



Deschutes County Audit Committee

2025 Accomplishments Report

December 2025

To the Honorable Members of the Deschutes County Board of Commissioners:

On behalf of the Deschutes County Audit Committee, we are pleased to present our 2025 Accomplishments Report. This report reflects our continued commitment to promoting transparency, fiscal responsibility, and the continuous improvement of County operations.

Generally Accepted Government Auditing Standards (GAGAS) guide the Audit Committee's work. These audits are designed to assess the efficiency, effectiveness, and integrity of County programs and services, ensuring that public resources are used in ways that deliver measurable value to our community. A key element of this process is the engagement of an independent auditor, whose objectivity is essential to producing credible, unbiased findings. Independence ensures that audit results are free from internal influence, allowing for honest assessments and actionable recommendations. This impartiality is critical to maintaining public trust and supporting informed decision-making by County leadership.

Audits are not only a tool for oversight, but they are also a catalyst for fostering a culture of accountability and continuous improvement. When embraced fully, they provide departments with the opportunity to reflect on their practices, identify areas for growth, and implement meaningful changes that enhance service delivery.

However, the Committee has observed a concerning trend of increased pushback on auditor access and management responses to audit findings and recommendations. While healthy dialogue and clarification are expected and encouraged, resistance to independent review can undermine the purpose of the audit process and hinder progress. Constructive engagement with audit results is essential to building a responsive and resilient organization.

We urge County leadership to continue supporting a culture where audits are viewed not as criticism, but as opportunities for learning and advancement. The Committee remains committed to working collaboratively with departments and leadership to ensure that audit recommendations are thoughtfully considered and effectively implemented.

We appreciate your continued support.

Respectfully submitted,
Daryl Parish, Deschutes County Audit Committee Chair

Audit Committee:

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

- CHAIR, Daryl Parrish (member since 9/2016, term expires June 2026)
- Phil Anderson (member since 7/2024, term expires June 2026)
- Jodi Burch (member since 10/2019, term expires June 2027)
- Liz Foott (member since 7/2025, term expires June 2027)
- Joe Healy (member since 9/2022, term expires June 2026)
- Kristin Toney (member since 1/2024, term expires June 2027)

County management (3 of 3 positions filled)

- Patti Adair (member since 1/2019) (Term expires Dec 2025)
- Steve Dennison (member since 7/2025) (term expires June 2027)
- Lee Randall (member since 9/2021) (term expires June 2026)

Member departures during 2025

- Summer Sears (6 years on committee)
 - Charles Fadeley (4 years on committee)
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- The committee currently has 6 of 6 public members
 - The committee met six times in 2025 (2/2025; 4/2025; 6/2025; 8/2025; 10/2025, and 12/2025). 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 (12/2024).
 - The committee reviewed Finance's Popular Financial Report for Fiscal Year 2024.

External Auditor – Baker Tilly

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

- The external auditor, Moss Adams, merged with another firm in 2025. The combined firm now operates under the name Baker Tilly.
- In December 2024, we met with external auditors to review results of audits – Fiscal Year 2024 Annual Comprehensive Financial Report and other required communications.
- In June 2025, we met with external auditors to discuss audit planning for Fiscal Year 2025. Their work was coordinated with the recent work and audit plan of the internal auditor.

Internal Auditor

- New biennial work plan for Fiscal Years 2026 and 2027 adopted in June 2025.
- We reviewed internal audit reports issued with departments and management.
 - 6 performance reports were issued (10 performance audits were issued in the prior year):

Initial Reports	
Audit Title	Summary
Language Access Program: Low compliance risk, but better coordination and guidance needed Concur: 3 Accept Risk: 1	The County provided services for people who need language access, but some areas could be improved. Unclear guidance and procedures around language access services led to confusion and inconsistency. This uncertainty resulted in staff hesitation to use contract translators and interpreters, which in turn placed an undue burden on bilingual employees. County staff were not able to answer basic questions such as how much are we doing, how much should we be doing, and can we do it more efficiently.
2025 Elected Sheriff Transition Concur: 5 Accept Risk: 0	The 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.
County Fair and Rodeo Alcohol Sales: Net profits higher but return lower Concur: 3 Accept Risk: 0	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.
Election Controls: Election Integrity Maintained, Improved Accessibility and Data Security Transparency Needed Concur: 2 Accept Risk: 0	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.

Initial Reports

Audit Title

Summary

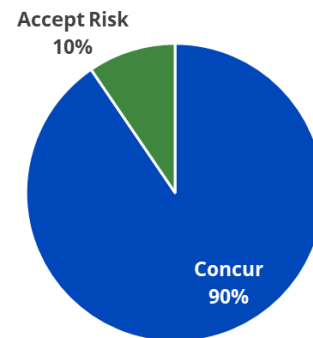
Body Worn and In-Car Camera Program: Foundations in Place, Improved Oversight and Reporting Needed

Concur: 6

Accept Risk: 1

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.

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.



- We reviewed follow-up reports indicating the status of recommendations.
 - 9 follow-up reports were issued (5 follow-up reports were issued in the prior year)

Follow-Up Reports

Audit Title

Summary

Wage Equity: Equal Pay Analysis Planned
Resolved: 2
In Process: 3
Accept Risk: 0

The 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.

Custom Developed Software
Resolved: 2
In Process: 11
Accept Risk: 0

The 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.

Follow-Up Reports

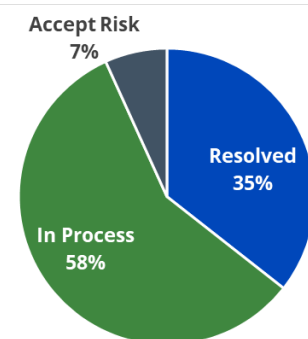
Audit Title

Summary

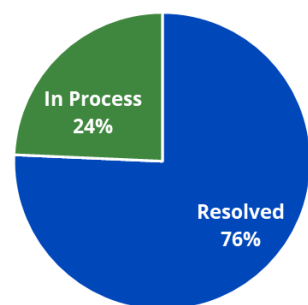
<p>Clerk's Office Integrated Audit 2024</p> <p>Resolved: 9 In Process: 4 Accept Risk: 0</p>	<p>The integrated audit of the Clerk's Office found areas for improvement related to cash handling, purchasing, information systems, purchasing cards, and performance measurement. Nine months later, the Office 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.</p>
<p>County Legal Integrated Audit</p> <p>Resolved: 2 In Process: 1 Accept Risk: 0</p>	<p>The 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.</p>
<p>Recreational Vehicle Park Integrated Audit</p> <p>Resolved: 0 In Process: 4 Accept Risk: 1</p>	<p>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 a recommendation to improve Park performance reporting.</p>
<p>County Courthouse Expansion Preconstruction Management</p> <p>Resolved: 3 In Process: 0 Accept Risk: 0</p>	<p>The 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.</p>
<p>Health Benefits Program: Increasing medical costs require improved oversight</p> <p>Resolved: 1 In Process: 3 Accept Risk: 2</p>	<p>The audit of health benefits raised questions about rising costs, data security, and payment accuracy. Nine months later, the County made progress by revising financial models but continued 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.</p>

Follow-Up Reports	
Audit Title	Summary
Language Access Program: Low compliance risk, but better coordination and guidance needed (initial audit also issued in 2025) Resolved: 1 In Process: 4 Accept Risk: 0	The 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.
Public Health Integrated Audit Resolved: 1 In Process: 4 Accept Risk: 1	The 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.

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.



- At the end of 2024, Management resolved 109 of 144 outstanding recommendations while 35 remained outstanding. These recommendations were associated with 17 audit reports. A new global follow-up report will be issued in December 2025.



- We continue to monitor the internal audit program's performance measures. These indicate a high level of performance.
 - Customer satisfaction survey is 93 percent overall satisfaction (prior year 91 percent)

Internal Auditor time analyses:

Time Category	5 yr. Average Hours	Relative%	2025 YTD Hours**	Relative%
Audit	1472	87%	730	78%
Follow-up	95	6%	142.5	15%
Non-audit	127	7%	68.5	7%
Sub Total	1,695	100%	941	100%

Total hours are fluctuating due to changes in FTE.

***Hours taken through 11/21/2025.*

In 2025, non-audit time included hours providing comments on County policies and Whistleblower Hotline investigations.

Summary Conclusions

- The External Auditors are independent of the County. They completed their audit of the Fiscal Year 2025 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 2025.
- Internal Audit for the County consists of 1.5 Full Time Equivalent positions for a County Internal Auditor and Performance Auditor. The Fiscal Year 2026 budget is approximately \$350 thousand annually (salary and fringe benefits) and dues, technology and training of \$16 thousand. The Fiscal year 2027 budget will be developed the first quarter of 2026.
- For much of the year the Performance Auditor position was vacant and is currently vacant. There were two recruitments and two hires but both candidates resigned. One resigned after two months to become the County's Human Resources Director. The second resigned after two weeks due to not finding housing. A third recruitment will be needed to fill the position.

- County management has generally engaged with audit recommendations, though the Committee notes instances of increased pushback that may affect the effectiveness of the audit process.
- Budget reductions in Fiscal Year 2024 limited the scope and effectiveness of the Internal Audit function, resulting in six audit reports issued compared to ten in the prior year.