



Washington County Auditor's Office

Final Follow Up:

Audit of Ethics Matters Hotline

Final Report

December 13, 2022



Audit Team: County Auditor: John Hutzler, CIA, CGAP, CCSA

I. Background and Summary

The 2010 Oregon Legislature passed a law allowing local governments to create hotlines for reporting government waste, inefficiency, and abuse. In 2011, the Washington County Board of County Commissioners (BCC) exercised its authority under this legislation, amending its policy on Reporting of Improper Governmental Conduct to provide for hotline reporting. Washington County contracted with EthicsPoint, a third-party provider of hotline services to create Ethics Matters, the Washington County ethics hotline. The hotline received its first report in April 2012.

In September 2016, the Washington County Auditor released his report “Audit of Ethics Matters Hotline,” together with the response of the County Administrator. The Auditor made eight recommendations for action. The County Administrator agreed with the Auditor’s recommendations and planned to implement them by June 30, 2017.

In our first follow-up report, dated February 20, 2018, we found that the CAO had fully implemented two recommendations. Six recommendations remained open.

In our second follow up report, dated June 10, 2019, we found that the County Administrator planned to fully implement the remaining six recommendations.

We scheduled this third follow-up review to determine the extent to which the County Administrator’s Office (CAO) has implemented the six audit recommendations that remained open. Our review covers activity from April 2019 through October 2022.

This report summarizes findings and recommendations from the original audit and describes the final status of all recommendations from our 2016 report. Of those eight recommendations, the County Administrator has fully implemented four and partially implemented four.

During our follow-up, we identified additional matters of concern that warrant action by the County Administrator or the BCC. Those are addressed in section IV below. **Because of the seriousness of those other matters, we urge the BCC to create a County Ombuds Officer within the Office of the independent County Auditor and transfer administration of the Ethics Matters Hotline to the Ombuds Officer.**

II. Overview of the Original Audit

Study Objectives

The Auditor’s Office initiated the Ethics Matters Hotline Audit to address the following objectives:

1. Did County policies and procedures for its Ethics Matters hotline satisfy the requirements of Oregon law?
2. Did County employees follow County policy and procedures when processing hotline reports?

3. Did Washington County adopt best practices for government waste hotlines?

Observations and Recommendations

The original audit determined that (1) County policies and procedures satisfied most, but not all, requirements of state law, (2) County employees usually, but not always, followed County policy and procedures, and (3) Washington County adopted many best practices, but opportunities for improvement remained. To improve the effectiveness of the hotline and its compliance with State and County requirements, we made the following recommendations:

To satisfy the requirements of state law, the County should:

1. Consistently post notices in County offices explaining the purpose of the hotline and prominently displaying the telephone number for the hotline.
2. Clarify that employees may utilize the Ethics Matters Hotline to report waste, inefficiency, or abuse.
3. Accept reports of waste, inefficiency, or abuse by County contractors.
4. Provide the BCC with a copy of any findings that officers, employees, or contractors of the County are involved in activities that constitute waste, inefficiency, or abuse.

To improve compliance with County policies and procedures, the County should ensure that responsible employees:

5. Log all reports of government waste, inefficiency, or abuse.
6. Exclude reporters' names from final reports.
7. Provide a copy of the written report to the non-culpable department head or elected official having authority over the matter investigated.

To improve the effectiveness of the hotline the County should:

8. Implement a long-term marketing and communication strategy for Ethics Matters, including:
 - a. Increased visibility of the hotline on the County's public website,
 - b. Enhanced employee ethics training covering state ethics laws, County policy on Reporting of Improper Governmental Conduct and Ethics Matters hotline reporting procedures,
 - c. Annual reports on hotline activity, including statistics on the number of reports received, the types of allegations, the length of investigations, and the results of investigations, and
 - d. Case summaries for the County Auditor that identify the department with jurisdiction over the matters alleged and the substance of the allegations and findings.

III. Status of Original Audit Recommendations

In our first follow-up, we found that County administration had fully implemented two recommendations. In our second follow-up, we found that the County Administrator planned to fully implement the remaining six recommendations. In this, our third follow-up report, we find that the County has fully implemented two of the remaining recommendations and has partially implemented four recommendations. In summary, of the original eight recommendations, the County fully implemented four, and partially implemented four.

- 1. The County should consistently post notices in County offices explaining the purpose of the hotline and prominently displaying the telephone number for the hotline.**

Final Status – Partially Implemented. County Administration has been reasonably successful in posting notices in staff-only areas of County offices. However, of the 16 County offices we visited before the COVID-19 shutdown, we found Ethics Matters posters in only 3 (19%) areas open to the public. Since Ethics Matters is designed to serve as a vehicle for public reports, it is important that the public be informed about the availability of this resource.

The Hotline Administrator, is charged to facilitate and monitor the consistent posting of hotline notices in work areas and public bulletin boards. The administrator reported that he monitors the posting of hotline notices on bulletin boards, but that they are often removed to make room for other postings.

To facilitate consistent posting, we encourage the Hotline Administrator to add language such as “Do Not Remove” or “Posting required by ORS 297.760(2)b” to the Ethics Matters poster. Risk Management and Facilities could periodically distribute Ethics Matters posters to Administrative Managers and Facilities Liaisons with the message that posting of this notice in both employee and public areas is required by Oregon law and County Policy. Such efforts have proven effective in ensuring that OSHA posters get posted in all County offices.

- 2. The County should clarify that employees may utilize the Ethics Matters Hotline to report waste, inefficiency, or abuse.**

Final Status – Fully Implemented. In October 2016, the County revised its Reporting of Improper Governmental Conduct Policy to provide explicitly that employees may use the hotline. We closed this recommendation in our first follow-up report.

- 3. The County should accept reports of waste, inefficiency, or abuse by County contractors.**

Final Status – Fully Implemented. In February 2018, the County revised its Reporting of Improper Governmental Conduct Policy to provide that waste, inefficiency, or abuse by County contractors may be reported through the hotline.

We closed this recommendation in our first follow-up report.

- 4. The County should provide the BCC with a copy of any findings that officers, employees, or contractors of the County have been involved in activities that constitute waste, inefficiency or abuse.**

Final Status – Fully Implemented. The County revised its Reporting of Improper Governmental Conduct Policy to provide that any findings of improper governmental conduct shall be reported to the BCC. Only one case has resulted in a finding that officers, employees, or contractors of the County engaged in improper governmental activity. The County provided that finding to the BCC.

- 5. The County should ensure that responsible employees log all reports of government waste, inefficiency, or abuse.**

Final Status – Partially Implemented. The County revised its Reporting of Improper Governmental Conduct Policy to require that any County employee who receives a report of improper governmental conduct shall report it to the Human Resource Manager (now called Chief Human Resources Officer (CHRO)), who is responsible for logging the report into Ethics Matters. We found that the Sheriff's Office did not report all complaints alleging improper governmental conduct to the CHRO. We did not review whether complaints of improper governmental conduct filed with other County departments were logged into Ethics Matters.

Our ability to fully assess the implementation of this recommendation was limited because we were denied access to Ethics Matters cases filed but not yet closed. Nevertheless, for the reasons stated above, we were able to conclude that this recommendation had been partially implemented.

- 6. To ensure that the investigating employee omits the reporter's name from the final report, the County should revise Ethics Matters procedures to address this issue.**

Final Status – Partially Implemented. The County revised the Reporting of Improper Governmental Conduct Procedures to direct the investigating employee to omit the reporter's name from the final report. However, we found that investigating employees included the reporter's name in several of the final reports we reviewed. Continuation of this practice is likely to discourage reporting and increases the risk of claims of retaliation. We encourage the Hotline Administrator to review the final investigation report before release to ensure it does not contain the reporter's name.

7. **To ensure that the investigating employee provides a copy of the written report to the non-culpable department head or elected official having authority over the matter investigated, the County should revise Ethics Matters procedures to address this issue.**

Final Status – Partially Implemented. The County has revised the procedures to require that the investigating employee provide a written report to the non-culpable department head or elected official having authority over the matter investigated, as required by County policy. However, investigating employees do not usually provide the written report to the department head. We believe that assigning this responsibility to a single individual, such as the Hotline Administrator, would increase compliance.

8. **The County should implement a long-term marketing and communication strategy for Ethics Matters, including:**
 - a. **Increased visibility of the hotline on the County’s public website.**
 - b. **Enhanced employee ethics training covering state ethics laws, County policy on Reporting of Improper Governmental Conduct and Ethics Matters hotline reporting procedures.**
 - c. **Annual reports on hotline activity, including statistics on the number of reports, the types of allegations, the length of investigations, and the results of investigations.**
 - d. **Case summaries for the County Auditor that identify the department with jurisdiction over the matters alleged and the substance of the allegations and findings.**

Final Status – Partially Implemented. (a) The County increased the visibility of the hotline on the County’s website. (b) The County includes information on the County’s ethics hotline policy and procedures in its new employee orientation, but the training does not cover the requirements of state law. (c) Management issues an annual report of hotline activity, but it does not include data on the length of investigations. As noted below in Other Matters, timely disposition of Ethics Matters cases is a challenge. (d) Case summaries provided to the County Auditor did not always identify the department with jurisdiction over the matters alleged or the substance of the allegations.

IV. Other Matters

During our follow-up, we identified additional matters of concern that warrant action by the County Administrator or the BCC. **Because of the seriousness of these other matters, we urge the BCC to create a County Ombuds Officer within the Office of the independent County Auditor and transfer administration of the Ethics Matters Hotline to the Ombuds Officer.**

1. Hotline procedures issued by the CAO are not consistent with County policy.

- a. Policy 205, adopted by the BCC, provides that the HR Manager is responsible for determining the manner in which allegations will be investigated. The HR Manager may investigate the allegations, assign the investigation to a subordinate, or request that another County office or department or an outside public agency conduct the investigation.

Procedure 205-A, issued by the CAO, creates an Advisory Committee that includes the Assistant County Administrator, Chief Finance Officer, Controller and Sr. Assistant County Counsel, and the HR Manager. The procedure authorizes the Advisory Committee to assign reports of improper governmental conduct for investigation.

Rather than implementing policy adopted by the BCC, the procedure assigns to the Advisory Committee authority that the BCC granted to the HR Manager alone. Involving so many members of senior management in the administration of the hotline is inconsistent with the BCC's interest in preserving the confidentiality of hotline reports and protecting the identities of those reporting improper governmental conduct. (See also item 5 below.)

- b. Policy 205 provides at 2.1.5: If the HR Manager reasonably believes that an investigation of a non-criminal matter cannot be conducted in an impartial, fair or complete manner by him/herself or any office, employee or official in the County, upon approval of the County Administrator, County Counsel or County Board Chairman [sic], the matter may be referred to an outside public agency willing to accept responsibility for the investigation (such as another county's Administrative Office or Office of County Counsel). [emphasis added.]

Procedure 205-A, on the other hand, provides that "The report may also be referred to an outside agency as deemed appropriate by the Advisory Committee."

Since County policy limits outside referrals to public agencies, and only when the HR Manager reasonably believes the County cannot conduct a fair, impartial or full investigation and the referral is approved by the County Administrator, County Counsel or County Board Chair, the procedure authorizes a process that exceeds the authority granted by the BCC.

We encourage the County Administrator to revise Procedure 205-A so that it is consistent with BCC Policy.

2. Hotline Investigations were not completed timely.

Many cases remained open for extended periods, although Policy 205 directs that investigations be completed in a timely manner. The 53 cases we reviewed in 2021 took, on average, over 100 days to close. Nine cases (18%) remained open longer than 200 days. Five of those cases were eventually closed on the grounds that they did not even allege improper governmental conduct, a decision that should be made promptly based upon the facts alleged and should not require investigation.

While there are cases that require lengthy investigations – especially ones with legal ramifications – an average across all reports of 100 days far exceeds the best practice recommendation of 30 days. An Ethics Matters Advisory Committee composed of five senior management officials (Assistant County Administrator, Chief Financial Officer, Controller, Chief HR Officer, and Sr. Assistant County Counsel) each with significant portfolios of other responsibilities, may not be suited to prompt case disposition.

3. Reports are rarely substantiated.

A high substantiation rate reflects a well-informed employee base making high-quality reports, coupled with effective investigation processes. NAVEX Global, a worldwide leader in integrated risk and compliance management software and services, reports that from 2013 to 2021 the median substantiation rate for hotline reports has fluctuated between 36% and 44%. Washington County's substantiation rate of less than 1% suggests that employees may need additional training on proper use of the hotline and/or that investigation processes need improvement.

Inconsistent messaging about the hotline can cause confusion about what to report, and how cases are handled. It discourages reporting by creating the impression that the County is unwilling to investigate reports.

For example, the FAQs for Ethics Matters indicate that improper governmental conduct includes "violation(s) of County policy." Policy 205 and Procedure 205-A do not include such language, and many reports alleging violations of County policy are dismissed as not involving improper governmental conduct. The EthicsPoint portal to which a reporter is referred to "Make a Report" invites reports of Abuse of Authority, Accounting and Auditing Matters, Conflict of Interest, Environmental Protection, Health or Safety Laws, Improper Supplier or Contractor Activity and defines those terms much more broadly than County Counsel and the Advisory Board interpret the definition of "improper governmental conduct" in Policy #205.

4. Those responsible for administering the hotline and investigating reports do not share a common understanding of what constitutes improper governmental conduct and how reports should be handled.

We found several examples of the following:

- a. Reports that did not allege improper governmental conduct were assigned, investigated and closed pursuant to Policy 205 and Procedure 205-A, a process applicable only to reports of improper governmental conduct.
- b. Reports alleging improper governmental conduct were closed on the grounds that they did not allege improper governmental conduct.
- c. Reports were closed as not alleging improper governmental conduct while others, alleging similar conduct, were investigated as allegations of improper governmental conduct.
- d. Reports were closed as unsubstantiated or unsustained although the investigation confirmed the facts alleged.

5. The confidentiality of the Ethics Matters hotline has been repeatedly compromised by members of the Advisory Board.

The Hotline Administrator has implemented Procedure 205-A by granting all Advisory Committee members unrestricted read access to Ethics Point case records, including the identity of the reporter, if available. Members of the Advisory Committee have also shared information about Ethics Matters complaints with others within the Office of County Counsel, Human Resources (HR), the County Administrator's Office and the BCC.

These practices compromise the strict confidentiality requirements of the policy. Knowing that their identity would be shared so broadly, reporters are less likely to identify themselves or provide details of events that that might reveal their identify. This reduces the likelihood that a thorough investigation can be completed.

Some members of the Advisory Committee have asserted that they need to know the identity of the reporter to evaluate the report and refer it to the appropriate party for investigation. We disagree. The Advisory Committee also evaluates and assigns anonymous reports. Furthermore, as explained in 1.a. above, Policy #205 assigns this responsibility to the HR Manager (now CHRO) not to the Advisory Committee.

We encourage the County Administrator to clarify that, until an investigation has been completed, the Hotline Administrator may share the reporter's identity only with the employee or public agency assigned to investigate the allegation.

6. Redaction procedures appear to have been created by the CAO to protect a high ranking official.

In February 2020 Ethics Matters received an anonymous report of harassment alleging that a named County Commissioner repeatedly and inappropriately touched young women. In April, the Hotline Administrator entered a final report into the record, notified the reporter that the allegations could not be sustained on the information available, and encouraged the reporter to file additional reports if she became aware of any violations of County policies.

Instead of closing the case as Not Sustained, however, the administrator deleted the final report from the case record and held the case open at the direction of County Counsel.

In August 2020, the CAO amended Procedure 205-A to provide that if allegations in a report do not involve improper governmental conduct, the report shall be marked N/A, and unredacted copy of the case shall be provided to Human Resource, and persons named in the report shall be redacted from the hotline record. In September, the administrator closed the case as not involving improper governmental conduct, marked it N/A, and redacted the name of the Commissioner from the record.

Another case closed on the same day for the same reason was not redacted. When we examined seventeen reports closed as not involving improper governmental conduct since the procedure was amended, we found only two in which the subject's name had been redacted.

The evidence strongly suggests that the only two County officials hired directly by the Board of Commissioners engaged in a coverup of an Ethics Matters allegation against a sitting Commissioner. The appearance of special treatment threatens the credibility of the Ethics Matters hotline.

To restore that credibility, we urge the BCC to transfer administration of the hotline to a County Ombuds Officer position assigned to the independent County Auditor.

V. About this Review

In January 2020 we initiated a third follow-up review to determine whether the County Administrator had implemented the six recommendations of our September 2016 Audit of Ethics Matters hotline that remained open after our second follow-up. This review was delayed as a result of the Covid-19 pandemic and the denial and delay of auditor access to requested records.

We concluded that a recommendation was Fully Implemented if we found that the recommended actions had been completed or that the County had adequately addressed the issues identified by the Auditor by alternative means. We concluded that a recommendation was Partially Implemented if we found that County Administration had completed some, but not all, actions and planned to take no further action on the recommendation.



signed:

John Hutzler, CIA, CGAP, CCSA
Washington County Auditor



Memorandum

To: John Hutzler, County Auditor
From: Tanya Ange, County Administrator *Tanya Ange*
cc: Board of County Commissioners
Date: December 12, 2022
Subject: Response to follow-up and new audits submitted for Dec. 13

In your elected role as County Auditor, you have provided seven follow-up audits as part of your presentation to the Washington County Board of Commissioners meeting packet for December 13, 2022. I commend staff for their work especially over the last two weeks to prioritize responding to your requests for the community that we both serve. This demonstrates a respect for your elected role and the shared value that employees place on effective and efficient local government employees.

It is my understanding that follow-up audits do not require a management response as they are based on the scope of the original audit. After an initial review of your audits, it appears that there are three audits that I need to respond to as management does not agree with your position and/or the follow-up has gone beyond the scope of the original audit. I am sending this memo to you and will be adding this memo to the Board's agenda packet for public transparency. I should note that you have not requested a management response for any of the seven follow-up audits included in the packet for December 13, 2022.

Auditor's Response: Thank you for your response to the Ethics Matters follow-up audit. You are correct that a management response is not required. However, since you have submitted your response, I will include it, along with my response when I publish my report. Had you chosen to respond during last night's Board meeting, I would have addressed your concerns at that time. My responses to the points you raise follow.

1. Ethics Matters Hotline

The County Administrative Office first received these recommendations when a revised Board packet was published on December 9, 2022, at 2:28 p.m. Your report includes a section entitled "Other Matters" which includes new recommendations. Your report is based on information as of October 25, 2021. The review does not reflect the current state of the Ethics Matters Hotline, which the County has worked diligently to update. It is also important to note that the Ethics Advisory Committee has completely different membership from the time of your last review, a change that will be reflected in the updated version of the procedures supporting the hotline coming early next year. The

Advisory Committee now consists of David Martinez, Assistant County Administrator, Eva LaBonte, Human Resources Manager, Latricia Tillman, Chief Equity and Inclusion Officer, Roger Dawes, Controller and Tom Carr, County Counsel. The following is a brief response to your recommendations.

Auditor's Response: Thank you for pointing out the typo regarding the scope of the follow-up. This report covers hotline activity from May 2019 through October 25, 2022. This is an unusually long period for follow-up review, but work was significantly delayed by the pandemic and by the County's refusal to grant access to hotline records and personnel. I will correct the date in the report before publishing it to the web and invite you to make appropriate revisions to your response.

The County Administrator Should Update Procedure 205-A

County administration has worked over the last 12 months to improve and expand the use of the Ethics Hotline. The original intent of the hotline was to prevent fraud, waste and abuse. Policy 205 defines those terms to refer principally to misuse, misappropriation or theft of county resources. Experience over time has demonstrated that the ethics hotline provides a valuable resource for reporting of matters other than fraud, waste or abuse. In fact, the vast majority of reports involve matters other than fraud, waste or abuse. Accordingly, the County Administrative Office is finalizing a new procedure 205-A that will recognize this fact and take better advantage of this important tool. The new procedure will be published in the first quarter of 2023. With respect to any conflict between Policy section 2.1.5 regarding referral to outside agencies and Procedure 205-A, this will be addressed in the procedural update and, if the Board approves, with an amendment to Policy 205.

Auditor's Response: Thank you for acknowledging the inconsistency between the procedure and the Board policy and that Policy 205 does not limit the hotline to misuse, misappropriation and theft of County resources. In my opinion, our new County Counsel has significantly narrowed the scope of the hotline from its original intent and the practices of the prior Advisory Committee. If the CAO is developing a new procedure to clarify that improper governmental conduct need not include a financial element, I applaud that effort.

Hotline Investigations were not completed timely

There have been 29 new cases opened between October 25, 2021, and the present. Four cases are currently pending. The 25 closed cases were open for an average of 37 days. It is important to note that some of the cases involve serious allegations outside the scope of the Ethics Hotline. That is, they involve allegations of harassment, discrimination or other serious human resources issues. It is appropriate that the County investigate such allegations thoroughly.

Auditor's Response: You are correct that cases opened since my analysis of time to completion have been closed more quickly. This is largely due to the fact that the more restrictive interpretation of the scope of the hotline has resulted in most cases being closed

without a hotline investigation. Of the 25 cases closed since October 25, 2021, only five were assigned for investigation.

Reports are rarely substantiated

The County Administrative Office recognizes that the County's past approach may have been focused more on defending the County from potential claims than on identifying and solving problems. The administration is working on changing this culture and new procedures will address this issue. All cases are fully investigated and the decision whether to sustain the allegation is based on law and County policy. The audit questions whether the frequently asked questions are overly inclusive. This is intentional and represents a policy choice. While beyond the scope of the original hotline, the intent is to provide community members, including county employees, with a forum through which they can report issues of concern. In fact, as noted above, the new procedures will encourage reporting of discrimination or harassment. The hotline is unique in that it allows anonymous complaints and a mechanism to follow up with the reporter, while maintaining the reporter's anonymity. Reports that do not allege fraud, waste or abuse are referred to the appropriate authority to investigate and address.

Such reports are beyond the scope of the hotline and therefore are not reported as sustained in that system. This most likely accounts for the relatively low number of sustained cases in the Ethics Hotline system.

Auditor's Response: I applaud the CAO's efforts to change the County's ethical culture from defending the County from potential claims to identifying and solving problems. I see the former attitude as the root cause of most of the shortcomings of the hotline noted in my report. Rather than suggesting that the frequently asked questions are overly inclusive, my concern is that County Counsel's interpretation of "improper governmental conduct" is too narrow. Instructions and FAQ's that direct employees to use the hotline to report on matters for which they receive only a response that the conduct reported does not involve improper governmental conduct will erode confidence that the County is interested in employee concerns. The extremely low incidence of reports suggests a lack of confidence that action will be taken on reports. I believe my successor intends to follow through on a planned audit of the County's ethical culture and her report may shed additional light on these issues.

Those responsible for administering the hotline and investigating reports do not share a common understanding of what constitutes improper governmental conduct and how reports should be handled.

The new Ethics Matters Advisory Committee has worked to formalize and provide structure to the handling of reports. The focus has been on a shared understanding of the proper scope of the committee's authority with an understanding that the Ethics Hotline provides an important tool to allow employees and members of the community to identify issues beyond the scope of the Ethics Advisory Committee.

Auditor's Response: It is reassuring that efforts to formalize and provide structure to the handling of reports are underway. However, I caution the CAO and the Advisory Committee not to encourage employees and members of the public to report through the hotline matters to which the hotline will respond that their report does not involve improper governmental conduct. This will only erode confidence that the County takes hotline reports seriously and perpetuate a perception that the County is more interested in defending against potential claims than identifying and solving problems.

The confidentiality of the Ethics Matters hotline has been repeatedly compromised by members of the Advisory Board.

This allegation refers to a prior advisory board. The current board, known officially as the Advisory Committee, maintains strict confidentiality of ethics hotline reports. The County Administrative Office disagrees with the assertion that access should be limited to the Chief Human Resources Officer. The purpose of the hotline is to detect fraud, waste or abuse. These are financial matters that require a broader knowledge base to address. Moreover, to take full advantage of the opportunities presented by the hotline, it is important to include high-level officials from the County Administrative Office, Office of Equity, Inclusion and Community Engagement (OEICE) and the Office of County Counsel.

Auditor's Response: As noted above, the scope of follow-up extended to October 2022. I did not track every change in the persons filling the positions on the hotline Advisory Committee, but neither did I limit my finding to cases addressed by prior committees. The fact that financial matters may require a broader knowledge base suggests that the CHRO should assign such cases to an investigator with that broader knowledge base. It does not mean that the Advisory Committee needs to know the reporter's identity. Similarly, high-level county officials can act on the findings of the investigation without knowing the identity of the reporter, which was omitted from the final report.

Sharing the reporter's identity beyond the investigator will reduce the willingness of reporters to identify themselves and limit the investigator's ability to contact them to request additional information. The proportion of anonymous hotline reports in Washington County is already far higher than the average of other customers of the county's hotline vendor, suggesting that Washington County employees fear possible retribution for reporting.

Please note that the inclusion of the Chief Equity and Inclusion Officer on the Advisory Committee, rather than the Chief Financial Officer, is contrary to Procedure 205-A, and represents a breach of hotline confidentiality, as is providing access to hotline records to any employee other than members of the Advisory Committee and the investigator assigned to a particular case.

Redaction procedures appear to have been created by the CAO to protect a high ranking official.

This allegation refers to conduct that allegedly occurred in August 2020. It is not clear why the issue was not raised in prior audit reports. In any event, redaction of reports is routinely done to protect both the reporting individual and those who may be unjustly accused. In

this case, an anonymous report was made that lacked enough information to conduct an investigation. The County reached out to the anonymous reporter through the Ethics Hotline asking for more information so the case could be investigated, but the County did not receive a response and the case was eventually closed. This is the same process that is followed for any complaint of harassment, regardless of the subject's role at the County.

Auditor's Response: Since the amendment to Procedure 201-A allowing redaction occurred in August 2020, it could not have been addressed in prior reports on the ethics hotline in 2016, 2018 and 2019.

The reference to some reports having been redacted and others not pertains to a software issue experienced by the Ethics Matters contracted vendor. The vendor was notified of the issue immediately and has since corrected the problem. It should be noted that at no point were the identities of parties involved in an Ethics Matter report disclosed outside the confounds of this audit.

Auditor's Response: The failure to fully redact the names of persons involved in cases referred to HR has been a continuing problem that is not limited to any software issues of the hotline vendor. The hotline software was designed by the vendor with no provision for redaction to ensure a full record of every case is preserved. Only when Washington County sought to conceal the identify of the parties, did the software vendor allow for redaction. This case did not follow the same process as other complaints. The facts are that a report involving a high ranking official was withdrawn and delayed for 4 months until the procedure was amended to allow for redaction of the official's name. In another case closed on the same day for the same reason, and in several following cases that met the criteria for redaction, reaction was not performed.

Thank you again for your response. I recognize that most of the issues described in this report, as well as most County action to address them, occurred before you were hired as County Administrator, and I appreciate your commitment to addressing them.