

# Office of the County Auditor

## 2023 Annual Report

December 2023



**Kristine Adams-Wannberg, CIA, CGAP**  
**Washington County Auditor**

## Letter from the County Auditor

Dear Washington County Residents,

Accountable, transparent government has always been important to our community. The mission of the County Auditor's Office is, "To promote better government accountability, public policy, and County services through impactful audits and analyses." My office takes that mission very seriously, and we have been working diligently to improve County government to that end.


We started three performance audits in 2023. The Financial Policies audit will be released in December. The American Rescue Plan Act audit on work force development will come out in the first quarter of 2024. The third audit is a risk assessment of the County's Major Streets Transportation Improvement Program. It will be out in the second quarter of 2024. We are excited to see the positive impact these audits will have!

Capacity to do our work has been a challenge. For the Fiscal Year 2023-24, we took a 10 percent budget cut and lost a position due to the County's financial situation. Losing a quarter of our staff definitely had an impact on our ability to get work done. One of the impacts was that it delayed some of the communications work with the public I had hoped to accomplish my first year as the elected Auditor. The Office is working through this, and I am committed to starting a quarterly newsletter in 2024 as well as some social media. These will help keep the public more informed of our work, provide a mechanism for feedback on audits, and help us get input on potential audit topics.

The Auditor's Office has never had a peer review (an audit of the auditor), and we invested time this year in improving many of our internal functions toward that goal. Peer review is a best practice in the auditing field and is a requirement for audit shops that follow Government Auditing Standards. We are scheduled for our first review in 2025.

I appreciate the many members of the public and County leaders that have expressed their support of our work. I also want to express my deep gratitude to auditors Fiona Howell Earle and Sherry Kurk for their dedication to public service, passion for continuous improvement, and good sense of humor.

With many thanks,

  
Kristine Adams-Wannberg  
Washington County Auditor  
<https://www.washingtoncountyor.gov/auditor>

## Office Mission, Vision, Values, and Goals

The following are the Auditor's Office's adopted mission, vision, values, and goals:

**Mission:** To promote better government accountability, public policy, and County services through impactful audits and analyses.

**Vision:** The Auditor's Office is a valued contributor to the continuous improvement of County government for the public good.

**Values:** Accountability, integrity, independence, impact, and equity:

- **Accountability** – We value commitments of organizations and individuals to being responsible and transparent for the decisions and/or actions they take and being able to give a satisfactory reason for them.
- **Integrity** – We value performance of work with an attitude that is objective, fact-based, nonpartisan, and nonideological with regard to audited entities and users of audit reports.
- **Independence** – We value independence. This includes two aspects:
  - The state of mind that permits the conduct of an audit without being affected by influences that compromise auditors' professional judgment.
  - The absence of circumstances that would cause a reasonable, informed third party to conclude that the integrity, objectivity, or professional skepticism of an audit organization or member of the audit team has been compromised.
- **Impact** – We value making County government accountable and better able to serve the public.
- **Equity** – We believe public resources and power should be used fairly and ethically in the creation and delivery of government policy and services.

### Goals:

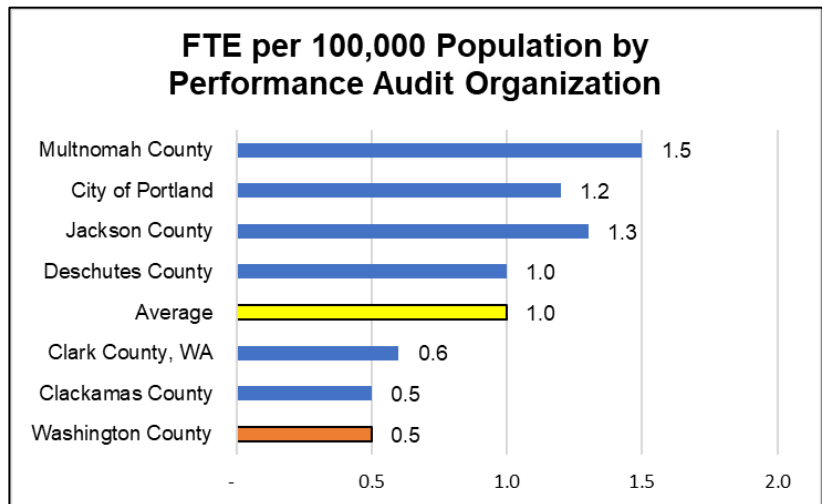
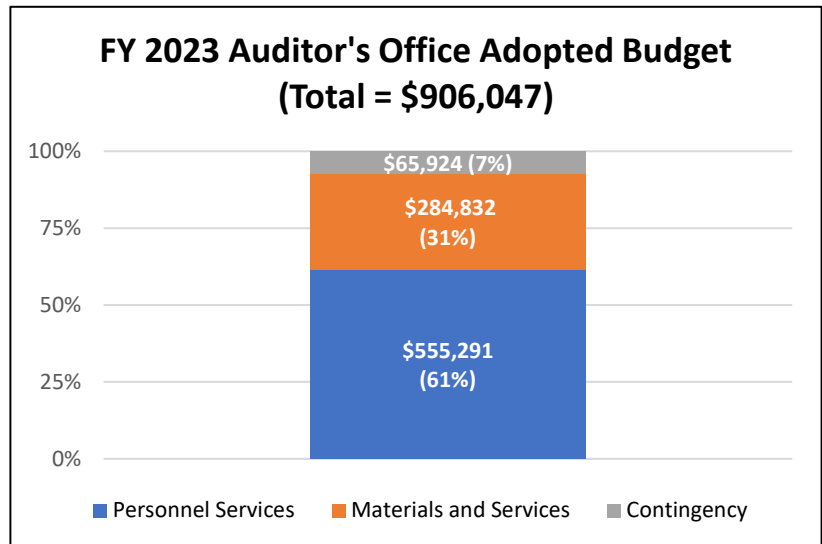
- Improve government accountability and performance.
- Maximize team effectiveness and fulfillment.

## Office Expenditures and Staffing

Our office budget is under \$1 million, and it now supports three staff, made up of the County Auditor and two Senior Management Auditors. Most of our budget is staffing and paying for other County internal services.

In 2023-24, we took a 10 percent cut and as a result lost a Principal Management Auditor position. We also transitioned from being a General Fund department to being an internal service fund (Fund 528).

We are understaffed compared to other audit functions in Oregon and Southern Washington. This includes the Multnomah County, Clackamas County, Jackson County, Deschutes County, Clark County (Washington), and the City of Portland. The average staffing per 100,000 population is 1.0 Full-Time Equivalent (FTE) of performance audit staff<sup>1</sup>. The Washington County Auditor's Office has 0.5 FTE per 100,000 County population. Even when we had the Principal Management Auditor position, we were at 0.7 FTE per 100,000 and were understaffed.



<sup>1</sup> This calculation only includes performance audit staff and the Chief Audit Executive. It does not include administrative positions, of which the Washington County Auditor's Office has none.

## Calendar Year 2023 Audit Schedule

The following audits are in process or were scheduled to start in 2023. This was based on having 3 full-time equivalent audit staff in the office, in addition to the County Auditor. The County Auditor selects audit topics based on input from the public, the Board of Commissioners, the County Administrative Office, department management, and audit staff. We also conduct a risk assessment to identify areas of higher risk.

Audit	Start	Expected Completion
County Financial Policies	April 2023	December 2023
ARPA Workforce Development	March 2023	1 <sup>st</sup> Quarter 2024
Major Streets Transportation Improvement Program	April 2023	2 <sup>nd</sup> Quarter 2024
County Cash Handling	Not started	TBD

Follow-ups on the Status of Previous Audit Recommendations	Start	Expected Completion
County Succession Plan Needed for Projected Workforce Turnover	1 <sup>st</sup> Quarter 2024	1 <sup>st</sup> Quarter 2024
Racial/Ethnic Diversity of County Boards and Commissions	1 <sup>st</sup> Quarter 2024	1 <sup>st</sup> Quarter 2024
Auditor Review of Information Security	2 <sup>nd</sup> Quarter 2024	2 <sup>nd</sup> Quarter 2024

### Technical Assistance:

We provided technical assistance to the Washington County Salary Commission. This avoided about \$20,000 in contracting costs for the County, compared to the previous Salary Commission. Due to staffing cuts, we will not be assisting with this effort in future years.

## Significant 2023 Internal Work

The Office did a great deal of work to improve its internal systems and processes this year, as well as participating in professional education and activities. Some of our significant accomplishments were the following:

- **Strategic Planning** – We invested time in reworking our mission, vision, values, and goals.
- **Policies and Procedures** - The office developed new policies and procedures based on Government Auditing Standards, County policy, and in preparation for an external peer review (audit of the auditors) in 2025.
- **Department Visits** – The County Auditor met with each department head around the beginning of her term to understand their organization’s roles and responsibilities.
- **Archiving** – We drafted an archiving classification for our records with the assistance of the Department of Assessment and Taxation. We are developing our template to archive in the County’s Laserfiche system. This is a major project which brings our office into compliance with state records retention requirements.
- **New Audit Workpaper Software** – We evaluated and signed a contract for new audit workpaper software, with the assistance of Information Technology Services, County Counsel, and Risk Management. Implementation started in October 2023 and will continue into 2024.
- **Professional Education Credits** – All employees obtained all required professional education credits to meet Government Audit Standards and to maintain professional certifications.
- **Leaders in the Profession and Service on County Committees** – Employees served as leaders in the auditing profession, by participating in committees and activities of the Association of Local Government Auditors, the Institute of Internal Auditors, and ISACA (IS/IT audit and cybersecurity professionals). Staff also participate in various County committees, such as the Equity Data Committee and the Equity Leadership Committee.



*Auditor’s Office staff at the old county jail at the Five Oaks Museum.*

## Looking ahead to work in 2024

My Office has a great deal of work we are planning for 2024. Some of this is internally focused as we continue to build our systems and infrastructure. Many others are focused on audit work and communicating with the community. Some of these efforts will be the following:

- **Audit Work** – We will conduct two to three performance audits and four follow-up reviews of prior audit recommendations.
- **Communications and Feedback** - We will start producing quarterly newsletters about the activities of the Auditor’s Office and start a Facebook page. We will perform outreach in the first quarter of 2024 to request potential audit topics from the public and County leaders and staff.
- **Strategic Planning** - We will continue strategic planning work by developing Office objectives, activities, and key performance measures.
- **Software Implementation** – The Office will complete implementation of and training in our new audit working paper software.
- **Policies and Procedure Updates** – We will update our manual for revised Government Auditing Standards and new workpaper software processes.
- **Archiving** – We will finish work on our archiving classifications and start archiving permanent records into the County’s Laserfiche system.
- **Professional Education Credits and Participation** – All employees will obtain required continuing professional education and participate in professional organizations.

## Past 2024

There are activities past 2024 that we are working toward:

- **Peer Review** - This is essentially an audit of the auditors. Government Auditing Standards require it for organizations that follow those standards, and they require organizations be peer reviewed every three years after their first review. This will be the Office's first review.
- **Work Toward Charter Changes** - The County Auditor provisions in the County Charter need to be updated. Some sections are out of date and others need clarification. The Charter does not reflect best practices for local government audit organizations.