



## **Deschutes County Audit Committee 2024 Accomplishments report December 2024**

### 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 2025)
- Joe Healy (member since 9/2022, term expires June 2026)
- Summer Sears (member since 10/2019, term expires June 2025)
- Kristen Toney (member since 1/2024, term expires June 2025)

#### **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)

#### Member departures during 2024

- Stan Turel (5 years on committee)
- The committee currently has 6 of 6 public members
  - The committee met six times in 2024 (3/2024; 6/2024; 7/2024; 8/2024; 10/2024, 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 (12/2023).
  - The committee reviewed Finance's Popular Financial Report for Fiscal Year 2023.

### 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 December 2023, we met with external auditors to review results of audits – Fiscal Year 2023 Annual Comprehensive Financial Report and other required communications.

- In June 2024, we met with external auditors to discuss audit planning for Fiscal Year 2024. Their work was coordinated with the recent work and audit plan of the internal auditor.

### Internal Auditor

- Updated biennial work plan for Fiscal Years 2024 and 2025 in June 2024. New biennial work plan will be adopted in June 2025.
  - We reviewed internal audit reports issued with departments and management.
    - 9 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:
      - Overtime and Compensatory Time
      - Fair and Expo Cash Handling
      - Wage Equity
      - Custom-Developed Software
      - Clerk's Office Integrated Audit
      - County Legal Integrated Audit
      - Fair and Expo Center RV Park Integrated Audit
      - Courthouse Preconstruction Management
      - Health Benefits Program
- Note: Counts of reports were taken from January 2024 through November 2024
- We reviewed follow-up reports indicating the status of recommendations.
    - 5 follow-up reports were issued (10 follow-up reports were issued in the prior year)
    - A global follow-up report will be issued in December 2024.
  - We continue to monitor the internal audit program's performance measures. These indicate a high level of performance.
    - Customer satisfaction survey is around 89% overall satisfaction (prior year 94%)

Internal Auditor time analyses:

<b>Time Category</b>	<b>5 yr. Average Hours</b>	<b>Relative %</b>	<b>2024 YTD Hours**</b>	<b>Relative %</b>
Audit	1496	86%	2032	87%
Follow-up	91	5%	134	6%
Non-audit	148	9%	180	8%
<b>Sub Total</b>	<b>1,736</b>	<b>100%</b>	<b>2,345</b>	<b>100%</b>

As seen in the above table, 2023 audit hours were up with the additional FTE.  
*\*\*Hours taken through 11/30/2024.*

In 2024, non-audit time included hours providing comments on County policies and Whistleblower Hotline investigations.

Summary Conclusions

- The External Auditors are independent of the County and completed their audit of the Fiscal Year 2024 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 2024.
- Internal Audit for the County consists of two Full Time Equivalent positions for a County Internal Auditor and Performance Auditor. The Fiscal Year 2025 budget is approximately \$380 thousand annually (salary and fringe benefits) and dues, technology and training of \$18 thousand. However, there is a proposed cut to the Performance Auditor position to part-time. The Fiscal year 2026 budget will be developed the first quarter of 2025.
- 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 but may be negatively impacted by proposed budget cuts.