ Staff qualified to apply professional analytics; No resource barriers

Recommended Internal Audit Oversight Committee action

Proposed FY24-25 Audit Engagements

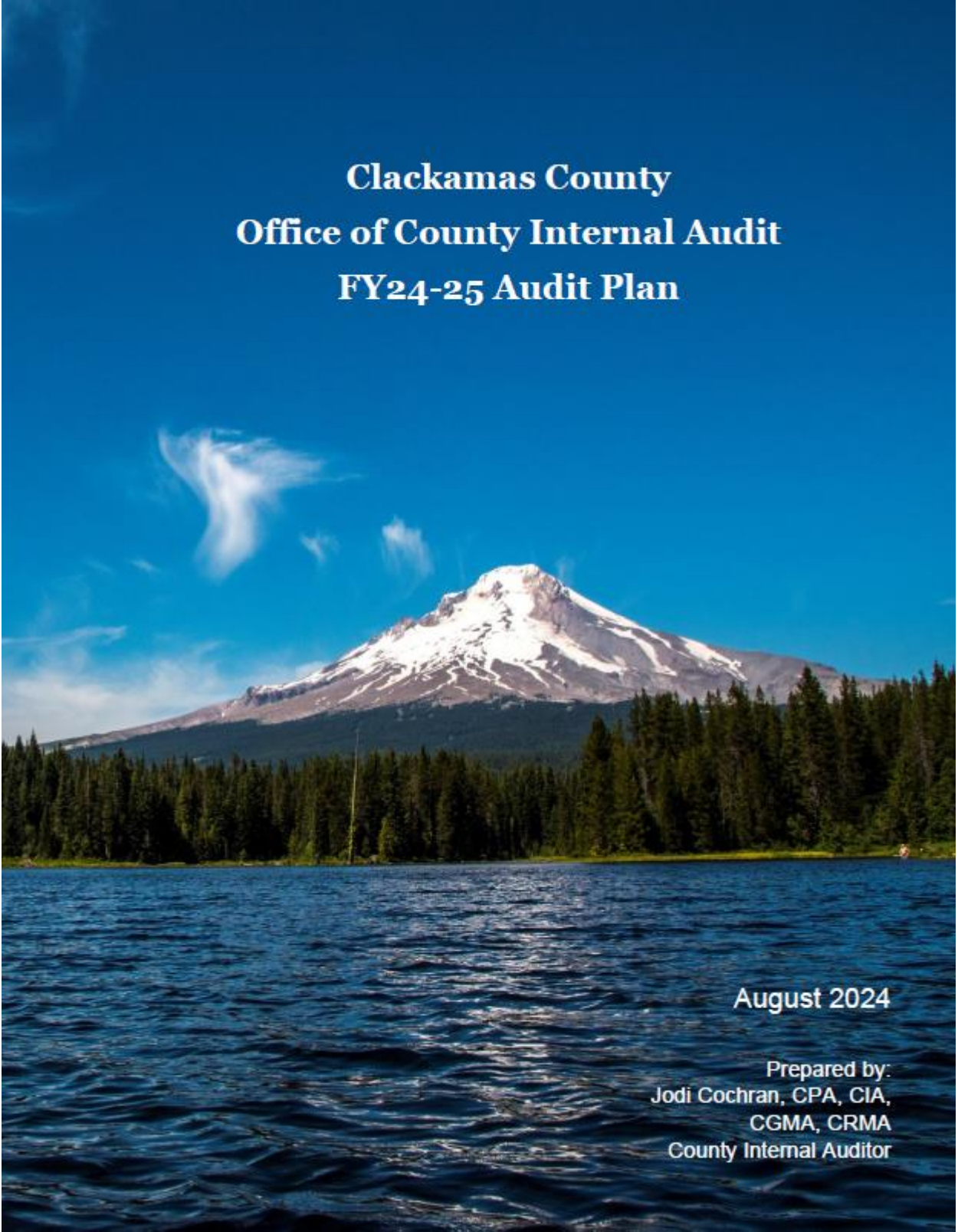
- Clackamas County Clerk: Elections Audit Status Update*
- Finance: Asset Management*
- County Administration: County Courthouse Construction Project*
- Clackamas County Sheriff's Office: Jail Operations*
- Juvenile Department: Youth Services
- Finance: Financial Condition Analysis

- ▶ Adopt updated Audit Plan to include two new audit engagements as proposed

* FY23-24 Audit Plan approved engagement

Clackamas County
Internal Audit Oversight Committee
Meeting Materials
Wednesday, August 21, 2024

Item #2
Office of County Internal Audit
FY24-25 Audit Plan



**Clackamas County
Office of County Internal Audit
FY24-25 Audit Plan**

August 2024

Prepared by:
Jodi Cochran, CPA, CIA,
CGMA, CRMA
County Internal Auditor

DRAFT

This FY24-25 audit plan, supported by the results of our annual risk assessment, was presented to and received by the Clackamas County Internal Audit Oversight Committee **August 21, 2024**.

The FY24-25 Office of County Internal Audit audit plan was adopted by the Clackamas County Internal Audit Oversight Committee on **August 21, 2024**.

TABLE OF CONTENTS

Description	Page
Executive Summary	2
FY24-25 County Internal Audit Plan	3
Assurance and Advisory Engagements	4 - 9
Advisory and Administrative Services	10
Exhibit A: Risk assessment results	11-12
Exhibit B: Auditable Units Model by Risk Score	13-14
Exhibit C: Risk Factor Definitions and Scoring Criteria	15-19
Exhibit D: Auditable Units – Summary Descriptions	20-27

Executive summary

FY24-25 Audit Plan update

The Office of County Internal Audit proposes to update the rolling strategic audit plan as follows:

- ✓ Complete four in-progress audit engagements, as approved in FY23-24.
 - Elections Status
 - Asset Management
 - Courthouse Construction Project Management
 - Jail Operations
- ✓ Start two new audit engagements
 - Juvenile Department Youth Services program
 - County Financial Condition Analysis

*The county's
governance,
risk
management
and control
processes
support
public service
achievements.*

Conducting these audit engagements will assess programs within five county departments, focusing on public safety, election integrity and stewardship of public funds.

This proposed FY24-25 audit plan will also support the Office's peer review, an external assessment required by professional standards. Results from this independent assessment of the county's internal audit function will be used to update the Office's ongoing Quality Assurance and Improvement Program.

Governance, risk management and control assessment

Together, the county's governance, risk management and control processes are the organizational foundation supporting successful service delivery. While opportunities for improvement are always present, the governance, risk management and control processes at Clackamas County overall meet current operating needs. The county continues to demonstrate its capabilities through its daily operations and specific public service achievements.

FY24-25 Audit Plan

Proposed FY24-25 County Internal Audit audit plan with general time estimates

No significant impairments, in fact or appearance, to the Office of County Internal Audit's independence or objectivity have been noted in the prior year or are anticipated during the coming year.

The Office of County Internal Audit is comprised of the County Internal Auditor and one Senior Internal Auditor. The County Internal Auditor reports functionally to the Internal Audit Oversight Committee, responsible for reviewing the proposed County Internal Audit projects and jointly establishing priorities for the strategic audit plan, and administratively to the County Treasurer. The County Internal Auditor prepares this report for the committee's review and adoption.

Participation in a peer Quality Assessment Review and in the county's Leadership Academy are unique resource commitments for FY24-25. These commitments are estimated to consume 800 hours in total and not require resources beyond the FY24-25 audit plan period. The number of resources allocated to assurance and advisory engagements and activities has been reduced to accommodate these commitments.

A total of 4,160 audit hours are available for this plan. The audit plan informs a rolling audit cycle. Thus, estimated planned hours exceed available hours. Not all proposed engagements are expected to be substantially started or completed in the audit plan period. Engagements started in one fiscal year will be completed in the following fiscal year.

Assurance and advisory engagements	1720
Clackamas County Clerk – Elections Status Update*	
Finance – Asset Management*	
County Administration – Courthouse Construction Project*	
Clackamas County Sheriff's Office – Jail Operations*	
Juvenile Department – Youth Services	
Finance – Financial Condition Analysis	
Annual audit recommendation monitoring	
Advisory activities	660
Meetings and team participation	
Management requests (including county Good Government Hotline and external audit coordination/facilitation)	
Annual Risk Assessment	
Administrative activities	
Administration, Training & Quality Assessment and Improvement Program	1640
Quality Assurance Review – Self-assessment with Independent Validation	480
Total planned hours	4500

*Engagement approved in FY23-24 Audit Plan, to be completed in FY24-25.

FY24-25 Assurance and advisory engagements

Risk-based approach

This risk-based plan defines annual County Internal Audit priorities, consistent with, and supporting, the county's goals and strategic initiatives.¹

Nationally, the top areas of risk that organizations are expected to face in 2024 and 2025 include:

- ✓ economic slowdown or slow recovery.
- ✓ failure to attract or retain top talent.
- ✓ cybersecurity.
- ✓ business continuity.
- ✓ regulatory or legislative changes.

Locally, the Board of County Commissioners is focused on five strategic priorities, including ensuring safe, health and secure communities². The total adopted public safety budget for FY24-25 is \$210,002,302. Of the county's discretionary General Fund, over 65% is dedicated to public safety programs and services.

Considering these trends, past audits, and the county annual risk assessment, the Office of County Internal Audit recommends updating the audit plan to allocate available resources to the following engagements:

- County Clerk: Elections Audit Status Update – FY23-24 engagement to be completed in FY24-25
- Finance: Asset Management – FY23-24 engagement to be completed in FY24-25
- County Administration: County Courthouse Construction Project Management – FY23-24 engagement to be completed in FY24-25
- Clackamas County Sheriff's Office: Jail Operations – FY23-24 engagement to be completed in FY24-25
- Finance: FY24 Financial Condition Analysis
- Juvenile Department: Youth Services

¹ International Standards for the Professional Practice of Internal Auditing (Standards): [Standard 2010 – Planning](#)

² Clackamas County [Performance Clackamas website](#); Five strategic priorities: Build public trust through good government; Grow a vibrant economy; Build a strong infrastructure; Ensure safe, healthy and secure communities; and Honor, utilize, promote and invest in our natural resources

Elections Audit Update

The Office of County Internal Audit is in the process of completing an approved audit of Clackamas County's election process, specifically addressing the status of the four recommendations offered in a 2021 internal audit.

In 2021, the Office of County Internal Audit assessed Elections Ballot Security. The audit report detailed four recommendations addressing physical security and chain of custody enhancements. The newly elected County Clerk requested this review engagement to address the associated risks identified in the audit report.

The assessment is evaluating the effectiveness of process changes made by, or ongoing implementation efforts of, the Clerk's Elections team. The engagement scope is narrowly defined by that of the 2021 audit engagement. The engagement focuses on the cast ballots for the May 21, 2024, Primary Election. It does not assess any information technology or advanced electronic systems used in county elections, recount or verify any election results, or validate voter registration.

Oregon, the first state to administer all elections entirely by mail, has been enhancing the Vote-By-Mail process for over two decades. The Clackamas County Elections office administers and conducts all federal, state, county, city and special district elections in Clackamas County. The office advises voters, candidates, political parties, cities, special districts, and others about administrative rules and statutes applicable to election laws. It oversees election filing, forms, and voter registration. The office also prepares ballots and voters' pamphlets, receives and processes returned ballots, and completes election result tallies.



2024 is a presidential election year with the primary election held in May 2024 and the general election to be held in November 2024.

This engagement supports the Office of the Clerk in achieving its mission to "ensure equitable and inclusive access to local government services through conducting accurate and transparent elections."³ Likewise, this engagement supports the Board of County Commissioners' strategic priority of building public trust through good government.⁴

³ [Clackamas County Clerk website](#)

⁴ [Clackamas County Performance Clackamas website](#)

Asset Management

The Office of County Internal Audit is in the process of completing an approved audit of Clackamas County's asset management processes.

Finance
Asset
Management
Focus on
Good
Government -
stewardship of
public money

The county defines capital assets as assets with an initial cost of more than \$10,000 and an estimated life more than one year. Purchased or constructed capital assets, including property, plant and equipment, infrastructure (roads, bridges, drainage systems, and street lighting), right of ways and easements, are reported at cost and tracked. Additionally, the county owns sensitive assets, potentially not meeting the capital asset threshold, which may pose a security risk or liability if not adequately tracked and managed.

This audit engagement of the county's asset management system focuses on the risks and mitigation strategies associated with theft, maintenance and valuation of county assets. This engagement supports the Board of County Commissioners' strategic priority of building public trust through good government.



County Courthouse Construction Project

The Office of County Internal Audit is in the process of conducting an approved audit of the Clackamas County Circuit Courthouse construction project.

County
Administration
County
Courthouse
Construction
Project
Focus on
Public Safety

This audit engagement assesses the county's project governance structure and its ability to successfully manage the project in meeting design, financial and timing expectations and mitigating common construction risks. Significant construction risk areas being considered include safety hazards, change orders, inadequately defined scope, unknown site conditions, inadequately written contracts, unexpected increases in material costs, labor shortages, and site damage or theft.

The existing Clackamas County courthouse in downtown Oregon City was completed in 1937 at a time when the county's population was approximately 50,000 residents. The courthouse configuration has not changed in the 85 years since and cannot adequately handle the services required by a population of more than 410,000 residents.

On June 23, 2021, the State legislature authorized the issuance of \$94.5 million in state bonds to cover the State's contribution towards the projected capital costs of the new courthouse.

On July 7, 2022, the Board adopted an order authorizing a project agreement with a special purpose entity formed by Fengate PCL Progress Partners for the Clackamas County Courthouse Replacement Project. The total project cost is

approximately \$313 million. The county anticipates that the future county courthouse will be funded using a combination of local funds from the county's general fund, and matching funds from the State of Oregon. It is anticipated that state contributions will total \$156 million, including an additional \$61 million request above the \$94.5 million issued due to higher-than-projected costs. The total county cost of the project, the balance remaining after any state contribution, is currently estimated to be approximately \$158 million. The county is budgeting for annual cash payments to meet its obligations.⁵

This engagement will support the Board of County Commissioners' strategic priorities of ensuring a safe, healthy and secure community and building public trust through good government.

Jail Operations

The Office of County Internal Audit is in the process of conducting an approved audit of Clackamas County's jail operations. The engagement is in the planning and scoping phase.

The first public building in Oregon was a jail – the first jail west of the Rocky Mountains.

The two-story, 18 feet square wood building was built in Oregon City. The Clackamas County Jail was constructed in its current Oregon City location in 1959. After multiple remodels, the jail capacity has grown from 86 inmates in 1959 to over 430.

The Clackamas County jail books and processes approximately 16,000 offenders annually. It employs 127 full- and part-time employees who provide a variety of services. In addition to closed-facility residential services, the Sheriff's Electronic Home Detention program monitors offenders remotely using electronic ankle bracelets.

The jail provides offenders with AA/NA meetings, religious services, education and life-skills opportunities, and an inmate law library.

The jail spends approximately \$12,000 per month for inmate medications. The majority of this cost is for psychotropic medications serving the 18-20% average daily inmate population who suffer from mental health issues.



Clackamas
County Sheriff's
Office

Jail Operations
(Management
Request)

Focus on Public
Safety

⁵ County staff report dated July 7, 2022, recommending adoption of an Order authorizing a project agreement for the design, construction, partial financing, operation and maintenance of the Clackamas County Circuit Courthouse

Finance Department
Financial Condition Analysis
Focus on Good Government - accountability and transparency

The jail's kitchen serves roughly 36,000 meals per month. The average food cost alone per meal is \$0.91.⁶

This audit engagement of the county's jail operations will provide assessment and assurance addressing potential public safety risks. Among the potential audit topics are risks associated with medication administration, the federal Prison Rape Elimination Act, victim communications and notifications, suicide prevention, and the use of isolation or segregation within the population. This engagement supports the Board of County Commissioners' strategic priorities of ensuring a safe, healthy and secure community and building public trust through good government.

Financial Conditional Analysis

The Office of County Internal Audit periodically conducts a financial condition analysis. County accountability and transparency are enhanced through these published reports. Clackamas County Financial Condition Analysis reports have presented the county's financial condition as of fiscal years 2017, 2019, and 2022. The most recent report concluded "The county's financial health is stable. The county has a balanced budget and the county's debt, liquidity, fund balance, and credit ratings are strong. Revenue and expense per county resident indicators continue to increase. The county needs to monitor its aging capital assets and unmet infrastructure needs."⁷

A financial condition report provides residents and public officials with information on the county's financial health. The report uses information, primarily from the county's audited Annual Comprehensive Financial Report (ACFR), and identifies favorable and unfavorable trends at a high level. Monitoring county finances over time enables public officials and residents to assess the county's financial condition, fiscal sustainability, and identify problem areas that may need attention.

A financially sustainable county can meet its obligations and provide public services on an ongoing basis. It can address the effects of fiscal interdependency between governments, withstand economic disruptions, and respond to changes in the environment. A financially stable county collects enough revenue to pay its



⁶ Clackamas County jail fast facts and history as reported on the [Clackamas County Sheriff website](#)

⁷ County Internal Audit report #2022-06, [Financial Condition: Assessment of Clackamas County's financial health and fiscal sustainability](#)

short and long-term bills and finance major needs without shifting disproportionate costs to future generations.

Addressing budget management and future funding sources for public safety operations are two of ten Clackamas County strategic goals established by the Board of County Commissioners through the March 2021 Performance Clackamas County Plan update.⁸

Youth Services and Accountability

Juvenile
Department
Youth Services
and
Accountability
Focus on Public
Safety

Oregon's juvenile justice system is composed of a network of local and state partners. Governmental agencies providing primary direct services for youth in the juvenile justice system are county juvenile departments and the Oregon Youth Authority. The juvenile justice system is the system in charge of dealing with juvenile crime. It is different from the adult criminal system. The juvenile system concentrates on holding youth accountable for their actions, keeping the public safe, and repairing the harm in the community. At the local level, county juvenile departments provide sanctions and services to youth ages 12-17, who are referred primarily for law violations by law enforcement agencies.

"The mission of the Clackamas County Juvenile Department is to provide equitable juvenile justice, family support, intervention, and reformation services to youth so they can repair harm to victims, experience positive change, and contribute to a safe, healthy, and secure community."⁹ The Juvenile Department provides targeted interventions designed to hold youth accountable and teach youth new skills while simultaneously working to restore victims and the community. Many of these services intersect with other county, government and community services.

An audit engagement of Juvenile Department services will provide assessment and assurance addressing potential public safety risks – to youth, their families and our communities. The efficacy and efficiency of cross-system services may be evaluated, resulting in greater collaboration opportunities between other county, government and community entities. This engagement supports the Board of County Commissioners' strategic priorities of ensuring a safe, healthy and secure community and building public trust through good government.



⁸ [Performance Clackamas County Plan, March 2021 update](#)
⁹ [Clackamas County Juvenile Department website](#)

FY24-25 Advisory and administrative services

Chief Audit Executive duties

The County Internal Auditor is the county's Chief Audit Executive. Chief Audit Executive administrative duties are the management functions needed to maintain an effective internal audit presence within the county. These tasks include connecting and collaborating with county leadership, management and staff; networking with other government CAEs; developing a collaborative network of other county internal audit functions; ensuring effective communication between County Internal Audit and county staff; ensuring the Office of County Internal Audit is complying with auditing standards; supporting the Internal Audit Oversight Committee; and providing leadership to promote value to the county through audit work.

Advisory services

The County Internal Auditor participates in a variety of county projects in an advisory capacity. This includes attending meetings, collaborating in workgroups, developing a visible presence in the county, supporting and responding to daily management and staff inquiries, and researching potential county risks and audit topics. Additionally, the County Internal Auditor assists management in building formal risk management processes into the county strategic planning, provides consultative support and information related to risk management practices, and facilitates risk management assessments.

Governance, risk management, and control process assessment

The Office of County Internal Audit assesses governance, risk management, and control processes to guide the annual strategic audit plan, as well as determine the continued effectiveness of the county's internal control structure in accordance with criteria established in the Internal Control Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. This general assessment builds on the foundation developed during previous assessments. County leadership receives the assessment in detail, including observed opportunities for improvement.

Quality assurance and improvement program

Under professional auditing standards, the Office of County Internal Audit is required to have an annual internal program related to quality assurance and improving the internal audit function. Professional standards also require that an external quality assurance review be conducted. To meet this standard, the Office of County Internal Audit will participate in a State of Oregon reciprocal peer review program. The county's first quality assurance review is proposed in the FY24-25 Audit Plan. Mirroring the average assurance engagement budget, an estimated 480 resource hours have been allocated to the Quality Assurance Review.

External audit support

The Office of County Internal Audit serves as a clearinghouse for final reports and communications regarding all external audits and reviews, including local, state, and federal program reviews; and other operational, licensure, and professional compliance monitoring activities. The Office of County Internal Audit continues to build capacity and countywide awareness to meet this expectation.

Risk assessment results

A risk is the potential of an event happening that could impact the county's ability to achieve its objectives.

The Office of County Internal Audit conducts an annual risk assessment to identify, analyze and evaluate potential risks to the county's ability to achieve its objectives. Professional standards¹⁰ require the Office of County Internal Audit establish a systematic, risk-based approach to determine the priorities for internal audit activities. The Office of County Internal Audit conducted the risk assessment to provide insight to county leadership and to aide in the allocation of County Internal Audit resources.

County Internal Audit established a risk assessment methodology, based on industry standards and best practices¹¹.

- Auditable units were identified (Exhibit D).
- Risk criteria were defined and used in determining an overall risk score for each potential auditable unit (Exhibit C).
- The results were sorted to identify those auditable units with the highest risk scores (Exhibit B).

A risk is the potential of an event happening that could impact the county's ability to achieve its objectives. A high-risk score generally indicates if something were to go wrong it could have a significant impact. A high-risk score does not mean an auditable unit is being managed ineffectively or internal controls are inadequate. A unit with a high-risk score merely indicates that the services or functions it is responsible for are, by nature, high priority activities with high-risk potential because of factors as:

- having a large amount of expenditure or revenues.
- having sensitive assets, such as cash, election ballots or data.
- management's assessment of the control environment.
- a high degree of public interest.

A high-risk score does not mean an auditable unit is being managed ineffectively or internal controls are inadequate.

Based on the risk assessment analysis, the county district, offices and departments facing the highest risk potential include¹²:

- Clerk's Office
- Finance Department
- Health, Housing and Human Services Department
- Juvenile Department
- North Clackamas Parks and Recreation District
- Sheriff's Office
- Technology Services Department
- Transportation and Development Department
- Water Environment Services

¹⁰ International Standards for the Professional Practice of Internal Auditing (Standards): [Standard 2010 – Planning](#)

¹¹ Wright, Rick; The Internal Auditor's Guide to Risk Assessment; IIA, 2018

¹² Departments listed alphabetically. Complete Risk assessment results provided at Exhibit A

Areas of high-risk potential:

*County Clerk,
CCSO,
Finance, H3S,
Juvenile,
NCPRD, TS,
DTD and WES*

The Office of County Internal Audit scored risk for each auditable unit by:

- receiving input from key stakeholders.
- evaluating unit complexity.
- assessing how the county would be impacted if a detrimental event were to occur in the unit.
- recognizing the unit's revenues and expenditures.
- considering the unit's direct involvement with county strategic initiatives.
- applying professional judgment.

Information learned while providing County Internal Audit assurance and advisory services contributed to the identification and compilation of risk areas considered as audit plan topics for the auditable units facing the highest risks. County Internal Audit also considered any recent unit change or any residual risk due to past audit findings or known deficiencies. Results of the risk interviews and the prior departmental self-evaluations in the areas of control environment, risk assessment, control activities, information & communication, and monitoring activities played a part, as well, in the evaluation.

Audit topics were selected for the FY24-25 audit plan based on:

- high risk level.
- auditability.
- County Internal Audit familiarity.
- County Internal Audit resource availability.
- the county's risk awareness, culture, and appetite.

Both the selected and remaining risk topics identified provide the evolving foundation for future annual risk assessments and the ongoing Office of County Internal Audit strategic audit plan.

Auditable Units Model by Risk Score

Department and Line of Business / Program	Risk Score	Risk Category	Trend	FY24-25 Audit Plan
CCSO - Public Safety	632	High	–	Yes
H3S - Children, Family & Community Connections	621	High	–	
CCSO - Administration	614	High	–	
H3S - Social Services	610	High	–	
H3S - Administration	609	High	–	
CCSO - Law Enforcement	566	High	–	
CCSO - Sheriff Operating Levy	546	High	↑	
NCPRD - Salary Reimbursement	537	High	↑	
Finance - non-departmental	520	High	–	
Finance - Debt	520	High	–	Yes
DTD - Transportation	509	High	–	
Finance - Financial Executive Support	505	High	–	
H3S - Public Health	500	High	–	
H3S - Health Centers	500	High	–	
H3S - Behavioral Health Division	500	High	–	
H3S - Housing & Community Development (incl HACC)	480	High	–	
WES - Salary Reimbursement	475	High	–	
TS - Communication Services	470	High	↑	
H3S - Housing & Community Development	463	High	↑	
DTD - County Parks & Golf	457	High	–	
Finance - Facilities Management	443	High	–	
Clerk's Office	439	High	–	Yes
Juvenile - Administration	422	High	↑	Yes
CCSO - Training	419	High	↑	
HR - Administration	381	Moderate	–	
DTD - Fleet Services	375	Moderate	–	
DTD - Livable Communities	375	Moderate	–	
DTD - Land Use & Development	372	Moderate	–	
DTD - Library	371	Moderate	–	
TS - Technical Services	349	Moderate	–	
TS - Applications	343	Moderate	–	
Finance - Courier & Mail Operations Services	331	Moderate	–	
District Attorney's Office	324	Moderate	↓	
Juvenile - Public Safety	322	Moderate	↑	
Finance - Financial Management & Accountability	318	Moderate	–	Yes
TS - Administration	317	Moderate	↓	

Juvenile - Accountability & Reformation	316	Moderate	-	
Finance - Accounting Services	312	Moderate	-	
DTD - Administration	311	Moderate	↓	
A&T - Valuation	311	Moderate	↑	
HR - Benefits, Wellness, Leave Management	302	Moderate	-	
County Administration - Administration	302	Moderate	↓	Yes
DTD - Assets	301	Moderate	-	
DTD - Economic Development Line of Business	301	Moderate	-	
Misc/Pass-Through _County School Fund_	295	Moderate	↑	
Disaster Management & Medical Examiner	293	Moderate	-	
DTD - Extension and 4H Service District	290	Moderate	-	
CCDA - Salary Reimbursement	290	Moderate	-	
HR - Workforce Design	287	Low	↓	
HR - Risk & Safety Management	281	Low	↓	
DTD - Fair & Event Center	281	Low	-	
Treasurer's Office - Treasury Services	280	Low	-	
DTD - Administration	270	Low	↓	
HR - Employee & Labor Relations Management	264	Low	-	
Clackamas 911 Services	258	Low	-	
DTD - Targeted Improvement Areas	249	Low	-	
DA - Justice & Public Safety	241	Low	-	
DA - Family Support	233	Low	-	
DA - Victim & Support Services	233	Low	-	
PGA - Communications, Engagement & Advocacy	229	Low	-	
A&T - Property Tax Revenue & Records	216	Low	-	
A&T - Administration	214	Low	↓	
Juvenile - Youth, Family, Stakeholder & Community	212	Low	-	
PGA - Strategy, Policy & Brand Identity	164	Low	-	
County Administration - Tourism & Cultural Affairs Services	142	Low	-	
County Counsel - Litigation & Labor	113	Low	-	
County Counsel - Office of the County Counsel Administration	112	Low	-	
County Counsel - Legal Support	112	Low	-	
Justice Court Services	99	Low	-	
Law Library - Administration	66	Low	-	
Resolution Services	65	Low	-	
Office of County Internal Audit			-	

Risk Factor Definitions and Scoring Criteria

The Math



A Risk Assessment Survey Score – The Office of County Internal Audit (Office) held interviews with key stakeholders from the various auditable units to help gain an understanding of risks and obstacles each department is facing and to gain a more thorough understanding of the duties and responsibilities of each department. These interviews were used to score the following areas of the department.

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring

The Office scored these 5 topic areas based on professional experience, input received from stakeholders throughout the County, and Office observations. Data collected during the 2021 and 2022 interviews formed the foundation for the 2023 assessment. This data was updated in 2023 based on professional judgement. No significant

changes to the historical interview assessment scores were made. The maximum interview score is 40. The minimum interview score is 10.

The Office added weight to the interview scores based on three factors:

- The combined number of county Good Government Hotline reports and Human Resources employment complaints received in fiscal year 2023.
- The number of risk claims processed by Risk Management in fiscal year 2023.
- The number of Lessons Learned recommendations issued by County Counsel in fiscal year 2023.

GGH & HR Complaints	Score
0	0
1	10
2	15
3+	20

The maximum score a unit could obtain from the GGH & HR Complaints scoring would be 20 points, and the minimum possible score an audit unit could obtain from this scoring would be 0 points.

Risk Claims	Score
0	0
<5% of all claims	10
5 - 10% of all claims	15
>10% of all claims	20

The maximum score a unit could obtain from the Risk Claims scoring would be 20 points, and the minimum possible score an audit unit could obtain from this scoring would be 0 points.

Counsel Recommendations	Score
0	0
1	10
2	15
3+	20

The maximum score a unit could obtain from the County Counsel Lessons Learned Recommendations scoring would be 20 points, and the minimum possible score an audit unit could obtain from this scoring would be 0 points.

This combined survey score was placed into Column A. The highest score possible for this section of the risk assessment was 100 (40+20+20+20) points and the lowest was 10 (10+0+0+0) points.

B Complexity of Unit and Impact to county – The Office scored each unit based on an understanding of the complexity of processes overseen by the unit and the impact that an actual error in the unit's processes could have on the county. Complexity and impact were broken out into the following six areas.

- Strategic
- Operational
- Financial
- Information Technology
- Legal/Regulatory Compliance
- Reputation/Customer Service

The Office scored each of these six complexity/impact areas (0 to 2) per auditable unit. The total complexity/impact score was used as a "multiplier" to help assess risk. The total complexity/impact scores were placed in Column B and used to compute Column C for each unit. The highest risk score possible for Column C, after the risk "multiplier" was considered, was 1200 points and the lowest was 10 points.

D Financial Impact Score – The Office scored each auditable unit based on how much revenue the unit processed during fiscal year 2023 and how much expenditure the unit incurred during fiscal year 2023. Scoring of this attribute reflected the concept that as the amount of revenues and/or expenditures increases in a unit, the risk for that unit also increases. The Office used fiscal year 2023 financial data extracted from the county's accounting system. Total revenue and expenditure being processed were used to score the financial risk using the matrix below.

Financial Impact	Multiplier
> \$25,000,000	.10
\$25,000,000 to \$15,000,001	.08
\$15,000,000 to \$6,000,001	.06
\$6,000,000 to \$2,000,001	.04
\$2,000,000 to \$0	.02

The highest score a unit could obtain from the financial risk scoring would be 120 (1200 * .10) points, and the lowest possible score an audit unit could obtain from this scoring would be .2 (10 * .02) points.

E Last Time Audited by the Office of County Internal Audit Score – The Office assessed and scored audit frequency. The Office used the following methodology when scoring the lapse of time since the last internal audit.

Last Time Receiving IA	
Never Audited	25
Audited 10+ yrs. Ago	15
Audited 8 yrs. Ago	9
Audited 5 yrs. Ago	7
Audited 3-4 yrs. Ago	5
Audited by IA in 2019	3
Audited during 2020 by IA	-

The highest score a unit could obtain from the audit frequency scoring would be 25 points, and the lowest possible score an audit unit could obtain from this scoring would be 0 points.

F BCC Strategic Initiatives Score – The Office scored each auditable unit based on how much impact the unit has on the successful implementation of the Board of Commissioners’ 10 strategic goals. A risk score was assigned using the following Implementation Team participation matrix. The Initiative Score reflects 2022 results. As of June 2024, the Board of County Commissioners had suspended prioritized effort addressing the 10 strategic goals identified by Performance Clackamas.

Strategic Impact - Implementation Team participation	
Team lead	4
Team member	2
Non-participant	-

The highest combined risk score possible for Column **F** was 40 (10*4), lowest 0 (10*0).

G Total Risk Score - The total risk score, the sum of Columns **C** to **F**, was placed in Column **G**. The highest attainable total risk score was 1385 points, and the lowest 10.2. The Office designates high, moderate, and low risk units by general top, middle, and bottom third segments, sorted from highest to lowest risk score.

Auditable Units - Summary Descriptions

Defining the audit universe is a critical step in helping plan future internal audits at the county. Each auditable unit must be distinct and contain activities structured to obtain common objectives. Auditable units were generally identified based on discussions with staff and management, the "line of business" structure outlined in the county's accounting software, the department structure outlined on the county's website¹³, and the Department Strategic Plans¹⁴. For the risk assessment, there were 72 auditable units.

1. **Assessment and Taxation – Administration** – The purpose of the County Administration Line of Business is to provide leadership, guidance, consultations and support services to the Board of county commissioners, county Departments and the public so they can achieve and experience world-class customer service and results from Clackamas County government.
2. **Assessment and Taxation – Property Tax Revenue & Records** – The purpose of the Property Tax Revenue & Records Line of Business is to provide tax and property information services to the public, property owners, taxpayers, and taxing districts so they can receive quality customer service and timely and accurate information for decision making purposes.
3. **Assessment and Taxation – Valuation** – The Purpose of the Valuation Line of Business is to provide appraisal, statistical, analytical, special program eligibility, dispute resolution and correction services to property owners and taxpayers so they can have confidence that property is valued at 100% of real market value and they are paying the correct amount of tax.
4. **Board of County Commissioners** – The Board of County Commissioners (BCC) consists of five commissioners, all of whom are elected by a countywide vote. There exists one elected chair and all commissioners serve a four-year term. The BCC serves as the governing body of Clackamas County and has the powers and duties granted to the governing body by law. The BCC sets policies, enacts ordinances and approves budgets to perform county services.
5. **Business & Community Services (BCS) – BCS Administration** – The purpose of the BCS Administration line of business is to provide leadership, strategic direction, communication, budgeting and financial management services to BCS programs so they can make informed decisions and provide sustainable, effective and well-managed services to those who live, work, visit or do business in Clackamas County.
6. **Business & Community Services (BCS) – Assets** – The purpose of the Assets line of business is to provide land and surplus property management services to county departments and elected officials on behalf of the public so they can make informed decisions regarding land development and infrastructure, and generate additional revenue to support, maintain, and enhance other public services.
7. **Business & Community Services (BCS) – County Parks & Golf** – The purpose of the County Parks and Golf line of business is to provide parks, facilities and recreation services to residents and visitors so they can participate in health and wellness activities that contribute to a strong and vibrant community.
8. **Business & Community Services (BCS) – Economic Development** – The purpose of the Economic Development line of business is to provide leadership consultation, economic analysis, investment and land banking services to policymakers, performance partners, businesses and property owners so they can help grow a vibrant and resilient economy.

¹³ e.g., <https://www.clackamas.us/departments>

¹⁴ e.g., <https://www.clackamas.us/performanceplans.html>

9. **Business & Community Services (BCS) – Extension and 4H Service District** – The Extension and 4H Service District is identified as part of Business & Community Services and is used for tracking financials separately. For the purposes of the risk assessment, this program is identified its own auditable unit.
10. **Business & Community Services (BCS) – Fair & Event Center** – The purpose of the Fair and Event Center line of business is to plan and host the annual Clackamas County Fair and Rodeo and provide facility rental and event services to county residents and visitors so they can experience a unique heritage tradition and utilize an historic facility for a wide variety of business, community and private events.
11. **Business & Community Services (BCS) – Library** – The purpose of the library line of business is to provide access to informational, recreational, community, cultural, and support services to library patrons so they can develop into lifelong learners and readers, satisfy intellectual curiosity, and strengthen communities.
12. **Business & Community Services (BCS) – North Clackamas Parks & Recreation District (NCPRD)** – The purpose of the NCPRD line of business is to provide access to parks, natural areas, trails, recreation services and facilities to district residents and visitors of all ages so they can enjoy living in vital and healthy communities.
13. **Clackamas 911 (CCOM) – Clackamas 911 Services** – The purpose of the Clackamas 911 Services line of business is to provide professional call processing, dispatching, technical and administrative services to the public, businesses and government agencies so they can have expedited and efficient access to public safety resources for emergency, non-emergency and life-critical events.
14. **Community Corrections – Coordination** – The purpose of the Coordination line of business is to provide leadership, support, logistics & infrastructure services to reintegration line of business so we can accomplish the mission of the agency.
15. **Community Corrections – Reintegration** – The purpose of the Reintegration line of business is to provide Parole & Probation, Community Service, Pretrial Services, Victim's Services, Residential Treatment & Counseling services to justice-involved individuals and those affected by crime so they can experience their best opportunity for successful, pro-social reintegration into the community.
16. **County Administration – County Administration** – The purpose of the County Administration Line of Business is to provide leadership, guidance, consultations and support services to the Board of County Commissioners, county departments and the public so they can achieve and experience world-class customer service and results from Clackamas County government.
17. **County Administration – Tourism & Cultural Affairs Services** – Tourism and Cultural Affairs is charged with developing and administering a comprehensive destination marketing plan to enhance the quality of life for residents by achieving optimal economic benefit from tourism for county businesses, attractions and government. The Tourism program is funded by a countywide 6% transient lodging tax focused solely on tourism promotion and development that is guided by the Tourism Development Council and a five-year Master Plan approved by the BCC.
18. **County Clerk – Clerk's Office** – The purpose of the Clerk's Office is to provide elections, records management, recording, property tax appeals, marriage and liquor licenses, and passport services to the public, county departments and other government jurisdictions so they can promptly and efficiently conduct their business in a welcoming environment.
19. **County Counsel – Legal Support** – The purpose of the Legal Support Line of Business is to provide easy-to-access, easy-to-understand advisory, regulatory and transactional services to the

- county, its elected officials, departments and special districts so they can make well-advised, timely, legally informed decisions, and keep the delivery of services to the public moving.
20. **County Counsel – Litigation & Labor** – The purpose of the Litigation and Labor Line of Business is to provide advice and representation at trial, mediation or other arenas, to the county, and its elected officials, departments and special districts, so they can manage and minimize risk, be represented in lawsuits, and appropriately administer labor and employment laws.
 21. **County Counsel – Office of the County Counsel Administration** – The purpose of the Office of the County Counsel Line of Business is to provide leadership, oversight, and legal consultation services to the county, and its elected officials, departments and special districts, so they can effectively implement their policy objectives, achieve success for county operations, and minimize risk and adverse results for the county.
 22. **Disaster Management – Disaster Management & Medical Examiner** – The purpose of the Disaster Management and Medical Examiner Line of Business is to provide critical coordination and response services to impacted individuals and communities who may be experiencing the worst days of their lives so they can recover.
 23. **District Attorney (DA) – District Attorney's Office** – The mission of the Clackamas County District Attorney is to provide leadership, support, and criminal justice services to the community and crime victims so they can experience justice and safety.
 24. **District Attorney (DA) – Family Support** – The purpose of the Family Support Line of Business is to provide establishment, enforcement, and case management services to families so they can support their children.
 25. **District Attorney (DA) – Justice & Public Safety** – The purpose of the Justice & Public Safety Line of business is to provide adult and juvenile criminal prosecution and support services to the public, crime victims, courts and law enforcement so they can experience and deliver justice, fairness and public safety.
 26. **District Attorney (DA) – Victim & Support Services** – The purpose of the Victim Support & Services Line of Business is to provide 24/7 comprehensive, collaborative advocacy, consultation, and victim rights services to crime victims and their families, prosecutors, and law enforcement so they can experience and provide a meaningful role in the criminal justice process, be safe, and be treated fairly, impartially, with dignity, and respect.
 27. **Finance – Accounting Services** – The purpose of the Accounting Services line of business is to provide accounting support services to county employees and departments so they can receive accurate and timely reporting.
 28. **Finance – Courier & Mail Operations Services** – The purpose of the Courier & Mail Operations Services line of business is to provide coordinated mail and package processing and distribution services to county departments so they can conveniently receive and send mail and packages that support their business operations.
 29. **Finance – Facilities Management** – The purpose of the Facilities Management line of business is to provide preventative and corrective maintenance, construction and energy management services to the tenants of county managed facilities so they can conduct business in energy efficient, well-maintained, clean, safe and secure facilities.
 30. **Finance – Financial Executive Support** – The purpose of the Financial Executive Support Line of Business is to provide leadership, and administrative support services to department employees and system users so they have the tools and the information to do their job in alignment with the department's and Board of County Commissioners' strategic priorities.
 31. **Finance – Financial Management & Accountability** – The purpose of the Financial Management & Accountability line of business is to provide strategic financial planning, sourcing,

and reporting services to county departments so they can manage resources in a fiscally responsible manner and make informed decisions that support the achievement of their strategic and operational results.

32. **Health, Housing & Human Services (H3S) – Behavioral Health Division** – The purpose of the Behavioral Health Division Line of Business is to work collaboratively with community partners to ensure the provision of coordination, support, outreach, education, and treatment services to Clackamas County residents so they can achieve their mental health and addiction recovery goals.
33. **Health, Housing & Human Services (H3S) – Children, Family & Community Connections** – The purpose of the Children, Family & Community Connections Line of Business is to provide prevention, education, employment, and weatherization services to vulnerable residents of Clackamas County so they can experience healthy home, work, and school environments.
34. **Health, Housing & Human Services (H3S) – H3S Administration** – The purpose of the H3S Administration Line of Business is to provide leadership and guidance services to the H3S Divisions and key internal and external stakeholders so they can meet service and program goals, have confidence in H3S, and seek out H3S for resources and guidance.
35. **Health, Housing & Human Services (H3S) – HACC** – The purpose of the Housing Authority of Clackamas County is to provide voucher, public housing, development, maintenance, resident, and supportive services to individuals and families in need so they can experience stable, affordable, and quality housing.
36. **Health, Housing & Human Services (H3S) – Health Centers** – The purpose of the Health Centers Line of Business is to provide patient-centered health care services to vulnerable populations so they can experience improved physical, dental, and behavioral health wellness.
37. **Health, Housing & Human Services (H3S) – Housing & Community Development** – The purpose of Housing & Community Development Line of Business is to provide housing, shelter, revitalization, and supportive services to individuals and families in need so they can experience healthy, safe, and affordable housing in neighborhoods with improved access to services.
38. **Health, Housing & Human Services (H3S) – Public Health** – The purpose of the Public Health Line of Business is to provide environmental health inspections and licenses, policy and assessment, access to care, infectious disease control, and education services to residents and businesses so the public can appropriately prevent, respond, and take action to ensure clean and safe places and a healthy population.
39. **Health, Housing & Human Services (H3S) – Social Services** – The purpose of the Social Services Line of Business is to provide case management, financial support, information and referral, meaningful opportunities, and advocacy services to older adults, people with disabilities, Veterans, low income, and houseless persons so they can meet their basic needs, receive benefits they have earned, have choice in their life decisions, and successfully engage in their community.
40. **Human Resources (HR) – Administration** – The purpose of the Administration Line of Business is to provide human resources direction, executive consultation and policy decision, and workforce data services to county administration, county departments and employees so they can have a business partner to achieve strategic and operational results.
41. **Human Resources (HR) – Benefits, Wellness, Leave Management** – The purpose of the Benefits and Wellness Line of Business is to provide comprehensive benefits, disability management, planning, education and consultation services to county departments, and employees so they can create a workplace culture committed to practices that sustain a healthy and productive workforce and preserve financial resources.

42. **Human Resources (HR) – Employee & Labor Relations Management** – The purpose of the Employee and Labor Relations Administration Line of Business is to provide collective bargaining and labor contract administration services to BCC, County Administration, and departments so they can define, understand, and administer employee relations, labor relations and discipline of employment and dispute resolution.
43. **Human Resources (HR) – Risk & Safety Management** – The purpose of the Risk and Safety management Line of Business is to provide comprehensive loss prevention and control, risk management, planning education and consultation services to county departments, and employees so they can create a workplace culture committed to practices that eliminate risk, sustain a healthy and productive workforce and preserve financial resources.
44. **Human Resources (HR) – Workforce Design** – The purpose of the Workforce Design Line of Business is to provide workforce planning and development, classification and compensation, and recruitment and selection services to county departments so they can plan for, attract and retain the qualified and diverse workforce they need to achieve their strategic results.
45. **Justice Court – Justice Court Services** – The purpose of the Justice Court Services line of business is to provide judicial services to the public so they can access multiple options for resolution of violation citations and civil cases.
46. **Juvenile Department – Accountability** – The purpose of the Accountability line of business is to provide intervention, and compliance monitoring services to youth so they can be accountable to victims and the community and repair harm they have caused.
47. **Juvenile Department – Administration** – The purpose of the Administration line of business is to provide strategic planning, resource management, and continuous quality improvement services to the Juvenile Department so it can foster and sustain a high performance, responsive, and customer-focused culture and organization, and work effectively with community partners and stakeholders.
48. **Juvenile Department – Public Safety** – The purpose of the Public Safety line of business is to provide assessment and detention services to youth so they can receive the appropriate level of monitoring and services that provides for community safety.
49. **Juvenile Department – Reformation** – The purpose of the Reformation line of business is to provide targeted evaluation and rehabilitative services to youth so they can increase the competencies needed to transition to adulthood, live a crime free life, and be a contributing member of their community.
50. **Law Library – Administration** – The Clackamas County Bar Association appoints the Law Library committee which administers the Law Library. The library is entirely funded by an allocation of court “pass-through” fees and the one Law Library in Clackamas County exists in accordance with Oregon Revised Statute 9.815.
51. **Public & Government Affairs (PGA) – Communications, Engagement & Advocacy** – The purpose of the Communications, Engagement and Advocacy Line of Business is to provide information, consultation, coordination, and advocacy services to the people of Clackamas County, their Board of County Commissioners, and other countywide elected officials so they can develop and strengthen relationships, achieve their policy priorities, and the people of Clackamas County can thrive.
52. **Public & Government Affairs (PGA) – Strategy, Policy & Brand Identity** – The purpose of the Strategy, Policy and Brand Identity Line of Business is to provide strategic planning and messaging, policy analysis, and support services to the people of Clackamas County, their Board of County Commissioners, other countywide elected officials, and Public and Government Affairs staff so they can have equitable access, make informed decisions, and achieve results.

53. **Resolution Services – Resolution Services** – The purpose of the Resolution Services Line of Business is to provide conflict resolution services to people and organizations experiencing conflict so they can resolve their differences peacefully, develop skills for the resolution of future conflicts and build safe, healthy relationships and communities.
54. **Sheriff's Office (CCSO) – Administration** – The purpose of the Administration Line of Business is to provide executive leadership, administrative support, and operational support services to Sheriff's Office employees so they can deliver quality law enforcement and public safety services to the community.
55. **Sheriff's Office (CCSO) – Enhanced Law Enforcement District** – The purpose of the Enhanced Law Enforcement District (ELED) Program is to provide enhanced public safety, community partnership, education, and law enforcement services to those who live, work, and play within the ELED so they can enjoy safe, livable communities.
56. **Sheriff's Office (CCSO) – Law Enforcement** – The purpose of the Law Enforcement Line of Business is to provide law enforcement and offender accountability services to the people of Clackamas County so they can experience and contribute to a safe and secure community.
57. **Sheriff's Office (CCSO) – Public Safety** – The purpose of the Public Safety Line of Business is to provide security and protection through offender accountability services and court order enforcement to the people of Clackamas County so they can experience and contribute to a safe and secure community.
58. **Sheriff's Office (CCSO) – Sheriff Operating Levy** – The Sheriff Operating Levy is identified as part of the Sheriff's Office and is used for tracking financials separately. For the purposes of the risk assessment, this program is identified its own auditable unit.
59. **Sheriff's Office (CCSO) – Training** – The purpose of the Training Line of Business is to provide training, professional development, and personal wellness services to Sheriff's Office employees so they can achieve professional and personal fulfillment and deliver quality law enforcement and public safety services throughout their career.
60. **Technology Services (TS) – Administration** – The purpose of the Administration Line of Business is to provide strategic technology, policy, planning and operational support services to Technology Services staff so they can support county departments in effectively utilizing technology resources in the performance of their jobs.
61. **Technology Services (TS) – Applications** – The purpose of the Applications Line of Business is to provide business analysis, application development, data, geospatial and application integration, software installation and maintenance services to county departments and the public so they can utilize technology to make informed business decisions, have timely and reliable access to the information to share with their customers and to achieve desired results.
62. **Technology Services (TS) – Communication Services** – The purpose of the Communication Services Line of Business is to provide telecommunications and fiber optic services to county departments and external agencies so they can meet their business communication requirements.
63. **Technology Services (TS) – Technical Services** – The purpose of the Technical Services Line of Business is to provide reliable and secure technical infrastructure and customer support services to county departments and partner agencies so they can utilize technology resources to conduct their business.
64. **Transportation & Development (DTD) – Administration** – The purpose of the Department Administration line of business is to provide leadership, management, communication financial and emergency support services to the Board of County Commissioners, decision-makers, department staff, other county departments, other agencies and the public, so they can provide

well-managed programs so people can live, work, play and do business in Clackamas County safely and successfully.

65. **Transportation & Development (DTD) – Fleet Services** – The purpose of the Fleet Services line of business is to provide fleet management and vehicle and equipment maintenance and repair services to public agencies so they can conduct business in safe, reliable and cost-effective vehicles.
66. **Transportation & Development (DTD) – Land Use & Development** – The purpose of the Land Use & Development line of business is to provide planning, property information and permitting services to residents, property owners, the development community and businesses so they can experience a safe, thriving and well-planned community, make informed decisions, invest and develop property.
67. **Transportation & Development (DTD) – Livable Communities** – The purpose of the Livable Communities line of business is to provide safety, compliance, resource conservation, solid waste and dog sheltering services to residents, property owners and businesses so they can experience a clean, safe, healthy and attractive community.
68. **Transportation & Development (DTD) – Targeted Improvement Areas** – The purpose of the Targeted Improvement Areas line of business is to provide capital improvement, development and neighborhood enhancement services to residents, property owners, businesses and visitors so they can enjoy a safe, thriving and well-planned community.
69. **Transportation & Development (DTD) – Transportation** – The purpose of the Transportation line of business is to provide safety, maintenance, engineering, construction and operations services to users of the transportation system so they can travel safely and efficiently in Clackamas County.
70. **Treasurer’s Office – Internal Audit Services** – The purpose of the Internal Audit Services Line of Business and Internal Audit Program is to provide assurance and consulting services to the public, employees, and departments of Clackamas County so they can feel confident that the public’s interest is protected and can engage with a more accountable, higher performing, and more transparent local government.
71. **Treasurer’s Office – Treasury Services** – The purpose of the Treasury Services Line of Business and Treasury Program is to provide active banking, accounting, investing, managing, distribution, and safeguarding services to the public of Clackamas County so they can trust that their funds are secure and to the taxing districts and departments of Clackamas County so they can efficiently and effectively provide services to their customers.
72. **Water Environment Services (WES)** – The mission of Water Environment Services is to provide resource recovery and watershed protection services to our community so we can live, work, and play in a healthy environment. WES consists of 4 lines of business: Business Services, Capital, Environmental Services, and Operations. The WES Payroll serves as a program for financial purposes for the pass-through dollars and will be used to calculate the financial component of the risk assessment. The purpose of the Business Services Line of Business is to provide administrative, human resources, and budgetary services to department employees, and advisory and budget committee members, so they can provide effective, well managed services and information to members of communities served by WES. The purpose of the Capital Line of Business is to provide strategy, analysis, projection, and new infrastructure services to WES ratepayers and decision makers so they can make well-informed decisions leading to timely and cost-effective infrastructure. The purpose of the Environmental Services Line of Business is to provide monitoring and assessment and pollution prevention services to WES staff, and permitting services to permit applicants, and the broader community so they can access and appropriately

use WES' infrastructure and understand their potential impact on water quality. The purpose of the Operations Line of Business is to provide collection and conveyance, treatment, and resource recovery services to ratepayers so they can have properly functioning infrastructure that supports healthy waterways and a vibrant economy.

###

Clackamas County
Internal Audit Oversight Committee
Meeting Materials
Wednesday, August 21, 2024

Item #3
FY23-24 Audit Plan –
08.21.2024 Status



FY23-24 Audit Plan

Assurance & Advisory Engagements – Status update

August 21, 2024

Engagements	Status	Notes
Civil Rights – Title VI Public Notification and Complaint Management	Complete	Management Letter issued – August 31, 2023. Management agreed with 3/3 recommendations offered.
FY 23-24 Budget Committee Advisory Motion	Complete	Advisory engagement requested by County Administrator/County Budget Officer. Management Letter issued – September 31, 2023. Seven recommendations were offered, including pursuing an external performance audit. County contracted with Moss Adams to perform a performance audit. The Moss Adams audit report, dated February 13, 2024, was discussed at a February 20, 2024, Board of County Commissioners policy session. Eight recommendations were offered.
2023 Audit Recommendation Monitoring	Complete	Monitoring activity and surveys conducted in December 2023. All responses received and analyzed in January 2024. Summary of results discussed in March 2024 Internal Audit Oversight Committee meeting.
2023 Risk Assessment	Complete	Risk assessment activity initiated in January 2024, interviews and data collection completed in April. Results shared with county leadership and will inform FY 24-25 Audit Plan. Results reviewed by Internal Audit Oversight Committee on June 5, 2024.
Clackamas County Clerk – Elections Audit: Status Update	In Progress	Fieldwork completed during May 21, 2024, Primary Election; Scope limited to verification of implemented audit recommendations. Draft report complete; Final report design stage; Target report date September 2024.
Finance – Asset Management	In Progress	Engagement letter issued January 11, 2024. Fieldwork and testing complete. Report development in progress. Target draft report date September 2024.
Courthouse Capital Construction Project	In Progress	Engagement letter issued January 10, 2024. Fieldwork and testing in progress. Target draft report date December 2024.
Clackamas County Sheriff's Office – Jail Operations	In Progress	Planning and survey work in progress. Target engagement letter date December 2024. Target report draft date May 2025.
Housing Authority – Affordable Housing Bond Program	Planned	Due to timing and competing resource requirements, the audit engagement did not start within the fiscal year. The audit engagement was considered in developing FY24-25 Audit Plan - Not recommended as a Tier One audit engagement.
Good Government Hotline	Ongoing	Administration of county's fraud, waste and abuse hotline. Activity trending up. Twenty reports received and responded to in FY23-24 - resulting in two management letters with a total of nine recommendations for potential process improvements.

Clackamas County
Internal Audit Oversight Committee
Meeting Materials
Wednesday, August 21, 2024

Item #4
Quality Assurance and Improvement Program –
08.21.2024 Status



Quality Assurance and Improvement Program

Status update
August 21, 2024

QAIP Goals & Activity	Status	Notes
County Code	Complete	County Ordinance #05-2020 - September 23, 2020
IAOC Handbook*	Complete	IAOC onboarding tool; updated May 2025
OCIA Webpage – Public internet	Complete	Maintenance ongoing; Good Government Hotline updates
Post-engagement customer survey*	Complete	Post-engagement survey process fully implemented and incorporated into ongoing activity.
IAOC Composition	Complete	Composition includes community membership – New member assigned January 2024.
OCIA Classification Series and Resources*	Complete	Two FTE; Development of County Internal Audit professional classification series completed December 2022; Preliminary alignment with industry standards and Oregon market. Continued monitoring and review of adequate governance.
OCIA Charter	Complete	Next annual review – Target January 2025
IAOC Charter	Complete	Next annual review – Target January 2025
Hotline governance	Complete	Annual summary reports published; Governance and control processes being reviewed and revised to reflect new structure adopted in 2021.
OCIA Policy and procedure manual*	In progress	Continued development and refinement; substantial completion planned in preparing for peer review.
External Quality Assessment Review - Peer review*	In planning stage	Coordinating with the State of Oregon Chief Audit Executive Council to participate in state reciprocal activity. Timing impacted by State resources and projects.
OCIA Webpage – Intranet	Not yet started	

*QAIP goal & activity included in Performance Clackamas – Strategic Business Plan

Standard	Summary of Requirement	
IPPF 1000.C1	The Office of County Internal Audit charter is reviewed with the IAOC to ensure its adequacy and compliance with <i>Standards</i> .	FY23-24
IPPF 1010	The CAE discusses with the IAOC the Definition of Internal Auditing, the Code of Ethics, and the Standards – as documented within the Office of County Internal Audit charter.	FY23-24
IPPF 1010	The CAE discusses with senior management the Definition of Internal Auditing, the Code of Ethics, and the Standards – as documented within the Office of County Internal Audit charter.	FY23-24
IPPF 1110	The CAE confirms to the IAOC annually the organizational independence of the Office of County Internal Audit.	FY23-24
IPPF 1111	The CAE communicates and interacts directly with the Board – providing annual activity updates.	FY23-24
IPPF 1130.A1&A2	The CAE confirms to the IAOC annually the objectivity of the Office of County Internal Audit staff.	FY23-24
IPPF1300	The CAE discusses the results of the Quality Assurance and Improvement Program, including ongoing monitoring of individual engagements, self-assessment results and recommendations, and external peer reviews.	FY23-24
IPPF 2200 through IPPF 2450	The CAE discusses with the IAOC the results of individual engagement quality assurance reviews when presenting engagement results.	FY23-24
IPPF 1312	The CAE discusses with the IAOC the form (full or validation) and frequency of external assessments, including the independence and qualifications of the external reviewer.	FY23-24
IPPF 1320	The CAE communicates the results of the external assessment to the IAOC and the status of recommendations.	FY23-24
IPPF 1320	The CAE communicates the results of the external assessment to senior management.	FY23-24
IPPF 1321 & IPPF 1322	The CAE addresses with the IAOC the Office of County Internal Audit's use of statements of <i>Standard</i> conformity or nonconformity in engagement communications.	FY23-24
IPPF 2040	The CAE confirms to the IAOC the adequacy of the Office of County Internal Audit policies and procedures, including the IAOC Member Handbook.	FY23-24
IPPF 2050	The CAE reviews coordination of combined assurance functions within the county.	FY23-24
IPPF 2500	The CAE monitors the status of all management recommendations (internal and external) and communicates the results to the IAOC to ensure that management actions have been effectively implemented or that senior management has accepted the risk of not acting.	FY23-24
IPPF 2600	The CAE communicates to the IAOC all circumstances in which the CAE has determined that senior management has accepted a level of risk that may be unacceptable to the county organization.	FY23-24
IPPF 2010.A1 IPPF 2010. C1	The CAE performs and documents an annual countywide risk assessment, incorporating input from the IAOC, Board, and senior management.	FY23-24
IPPF 1210 & IPPF1230	The CAE demonstrates to the IAOC how the Office of Internal Audit collectively possesses or obtains the knowledge, skills, and other competencies needed to perform its responsibilities. CAE annually confirms compliance with all continuing professional education requirements.	FY23-24
IPPF 1210.A2	The CAE addresses with the IAOC the sufficiency of fraud detection and investigation resources within the Office of County Internal Audit.	FY23-24
IPPF 1210.A3	The CAE addresses with the IAOC the sufficiency of information technology auditing resources within the Office of County Internal Audit.	FY23-24
IPPF 2000 & IPPF 2010	The CAE prepares and presents to the IAOC and senior management an audit plan which adds value to the county organization and represents a risk-based prioritization of Office of County Internal Audit resources.	FY23-24
IPPF 2020	The IAOC reviews and approves the audit plan, considering resources limitations as communicated by the CAE.	FY23-24
IPPF 2100 through IPPF 2130.C1	The CAE formally assesses and contributes to the improvement of county governance, risk management, and control processes.	FY23-24

###