



## Deschutes County Audit Committee 2023 Accomplishments report November 2023

### Audit Committee:

#### **Public members (6 of 6 positions currently filled, 4 positions required)**

- CHAIR, Daryl Parrish (member since 9/2016)(term expires June 2024)
- Jodi Burch (member since 10/2019)(term expires June 2025)
- Joe Healy (member since 9/2022)(term expires June 2024)
- Summer Sears (member since 10/2019)(term expires June 2025)
- Stan Turel (member since 5/2019)(term expires June 2024)

#### **County management (3 of 3 positions filled)**

- Patti Adair (member since 1/2019)
- Charles Fadeley (member since 9/2021)(term expires June 2025)
- Lee Randall (member since 9/2021) (term expires June 2024)

#### Recent member departures during 2023

- Scott Reich (4 years on committee)
- 
- The committee currently has 5 of 6 public members (one public member recruitment in November 2023).
  - The committee met five times this past year (1/2023; 3/2023; 6/2023; 2/2023 and 12/2023). All meetings were hybrid with an option for those that wished to attend remotely.
  - Daryl Parish has been Chair since 6/2018.
  - Reported on the prior year accomplishments (1/2023).
  - The committee performed a self-assessment in 2023.
  - The committee reviewed Finance's Popular Financial Report for FY 2022.
  - County Internal Auditor retired in June 2023. The committee assisted in recruiting and selecting a new County Auditor.

#### External Auditor – Moss Adams

Intent to Award Annual Certified Financial Report (ACFR) contract to complete was made March 2022 for external audit services through Fiscal Year 2026.

- In January 2023, we met with external auditors to review results of audits – Fiscal Year 2022 Annual Comprehensive Financial Report and other required communications.
- In June 2023, we met with external auditors to discuss audit planning for Fiscal Year 2023. Their work was coordinated with the recent work and audit plan of the internal auditor.

### Internal Auditor

- Hired a new County Internal Auditor: Elizabeth Pape.
- Biennial work plan for Fiscal Years 2024 and 2025 were adopted in June 2023.
- There were no updates to either biennial workplans.
- We reviewed internal audit reports issued with departments and management.
  - 8 performance reports have been issued (8 performance audits were issued in the prior year). These reports continue to be published on the County's internet site. These included:
    - Treasurer Transition
    - Personal Information Data Privacy
    - Office of the District Attorney Transition
    - Continuity of Operation Plans
    - Finance Tax Controls Over Receipts
    - Behavioral Health Practices Improvement
    - Facilities and Property Cash Handling Receipts
    - District Attorney Cash Handling

Note: Counts of reports were taken from January 2023 through November 2023
- We reviewed follow-up reports indicating the status of recommendations.
  - 10 follow-up reports were issued (7 follow-up reports were issued in the prior year)
  - A global follow-up report will be issued in January 2024.
- We continue to monitor the internal audit program's performance measures. These indicate a high level of performance.
  - Customer satisfaction survey is around 94% overall satisfaction (prior year 92%)

Internal Auditor time analyses:

<b>Time Category</b>	<b>5 yr. Average Hours</b>	<b>Relative %</b>	<b>2023 YTD Hours**</b>	<b>Relative %</b>
Audit	1,252	85%	2,227	93%
Follow-up	110	7%	62	3%
Non-audit	110	7%	96	4%
<b>Sub Total</b>	<b>1,471</b>	<b>100%</b>	<b>2,386</b>	<b>100%</b>

As seen in the above table, 2023 audit hours were up substantially with the additional FTE. *\*\*Hours taken through 10/31/2023.*

In 2023, non-audit time included hours providing assistance to legal, comments on County Finance policies, and interview panel work for the County Internal Auditor recruitment.

Summary Conclusions

- The External Auditors are independent of the County and completed their audit of the Fiscal Year 2023 financial statements effectively and in accordance with the audit plan approved by the Audit Committee. The external audit process was well coordinated with County Management and the Internal Auditor. There were no external auditor recommendations requiring follow-up for Fiscal Year 2023.
- Internal Audit for the County consists of two Full Time Equivalent positions for a County Internal Auditor and Performance auditor. Fiscal year 2024 budget is approximately \$350 thousand annually (salary and fringe benefits) and dues, technology and training of \$15 thousand.
- County management has responded appropriately to Internal Audit recommendations. We have concluded the scope and effectiveness of the Internal Audit function is satisfactory for the County at this time.