Clackamas County
Internal Audit Oversight Committee
Meeting Materials
Wednesday, January 11, 2023

Item #1
Draft October 5, 2022, Meeting Minutes

MEETING MINUTES

Internal Audit Oversight Committee

Wednesday, October 5, 2022
2:00 p.m. to 3:00 p.m.

Virtual meeting

☒ Minh Dan Vuong, IAOC Chair, Community Member	☐ Stephanie Gallegos, Community Member	☒ Jeff Gibbs, Community Member	☒ Tootie Smith, Chair of Board of County Commissioners
☒ Martha Schrader, Vice-chair of Board of County Commissioners	☒ Gary Schmidt, County Administrator	☐ Stephen Madkour, County Counsel	
☒ Brian Nava, County Treasurer (non-voting)	☒ Jodi Cochran, County Internal Auditor	☒ Kathy Yeung, Senior Internal Auditor	☒ Scott Anderson, Video Production Coordinator, PGA

Issue	Presenter/ Staff Contact	Issue Description	Decision/Action/ Assignments
Welcome and Introductions	Chair Minh Dan Vuong	Chair Minh Dan Vuong opened the meeting and welcomed the Internal Audit Oversight Committee members. Jodi Cochran, County Internal Auditor, performed the roll call. It was announced that the meeting is a public meeting and is accessible via ZOOM to any member of the community who would like to observe. Public	**None**

Issue	Presenter/ Staff Contact	Issue Description	Decision/Action/ Assignments
		comment will not be taken during the meeting but can be emailed to OCIA@Clackamas.us.	
June 8, 2022, meeting minutes	Chair Minh Dan Vuong	The draft June 8, 2022, Internal Audit Oversight Committee meeting minutes were presented. Commissioner Tootie Smith, the Board of County Commissioners Chair, moved to adopt the June 8, 2022, draft minutes as written. Jeff Gibbs seconded the motion. The motion was approved unanimously by voice vote.	**June 8, 2022, minutes approved as written.**
County Internal Auditor Performance Review process	Brian Nava, County Treasurer	Brian Nava, County Treasurer, discussed the process for the County Internal Auditor's annual performance evaluation, as well as the opportunity for committee members to comment.	**Informational**
North Clackamas Parks and Recreation District consulting engagement	Jodi Cochran, County Internal Auditor Gary Schmidt, District Administrator	Jodi Cochran presented the North Clackamas Parks and Recreation District (NCPRD) consulting engagement results with Gary Schmidt, NCPRD District Administrator. The presentation addressed why the engagement is important, what was observed and recommended as a result of the engagement, and how the North Clackamas Parks and Recreation District management team is responding to the engagement.	**Informational**
Emergency Rental Assistance Program engagement	Kathy Yeung, Senior Internal Auditor	Kathy Yeung, Senior Internal Auditor, provided an Emergency Rental Assistance Program engagement status update, highlighting the purpose, scope, and expectations for the audit.	**Informational**
2022 Audit Plan & Quality Assurance Improvement	Jodi Cochran, County Internal Auditor	The quarterly reports detail progress toward achieving the annual Audit Plan and specific County Internal Audit strategies and goals. Additionally, the Quality	**Informational**

Issue	Presenter/ Staff Contact	Issue Description	Decision/Action/ Assignments
Program status updates		Assurance Improvement Program report serves as a method of addressing specific Standards and ensuring accountability. The 2022 Audit Plan Q3 and the Quality Assurance and Improvement Program Q3 Status reports were provided. Review of the reports at the committee meeting are based on availability of time, and reports are typically provided at a high level. Jodi provided a status update on the in-progress, temporarily paused, and upcoming audit engagements.	
Meeting schedule	Chair Minh Dan Vuong	Jodi noted the audit risk assessment results are typically discussed during a special meeting, which will happen during the standing quarterly meeting on December 7, 2022. An additional meeting will be held on January 11, 2023, to replace the shift in meeting time.	
Round Table	All	No additional comments made.	
Meeting adjournment	Chair Minh Dan Vuong	With no additional comments from the Committee, the meeting adjourned at 2:48 p.m.	
		Next scheduled meetings: Wednesday, December 7, 2022 2:00 p.m. to 3:00 p.m. Location: TBD Wednesday, January 11, 2023 2:00 p.m. to 3:00 p.m. Location: TBD	Submitted by: Kathy Yeung
Public Comment		Paul Savas – Public access to Internal Audit Oversight Committee meetings; Email received at OCIA@Clackamas.us on October 5, 2022, and provided to Internal Audit Oversight Committee members.	

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Item #2
2022 Audit Plan – Status Update

2022 Audit Plan

Assurance & Advisory Engagements – Status update
January 11, 2023

Engagements	Status	Hours – Budget|Actual Estimates	Notes
Finance - Contract administration	Complete	440* | 457	Report issued May 26, 2022. Management agreed with 3/3 recommendations offered. *Total engagement budget – Engagement started in 2021 (320 hours) to be completed in 2022 (120 hours).
NCPRD Governance	Complete	200* | 211	Advisory engagement requested by management; Management Letter dated June 30, 2022; Management agreed with 10/10 recommendations offered. *Engagement hours (200) budgeted within Management Requests budget of 320 hours in total.
H3S Social Services Division– Emergency Rental Assistance Program	In progress	420 | 396	Survey work completed; Engagement Letter issued June 14, 2022; Fieldwork in progress; Mid-engagement Management Letter issued November 9, 2022; Target report date – February 2023
Equity & Inclusion Office – ADA & Civil Rights Program	In progress	320 | 60	Survey work completed; Engagement Letter target date - September 2022; Fieldwork in progress; Target report date – May 2023
TS – Information Security Program Maturity	In progress	320 | 75	Survey work completed; Engagement Letter target date - September 2022; Fieldwork in progress; Target report date – February 2023
2022 Annual risk assessment	In progress	200 | 20	Risk assessment activity in progress. Results to be reviewed at IAOC March 8, 2023, meeting.
2022 Audit monitoring	In progress	80 | 40	Monitoring activity in progress; Target report date – February 2023
BCS Economic Development – ARPA Small Business Recovery Assistance Program	Paused	320 | 80	Survey work completed; Engagement Letter issued May 02, 2022; Fieldwork paused due to cancelation of program; Board considering alternatives uses of ARPA funds; Final engagement decision to be determined during 2023 Audit Planning process.
H3S Health Centers – Service delivery and transactions	Not yet started	420 | 0	

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Item #3
2022 Active Engagement Status Presentation

Active Engagement Status – 1.11.2023

Civil Rights Compliance Program

Information Security Program

Emergency Rental Assistance Program

Civil Rights Compliance Program

▶ Why is this important?

  ▶ Continued eligibility for federal funding

  ▶ Build public trust through good government

  ▶ Ensure safe, healthy and secure communities

▶ What questions are we answering?

  ▶ Are the County's civil rights complaint processes and principles of non-discrimination accessible and recognizable by County residents and other stakeholders?

  ▶ Does the County's civil rights complaint process ensure effective complaint management?

  ▶ Do the current non-discrimination principles and complaints processes ensure equitable access to services and/or service delivery?

▶ Scope:

  ▶ Not Equal Employment Opportunity complaints made through HR

  ▶ Public notices - January 2022 through fieldwork (anticipated March 2023)

  ▶ Complaints - January 2018 through January 2023

▶ Target Report Issuance: May 2023

Information Security Program

▶ Why is this important?

    ▶ Federal and industry standards required to do business

    ▶ Eligibility for federal funding to enhance information security

    ▶ Increased insurance costs and costs associated with security breaches

    ▶ Build public trust through good government

    ▶ Build a strong infrastructure

▶ What questions are we answering?

    ▶ Where is the County's information security program maturity level relative to federal requirements and industry standards?

    ▶ Where are we? Where do we need to go? How will we monitor our progress? (Establish a base line assessment for future comparison)

▶ Scope:

    ▶ Current state - November 2022 through December 2022

▶ Target Report Issuance: February 2023

Emergency Rental Assistance Program

▶ Why is this important?

  ▶ Continued eligibility for federal funding

  ▶ Sufficiency of subrecipient monitoring for compliance

  ▶ Ensure safe, healthy and secure communities

  ▶ Build public trust through good government

▶ What questions are we answering?

  ▶ Is the County's process for validating eligibility recipients effective?

  ▶ Is the program design able to monitor equitable service delivery?

▶ Scope:

  ▶ The two federal funding streams, ERA1 and ERA2

  ▶ Disbursements from January 1, 2021, through June 30, 2022

▶ Target Report Issuance: February 2023

Emergency Rental Assistance Program

Our observations so far include:

- Systems in place to retain documents demonstrating eligibility

- Effective use of internally-developed trackers to monitor the number of payments

- Inability to efficiently and effectively track all individuals and households receiving assistance

- Lack of infrastructure to support equity and inclusion data collection efforts

- Subrecipient noncompliance with the 18-month maximum criteria

Item #4
2022 Quality Assurance and Improvement Plan – Status

2022 Quality Assurance and Improvement Program
Status update
January 11, 2023

QAIP Goals & Activity	Status	Notes
County Code	Complete	County Ordinance #05-2020 - September 23, 2020
IAOC Handbook*	Complete	IAOC onboarding tool; updated May 2022
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.
Hotline governance	Complete	Annual summary reports published; Governance and control processes being reviewed and revised to reflect new structure adopted in 2021.
OCIA Charter	Complete	Next annual review – Target June 2023
IAOC Charter	Complete	Next annual review – Target June 2023
IAOC Composition	Compete	Composition includes community membership – First two-year term ending for two members in January 2023. One position, chair, renewed for second term. One vacancy. Recruitment to begin in late January 2023.
OCIA Classification Series and Resources*	Complete	Outstanding Senior Internal Auditor joined the team in July 2021! Development of County Internal Audit professional classification series completed December 2023; Preliminary alignment with industry standards and Oregon market.
OCIA Policy and procedure manual*	Not yet started	MFR target – 2021; To be addressed in 2022/2023
OCIA Webpage – Intranet	Not yet started	
External Quality Assessment Review - Peer review*	Not yet started	Contract Target 2023

*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 *Standards*.	Q2
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.	Q2
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.	Q2
IPPF 1110	The CAE confirms to the IAOC annually the organizational independence of the Office of County Internal Audit.	Q2
IPPF 1111	The CAE communicates and interacts directly with the Board – providing annual activity updates.	
IPPF 1130.A1&A2	The CAE confirms to the IAOC annually the objectivity of the Office of County Internal Audit staff.	Q2
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.	Q3
IPPF 2200 through IPPF 2450	The CAE discusses with the IAOC the results of individual engagement quality assurance reviews when presenting engagement results.	Q3
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.	Q3
IPPF 1320	The CAE communicates the results of the external assessment to the IAOC and the status of recommendations.	Q3
IPPF 1320	The CAE communicates the results of the external assessment to senior management.	
IPPF 1321 & IPPF 1322	The CAE addresses with the IAOC the Office of County Internal Audit's use of statements of *Standard* conformity or nonconformity in engagement communications.	Q3
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.	Q3
IPPF 2050	The CAE reviews coordination of combined assurance functions within the county.	
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 taking action.	
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.	
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.	
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.	Q4
IPPF 1210.A2	The CAE addresses with the IAOC the sufficiency of fraud detection and investigation resources within the Office of County Internal Audit.	Q4
IPPF 1210.A3	The CAE addresses with the IAOC the sufficiency of information technology auditing resources within the Office of County Internal Audit.	Q4
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.	
IPPF 2020	The IAOC reviews and approves the audit plan, considering resources limitations as communicated by the CAE.	
IPPF 2100 through IPPF 2130.C1	The CAE formally assesses and contributes to the improvement of county governance, risk management, and control processes – issuing an annual assessment report.	

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