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**REPORT OF THE ACTIVITIES
OF THE
OFFICE OF MULTNOMAH COUNTY AUDITOR**

FOR THE TWELVE MONTHS ENDED

December 31, 1979



JEWEL A. LANSING, CPA



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To the Citizens of Multnomah County:

I have just completed the first year of my second term of office as your elected County Auditor. It has been an enjoyable year, challenging and rewarding for me and my staff. We feel that our efforts have truly worked as an agent for better government.

We have reported the results of our examinations to you through the media and through our printed reports. This public reporting of our audit findings is an important part of our process, and one which sets us apart from many other governmental audit agencies.

This booklet includes a summary of the work we have completed during the past year and an index of reports issued in prior years. Other sections of the booklet explain something about the way in which we go about our work. This booklet is intended to give you a better understanding of how the Auditor's office works to improve County government.

Please feel free to call my office if you have any questions or suggestions regarding our work.

Jewel Lansing
January, 1980

NCJRS

APR 7 1980

ACQUISITIONS

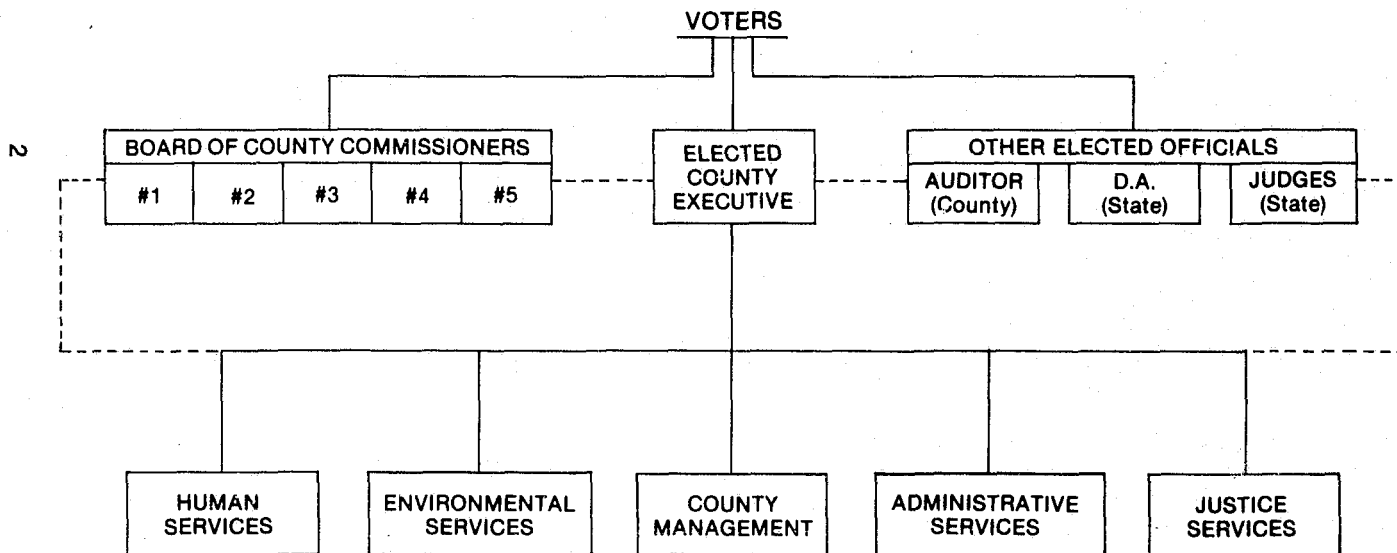
TABLE OF CONTENTS

	Page
Citizens Letter	i
Organization Chart	2
Purpose of County Auditor's Office and the Home Rule Charter	3
Scope of Audit	4
Definitions of Auditors	5
Audit Process	6
Distribution of Reports	7
Kinds of Audit Reports	8
Scheduling	9
Auditable Entities	9
Criteria for Selection	10
Goals and Objectives	11
Staff Picture	12
Resumes of County Auditor and Staff	12
Index of Auditor's Reports for the twelve months ended December 31, 1979	14
Reports issued, 1975-79, listed by department	16
Budget of Auditor's Office, thirteen years ended FY 1980	19
Advisory Committees	21
Institute of Internal Auditors Standards	22

MULTNOMAH COUNTY ORGANIZATION CHART

AMENDED HOME RULE CHARTER

As of July 1, 1979



PURPOSE OF MULTNOMAH COUNTY AUDITOR'S OFFICE AND THE HOME RULE CHARTER

The goal of the Multnomah County Auditor's office is to measure, evaluate and promote efficiency, effectiveness and accountability in Multnomah County government. We strive to see that taxpayers get the most for their money by helping County Managers to identify problem areas and getting them to adopt recommendations that result in improvements. Internal audit activities result in reports which are issued to the public, County managers and County officials.

The County Auditor's position was created in 1967 by the Multnomah County Home Rule Charter. The County Auditor is charged under Section 8.10(3) with the following responsibilities:

- (a) maintain a continuous audit of the financial affairs of the County,
- (b) maintain a continuous internal audit of each administrative office and department of the County,
- (c) report to the Board of County Commissioners all irregularities that he or she finds in the financial affairs of the County, and
- (d) affix responsibility for the irregularities.

In addition, the Auditor is now charged (Section 3.15, passed in 1978) with preparing a reapportionment plan after each decennial census if the population of any commissioner's district exceeds 115 percent of any other district.

Section 8.10(4) provides that the Board shall retain each report to the Auditor as a public record for at least three years after receiving the report.

The County Auditor is an elected official responsible directly to the voters and has a coordinating relationship with the Board of Commissioners, the County Executive, and other elected County officials.

To fulfill her Charter-defined activities, the County Auditor prepares an annual audit schedule, in accordance with guidelines and criteria which are published in the Auditor's Annual Report of Activities. We have a long-range audit plan which rotates audits among all five County departments on a four-year cyclical basis. Sometimes the published annual audit schedule is preempted by special audit investigations. The County Auditor gives priority to situations in which evidence or serious allegations of major irregularities appear in County government.

SCOPE ELEMENTS OF GOVERNMENTAL AUDITS

Three kinds of audits, or elements of a single audit, are now generally recognized by governmental auditors. The U.S. General Accounting Office defined these three elements of accountability for elected officials in its 1972 Standards Publication in an attempt to improve audit quality at all levels of government. These three general kinds of audits, and the questions they address, are:

Financial and Compliance

Were financial operations properly conducted, financial reports presented fairly, and laws and regulations complied with?

Economy and Efficiency

Was the entity managing its resources, such as personnel, property, and space, economically and efficiently? If not, why?

Program Results

Were desired results or benefits being achieved? Were the objectives established by the legislature or other authorizing body being met? Were alternatives considered which might yield desired results at lower cost?

Most modern internal auditing falls into the latter two categories. The Multnomah County Auditor's office does some audit work in each of the three areas.

We limit our involvement in the *financial and compliance* areas in order to avoid duplication with the annual outside audit required by state law. We do conduct some County-wide tests of internal controls over cash, inventories and other County assets. Most of our audits do contain some compliance aspects.

Our *economy and efficiency* audits focus on what is happening now and what will be happening in the future, rather than emphasizing the past as is usually the case in financial audits. Our reports provide management with information on a more timely basis than is possible with traditional audit reports: to enable them to make corrections before the fact, rather than after. Efficiency and economy audits are also called operational or management audits. The purpose is to help management to do a better job, and to see that the taxpayers are getting the most for their money.

To evaluate whether *program results* are being accomplished, one must first know clearly what the purposes of that department are. Because the legislative intent of the County Commissioners has often not been committed to writing, or not stated in measurable terms, program results audits are still not fully utilized in Multnomah County. The Auditor's office schedules at least one program results audit a year.

All three kinds of elements are often present in a single audit. All three deal with financial measurement, but the approach and documentation needed for each is different. As a practical matter, it is impossible to

cover all aspects in detail in any one audit. The cost would be prohibitive. We strive to carry out a balanced internal audit program in Multnomah County.

DEFINITIONS OF AUDITORS

An auditor examines financial and other data; verifies and evaluates management systems and programs; and suggests improvements in procedures and systems.

Auditors do not make entries in ledgers or journals nor do they personally make any management decisions. Auditors *monitor* the work of various persons: managers, officials, accountants and others.

Auditors are generally separated into two broad categories, *external* and *internal* auditors. The Multnomah County Auditor is an internal auditor.

External Auditors look at organizations from the outside. External auditors should not have ties with the organizations they audit. Their ability to make independent judgments based on their own tests of data, observations, and interpretations is essential. Oregon state law requires that Multnomah County have an outside financial and compliance audit every year. The CPA firm of Coopers & Lybrand presently has the contract for the external audit of Multnomah County.

Internal Auditors are employees of the organization being audited. Modern internal auditing focuses on improving management efficiency, rather than on the financial and compliance aspects examined by the external auditors. While outside auditors look at what happened in the past, internal auditors focus on what is happening in the present, with an aim toward improving what will occur in the future. This difference between focusing on the present instead of the past is an important distinction, and one which makes the practice of modern internal auditing especially challenging. It is much more satisfying and productive to look toward positive changes for the future rather than dwelling on negative aspects of the past.

Even though internal auditors are employees of the organization they are auditing, the ideal internal audit department operates with complete independence and access to documents and information. The Multnomah County Charter provides an organizational framework which makes such independence for the elected County Auditor possible, but leaves the budget authority for deciding at what level to fund the office (i.e., staff size and space) to the Board of County Commissioners.

AUDIT PROCESS

The Multnomah County Auditor's office subscribes to standards promulgated by national auditing and accounting professional organizations. Work of the County Auditor's office is performed in compliance with these standards.*

The audit process of the Multnomah County Auditor's office involves three work phases: 1) *SURVEY*, 2) *FIELD WORK*, and 3) *REPORTING*. Continued communication with auditees is an important part of all these phases.

1) During the *SURVEY* phase, we attempt to identify management weaknesses that warrant a more detailed examination of the records, procedures and practices. Survey information is obtained from discussions with agency officials, interviews with others, physical inspections, reviews of management's reports, reviews of studies and audit reports, test transactions, and flow charts.

An informal summary of observations is compiled and discussed with the auditee. At the completion of the survey phase, the audit staff, in consultation with the County Auditor, reviews issues and problems identified, and the rationale for pursuing each in more depth. Estimates are made of time and resource requirements. A work plan is developed for the field work phase.

2) The *FIELD WORK* phase focuses on collection of detailed data and documentation of preliminary observations. Potential recommendations and corrective actions for deficiencies are proposed and analyzed.

3) During the *REPORTING* phase, results of all survey and field work are compiled in an organized manner. Findings are clarified and presented in a draft report. Report drafts are furnished to auditees for their review, comments, and suggestions. Oral briefings are also given to further clarify our findings and conclusions, and to discuss the practicality and reasonableness of recommended improvements.

Mathematical calculations, statistics, wordings, and quotations are carefully traced to their written sources and verified for accuracy during the reporting phase. This *REFERENCING* process includes indexing of work papers, identification of sources and re-examination of the validity of all conclusions drawn.

A copy of each final draft report is furnished to the persons most closely affected by the audit. Key persons are asked to respond to the report, **FORMALLY, IN WRITING**, so that their responses can be included with our published report.

Including formal responses in our reports adds two to four weeks to our audit release timetable, but we feel it is a valuable part of the process. Points of disagreement between auditor and auditee are brought into focus and auditees are given an opportunity to report progress toward implementation of recommendations.

* Professional organizations which provide guidance for the Multnomah County Auditor's office include the U.S. General Accounting Office (GAO), the Institute of Internal Auditors (IIA), and the American Institute of CPAs (AICPA). The Standards of these organizations are complementary to each other. A summary of the IIA Standards is included at the last page of this booklet.

DISTRIBUTION OF COUNTY AUDITOR'S REPORTS

All reports of the Multnomah County Auditor are released to local newspapers on the day they are issued. Press releases outlining major findings and recommendations are also issued to the newspapers and other interested news media.

The Clerk of the Board of County Commissioners retains each report of the Auditor as a public record for at least three years, in accordance with a Home Rule Charter provision. Copies of Internal Audit Reports are also furnished to the Multnomah County Public Library, the Portland State University Library, the Portland State University Urban Studies Department, and the Oregon Historical Society.

Copies of reports are available to the public at the Auditor's Office, Room 412, Multnomah County Courthouse.

KINDS OF AUDIT REPORTS ISSUED

Some form of written report is prepared for every audit undertaken. The report format is determined by the audit scope, the substance of the findings, and the type of audit work conducted. The three primary reporting formats are described below:

1. **Internal Audit Reports (IARs).** All major in-depth audit examinations of the Multnomah County Auditor are designated as Internal Audit Reports. IARs are sent to all five members of the Board of County Commissioners (and the County Executive Officer), as well as to other interested parties and the media. Any report which includes finding a major irregularity, misuse of funds, or a matter which may require a change in board policy is categorized as an Internal Audit Report. These reports are numbered consecutively by calendar year (e.g., #2-79).

2. **Survey Reports (SRs).** Survey Reports are issued when an audit is terminated following the initial survey phase and the Auditor determines that a full in-depth audit is not warranted. Survey findings, but no recommendations, are presented. SRs are issued to the Board of Commissioners, County management, and the public. SRs are identified by a double alphabetical sequence (e.g., #AA-79).

3. **Reports to Management (RTMs).** All reports of the Multnomah County Auditor which do not fit into the foregoing categories are called Reports to Management. These reports concern examinations of more limited scope, and generally cover matters of internal management rather than Board policy. RTMs are addressed to the managers responsible for the operations about which recommendations are made. Courtesy copies of RTMs are sent to one County Commissioner (according to liaison responsibilities), the County Executive Officer, other interested persons, and the media. RTMs are identified by alphabetical sequence (e.g., #B-79).

(External CPA Reports on Examinations of County Financial Statements are *not* issued by the Multnomah County Auditor, nor does the County Auditor prepare, distribute or process them. The independent CPA firm of Coopers & Lybrand presently performs the annual certified examination of County financial statements required by state law. Distribution of certified financial audit reports is presently handled by the County Finance Office located in the J.K. Gill Building. Copies of these external audit reports are also on file with the Clerk of the Board of County Commissioners.)

MULTNOMAH COUNTY AUDITOR'S OFFICE SCHEDULING

Scheduling of internal audits is done in advance of each fiscal year. Input is solicited from the Board of County Commissioners, department heads, the County's outside auditors, staff members, and the public, with final responsibility for that judgment resting with the County Auditor. About 95 percent of available staff time is scheduled in advance, leaving some time for shorter-term and emergency projects. Evidence or substantial allegations of a material irregularity occurring anywhere in County government would constitute an emergency and would have immediate priority over regularly scheduled audits.

Fifteen Multnomah County operations or functions were identified in 1975 by the County Auditor, in consultation with the County's external auditors based on criteria listed on page 10, to merit a major in-depth audit examination approximately every four years. These operations are listed below. An alphabetical index, by department, listing all audit reports issued during the five years ended December 31, 1979, is included in the back of this report.

MAJOR MULTNOMAH COUNTY AUDITABLE ENTITIES

1. Assessment and Taxation Division, Administrative Services
2. Building Management Division, Administrative Services
3. Budget function, Office of County Management
4. Capital construction, Environmental and Administrative Services
5. Courts system, Justice Services
6. Data Processing Authority, Office of County Management
7. Finance Section, Office of County Management
8. Health Services, Human Services
9. Juvenile courts and services, Justice Services
10. Public Safety Division, Justice Services
11. Public Works (roads), Environmental Services
12. Public Works (maintenance), Environmental Services
13. Purchasing function, Administrative Services
14. Recreational facilities, Environmental Services
15. Social service programs, Human Services

CRITERIA FOR SELECTING OPERATIONAL OR FINANCIAL AUDITS

The criteria used in selecting the operations or functions on page 9, as well as in choosing subjects for more limited examinations, are as follows:

1. Evidence or reasonable possibility of fraud or material wrongdoing.
2. Potential for actual cost savings or increased revenue.
3. Potential for indirect cost savings through better management.
4. Potential for savings through protecting County from liability through negligence.
5. Large expenditure or receipt of dollars involved.
6. Public interest in the operation.
7. Interest of Board of Commissioners in the operation.
8. Potential problem areas identified by outside auditors.
9. Frequency of occurrence of an adverse condition.
10. Timing of audit engagement with optimum staffing of agency and stability of their management personnel.

CRITERIA FOR SELECTING PROGRAM RESULTS AUDITS

1. Large expenditure or receipt of dollars involved.
2. Public interest in the operation.
3. Interest of Board of Commissioners in the operation.
4. Potential problem areas identified by outside auditors.
5. Frequency of occurrence of an adverse condition.
6. Timing of audit engagement with optimum staffing of agency and stability of their management personnel.
7. Availability of meaningful data in usable form to evaluate for program results.
8. Resources of our office to handle scope.
9. Availability of local or national criteria to weigh against.
10. Chances of implementation of audit recommendations.

GOALS AND OBJECTIVES

To measure, evaluate and promote efficiency, effectiveness and accountability in Multnomah County government.

Long-term Objectives:

1. To carry out the duties of the Auditor as required in the County Charter.
2. To produce the most significant improvement in terms of increased efficiency, economy and effectiveness by scheduling internal audits which give heaviest emphasis to those areas of government where such results can be expected.
 - a. To perform an internal audit examination of every major County operation or function at least once every four years, varying in scope and depth according to staff available, with an anticipated audit schedule to be published by July 1 of each year for the following fiscal year.
 - b. To reserve a portion of staff audit time for unscheduled and unforeseeable situations, responsive to requests of other County personnel and the public.
 - c. To report to the appropriate County officials and the public regarding results of internal audit examinations.
3. To assist all members of management in effective discharge of their responsibilities by furnishing them with analyses, appraisals, recommendations and pertinent comments concerning the systems and activities reviewed.
4. To maintain a professionally competent audit staff, with proper provisions for adequate training and professional development.

Short-term Objectives:

1. To acquire a working knowledge of the structure of various County operations and to identify strengths and weaknesses therein; to translate that understanding into a permanent file of flowcharts, narratives and schedules in order to identify and prioritize auditable entities.
2. To perform certain audit tests and systems checks on an ongoing basis, utilizing computer-assisted audit techniques when appropriate.
3. To conduct at least five internal audits of major scope every year, with major focus on economy and efficiency audits.*
4. To conduct at least one program results audit per year.

* Occasionally, as in the case of the District Court audit in 1979, one large audit takes the place of two or more of the routinely scheduled audits.



AUDITOR AND STAFF

Front row, left to right:

Jackie Bell, Doug Norman and County Auditor Jewel Lansing

Second row, left to right:

Paddy O'Brien, Alan Percell and Sara Goldberg

Not pictured: Roberta White and Pat Dunkeld

RESUMES OF COUNTY AUDITOR AND STAFF

The Auditor's office includes the elected County Auditor, five professional staff, a full-time administrative secretary (Roberta White) and a part-time secretary (Pat Dunkeld). All professional staff members have advanced academic degrees or a CPA certificate. Differences in background help provide inter-disciplinary skills necessary for performing a wide variety of audit tasks.

Emphasis is on individual staff members assuming responsibility for carrying out work assignments. Staff members work in audit teams which vary in number and composition, depending on the needs of the project at hand.

Professional growth is given high priority through in-service training. All staff are encouraged, as funds permit, to take part in professional development courses offered by other governmental and professional organizations.

Memberships in professional organizations include the Institute of Internal Auditors, American Institute of CPAs, Oregon Society of CPAs, National Association of Accountants, Oregon Accountants for the Public Interest, American Society of Public Administration, Municipal Finance Officers Association, and the Pacific Northwest Intergovernmental Audit Forum.

JEWEL LANSING, MA, CPA, is the elected Multnomah County Auditor. She began her first four-year term in January, 1975, and was re-elected for a second four-year term in 1978. She previously operated her own firm specializing in auditing of non-profit and government grant organizations. Jewel holds a Master's degree from Stanford University and a BA from the University of Montana. Prior to entering the accounting profession, she was trained in journalism and education and has held a variety of managerial and administrative positions.

JACQUELINE BELL, CPA, joined the staff in May, 1979, after seven years of auditing with a national CPA firm. Jackie obtained a BS in accounting from Portland State University. She is currently a team captain for the Standards Enforcement Committee of the Oregon State Board of Accountancy.

SARA GOLDBERG, MBA, earned her Master's degree from Portland State University in 1979, with an emphasis in finance and marketing. Her baccalaureate degree is from San Jose State University. Sara has ten years' professional experience in private industry, primarily in the communications field. Her responsibilities included managerial and budget duties. She joined the Auditor's staff in August, 1979.

DOUG NORMAN, MPA, a magna cum laude graduate in psychology from Brigham Young University, also obtained his Master's degree in Public Administration from BYU. Doug came to Multnomah County in July 1978. He has performed management analysis work for the Utah State Auditor's office, worked as an Assistant City Administrator and newspaper reporter, and has a special interest in mathematics.

PADDY (SHEILAH) O'BRIEN, MPA, Cornell University, 1975, earned her BA from Pitzer College, the Claremont Colleges, Claremont, California, in 1971. Paddy came to Multnomah County after a four-year stint in Washington, D.C., as a budget analyst for the Peace Corps. She has a variety of management experiences at local, state and federal government levels.

ALAN PERCELL, MBA, CIA, is the Audit Supervisor for the office. Alan joined the staff in August, 1976, after six years' experience in program results auditing with the U.S. General Accounting Office in Portland. Alan has both a BS and a Master's in Business Administration from Portland State University, with emphasis in law enforcement, administration and management. He was awarded a Certified Internal Auditor certificate by the Institute of Internal Auditors in 1978.

1978-79
INDEX OF REPORTS ISSUED
by the
MULTNOMAH COUNTY AUDITOR
for the twelve months ended December 31, 1979

INTERNAL AUDIT REPORTS'

No.	Date Issued	Title	Scope of Examination
#1-79	06/12/79	Traffic and Parking Fee and Fine Collection Systems	Examination of the parking and traffic citations processing and collection systems of Multnomah County's District Court, including tests to determine availability of public records indicating ticket dispositions, the reliability of financial and support data affecting charges, bail money, and fines collected; and the adequacy of complementary internal controls throughout the system.
#2-79	09/19/79	Building Permits Function	Review of the Department of Environmental Services Permits Section's residential and commercial building permit activities, including evaluation of plans review and building inspection functions, record-keeping, and internal cash handling procedures.
#3-79	12/05/79	Animal Control Shelter Over-the-Counter Cash Controls	Investigation of cash handling shortages identified at Multnomah County's Animal Control Shelter, including examination of specific cash transactions and overall cash handling procedures.
In Process		Community Corrections	Evaluation of Multnomah County's participation in Oregon's Community Corrections Program, to determine how well the County's Corrections Division is meeting State and local expectations. Review of accounting and expenditure practices, management direction, and overall program effectiveness.

REPORTS TO MANAGEMENT'

No.	Date Issued	Title	Scope of Examination
#A-79	01/31/79	Sheriff's Special Investigation Fund	Follow-up review of the internal controls over the Division of Public Safety's Special Investigation Fund (SIF), including examination of cash needs, expenditure documentation, and use of the SIF fund.

#B-79	02/14/79	Rocky Butte Jail Commissary	Follow-up review of the internal controls over the Rocky Butte Jail Commissary, including evaluation of price lists, inventory controls, and profit and loss statements.
#C-79	03/28/79	Inmate Trust Funds at MCCI	Follow-up review of the internal controls over the Work Release and Inmate Welfare Trust Funds at the Multnomah County Correctional Institution (MCCI).
#D-79	05/16/79	Home-Owner Self-Reporting of Property Characteristics	An evaluation of property appraisal programs which utilize information furnished by taxpayers. Oregon has no such program, but Senate Bill 817 introduced at the 1979 Oregon Legislature proposed a pilot study of home-owner assisted property evaluation systems.
#E-79	06/12/79	Internal Control of Traffic and Parking Citation Systems	Evaluation of internal controls over fee and fine collection systems for traffic and parking citations of Multnomah County's District Court, a companion report of IAR #1-79.
In Process		Cash Funds Survey	A survey of all County change, imprest, and petty cash funds, including cash counts and review of controls over these funds.

SURVEY REPORTS¹

No.	Date Issued	Title	Scope of Examination
#AA-79	11/31/79	Budget Process	Report of a survey of Multnomah County's budget process, focusing on the impact of the Revised County Charter (July, 1978) on roles of the County Executive and Board of County Commissioners in that process.

¹ Internal Audit Reports are addressed to all five County Commissioners and the County Executive and represent either in-depth studies, matters which may require a change in board policy, or findings of material irregularity. Internal Audit Reports are numbered in chronological sequence by calendar year (e.g., #3-79).

² Reports to Management are addressed to managers directly responsible for operations under review and represent audit examinations of limited scope with no board policy matters at issue. Reports to Management are identified by alphabetical sequence and calendar year (e.g., #A-79).

³ Survey Reports are issued when an audit is terminated following the initial survey phase and the Auditor determines that a full in-depth audit is not warranted. Survey findings, but no recommendations, are presented. Survey Reports are addressed to all County Commissioners and the County Executive, and are identified by double-alphabetical sequence and calendar year (e.g., #AA-79).

(NOTE: Copies of reports are available from the Auditor's Office, Multnomah County Courthouse, Room 412, Portland, OR 97204; Phone: 248-3320.)

**REPORTS ISSUED BY MULTNOMAH COUNTY AUDITOR
1975 through 1979
Listed by Department**

ADMINISTRATIVE SERVICES DEPARTMENT	REPORT NUMBER	ISSUE DATE	NUMBER OF PAGES
Assessment and Taxation:			
a. Appraisal Assistance	#D-79	05/16/79	14
b. Assessment Function	#1-76	01/20/76	24
c. IRIS Computer Project:			
1. Project Overview	#2-76	01/20/76	8
2. Control Subsystems	#L-75	08/18/75	7
3. Control Points	#D-76	06/14/76	7
d. Tax Collection Function	#6-76	10/15/76	25
Building Management Section	#4-76	04/28/76	8
Motor Pool	#5-75	06/30/75	10
Purchasing Section:			
a. Central Stores Inventory Storage	#F-75	06/10/75	3
b. Purchasing Function	#4-78	12/14/78	12
Real Property Management	#1-77	02/22/77	22
Vehicle Rental Tax System	#E-76	09/29/76	7
 ENVIRONMENTAL SERVICES DEPARTMENT			
Animal Control Shelter:			
a. Operational Review	#E-75	06/04/75	4
b. Over-the-Counter Cash Shortage	#3-79	12/05/79	18
Building Permits Function	#2-79	09/19/79	37
Fair and Expo Center	#2-75	03/25/75	13
Glendoveer Golf Course Agreement	#9-75	12/22/75	3
Maintenance Vehicle Controls	#A-77	07/21/77	3
Public Works Function	#5-76	08/10/76	14
 HUMAN SERVICES DEPARTMENT			
Edgefield Manor Facility	#7-75	10/22/75	10
Family Services Section	#B-75	03/03/75	2
Mental Health	#2-78	05/10/78	41
Project Health	#2-77	06/09/77	24
Public Guardian:			
a. Case Study	#A-78	05/01/78	2
b. Financial System	#B-77	12/30/77	6

JUSTICE SERVICES DEPARTMENT	REPORT NUMBER	ISSUE DATE	NUMBER OF PAGES
Case Management Records	#G-75	06/11/75	3
Circuit Court Accounting Systems	#A-76	01/16/76	5
Coroner's Finding Fund	#3-75	04/04/75	4
Correctional Institute:			
a. MCCI Trust Funds	#C-76	05/28/76	4
b. Trust Funds Review	#C-79	03/28/79	9
District Attorney Staffing	#4-77	11/08/77	42
District Court:			
a. Bail Fund	#J-75	07/16/75	4
b. Traffic and Parking Fee/Fine			
1. Collection Systems	#1-79	06/12/79	69
2. Control Systems	#E-79	06/12/79	9
Justice Services, 12-Year Growth Analysis	#5-78	12/27/78	46
Juvenile Home:			
a. Budget Status Review	#1-75	02/21/75	11
b. Management Recommendations	#A-75	01/21/75	4
Personal Property Control	#D-75	06/02/75	9
Rocky Butte Jail:			
a. Business Office Operations	#3-76	02/26/76	14
b. Business Office Review	#B-76	04/14/76	4
c. Commissary Operation	#B-79	02/14/79	4
d. Trust Funds Review	#1-75	06/27/75	4
Sheriff's Office:			
a. Range Development Fund	#7-75	06/23/75	4
b. Revolving Fund	#C-75	04/14/75	5
c. Special Investigation Fund	#A-79	01/31/79	3
OFFICE OF COUNTY MANAGEMENT			
Asset Control Systems (All Departments)	#3-78	06/28/78	33
Business License Tax	#8-75	12/19/75	25
Cash Funds on General Ledger	#K-75	08/04/75	3
Cash Handling Internal Controls	#B-78	05/03/78	17
City/County Agreements (All Departments)	#3-77	08/31/77	25
Data Processing Authority, Vital Records Storage	#1-78	04/19/78	13
Investment Function	#6-75	09/26/75	7
Payroll Function	#5-77	11/23/77	20
NON-DEPARTMENTAL			
Budget Process	#AA-79	11/21/79	30
Mult/Wash CETA Consortium Accounting Controls	#M-75	12/24/75	1
Retirement Fund, Rate of Return	#H-75	06/24/75	3

MULTNOMAH COUNTY COMPARISON OF AUDITOR BUDGET AND PERSONNEL with TOTAL COUNTY¹

For the thirteen year period
Fiscal year 1968 through 1979

Fiscal Year	BUDGET		Auditor's Share of Total County Budget	PERSONNEL		Auditor's Share of Total County Personnel
	Total County	Auditor's Office		Total County	Auditor's Office	
1968	\$ 56,359,120	\$ 72,325	.0013	2,539	7	.0028
1969	60,361,501	76,757	.0013	2,507	7	.0028
1970	53,629,308	82,941	.0016	2,629	7	.0027
1971	57,879,696	87,692	.0015	2,740	7	.0026
1972	70,258,260	86,972	.0012	3,011	7	.0023
1973	79,660,874	63,054	.0008	2,875	3	.0010
1974	107,161,144	97,510	.0009	2,737	6	.0022
1975 ²	110,983,741	140,052	.0013	2,403	7	.0029
1976	113,827,316	147,713	.0013	2,292	7	.0031
1977	125,098,150	140,604	.0011	2,455	6	.0024
1978	135,917,245	156,916	.0012	2,584	6	.0023
1979 ³	164,002,579	182,127	.0011	2,650	7	.0026
1980	165,251,836	204,627	.0012	2,666	7	.0026

PERCENTAGE CHANGE:

FY 68-80 ⁴	+ 193.2%	+ 182.9%	+ 5.0%	no change
FY 75-80 ⁵	+ 48.9%	+ 46.1%	+ 10.9%	no change

¹ Source: Multnomah County approved budget documents, budget supplements, and Coopers and Lybrand annual reports (*Report on Examination of Financial Statements and Supplementary Data*).

² Jewel Lansing elected County Auditor (assumed office in January 1975).

³ Jewel Lansing re-elected County Auditor (term beginning January 1979).

⁴ Adjusted for inflation, thirteen-year increase for the total County budget is +28.7%; for the County Auditor +24.1%.

⁵ Adjusted for inflation, decrease from FY 75 to FY 80 for the total County budget is -6.7%; for the County Auditor -8.5%.

ADVISORY COMMITTEES

In early 1975, at the beginning of her first term in office, the present County Auditor appointed a Citizens Task Force to assist her in defining what the role of the County Auditor should be and in formulating written goals and objectives. All members of the original nine-person task force agreed to serve as the original ongoing Citizens Advisory Committee to the Auditor. With a few changes in membership, the group now meets two or three times a year, serving as a sounding board and providing feedback to the Auditor.

Citizens Advisory Committee

Citizens serving on this advisory committee are: Ron McCallister, CPA, private practice; Dennis Gutknecht, CPA, General Accounting Office; Lee Irwin, Editor, *Gresham Outlook*; Joe D. Kershner, Attorney and CPA, private practice; Mel Nygaard, CPA, private practice; Gertrude Rae, former Associate Deputy Director, Urban League; Ruth Robinson, accounting consultant and accountant for the Portland Opera Association; Bob Shoemaker, attorney, private practice; and Walt Walter, CIA, Internal Audit Manager, Georgia-Pacific.

EDP Advisory Committee

An EDP Citizens Advisory Committee to the Auditor composed of citizens with special expertise in data processing matters has met since November, 1977, on an ad hoc basis. Members of this committee are: Bill Darcy, President, Systems Improvement Associates; Levente Kornya, private management consultant; Ed Roeske, Precision Cast Parts; Mark Steinhauer, Manager, EDP Auditing, Tektronix, Inc.; and Hideto Tomita, Management Analysis Office, Bonneville Power.

INSTITUTE OF INTERNAL AUDITORS

Summary of Standards*

1. INDEPENDENCE

Internal Auditors should have organizational status of sufficient autonomy to permit the accomplishment of audit responsibilities with complete independence and objectivity.

2. PROFESSIONAL PROFICIENCY

The professional proficiency of the audit staff should include collectively the disciplines and technical skills needed to carry out its responsibilities. All auditors should:

- be skilled in dealing with people and in communicating effectively,
- be responsible for complying with the standards of conduct accepted by their profession,
- exercise due professional care.

3. SCOPE OF WORK

The full scope of an internal audit encompasses the measurement and evaluation of all controls and performance. Audits should:

- *evaluate the means* used to identify, measure, classify, and report financial and operating information to ensure its integrity,
- determine the degree of auditee *compliance* with those policies, plans, procedures, laws, and regulations which have a significant impact on operations and reports,
- assess the *economy and efficiency* with which resources are employed and assets are safeguarded,
- determine whether operating objectives, goals, and associated control procedures are properly established and the degree to which *desired results* are achieved.

4. PERFORMANCE OF AUDIT WORK

Audit work should include planning the audit, examining and evaluating information, communicating results, and following up.

5. MANAGEMENT OF THE INTERNAL AUDIT DEPARTMENT

The internal audit department should have a policy statement of purpose, authority, and responsibility for the internal audit department; plans for carrying out stated responsibilities; written policies and procedures; a program for managing and developing staff resources; and a quality assurance program.

* A full text of these standards is available from the Institute of Internal Auditors, Inc., 249 Maitland Avenue, Altamonte Springs, Florida 32701.