DESCHUTES COUNTY | OFFICE OF INTERNAL AUDIT

Audit Report

2025 Global Follow-up and Annual Report

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2025 Global Follow-up Executive Summary

The Global Follow-up includes recommendations from all audits published over the last four years as well as recommendations from older audits that still have outstanding recommendations. The analysis includes 37 audit reports comprising 210 recommendations. This report emphasizes the County's achievements made thus far and identifies areas requiring further attention. The table below summarizes the status of those audit reports.

✓ Resolved	••• In Process	⚠ Accept Risk
Management addressed risk. Auditor will no longer monitor	Recommendations are in progress. Auditor will continue to monitor.	Management accepted the risk of not implementing the recommendation.

Audits that were published prior to the four-year look back but still have outstanding recommendations are noted with "4+". Audits with all recommendations implemented are noted with a star.

Audit Report	Summary	✓	•••	⚠
Human Resources Cash Handling (2019) **4+**	Our 2019 audit found the Department performed well overall in providing fiscal controls over collected revenues. Recommendations included additional controls to safeguard petty cash, better safekeeping of monies through to deposit, and additional oversight procedures over billings and collection systems. At the time of the 2025 update, most cash handling risks were resolved, but the department was working to use the County system for receipts.	13	1	0
Cellular Costs (2020) **4+**	Our 2020 audit of cellular charges revealed a number of underutilized phones and devices with estimated costs of $44 thousand per year. Some employees had an assigned device while receiving a stipend to compensate for official use on a personal device. Five years after the report, recommendations to update policy and improve monitoring were drafted but still pending approval by the Board of County Commissioners.	6	3	0
Munis Purchasing Topics Part III - Purchasing Cards (2021) **4+**	For the calendar year 2020, County employees spent $1.3 million through 2,595 purchase card transactions. A random sample indicated approximately seven percent of transactions did not have adequate backup documentation. At the time of the 2025 Global report, staff selected a new vendor and updated policies but were still updating approval forms and invoice entry instructions.	3	2	0

Audit Report	Summary	✓	⋯	⚠
Clerk's Office Transition (2021) **4+**	Our 2021 audit found that the Office performed well in fiscal controls, but monitoring was needed for contract renewals and access controls. The Clerk had yet to implement security recommendations provided by an outside consultant. At the 2025 Global update, the Clerk had improved Office security measures but still had not improved contract monitoring.	7	2	0
Munis Purchasing Topics Part IV – Analyses (2021) **4+**	A 2021 audit of the new accounting system found risks for duplicate payments, bulk approvals limiting oversight, and unusual activity around three-way matches. Recommendations related to guidance and training were implemented and strengthened the financial system. Despite anticipated recommendation resolution in the summer of 2025, staff turnover prevented development of an automatic report to assess bulk approvals.	9	1	0
Management of Pandemic Case Investigation and Contact Tracing (2022)	Our 2022 audit of pandemic contract tracing found that Health Services performed well compared to peer counties. However, the County needed to improve management of temporary staff including updating the service contract with improved terms and providing regular performance review to staff based on metrics related to their assigned tasks. As was the case last year, limited Human Resources staffing has delayed implementation of these recommendations.	0	4	1
Adult Parole and Probation - Cash Handling (2022) ⭐	Our 2022 audit of Adult Parole and Probation found robust controls which were adequate for infrequent client payments but recommended eliminating the petty cash fund because purchasing cards could perform the same function with better security and efficiency. The petty cash fund was eliminated at the time of the follow-up.	1	0	0
Administrative Services & Risk - Cash handling (2022) ⭐	Administrative Services and Risk Management's cash handling audit highlighted strong fiscal controls over limited customer payments. Recommendations include centralizing check processing with Risk Management, increasing liquor license fees, and leveraging electronic systems for state license applicants to improve efficiency. All recommendations were implemented at the time of the follow-up.	3	0	0

Audit Report	Summary	✓	⋯	⚠
[Assessor's Office Cash Handling (2022)](#) ⭐	The audit of the Assessor's Office identified inconsistent controls over cash handling. Key issues included irregular receipting, insufficient segregation of duties, delayed fund turnovers, and inadequate reconciliation processes. Recommendations included consolidating cash handling procedures, providing proper employee training, and improving accountability by using an independent review of financial activities. All recommendations were implemented at the time of the follow-up.	10	0	0
[Initial Cybersecurity Assessment (2022)](#) ⭐	The initial cybersecurity assessment identified areas for improvement in information technology infrastructure. Key recommendations included maintaining an accurate inventory of all enterprise assets, implementing secure configuration processes for devices and software, and enhancing data protection through encryption and access controls. The report emphasized the need for regular updates and reviews across these areas to bolster cybersecurity defenses. Recommendations were implemented three years after the initial audit report.	3	0	0
[Justice Court Cash Handling (2022)](#) ⭐	The audit of Deschutes County Justice Court cash handling revealed effective fiscal controls, with well-documented procedures. Recommendations included regular fiduciary and collections account reconciliations. The Court utilizes third-party collections, but discrepancies existed between court and agency records. All recommendations were implemented at the time of the follow-up.	2	0	0
[Sheriff's Office Cash Handling (2022)](#) ⭐	Our 2022 audit of cash handling at the Sheriff's Office found good performance in control over receipts. However, a need for improvements was noted related to cash collection, deposits, and other practices. At the time of the 2025 update, staff resolved the issues identified by strengthening internal control systems, updating policies and procedures, and making timely deposits.	3	0	0
[Vacation and Sick Leave (2022)](#)	Our 2022 audit of vacation and sick leave management found controls were effective and working as intended. However, some areas for improvement were noted including negative leave balances, employees not using leave as required, and accrual policies that were out of compliance with state law. At the time of the 2024 update, staff were waiting for approval from the Board on a draft policy to address most of the issues. Other issues were on hold due to contract negotiations and a new employee performance evaluation process led by Human Resources.	6	4	0

Audit Report	Summary	✓	⋯	⚠
District Attorney Transition (2023) ⭐	The Elected District Attorney Transition report detailed the handover of the office. Recommendations included establishing a written transition plan, improving information technology purchasing via county agreements, enforcing daily money deposits, using the Munis system for financial management, and completing policy updates to comply with state law. All recommendations were implemented at the time of the follow-up.	5	0	0
Personal Information Data Privacy-Initial (2023) ⭐	The audit assessed handling of personal information privacy and recommended assigning dedicated staff to oversee security programs, updating technology for data communication, reducing unnecessary data collection, and revising policy to align with legislative changes. The audit found strong data privacy practices, but highlighted improvements needed in administrative safeguards and technology utilization to enhance compliance and efficiency. Recommendations were implemented two years after the report release.	4	0	0
Treasurer Transition (2023) ⭐	The Treasurer Transition report outlined recommendations for improving the Deschutes County Treasurer's office functioning due to the Chief Financial Officer's departure. Key recommendations involved clarifying Treasurer duties, documenting responsibilities, evaluating compensation, appointing investment officers, and enhancing internal control documents. The report stressed the importance of collaboration between the County and the Treasurer to ensure statutory responsibilities are met. All recommendations were implemented at the time of the follow-up.	7	0	0
Finance/Tax - Controls over receipts (2023) ⭐	The audit of the Finance/Tax Department's receipt controls recommended improving cash handling, reviewing redundant bank accounts, resuming audits of transient room taxpayers, and ensuring periodic review of property tax adjustments. The Finance/Tax department was found to manage fiscal controls well, but enhancements were suggested for accountability, daily reconciliations, and policy updates. Staff updated procedures, adopted procedures for monthly tax adjustments, and eliminated the Tax Refund account at the time of the follow-up. Staff contracted for an external transient room tax audit two years after the report was issued.	4	0	0

Audit Report	Summary	✓	⋯	⚠
[Continuity of Operations Plans (2023)](#)	Our 2023 audit of emergency planning found steps taken to identify essential functions and consider critical operational capacities. However, planning was hindered by data constraints and a need for training to increase staff awareness and understanding of procedures. At the time of the 2024 update, most recommendations were resolved but the County had still not resumed regular emergency planning exercises.	4	1	1
[Behavioral Health - Processes Improvement (2023)](#)	Our 2023 audit found that Behavioral Health used many effective performance measures. However, there was room to improve in areas such as measuring staff productivity and clarifying expectations, accurately reflecting time spent on direct care, and equitably distributing work among teams. At the time of the 2025 update, staff had redistributed caseload, improved staff training and oversight, and created report templates to increase efficiency. Staff hired a consultant to assist with developing productivity measures with anticipated completion by early 2026.	7	2	0
[District Attorney's Office Cash Handling (2023)](#) ⭐	The audit of the Deschutes County District Attorney's Office cash handling revealed non-compliance with county policy on smaller payments, exposing potential fraud risks. Issues included infrequent deposits and lack of pre-numbered receipts. Recommendations focus on updating procedures to adhere to the county's cash handling policy, thereby reducing opportunities for theft and enhancing internal controls. Recommendations were implemented at the time of the follow-up.	1	0	0
[Facilities Cash Handling (2023)](#) ⭐	Our 2023 audit of Facilities cash handling found the department performed well in control over receipts. Areas noted for further improvement included updated procedures. The Facilities Department documented written cash handling policies and procedures at the time of the 2024 follow-up.	1	0	0
[Property Management Cash Handling (2023)](#)	Our 2023 audit of Facilities and Property Management cash handling found the departments performed well in control over receipts. Areas noted for further improvement included updated procedures and a process for identifying conflicts of interest. At the time of the 2025 update, procedures had been updated but Human Resources was still working to develop countywide conflict of interest policies and procedures.	2	1	0

Audit Report	Summary	✓	⋯	⚠
Overtime and Compensatory Time (2024)	Overtime expenses surged over 30% in Fiscal Year 2023 outpacing increases in overall personnel costs. As the County increasingly depends on overtime to maintain the delivery of quality services, the need for a strong control foundation becomes more crucial. Finance began reporting overtime regularly to the Board and improved information system management. Human Resources continued to work on centralizing overtime documentation and Administration was refining policies.	4	4	0
Fair and Expo Cash Handling (2024)	As a money-making County enterprise, Fair and Expo has a higher revenue-related risk-profile than other County departments. Our 2024 audit found that Fair and Expo did not have complete policies and procedures to ensure that revenue due to the organization was received and deposited and had not conducted assessments to document risks. At the time of the follow-up, Fair and Expo planned to document a fraud risk assessment and update fiscal procedures. Progress was made on documentation of roles.	3	2	0
Wage Equity (2024)	Our 2024 audit of wage equity found race and gender wage gaps at the County. Nine months after the audit report, the County was in the process of conducting an equal-pay analysis with plans for completion by Spring of 2025. Human Resources updated procedures for the equity review process and added the process to the Supervisor Tool Kit but was waiting on advice from consultants before proposing updates to personnel rules.	3	2	0
Custom Developed Software (2024)	Our 2024 audit of custom developed software found increasing reliance on decentralized information technology without robust governance, documentation, and oversight to mitigate custom software development risks. Nine months later, the Information Technology Department created a new policy to guide software development across departments but additional procedures to increase security, efficiency, and performance were still in the planning stages.	2	11	0
Clerk's Office Integrated Audit (2024)	Our 2024 integrated audit of the Clerk's Office found areas for improvement related to cash handling, purchasing, information systems, purchasing cards, and performance measurement. Nine months later, the Office implemented information system controls, secured the purchasing card, and committed to improved measures. However, the Office still had not conducted a fraud assessment to identify and resolve risky cash handling practices or corrected discrepancies with County procurement rules.	9	4	0

Audit Report	Summary	✓	⋯	⚠
[County Legal Integrated Audit (2024)](#)	Our 2024 audit of the County Legal Department found areas for improvement related to performance reporting and cash handling. Nine months later, the Department conducted a fraud risk assessment and updated procedures such as a new cash handling policy with better segregation of duties. The Department was still working on updating performance measures to better describe what the Department does and how well it does it.	2	1	0
[Recreational Vehicle Park Integrated Audit (2024)](#)	The audit of the Recreational Vehicle Park found areas for improvement related to cash handling, information security, performance reporting, and website accessibility. Nine months later, staff made little progress but were still committed to improvements. They were starting work with the Finance Department to assess risk and implement new procedures. They were also planning to upgrade the website. Management chose not to implement the recommendation to improve Park performance reporting.	0	4	1
[Courthouse Pre-Construction Management (2024)](#) ⭐	Our 2024 audit of the Courthouse pre-construction phase highlighted both strengths and areas for improvement in the Facilities Department's approach to managing capital construction projects. Nine months later, the Department was in a better position to ensure that large projects are delivered on schedule and on budget. The Department developed a Construction Manual with improved practices for risk assessment and oversight. It also took steps towards improving construction manager/general contractor contract language to hold contractors accountable and control costs.	3	0	0
[Health Benefits Program (2024)](#)	Our 2024 audit of health benefits raised questions about rising costs, data security, and payment accuracy. Nine months later, the County has made progress by revising financial models but continues to work on performance reporting and procedures. Even after a data mishap led to the inadvertent sharing of personal health records with Deschutes County auditors, management opted not to require contractors to report on their internal controls.	1	3	2

Audit Report	Summary	✓	⋯	⚠
Public Health Integrated Audit (2024)	Our 2024 audit of Public Health found compliance with procurement policies, grant requirements, and safety meeting standards. However, several areas presented risks to operational efficiency, transparency, and accountability. Nine months later, the Department emphasized the importance of annual employee evaluations with supervisors but was still working to update cash control procedures and performance reporting. Staff committed to reporting Human Resources data errors that impacted operations but not to tracking and reporting data about errors.	1	4	1
Language Access (2025)	Our 2025 audit of the language access program found unclear guidance and procedures around language access services that led to confusion and inconsistency. Though the County provided language access services there was some risk of noncompliance with federal law. Nine months later, Administration assigned responsibility for the program to Risk Management but was still working to update the Civil Rights Act policy to include language access, create a plan for improving language access, and implement procedures across the County to ensure staff complied with policy.	1	4	0
Elected Sheriff Transition (2025)	Our Office traditionally performs a basic survey level audit whenever an elected department head leaves office. The outgoing sheriff's transition plan exceeded legal requirements, aiding leadership change. Statutory obligations were met, access controls were enforced, and county assets were returned. However, auditors identified some fiscal issues including procurement practices, financial reporting, and revenue controls.	0	5	0
Fair Alcohol Sales (2025)	County fair alcohol sales program changes, from a fully in-house model to a partnership model with an outside Contractor, prompted a review of the new model to determine whether alcohol sales were cost effective. We found mixed results with higher alcohol sales and net profits in 2024 but a lower return on sales. We also found that the partnership model was a patchwork of in-house and concessionaire programs where roles and responsibilities were not clear and introduced loss of cash and inventory risks.	0	3	0

Audit Report	Summary	✓	⋯	⚠
Clerk's Office Elections (2025)	Overall, we found controls were working as intended. Voter rolls were appropriately maintained, signatures were verified, and staff properly interpreted voter intent. These observations inspire trust in the Deschutes County election process. However, we also found room for improvement in accessibility both for people with physical disabilities and those needing language assistance. Finally, the auditor could not draw conclusions related to ballot counting software because the Clerk refused to provide auditors with information about the system's information security.	0	2	0
Sheriff's Office Body and Auto Cameras (2025)	The Sheriff's Office's body camera program had a solid foundation but needed enhanced transparency. The program was relatively new, and staff were continuing to evaluate and implement lessons learned. The audit uncovered limited accountability for supervisor monitoring and report availability. Auditors were not permitted to review camera footage and so could not verify footage was recorded and categorized in line with policy which is crucial for the program to meet accountability and operational goals. By improving information system reporting capabilities and addressing challenges in public records tracking and information security, the Sheriff's Office can increase community trust and operational effectiveness.	0	6	1

1.   Introduction

This is the seventeenth annual global follow-up looking back at recommendations included in prior follow-ups. The Office tracks performance using key data points, such as:

- Reader survey satisfaction rate
- Audit duration
- Audit work schedule adherence
- Recommendation resolution rates

Additionally, other metrics, used primarily for annual risk assessments, are included in this report for informational purposes.

Office Mission and Goals

The mission of the Office of Internal Audit is to improve the performance of Deschutes County government and to provide accountability to residents. We examine and evaluate the effectiveness, efficiency, and equity of operations through an objective, disciplined, and systematic approach.

Our goals are to:

1. Increase public trust in Deschutes County government.
2. Be a trusted advisor to Elected officials and County management.
3. Create positive change in County government.
4. Strengthen team knowledge, skills, and fulfillment.

2.   Annual Report

Reports Issued in 2025

New Audit Reports

The Office released five audit reports in 2025. (10 performance audits were issued in the prior year.) Overall, Management concurred with 90 percent of recommendations. One of the two recommendations where Management accepted risk was moved to in process during the follow-up review.

Accept Risk
10%

Concur
90%
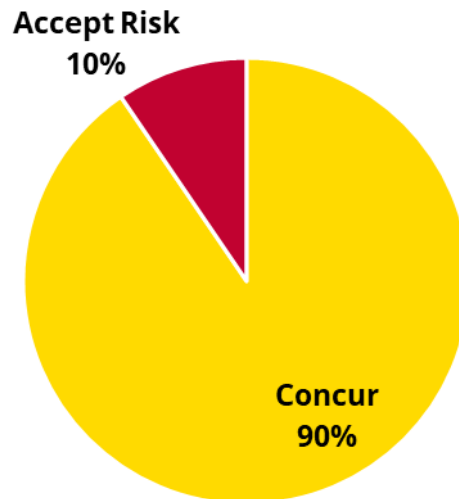
Follow-up Audit Reports

The Office released nine follow-up audit reports in 2025. (Five were issued in the prior year.) Management resolved 35 percent of recommendations and was in the process of implementing 58 percent. Management accepted the risk of not implementing 7 percent of recommendations.

Accept Risk
7%

Resolved
35%

In Process
58%
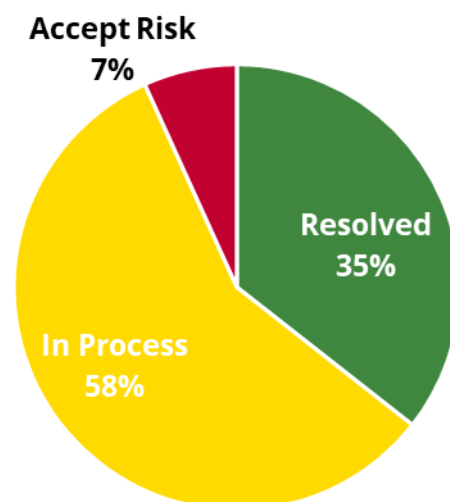
Performance Metrics

Recommendation Resolution Rate

The percentage of audit recommendations that are agreed upon and fully resolved serves as a key indicator of the effectiveness and impact of audits on County operations. This resolution rate reflects the County's commitment to implementing audit findings and improving its processes over time. The Office aims to have 75 percent of recommendations resolved within four years of the original report. The 2025 four-year resolution rate was 66 percent, falling short of the target.

The four-year resolution rate in 2025 continued a trend of below target resolution since 2022.
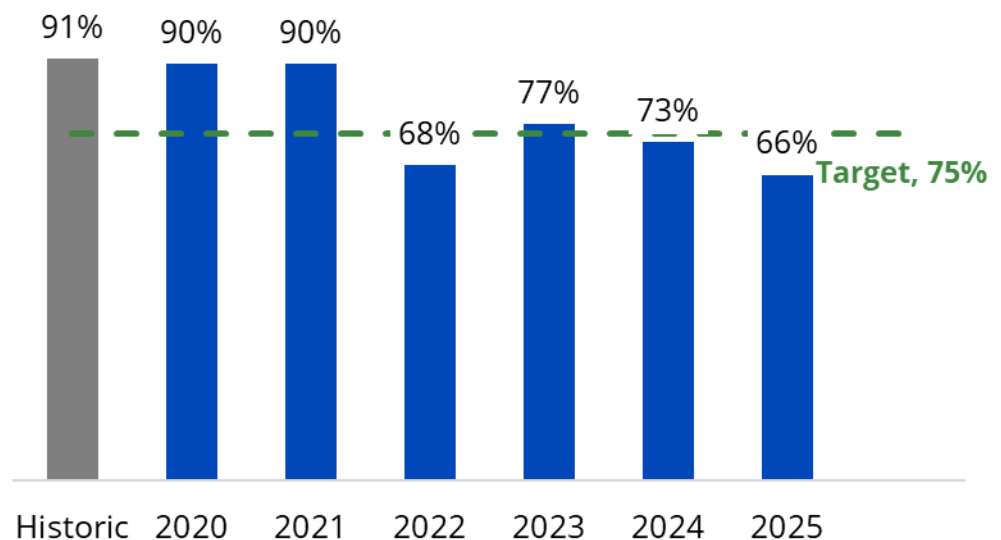
Reader Survey Satisfaction Rate

Each audit report includes a survey inviting the public and staff to provide feedback. In addition to evaluating the report, the public can also share comments or suggest topics for future audits. This valuable communication channel enables the Office to continuously assess and enhance the quality of its reports and services.

Reader satisfaction exceeds target value and historical levels.
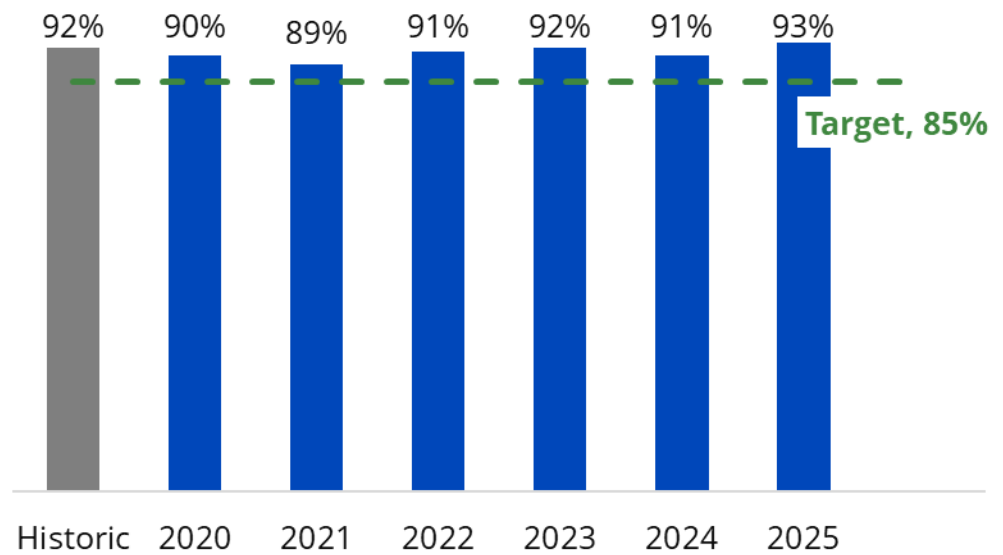
Audit Duration

The duration of an audit is a key indicator of the Office's operational efficiency. Audit timelines vary significantly depending on the scope, complexity, and risk level of the subject being audited. Audit duration was higher than historic average in 2025. This is most likely due to data access challenges during the election and body and auto camera audits.

Audits in 2025 took more months to complete than historical averages.
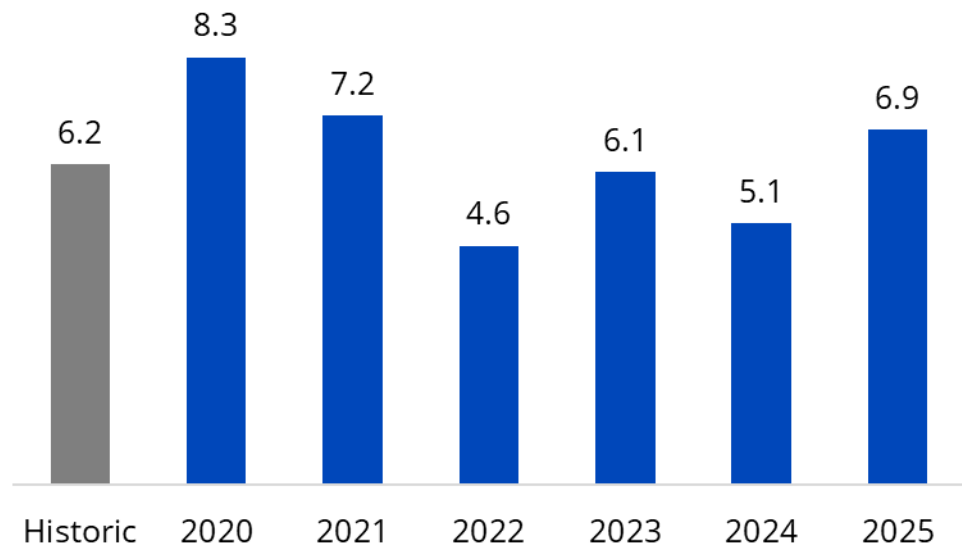
Audit Work Schedule Adherence

The Office Audit Work Schedule is developed every two years following a comprehensive risk assessment process designed to identify the most significant risks facing the County. This risk-based approach ensures that the allocation of audit resources is strategic, prioritizing areas that pose the greatest financial, operational, or compliance risks. The schedule is aligned with the County's Fiscal Year, which begins each July 1st, and provides a clear roadmap for planned audits during the two-year cycle.

The ability to follow the Work Schedule closely reflects the accuracy and reliability of the initial risk assessment process. A well-executed schedule indicates that the risk assessment was thorough and that planned audits adequately addressed the most critical areas. Unplanned audits are an inevitable and necessary part of the audit process, often triggered by new risks or developments that were not foreseeable during the initial planning phase, such as legislative changes, fraud investigations, or issues raised by external stakeholders, regulatory bodies, or the public.

All the audits started in Fiscal Year 2025 were **Planned**. None were **Added** or **Started Late**.

Year	Values
2025	6
2024	1, 3, 9
2023	2, 2
2022	2, 5, 4
2021	1, 3
2020	1, 4
2019	1, 1, 3
2018	4
2017	1, 2
2016	1, 2, 2
2015	2, 1, 1
2014	1, 1, 2
2013	2, 2
2012	2, 1, 4
2011	1, 3
2010	3
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2008	2, 3
2007	8, 1, 5
2006	2
2005	1, 4
2004	1
2003	3
2002	7
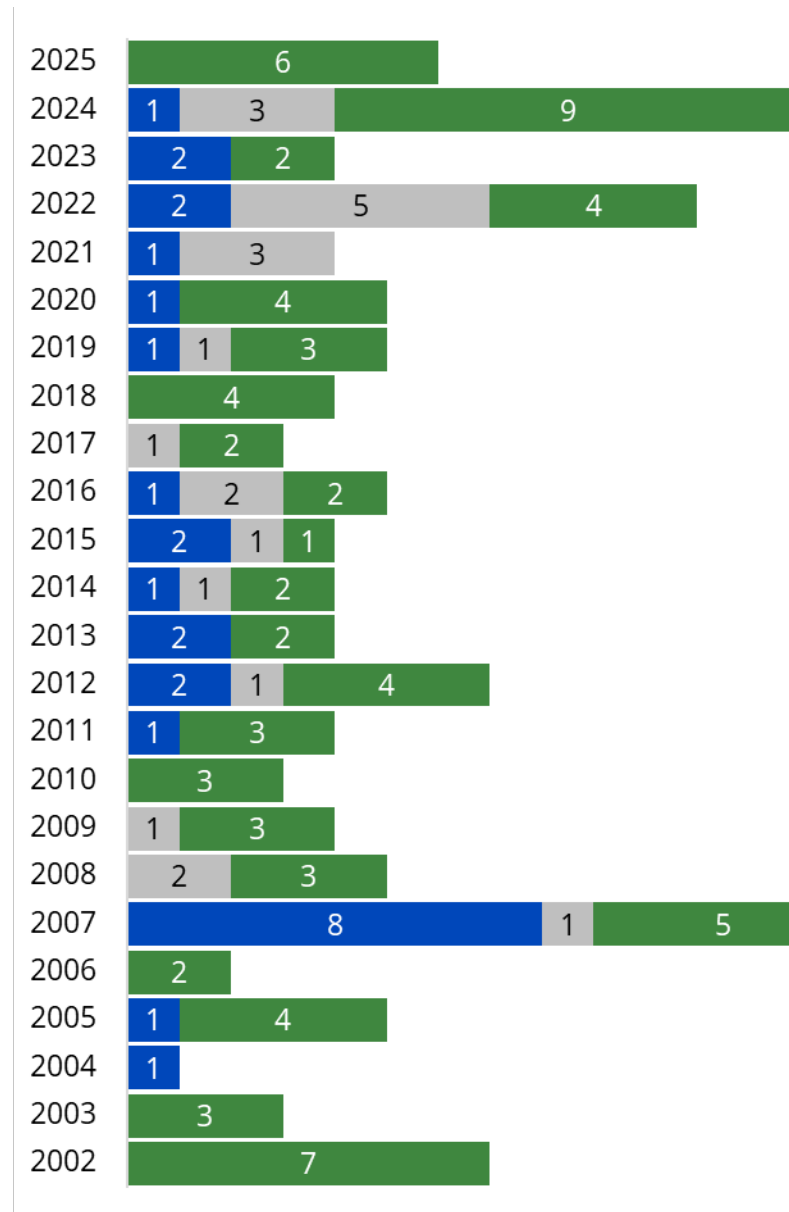
Informational Metrics

County Elected Offices and Departments Audit Coverage

Distributing audit activities throughout the County ensures that risks are systematically identified, accountability is reinforced, and opportunities for improvement are maximized. This balanced allocation of resources ultimately strengthens the

County's control environment and enhances its long-term resilience. The Office hopes to engage each elected office or department at least once every eight years.

The Office has not audited Solid Waste or Veteran Services within the eight-year goal.

Years Since Start of Last Audit

Department	Years
Administration	0.6
Sheriff's Office	0.9
Clerk's Office	0.9
Health Services	1.3
Fair and Expo	1.3
County Legal	1.7
Facilities	1.8
Human Resources	1.9
Information Technology	2.1
Finance	2.3
Property Management	2.4
Office of the District Attorney	2.4
Assessor's Office	3.6
Justice Court	3.6
Community Justice	3.7
Community Development	5.6
Road	6.8
Solid Waste	8.5
Veterans	13.3

Goal: 8 Years

Office Staffing Ratio

An audit office's ability to perform thorough, timely reviews is directly tied to its staffing levels relative to the size of the organization. An optimal ratio ensures the department has the capacity to manage its workload effectively and identify risks in a timely manner. The decrease in 2022 and increase in 2025 was

due to an addition and reduction of audit staff and not a change in County full-time equivalents.

Audit staff ratios decreased in 2022 with the addition of staff but returned to historically high levels when the position was cut.

County to audit staffing ratio
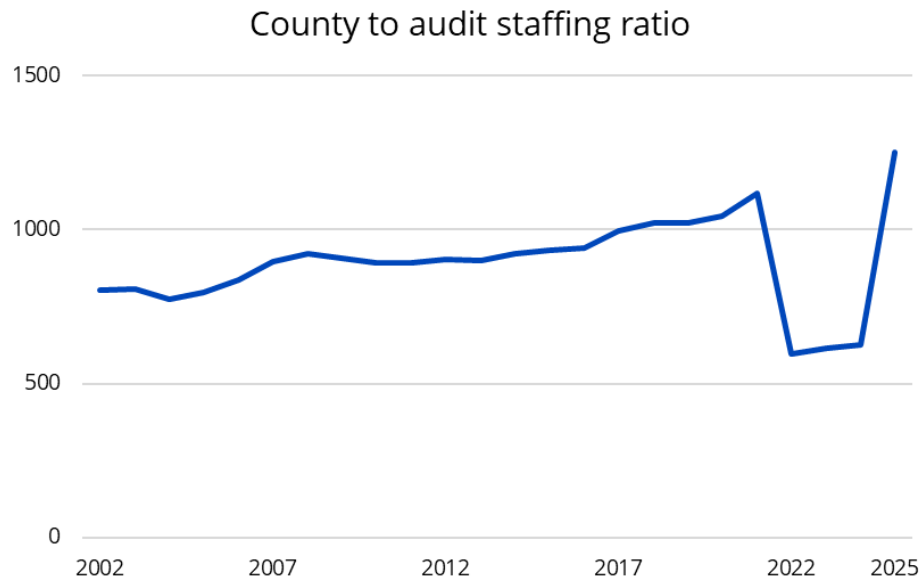
3.   Global Follow-Up

The Office of County Internal Audit follows up on all recommendations until resolution. Any unresolved recommendations after the initial report and one-year follow-up are included in the Global Follow-Up. Status updates and commentary were requested from elected offices and departments. Status updates were requested for all audits with outstanding recommendations that were not either issued or followed up on in 2025. Details of individual recommendation statuses can be found in Appendix B.

Global Updates

In 2025, there were 35 recommendations included in the Global Follow-Up. Responsibility for outstanding recommendations included Administration, Clerk's Office, Finance, Health Services, Human Resources, and the Sheriff's Office. Human Resources

had the most outstanding recommendations, 11, and did not make progress on any during the year. Finance resolved half of outstanding recommendations and the Sheriff's Office resolved all recommendations. Health Services resolved two recommendations but also accepted risk on a recommendation to use performance metrics to evaluate temporary staff. Administration implemented one recommendation.

Count of 2025 Outstanding Audit Recommendations with Resolution Status.
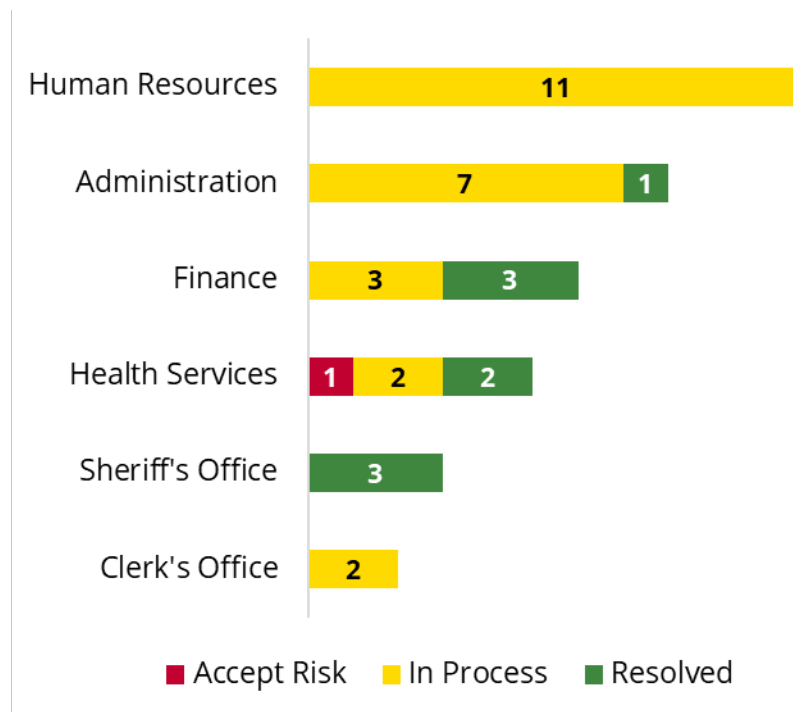
Duration to resolution

The average time for recommendation implementation duration was 1.3 years for recommendations issued since 2022. Department/Office implementation ranged from one year to 3.5 years for the Sheriff's Office. In most cases recommendations extending beyond the average have been recently implemented.

- The Sheriff's Office average included recommendations from a 2022 cash handling audit which were implemented this year.
- Information Technology had a longer resolution duration

due to recommendations implemented last year from a 2022 audit related to cyber security.

Average Years to Resolution by Department/Office

Department/Office	Average Years to Resolution
Administration	1.7
Assessor's Office	1.0
Clerk's Office	1.0
Community Development	1.0
Community Justice	1.0
County Legal	1.0
Facilities	1.0
Fair & Expo	1.0
Finance	1.2
Health Services	1.5
Human Resources	0.8
Information Technology	2.2
Justice Court	1.0
Office of the District Attorney	1.0
Property Management	1.0
Sheriff's Office	3.5

County Avg. 1.3

Resolution duration does not tell the whole story of a department or office success in implementing recommendations. Some departments have long outstanding recommendations that if implemented would raise the average implementation duration. The average age of in-process

recommendations was 2.2 years, ranging from one year to four years in the Finance Department. Finance Department recommendations were related to a 2021 audit of enterprise resource planning system implementation. Human Resources recommendations were delayed by staff turnover.
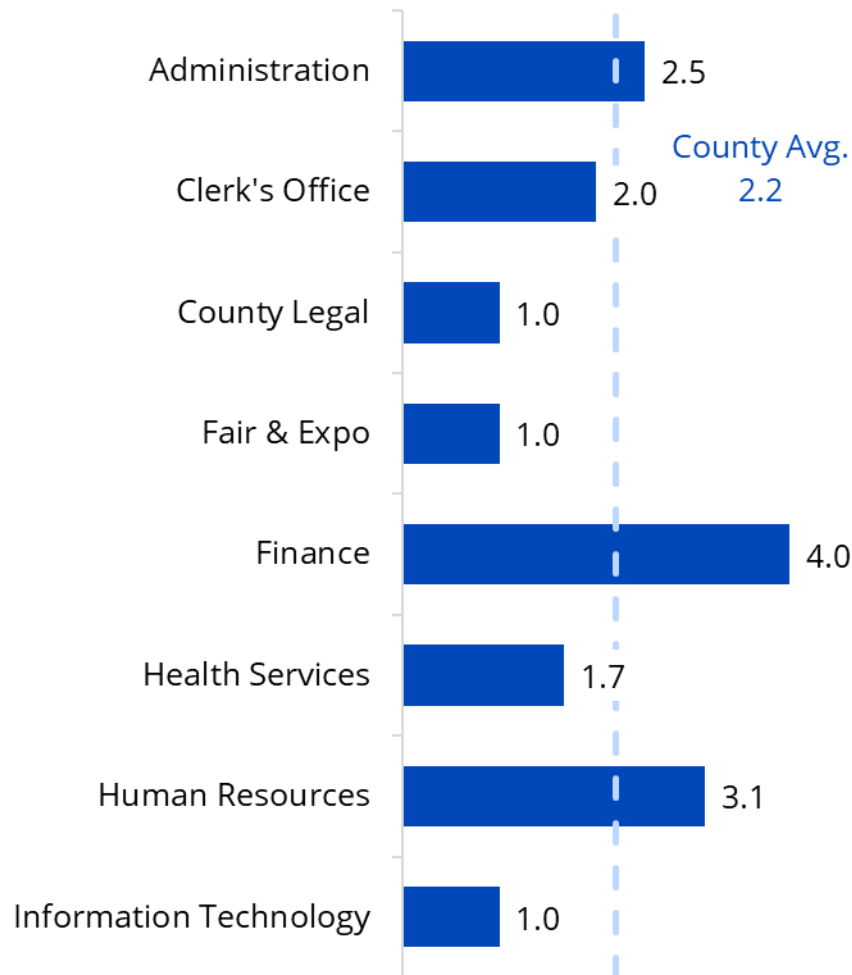
Appendix A: Authority, Objective, Scope, and Methodology

Audit Authority

The Deschutes County Audit Committee has suggested that the Office follows up on audit recommendations after reports are issued. The Audit Committee would like to make sure

departments satisfactorily address any prior recommendations that have not been completed at the time of the initial or subsequent follow-ups.

Objective and Scope

Objective:

The objective was to follow up on previously unresolved recommendations.

Scope and timing:

This 2025 Global Follow-up included all reports issued with unresolved recommendations.

Status was determined through information provided by elected offices and departments in December 2025. The original internal reports should be referenced for the full text of recommendations and associated discussion. All internal audit performance reports are published on the County website at https://www.deschutes.org/administration/page/internal-audit-reports.

Methodology

The follow-up report was developed from information provided by appropriate staff in the associated offices and departments. In cases where recommendations have not been implemented, comments were sought for the reasons why and the timing for addressing these. The follow-ups are, by nature, subjective. In determining the status of recommendations that were followed up, we relied on assertions provided by those involved and limited documentation. We did not repeat original audit procedures.

Since no substantive audit work was performed, Government Auditing Standards issued by the Comptroller General of the United States were not followed.

Appendix B: Global Update Details

Global Updates Audit Title	Summary
Cellular Costs **Resolved: 1** **In Process: 3** **Prior Resolved: 5** **Accept Risk: 0**	Our 2020 audit of cellular charges revealed a number of underutilized phones and devices with estimated costs of $44 thousand per year. Some employees had an assigned device while receiving a stipend to compensate for official use on a personal device. Five years after the report, recommendations to update policy and improve monitoring were drafted but still pending approval by the Board of County Commissioners.
In Process	**Finding:** Analyses of cellular charges indicated a number of underutilized phones and devices. Nine percent (9%) of phones and twenty-two percent (22%) of devices had no usage in the last three months of 2019. These underutilized services were estimated to cost the County around $44 thousand per year. **Recommendation:** The County should consider updating the Cell Phone Policy to address management and expectations around utilization. This would include monitoring and routine assessment as to whether an employee truly needs the device/phone, what services, and what plan best fits their intended usage. **Update:** Staff drafted policy updates that include monitoring and assessment. The Policy Advisory Committee, Department Heads, and the Board have completed reviews. Updates will be shared with unions in early 2026, which is necessary before policy adoption.

Global Updates Audit Title	Summary
In Process	**Finding:** County policies need to be updated for cellular phones/devices. **Recommendation:** It is recommended for the County to consider updating policies regarding cellular devices to improve adherence to policy, reduce costs, and reduce risks. The policy improvements should consider addressing: relationship of stipend levels to the cost of cellular phone services to the County; developing plan selection criteria for business needs aligned with anticipated usage to right size costs; developing legal and information technology framework to assure that technologies, data, and security are aligned and appropriate given the rise in new technologies and software; criteria for selecting between employee phone (stipend) and County owned phone; monitoring and modification of plan levels (including elimination of devices) for actual usage below anticipated; utilizing free devices and upgrades to maintain the level of technology as well as getting credits for devices sold back; stablishing when devices require mandatory applications and restrictions from modification for protecting data; and addressing applicability of policy to non-employee users. **Update:** Staff drafted policy updates that address these issues. The Policy Advisory Committee, Department Heads, and the Board have completed reviews. Updates will be shared with unions in early 2026, which is necessary before policy adoption.
Resolved	**Finding:** Cellular devices have the potential for providing significant work efficiencies and productivity. However, there has been no universal approach to how to safeguard County data and information that can be accessed from outside device and computers. **Recommendation:** The County Should consider how to address the risks that come with allowing mobile device access or external computer access to internal County information and who and how the risks will be mitigated. **Update:** Staff said that this recommendation was resolved through new controls implemented by the Information Technology department.

Global Updates Audit Title	Summary
In Process	**Finding:** County policies need to be updated for cellular phones/devices. **Recommendation:** The County should provide forms for cell phone allowance be updated to reflect any updated policy language. **Update:** Staff have drafted new forms. The forms will be implemented after the updated policy is adopted.
[Human Resources Cash Handling](#) **Resolved: 0** **In Process: 1** **Prior Resolved: 13** **Accept Risk: 0**	Our 2020 audit found the Department performed well overall in providing fiscal controls over collected revenues. Recommendations included additional controls to safeguard petty cash, better safekeeping of monies through to deposit, and additional oversight procedures over billings and collection systems. At the time of the 2025 update, most cash handling risks were resolved, but the department was working to use County system for receipts.
In Process	**Finding:** Human Resources did not use the County accounting system (Munis) for receipting, billing or accounting. Munis provides greater accountability and control over these transactions. It also can provide workflow and oversight to some of the transactions. **Recommendation:** Human Resources should consider using Munis to enter and provide receipts and bill and manage receivables. **Update:** Though Human Resources implemented a pilot program in the Spring of 2024 to enter some receivables into Munis, staff said the program has not been expanded to all receivable due to staffing shortages. Staff said they monitor for issues and will revisit the recommendation during the next budget cycle.

Global Updates Audit Title	Summary
[Munis Purchasing Topics Part III – Purchasing Cards](#) **Resolved: 2** **In Process: 2** **Prior Resolved: 1** **Accept Risk: 0**	For the calendar year 2020, County employees spent $1.3 million through 2,595 purchase card transactions. A random sample indicated approximately seven percent of transactions did not have adequate backup documentation. At the time of the 2025 global report, staff selected a new vendor and updated policies but were still updating approval forms and invoice entry instructions.
In Process	**Finding:** A couple of invoices were identified as paid by normal means and by payment card. In most of the cases, the vendor or staff identified the duplicate and were able to get a credit for the duplication. On entering purchasing card transactions staff do not generally include the underlying invoice/reference number. The transactions identified were relatively minor in dollar amount and frequency. **Recommendation:** It is recommended for cardholders to enter in invoice/receipt numbers to help prevent duplicate payments. **Update:** Finance contracted with a new purchasing card vendor with a new documentation process. Finance will provide additional staff training, including instructions to enter invoices, as the new program rolls out starting in December 2025.
Resolved	**Finding:** There were anomalies in payment card issuance. There were a couple of employees that had more than one procurement card assigned to them. A contracted employee was assigned a procurement card and at a level above most Department heads signing authority. A number of departments are having cardholders share their cards with other employees. In discussion with the Bank, their preference is to have only the cardholder use the payment card. **Recommendation:** It is recommended the policy clarify whether an employee can have more than one payment card assigned to them; whether other employees can use the payment card; and whether non-employees can be provided a payment card. **Update:** The updated 2025 purchasing card policy improved on the policy in place during the audit by prohibiting sharing of individually assigned cards and creating a new department purchasing card category with specific procedures. Finance committed to switch out multiple cards assigned to individuals with department cards as cards were replaced.

Global Updates Audit Title	Summary
In Process	**Finding:** Finance has issued a $300 thousand and a $100 thousand monthly limit payment cards to Finance and Information Technology, for the primary purposes of making payments on large purchases or vendor balances for departments. As noted in the prior report, the use of payment cards to make these payments is to obtain the benefit of a 1.5% rebate on payment card purchases. **Recommendation:** It is recommended for the policy to address deployment of these high-dollar P-Cards and procedures and controls over their usage. **Update:** The updated 2025 purchasing card policy referenced policies for cards with high-dollar limits but the associated approval forms were not implemented at the time of the follow-up. Finance anticipated issuing new approval forms, including justification for high-dollar limits, in December 2025.
Resolved	**Finding:** Observations with procurement cards suggest some policy and procedure improvements. **Recommendation:** It is recommended for the County to consider the suggested policy improvements (recommendations 1-8) in an updated policy and any associated changes to procedures. **Update:** The Board of County Commissioners adopted an updated purchasing card policy in October 2025. Finance worked with the policy advisory committee to create a policy that addressed issues identified in the audit.

Global Updates Audit Title	Summary
Munis Purchasing Topics Part IV - Analyses **Resolved: 0** **In Process: 1** **Prior Resolved: 9** **Accept Risk: 0**	A 2020 audit of the new accounting system found risks for duplicate payments, bulk approvals limiting oversight, and unusual activity around three-way matches. Recommendations related to guidance and training were implemented and strengthened the financial system. Despite anticipated recommendation resolution in the summer of 2025, staff turnover prevented development of an automatic report to assess bulk approvals.
In Process	**Finding:** Approvers using bulk approvals may result in ineffective oversight. **Recommendation:** It is recommended for Finance to assess, periodically, the usage of bulk approving and the impacts on the purchasing workflow. **Update:** Despite anticipated recommendation resolution in the summer of 2025, staff turnover prevented development of an automatic report to assess bulk approvals. However, Finance staff said that they conducted ad hoc reviews.
Clerk's Office Transition **Resolved: 0** **In Process: 2** **Prior Resolved: 7** **Accept Risk: 0**	Our 2021 audit found that the office performed well in fiscal controls but that monitoring was needed for contract renewals and access controls. The Clerk had yet to implement security recommendations provided by an outside consultant. At the 2025 Global update, the Clerk had improved Office security measures, but still had not improved contract monitoring.
In Process	**Finding:** The Clerk's Office has a couple of significant vendors that could require contracts or contract renewals. The County Clerk should review County Code 2.36 and 2.37 to make sure to address for each vendor whether competitive bids are required and who should approve. Currently, many of these contracts are paid though individually approved invoices. Each is reviewed and approved based on the value of the individual invoices. **Recommendation:** It is recommended for the Clerk's Office identify and proceed with developing contracts and contract renewals with significant vendors. **Update:** Clerk's Office staff said that they have begun the process of developing contracts with significant vendors.

Global Updates Audit Title	Summary
In Process	**Finding:** The County financial system allows the entry of contracts, which makes for a more efficient and effective process. This allows any associated invoices to be paid without a secondary set of approvals. Having these contracts entered in Munis allows tracking of contract expiration dates; insurance; other terms; and gathering appropriate authorizations based on the overall contract amount. **Recommendation:** It is recommended the Clerk's Office enter any contracts into the County financial system as contracts so that effective approvals and contract management can occur. **Update:** Clerk's Office staff said that they would begin entering new contracts into Munis.
[Management of Pandemic Case Investigation and Contact Tracing](#) **Resolved: 0** **In Process: 4** **Prior Resolved: 0** **Accept Risk: 1**	Our 2022 audit of pandemic contract tracing found that Health Services performed well compared to peer counties. However, the County needed to improve management of temporary staff including updating the service contract with improved terms and providing regular performance review to staff based on metrics related to their assigned tasks. As was the case last year, limited Human Resources staffing has delayed implementation of these recommendations.
In Process	**Finding:** The primary temporary labor vendor for the response to the pandemic charged their highest margin (29.5%) on all Health Service labor. It is not clear there was any negotiation for a lower rate. This job type is not a higher risk category such as road crews. The primary vendor with the increased margin (29.5% vs 25.5%) was able to charge an additional $78 thousand on the $2.5 million in temporary labor used by Health Services communicable disease program (from December 2020-November 2021). **Recommendation:** It is recommended for the County to develop a new invitation to bid to cover the newer needs of the County for temporary labor and address the handling of margin and concerns noted above. **Update:** A planned request for proposals for a new temporary staffing contract continued to be delayed. Human Resources staff said the delay was due to staffing shortages in the department. Staff said they monitor for issues and will revisit the recommendation during the next budget cycle.

Global Updates Audit Title	Summary
In Process	**Finding:** The contract with primary vendor for temporary labor was technically expired and the County has not reached out for new bids. County Counsel thinks that an interim contract is needed until new bids can be obtained. **Recommendation:** It is recommended the current contract with the primary vendor for temporary labor be extended out 12-18 months until an invitation to bid can be developed and issued. **Update:** Though staff's 2024 update indicated that a contract extension had been drafted with plans for execution by January 2025, staff said the extension was delayed due to staffing shortages in the department. Staff said they monitor for issues and will revisit the recommendation during the next budget cycle.
In Process	**Finding:** Health Services was the primary recruiter for temporary staff and the vendor did not recruit many staff to meet the needs of the department. Human Resources performed the pre-service screenings for new contracted staff. With the County taking over some screening activities should the County be paying a higher labor margin to the vendor? Are there ways to get credit with a lower margin for the additional work that happens by the County? **Recommendation:** It is recommended for the County to establish more effective leadership and management of the temporary labor contracts and how they are used by County departments. They may want to consider a policy or procedures to address the variety of human resource (HR) issues that come with using a temporary workforce. This would include whether an in-house labor pool could be developed and when departments should consider contracted labor. Human Resources has indicated they will be taking over efforts to work on the temporary labor request for proposals / contracts. **Update:** Human Resources committed to drafting guidelines, but staff said the drafting was delayed due to staffing shortages in the department. Staff said they monitor for issues and will revisit the recommendation during the next budget cycle.

Global Updates Audit Title	Summary
In Process	**Finding:** Generally, on call staff are supposed to receive evaluations when they have reached a thousand hours and have worked at least 12 months. A number of our temporary staff would have reached these levels. However, there are no practices in place to provide formal feedback and there does not appear enough informal feedback. **Recommendation:** It is recommended for the County (and Health Services) consider what practices should be employed to provide feedback (formal and informal and to what extent) to contracted temporary staff working for the County. **Update:** Human Resources said that guidance for providing feedback for temporary staff would be addressed during a project to update the County employee performance management program. Staff said the project was delayed due to staffing shortages in the department. Staff said they monitor for issues and will revisit the recommendation during the next budget cycle.
Accept Risk	**Finding:** County staff did not obtain and did not look at the performance down to a staff level to see how particular staff were performing. Oversight staff periodically reviewed data quality reports which can identify staff needing additional data entry training. Granted this is a pandemic and resources and time are limited for staff, but the use of metrics is a great way to monitor and manage performance. It also can give information on whether staffing levels are at the right level. **Recommendation:** It is recommended for Health Services and the County to consider using more metrics as they manage temporary and remote staffing workloads (for case investigation and contact tracing). **Update:** The Behavioral Health Department deferred responsibility for implementing this recommendation to Human Resources. Using metrics to evaluate staff performance and workload increases efficiency and effectiveness of County programs.

Global Updates Audit Title	Summary
[Sheriff's Office Cash Handling](#) **Resolved: 3** **In Process: 0** **Prior Resolved: 0** **Accept Risk: 0**	Our 2022 audit of cash handling at the Sheriff's Office found good performance in control over receipts. However a need for improvements were noted related to cash collection, deposits, and other practices. At the time of the 2025 update, staff resolved the issues identified by strengthening internal control systems, updating policies and procedures, and making timely deposits.
Resolved	**Finding:** Overall, the Sheriff's Office performed well in providing fiscal controls over collected monies. However, the implementation of the cash handling control system was inconsistent across all the divisions of the Sheriff's Office creating identified control gaps. Control gaps are potential vulnerabilities to the effective stewardship of public resources. **Recommendation:** It is recommended the Sheriff's Office strengthen the internal control system to better oversee all payments they receive and periodically assess their operating environment to assure the system is operating as intended. **Update:** The Office Implemented most aspects of this recommendation at the 2023 follow-up including eliminating staff cash hand-offs, using a locked cash box, assigning responsibility for cash to individuals, and endorsing checks. At the time of the 2025 Global Report, staff resolved the recommendation, saying they were using the County's financial system to document payment receipt.
Resolved	**Finding:** Deposit activities are disparate among the divisions of the Sheriff's Office. The Corrections Division makes daily deposits of collected monies to the bank, while other division's deposits are less frequent. Funds carried over daily increases the potential for errors or irregularities to occur. **Recommendation:** It is recommended the Sheriff's Office develop procedures to make more timely deposits. **Update:** The Office Implemented most aspects of this recommendation at the 2023 follow-up including consolidating responsibility for deposits and options for electronic payments. At the time of the 2025 Global Report, staff resolved the recommendation, saying that cash associated with evidence was deposited within a week according to policy.

Global Updates Audit Title	Summary
Resolved	**Finding:** For appropriate design, implementation, and operating effectiveness, internal control activities must be consistently applied through established policies and procedures. Control activities occur at all levels and functions of the Office. The Sheriff's Office had not developed policies and procedures to mitigate risks associated with meeting the objectives of the Office in some areas. **Recommendation:** It is recommended the Sheriff's Office implement additional control activities through policies and procedures. **Update:** The Office Implemented most aspects of this recommendation at the 2023 follow-up including segregating duties, reviewing deposit activity, and eliminating petty cash. At the time of the 2025 Global Report, staff resolved the recommendation by entering the regional drug enforcement team's bank statements into the County financial system.
Vacation and Sick Leave **Resolved: 1** **In Process: 4** **Prior Resolved: 5** **Accept Risk: 0**	Our 2022 audit of vacation and sick leave management found controls were effective and working as intended. However some areas for improvement were noted including negative leave balances, employees not using leave as required, and accrual policies that were out of compliance with state law. At the time of the 2024 update, staff were waiting for approval from the Board on a draft policy to address most of the issues. Other issues were on hold due to contract negotiations and a new employee performance evaluation process led by Human Resources.
Resolved	**Finding:** Vacation and sick leave maximum balances are inconsistently enforced. **Recommendation:** It is recommended Human Resources and Payroll establish secondary review processes for employee leave balance limit calculations and adjustments. **Update:** Payroll implemented a new procedure that involves running a report of forfeited hours, or hours rolled into the sick leave bank, and reconciling the amounts to a report from Human Resources.

Global Updates Audit Title	Summary
In Process	**Finding:** Employees are not using sufficient vacation leave as directed by policy. **Recommendation:** It is recommended the County develop a process to support supervisors in monitoring employees' use of vacation leave in compliance with policy. **Update:** Human Resources staff said that attendance expectations would be added to the employee evaluation form during the project to update the County employee performance management program. Staff said the project was delayed due to staffing shortages in the department. Staff said they monitor for issues and will revisit the recommendation during the next budget cycle.
In Process	**Finding:** County policy for leave accrual timing not in conformance with Oregon law. **Recommendation:** It is recommended the County revise leave policy HR-16 to be in conformance with State law. **Update:** The Human Resources 2024 update indicated that updated policy language had been drafted and was waiting for review by the policy advisory committee in December 2024. A year later, staff said the policy was delayed due to staffing shortages in the department. Staff said they monitor for issues and will revisit the recommendation during the next budget cycle.
In Process	**Finding:** County policies and collective bargaining agreements need to be updated to match current practice for maximum vacation and sick leave timing. **Recommendation:** It is recommended the County update policy and collective bargaining agreement language to align with practice. **Update:** The County updated bargaining agreements to align timing for leave balances in contracts with practice. The department was still working to update the policy for non-represented employees.

Global Updates Audit Title	Summary
In Process	**Finding:** Cash out election provisions of time management leave may accelerate employee taxable income. **Recommendation:** It is recommended for the County to consider adjustments to the leave cash out policies to further address constructive receipt. **Update:** Human Resources and Finance have determined an annual process for vacation sellback which addresses constructive receipt. Implementation was scheduled to occur in time for 2026 vacation sellback activities, but Human Resources was not able to provide an update due to staff capacity.
[Continuity of Operations Plans](#) **Resolved: 0** **In Process: 1** **Prior Resolved: 4** **Accept Risk: 1**	Our 2023 audit of emergency planning found steps taken to identify essential functions and consider critical operational capacities. However, planning was hindered by data constraints and a need for training to increase staff awareness and understanding of procedures. At the time of the 2024 update, most recommendations were resolved but the County had still not resumed regular emergency planning exercises.
In Process	**Finding:** The County canceled a planned all-office/ department tabletop exercise in April 2020 and did not reschedule it after the pandemic. Although the pandemic provided a real-world event to improve preparedness effort, as of 2023, stand-alone exercises have occurred only once in each office/ department. **Recommendation:** It is recommended the County conduct regular continuity of operations plan exercises and make necessary improvements identified as weaknesses. **Update:** Staff said that as departments update their continuity plans, the County will conduct regular continuity of operations exercises.

Global Updates Audit Title	Summary
Behavioral Health - Processes Improvement **Resolved: 2** **In Process: 2** **Prior Resolved: 5** **Accept Risk: 0**	Our 2023 audit found that Behavioral Health used many effective performance measures. However there was room to improve in areas such as measuring staff productivity and clarifying expectations, accurately reflecting time spent on direct care, and equitably distributing work among teams. At the time of the 2025 update, staff had redistributed caseload, improved staff training and oversight, and created report templates to increase efficiencies. Staff hired a consultant to assist with developing productivity measures with anticipated completion by early 2026.
In Process	**Finding:** The division set individual productivity targets for clinicians based on their team and role. However, targets determined by the service hour tool's calculated percentage seemed to be low. For instance, crisis clinicians are expected to spend over 30% of their time on client care. Despite the low target threshold, 73% of all clinicians (including both efficiency and output productivity) were not meeting their target as of February 2023. Conversations from supervisors and staff indicated confusion about the division's expectations, and there were no consequences for employees who did not meet the target. **Recommendation:** It is recommended Behavioral Health go through the process to develop appropriate productivity measures as well as clarify expectations for staff. **Update:** The Health Department hired a consultant to assist with developing productivity measures and expectations. They anticipate the work will be complete in early 2026.

Global Updates Audit Title	Summary
Resolved	**Finding:** Performance measures did not provide managers with a complete picture of the efforts of clinicians. Several key data points were missing or lacked sufficient controls ensuring accuracy. For example, the division was not tracking time spent on documenting client care. The service hour tool measure is dependent on data from the electronic health records system to measure efficiency, which was susceptible to several problems including clinician discretion in reporting billable hours, delays in data entry, and manual adjustments to data from other information systems. **Recommendation:** It is recommended Behavioral Health review the accuracy of the data contributing to clinician workload measures. **Update:** The Health Department hired a consultant to assist with reviewing the accuracy of data. Staff said that they reviewed data including number of encounters per month, billed events, number of new cases, and client tenure.
In Process	**Finding:** Conversations with clinical staff on some teams suggested a perception of unequal distribution of cases within the team. There were notable disparities in caseloads among four of the eight teams, with some clinicians carrying double the number of cases than others. The Intake and First Treatment Appointment Procedure authorized team supervisors to modify case distribution based on their own discretion to accommodate client complexity or clinician feedback on caseload levels. **Recommendation:** It is recommended Behavioral Health strengthen the controls for first treatment appointment assignment and client discharge. **Update:** The Health Department hired a consultant to assist with appointment assignment and discharge. They anticipate the work will be complete in early 2026.

Global Updates Audit Title	Summary
Resolved	**Finding:** Writing clinical notes from scratch significantly increases the time and effort required to complete documentation. Clinicians often must rely on their own initiative to discover shortcuts for documenting into the health records system. Many clinicians have created templates outside of the system, which they must manually copy into the system, adding extra steps. **Recommendation:** It is recommended Behavioral Health create a comprehensive library of division-approved smart tools to improve clinical documentation efficiency and provide training to clinicians on how to use them. **Update:** Behavioral Health staff created new smart phrases for staff to increase efficiency. They also said that they created a new note template.
Overtime and Compensatory Time **Resolved: 0** **In Process: 4** **Prior Resolved: 4** **Accept Risk: 0**	Overtime expenses surged over 30% in Fiscal Year 2023 outpacing increases in overall personnel costs. As the County increasingly depends on overtime to maintain the delivery of quality services, the need for a strong control foundation becomes more crucial. Finance began reporting overtime regularly to the Board and improved information system management. Human Resources continued to work on centralizing overtime documentation and Administration was refining policies.
In Process	**Finding:** Insufficient documentation regarding premium pay decisions hinders transparency. **Rcommendation:** The County should establish a centralized documentation repository for all payroll decisions that grant overtime compensation to exempt status employees. **Update:** Human Resources was working to inventory and document approved overtime status for exempt employees and hoped to have the work complete by November 2024 . At the time of the 2025 update staff reported that they had not completed the project due to low staffing levels.

Global Updates Audit Title	Summary
In Process	**Finding:** The County's comp time expiration rule is confusing and unnecessary. County policy mandates that employees use comp time hours within 180 days after the overtime was earned for some employees, however this language in the policy has not been enforced. County policy and the various labor union agreements also limit overall comp time leave balances for each employee, ranging between 50-96 hours, which is enforced. **Rcommendation:** The County should determine if the 180-day mandate is still relevant and adjust practices/revise policy based upon the determination. **Update:** Administrative staff have decided to remove the 180-day requirement from policy but official adoption is still pending.
In Process	**Finding:** Comp time liability moves from one department to another when an employee undergoes a departmental transfer. The receiving department is then compelled to acknowledge leave hours they did not initially authorize. **Rcommendation:** The County should incorporate policies which include payouts for comp leave balances in cases of departmental transfer or promotion to exempt status. **Update:** Staff drafted policy updates that include compensatory time payouts at the time of transfer or promotion to exempt status. The Policy Advisory Committee, Department Heads, and the Board have completed reviews. Updates will be shared with unions in early 2026, which is necessary before policy adoption.
In Process	**Finding:** Leave time granted to part-time employees does not align with the Fair Labor Standards Act definition of comp time. **Rcommendation:** The County should establish and document comprehensive leave options and procedures specifically tailored to part-time employees. **Update:** Staff drafted policy updates that include guidelines for part-time employees. The Policy Advisory Committee, Department Heads, and the Board have completed reviews. Updates will be shared with unions in early 2026, which is necessary before policy adoption.

Global Updates Audit Title	Summary
[Property Management Cash Handling](#) **Resolved: 0** **In Process: 4** **Prior Resolved: 4** **Accept Risk: 0**	Our 2023 audit of Facilities and Property Management cash handling found the departments performed well in control over receipts. Areas noted for further improvement included updated procedures and a process for identifying conflicts of interest. At the time of the 2025 update, procedures had been updated but Human Resources was still working to develop countywide conflict of interest policies and procedures.
In Process	**Finding:** The County did not have a process in place for recording conflicts of interest disclosures in official records. **Rcommendation:** The Human Resources Department should align Section 8.020 with State conflict-of-interest laws and establish a standardized disclosure procedure. This could include a template for written notifications. **Update:** Human Resources agreed with the recommendation and committed to updating personnel rules and procedures. Two years later, staff said updates were delayed due to staffing shortages in the department. Staff said they monitor for issues and will revisit the recommendation during the next budget cycle.

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