

# Asset Management

Implementing an asset  
management policy will  
improve transparency  
and accountability

August 2025

Report #2023-04

Report by the Office of County Internal Audit

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# I. Executive Summary





**An asset management policy will  
improve transparency  
and accountability**

## Executive Summary

**While all assets selected for testing were found, the risk of loss is elevated without countywide asset management guidance and policy.**

The Office of County Internal Audit selected both capital assets and sensitive non-capital assets for review and validation of the asset's existence. Sensitive assets include laptops, employee badges, procurement cards, and assets in an employee's telework spaces. A sample of 77 various assets was selected. All 77 assets were located and confirmed to exist. However, the county has opportunities to increase efficiency, transparency and accountability.

Key observations included:

- The county has not established a countywide asset management policy. Existing policies addressing capital assets and various sensitive assets do not collectively address risk mitigation throughout the asset lifecycle.
- Laptop decommissioning and disposal processes (i.e., when the hard drive was wiped, when it was recycled, etc.) were not consistently documented.
- Not all departments and divisions maintained a system to track assets in telework sites.
- Trackers and logs were not utilized to document when employee-assigned assets (i.e., county assets located at telework sites, employee badges and procurement cards) were returned to the appropriate department for redistribution or disposal.
- Not all employee badges and procurement cards were returned to the appropriate department when an employee left the county or transferred to another division/department.
- Unique capital asset identification numbers were not used across both the finance PeopleSoft capital asset tracking system and department subsidiary capital asset tracking systems (i.e. the county-assigned capital asset identification number is not sufficiently implemented to provide an adequate audit trail).





**Thank you!**

- Capital asset reviews were insufficiently documented to verify the inventory activity was conducted and to confirm the completeness, existence, and accuracy of department capital asset inventory listings.

## **Recommendations**

Two recommendations were made addressing potential improvements to asset management. Detailed observations and recommendations are included in this report.

- Develop a countywide asset management policy.
- Enhance documentation of physical review and validation of capital assets.

## **Management Response**

The finance department has reviewed these recommendations and agreed with the recommendations. Full responses have been included in this report.

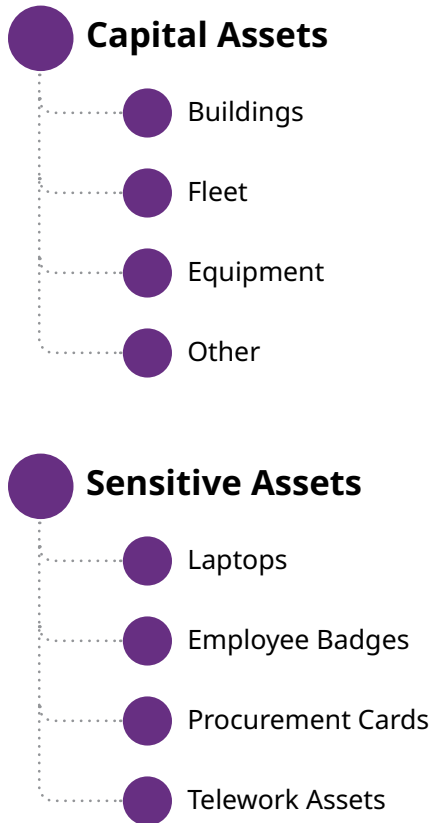
## **Acknowledgements and gratitude**

Team members of the finance, technology services, and human resources departments have contributed their time and effort to provide access to the information and data cited. These contributions significantly supported the completion of this review. Collaborative efforts are vital to the county's ability to successfully meet objectives, as well as identify, thoroughly analyze, and appropriately respond to risks. We demonstrate our core values, SPIRIT, when we collectively and proactively identify steps to streamline processes, strengthen controls, and mitigate risks.

Special thanks to Angela Handran, Emrys Morris, Erin Blue, Jeff Cary, Juli Johnson, Kallie Guentner, Katie Forkes, Kayla Christian, Kevin Cayson, Rick Cole, Stephen Hill, and Tony Docekal for their contributions and support for this engagement, and Mark McBride and Dylan Blaylock with the public and government affairs department for their assistance in the report design, formatting, and conducting post-audit administrative tasks.

## II. Background





## Assets in Scope

# Background

## Importance of asset management

Local governments have an “inherent responsibility to safeguard its assets and to develop a system of asset management that considers oversight and control.”<sup>1</sup> According to the Institute of Asset Management<sup>2</sup> and the International Organization for Standardization (ISO)<sup>3</sup>, asset management ensures an organization can achieve its strategic goals through effective and efficient management of their assets and enables an organization to optimize the delivery value. Benefits include enhanced financial performance, improved risk management, increased efficiency and strengthened reputation. The ISO 55000 defines an asset as “an item, thing, or entity that has potential or actual value to an organization.”<sup>4</sup>

Effective asset management can increase the life of an asset, reduce costs, improve service delivery, and promote equity. Additionally, effective asset management in government entities can demonstrate how they are good stewards of public funds.

## Asset types and risks

Assets can be categorized as capital or non-capital assets. Capital assets are those that typically have a cost greater than a certain amount. At Clackamas County, assets with an initial cost more than the threshold in its asset class (e.g., land, buildings, software,

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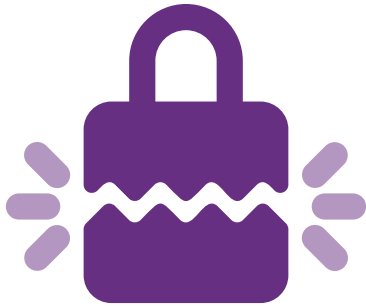
1 MRSC: [Asset Management Policies](#)

2 The Institute of Asset Management: [What is Asset Management](#)

3 International Organization for Standardization (ISO) 55000: [Asset Management – Vocabulary, overview and principles](#)

4 International Organization for Standardization (ISO) 55000: [Asset Management – Vocabulary, overview and principles](#), ISO 55000, 2014 (3.2.1)





**A lack of asset management controls for sensitive assets can result in mismanagement, theft, or unauthorized access to county property.**

equipment) and having an estimated useful life more than one year are capital assets<sup>5</sup>. In general, for the county, this threshold is \$10,000. Other capital assets include purchased or constructed items such as property, plant and equipment, infrastructure (e.g., roads, bridges, drainage systems, lighting), right of ways and easements. As capital assets are high dollar items, management of this category will help ensure accurate accounting and records of asset availability.

The Government Finance Officers Association describes assets that are not capitalized but require special attention as controlled capital-type items because they require special attention to ensure legal compliance, to protect public safety and avoid potential liability, or to compensate for a heightened risk of theft<sup>6</sup>. Some of these sensitive assets include laptops, keys, access badges, items purchased through grant contracts, and law enforcement equipment.

The lack of asset management controls for sensitive assets can result in mismanagement or theft of property, unauthorized access to county property or assets, inefficient or ineffective use of assets to support the goals and objectives, wasted funds on overstocking assets due to limited monitoring of inventory level, and violation of standards or laws (e.g., federal grant agreements, HIPAA).

## **Best practices**

The Government Finance Officers Association recommends governments establish a system to assess capital assets, which includes:

- Developing policies that guide capital asset management practices supported by both finance and operational expertise
- Conducting complete and periodic measurement of existence and physical condition of all capital assets

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5 Clackamas County Policy #FIN-1.205a: Capital Asset Procedure

6 Government Finance Officers Association Best Practices: [Control Over Items That Are Not Capitalized](#)



**Asset lifecycle**

- Establishing, monitoring, and communicating performance standards to be maintained for each type of capital asset
- Providing a “plain language” report on capital assets available to the public at least once every three years<sup>7</sup>.

For non-capital but sensitive assets, the Government Finance Officers Association recommends governments make a systematic effort to identify and implement internal controls, which include:

- Having effective controls at the departmental level
- Assigning and documenting control responsibility within each department and communicating those to central finance
- Preparing and maintaining a complete list of sensitive assets within the department
- Ensuring and certifying the complete list of sensitive assets annually

An asset management system includes an asset management policy, plans and strategies. An asset management policy should outline the governance structure, define the different types of assets and expectations, outline the asset lifecycle, and guide and improve long-term asset planning.

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<sup>7</sup> Government Finance Officers Association Best Practices: [Capital Asset Management](#)

### III. Observations





**All 77 assests selected for testing were found.**

## Observations

### **All assets selected for testing were found**

The Office of County Internal Audit selected both capital assets and sensitive non-capital assets for review and validation of the asset's existence. Sensitive assets were identified to include laptops, employee badges, procurement cards, and assets in an employee's telework site. The sensitive nature, and value to the county, of these assets is acknowledged by the development of countywide policies<sup>8</sup> addressing each. A sample of 77 various assets was selected. All 77 assets were located and existence was confirmed. However, the county has opportunities to increase efficiency, transparency and accountability.

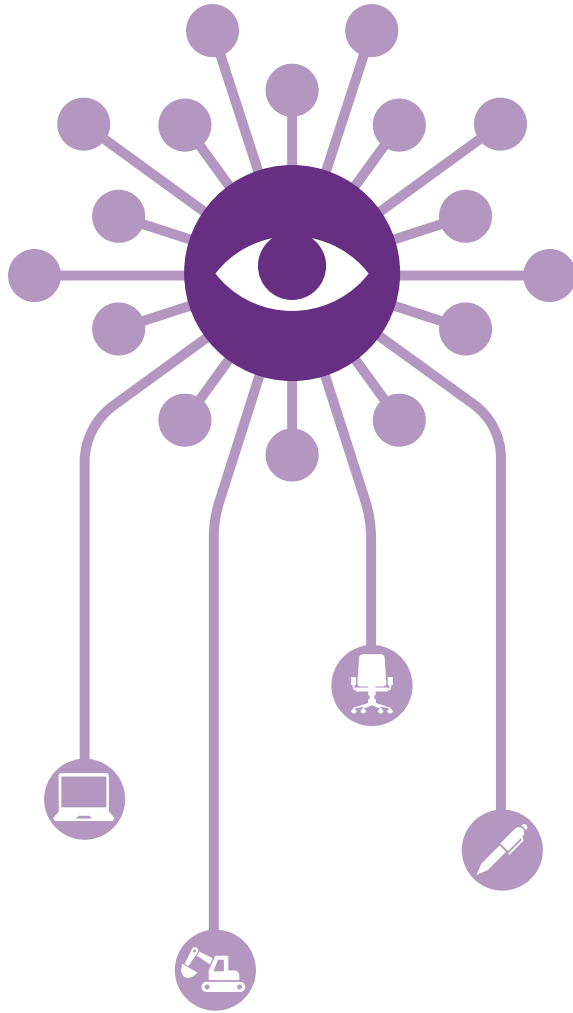
### **General guidance for capital and non-capital assets should be developed**

An asset management policy provides a framework for all assets, even those that are not high in dollar value but are sensitive in nature. An asset management policy defines asset categories and corresponding risk-mitigating controls.

While the county has various policies in place related to assets such as capital assets, procurement cards, and teleworking equipment, there is no overall asset management policy. Key control aspects impacting the lifecycle of various asset types have not been identified, documented or consistently implemented.

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<sup>8</sup> Clackamas County Employment Policy and Practice #59: [Appropriate Use Policy - Technology & Information](#); Clackamas County Policy #FM-2.102: ID Access/Badge Policy; Clackamas County Employment Policy and Practice #48: [Teleworking Policy & Procedures](#); Clackamas County Policy #FIN 1.205 Capital Asset Policy; Clackamas County Policy #FIN-1.503 Procurement Card Policy



**An asset management policy provides a framework for all assets, even those that are not high in dollar value but are sensitive in nature.**

**The lack of a countywide asset management policy and supporting procedures increases the risk of loss and reduces demonstrated good stewardship of public funds and assets.**

**It is recommended the county develop an asset management policy which includes guidelines, expectations, roles and responsibilities, and key risk mitigation controls.**

The scope of the policy should include assets that have existing policies (e.g., capital assets, procurement cards, badges, etc.) as there are opportunities to define what the expectations and protocols are for acquiring, managing, monitoring, and disposing of the various categories of asset. The Government Finance Officers Association best practice<sup>9</sup> recommends that control of items that are not capitalized should normally occur at the department level. Roles and responsibilities supporting both capital and non-capital asset management should be clearly outlined, highlighting key finance responsibilities and key department responsibilities, and identifying minimum data and reporting standards for the main asset system and subsidiary asset systems.

The asset management policy should include descriptions and processes related to asset disposal. Asset disposal can include recognition of related activities: returning to inventory, decommissioning, recycling, donating and sending to surplus activities. Expectations of when a department should contact departments with subject matter expertise (e.g., the procurement division, technology services, facilities management) can be included in the asset management policy.

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9 Government Finance Officers Association Best Practices: [Control Over Items That Are Not Capitalized](#)





**None of the 13 laptops selected for testing were in possession of the primary user listed in the asset database.**

## **Laptop tracking and disposal should be supported with enhanced documentation**

### **Tracking activity**

All laptops are managed by the county's technology services department except for the Clackamas County Sheriff's Office laptops, which are managed by the Clackamas County Sheriff's Office Operational Support Division Information Technology Unit. All laptops have a unique laptop identification number assigned by the county that remains consistent throughout the life of the computer. An asset tag is affixed to all laptops with the assigned identification number.

The listing of county laptops is managed by the technology services department in an internally developed asset database. The primary laptop user is recorded in the database based on the initial ticket request or through departmental communication; however, departments are responsible for monitoring and tracking the laptops. If a department does not notify the technology services department when the primary laptop user changes, the primary user field in the asset database is not updated.

None of the 13 laptops selected for testing were in possession of the primary user listed in the asset database; however, all selected laptops were located within the department indicated in the asset database. While the laptops were found and existence was confirmed, some departments had to put effort into locating and tracking down the specific laptop. Several laptops selected for review had asset database entries listing contractors as the primary user. None of these were found to be in the possession of a county contractor. Rather, the laptops were with another county user, in stock, or decommissioned.

The Clackamas County Sheriff's Office uses third-party asset management software to track laptops and other assets. Within the office's issued or available laptops, 19 of the 20 reviewed laptops had descriptions in the Clackamas County Sheriff's Office asset database which matched the user in possession of the laptop. The Clackamas County Sheriff's Office Operational Support Division Information Technology Unit has developed an administration and operational support manual that outlines the responsibilities of the



**Further enhance the documentation in the laptop asset listing to consistently include key technical service data points.**

unit, individual users, and the unit supervisor. The manual also provides instructions when returning computer equipment.

**Limited or partial asset tracking data and activity increases the risk of loss. Development of a countywide policy/procedure related to laptop monitoring and management would address who is responsible for a complete and accurate listing. This would support greater efficiency, transparency and accountability.**

### **Disposal activity**

When a laptop is no longer needed, the laptop is returned to the technology services department or the Clackamas County Sheriff's Office, as appropriate, to be decommissioned. The hard drive is wiped externally before both the hard drive and the laptop are properly disposed. Both the technology services' and the Clackamas County Sheriff's Office's asset databases reflected the status of decommissioned or discarded laptops including which technical servicer updated the system log. Not all system logs consistently documented the data points supporting specific disposal processes beyond changing the status to decommissioned.

In some instances, additional notes were observed in the system to indicate when the laptop was recycled or where it was donated. Since the conclusion of fieldwork, the logs in the Clackamas County Sheriff's Office's asset database have been expanded to include details about who removed the hard drive and placed it into recycling.

**Limited or partial asset disposal data increases the risks of unauthorized data access, waste or loss.**

**Opportunities exist to further enhance the documentation in the laptop asset listing to consistently include key technical service data points, such as:**

- Who received the laptop to be recycled
- When was the hard drive removed, wiped, and by whom
- When was the hard drive properly disposed
- Who recycled the shell of the laptop and when was it recycled



### **Employee badges and procurement cards should be returned, logged and destroyed**

A countywide asset management policy would clarify authority and direction of how laptops should be disposed near the end of the lifecycle. For example, authority, guidance and criteria should be established to assist in determining when a laptop can be donated, when it should go through surplus, and when the technology team should recycle it.

### **Employee identification badges and procurement cards should be returned, logged and destroyed**

#### **Employee identification badges**

Employee identification badges are worn for many reasons. Identification badges enhance workplace security and public perception by:

- distinguishing employees from contractors, volunteers and visitors
- preventing unauthorized access to secure areas and assets
- fostering a sense of workplace community and accountability
- projecting professionalism and authority

County employee badges provide identification and visible proof of authority. Authorized badges can grant access to restricted and secured areas within county buildings and properties. County identification badges are issued by the facilities management division, and access rights are programed and managed by facilities management security. Facilities management procedures are designed to ensure only active employees are granted location access through badge proximity and that badges expire five years from issuance.

Per the county's policy<sup>10</sup>, "Employees shall surrender ID/Access Badge to their supervisor upon termination of employment, or when requested. Supervisor shall return the badge to Facilities." While facilities management has controls in place to monitor and remotely

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<sup>10</sup> Clackamas County Policy #FM-2.102: General Policy



**Unauthorized or outdated badges increases the risks of unauthorized access to county properties and impersonation of county employees.**

remove access associated with employee badges, not all employee badges were returned to facilities management for proper logging and disposal.

A sample of five former employees was selected for review of system log and notes about the status of the badges (i.e., have they been returned to facilities management, when were they returned, who shredded the employee badges, etc.). The former employees were not included in the system as users with active badges, but there was no documentation or audit trail to confirm that the employee badge was properly returned and destroyed. Additionally, facilities management did not have a tracker or listing to document when badges of separated employees were returned and how they were disposed.

**Access to an unauthorized or outdated badge increases the risks of unauthorized access to county properties and impersonation of county employees.**

**To minimize risks and ensure compliance with county policy, it is recommended that all departments return employee badges to facilities management for proper disposal. To document evidence of proper return and disposal of inactive employee badges, facilities management should maintain a log indicating when and by who the badge was deactivated, returned, and shredded.**

### **Procurement cards**

Procurement cards are county-issued payment cards that allow employees to make approved county purchases without a lengthy procurement process. The county uses procurement cards to streamline processes, purchase smaller or routine goods and services for the county in a convenient manner and reduce purchasing costs.

Procurement cards, or P-Cards, are issued and managed by the procurement card accountant in the finance department. Finance procedures are designed to ensure only active employees or authorized departments are issued county P-Cards and that P-Cards routinely expire and must be renewed. The county's P-Card manual requires all cardholders to attend training and sign a P-Card Agreement.



**All departments should ensure procurement cards are returned to the procurement card accountant when an employee transfers to another department or ends their employment with the county.**

Per the Procurement Card Manual<sup>11</sup>, departments must notify the procurement card accountant when an employee transfers to another department or ends their employment with the county. The P-Card must be returned to the procurement card administrator or coordinator for cancellation. Prior to the hiring of the procurement card accountant, no log was used to document and track the issuance, closing, or shredding of returned P-Cards. Since the hiring of a new procurement card accountant, a log was developed to track issued P-Cards, lost/stolen/fraud cards, and closed/terminated P-Cards. While the procurement card accountant has controls in place to monitor for accounts that should be closed and remotely remove P-Card access in the banking system, not all P-Cards were returned to the procurement card accountant for timely deactivation and proper disposal.

**Access to an unauthorized or outdated procurement card increases the risks of unauthorized county purchases and impersonation of county employees.**

**To ensure compliance with the procurement card policy and manual, all departments should ensure procurement cards are returned to the procurement card accountant when an employee transfers to another department or ends their employment with the county. Additionally, the log should include when the procurement card was returned, when the procurement card was shredded, and who shredded the card.**

### **Telework assets should be tracked by departments**

In response to the shift in working environments and to provide a work option that offers flexibility and enhanced productivity, a county teleworking policy<sup>12</sup> was approved in November 2021. All county telework arrangements must be supported by an approved telework agreement. Included on the telework form is a section for the employee and supervisor to document county issued equipment, communication expectations, supervisor expectations, telework schedule, and general notes. The teleworking policy

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11 Clackamas County Procurement Card Manual (Rev 8/2023)

12 Clackamas County Teleworking Policy, [Employment Policy and Practice \(EPP\) #48](#)





**Not all departments and divisions maintained a system to track assets at telework sites.**

states it is a shared responsibility between the employee and department to document the county assets at an employee's telework site.

Telework forms were not consistently used. Some agreements provided a detailed listing of assets at an employee's telework site, and other agreements provided a high-level summary. High-level summaries did not document the unique identification of individual assets at an employee's telework site. Additionally, telework agreements were not consistently updated to reflect new or returned assets from the telework site.

Not all departments and divisions maintained a system to track assets at telework sites. There were no centralized systems in place to efficiently run listings of what county assets are at telework sites or an estimate of the total dollar value of those assets.

**Limited or partial asset tracking data and activity increases the risk of loss and decreases demonstrated accountability.**

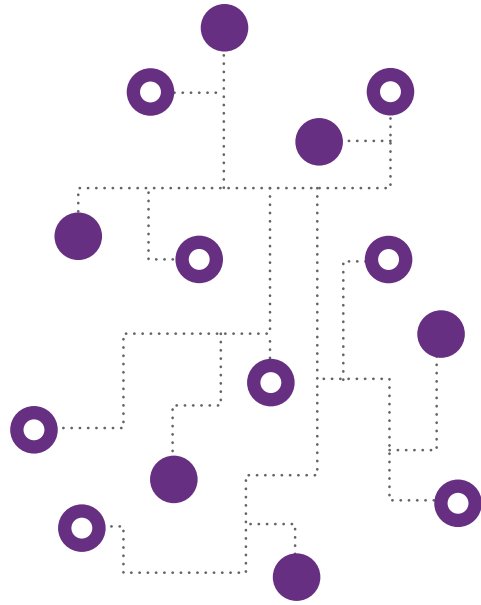
**Development of a countywide policy/procedure related to telework asset monitoring and management would address who is responsible for a complete and accurate listing. This would support greater efficiency, transparency and accountability.**

**Opportunities exist to demonstrate accountability and clarify roles and responsibilities by documenting:**

- Who should be monitoring and tracking telework assets
- What information should be tracked
- What is the frequency of verifying existence and updating the telework asset listing

**Traceable, unique capital asset identification numbers should be consistently included across all asset systems**

An asset inventory identification number is a unique code assigned to each item in an organization's asset inventory. It is a key control tool and helps in tracking, managing and maintaining assets by providing a consistent and easily identifiable reference.



**The county's enterprise resource planning system and its subsidiary systems at the department level are not integrated and lack mutually-used identifiers.**

PeopleSoft serves as the county's enterprise resource planning system and houses the capital assets listing used to support the county's annual comprehensive financial reports<sup>13</sup>. To establish a complete and accurate capital assets listing, PeopleSoft generates a unique asset number for each asset added to the listing.

Some county departments use subsidiary systems, in addition to the county's enterprise resource planning system, as additional tools to track their capital assets. These subsidiary systems may have additional functions such as a work order tracking system or an integrated billing system. When assets are recorded in the subsidiary system, another set of unique identification numbers may be assigned and used as the default reference number by that department.

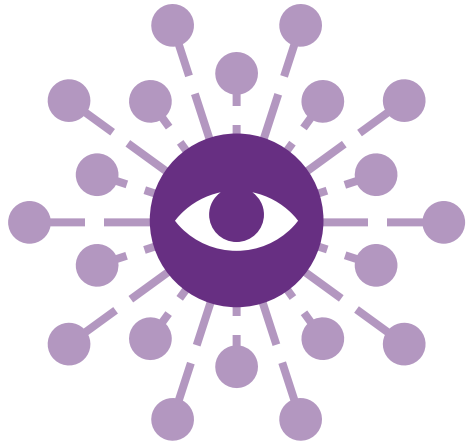
The county's enterprise resource planning system and its subsidiary systems at the department level are not integrated and lack mutually-used identifiers. While there can be certain data fields in common between the PeopleSoft capital assets listing and the departments' subsidiary listings, there are no shared data standards. Asset descriptions and details are entered independently in separate systems. The same asset may be named differently. Often, different sets of asset data are stored in different systems. Financial data associated with an asset is recorded in PeopleSoft while the detailed asset location and description may be recorded in the subsidiary system.

The PeopleSoft-generated identification numbers were not included as a data field in any of the four department subsidiary systems reviewed. While the PeopleSoft capital assets listing has an available "asset tag" field that may be used to enter other subsidiary identifiers, such as vehicle identification number or equipment serial codes, this field was not consistently used. The lack of a standard traceable data point created inefficiencies and minimized transparency in both communication across departments and in reconciling asset lists exported from different systems.

Capital assets were selected for review from the county's capital asset listing in PeopleSoft. For many selected assets, the location and details of the asset were not available, complete, or accurate within the PeopleSoft system. Because the department's subsidiary asset listing had a different description, phrasing, or asset tag number than what was

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13 Clackamas County [Financial Reports](#)



**Without clear reconciliation between systems, existence of a specific asset could not be confirmed.**

recorded in PeopleSoft, the knowledge and subject matter expertise of a department employee familiar with the asset and its history was required. Without clear reconciliation between systems, existence of a specific asset could not be confirmed.

In one instance, an HVAC roof top unit was selected for review from the PeopleSoft listing. PeopleSoft data did not include any unique identifiers from the subsidiary system, such as the specific unit serial number. Although the department's listing included the serial number of each HVAC unit, the unique PeopleSoft identifier was not recorded in the subsidiary system. To enhance confidence that the selected HVAC roof top unit existed, the total number HVAC roof top units of that series and description included in PeopleSoft listing were traced to the total number of physical units. Existence of a specific unit could only be implied, not confirmed.

**The lack of a unique, traceable asset identification number increases the risk of loss or theft and decreases demonstrated transparency and accountability.**

**Opportunities exist to enhance the data fields and details in the department's capital asset system. Including the PeopleSoft-generated identification number for efficiencies in identifying and referencing a capital asset creates common ground between the different systems.** This will also support efficiency and reduce manual comparisons when departments review and validate the completeness of the PeopleSoft capital asset listing at year-end.

### **Physical inventory counts should be supported with enhanced documentation**

Conducting routine capital asset counts is a process of physically verifying and tallying an organization's long-term assets. The goal is to ensure the recorded assets match the actual assets and that the annually reported amounts are accurate. The Government Financial Officers Association recommends a capital assets best practice of conducting a "complete inventory and periodic measurement of the physical condition and existence of all capital



**Little to no evidence was provided to demonstrate the department's effort to physically locate and view specific assets to attest the completeness, existence, and accuracy of the assets on the listing.**

assets... This physical condition inventory and measure used should be kept current, with facility condition ratings updated every one to three years.”<sup>14</sup>

Annually, the county's finance department sends out the PeopleSoft capital assets listing to each department<sup>15</sup> to review and validate the accuracy of the asset report. Per county policy and procedure<sup>16</sup>, departments are responsible for reviewing and confirming the accuracy, in writing, of their capital asset inventories.

All assets selected for testing were included in the capital asset listing distributed to the departments for review. Responses to the finance request for review of the annual capital asset inventory listing consisted of either email responses or wet signatures from the department directors and supervisors. Notes were sometimes made in the margins, new columns were added to the PeopleSoft capital asset listing to assist with reconciliation, and correspondence with finance were included in the email thread. However, little to no evidence was provided to demonstrate the department's effort to physically locate and view specific assets to attest the completeness, existence, and accuracy of the assets on that listing.

**Limited physical counts confirming asset existence increases the risks of theft, loss and undetected maintenance needs. Limited documentation of physical count activity reduces demonstrated transparency and accountability.**

**During the year-end capital asset review process, evidence of a physical asset review should be documented and include some of the following key elements:**

- Who performed the physical review
- When the review was conducted
- What items were reviewed
- What was the state of the asset

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14 Government Finance Officers Association Best Practices: [Capital Asset Management](#)

15 North Clackamas Parks and Recreation District and Water Environment Services prepare their own financial reports and therefore are not subject to this process.

16 Clackamas County #FIN-1.205: Capital Asset Policy and Clackamas County #FIN-1.205a: Capital Asset Procedure



**Evidence of physical asset review will support effective asset management practices, accountability, and transparency.**

**Adequate documentation and evidence of physical asset review will support effective asset management practices, accountability, and transparency to demonstrate good stewardship of public funds and assets. A “rolling inventory” strategy (e.g., a certain percentage of assets are physically verified at routine intervals) may provide an effective and efficient methodology to address the large population of county capital assets.**



## IV. Recommendations



# Recommendations



## **Develop a countywide asset management policy**

An asset management policy should address the various types of assets, such as capital assets, non-capital but sensitive assets (e.g., laptops, badges, procurement cards, assets in telework sites), and other non-capital assets. Key phases of the asset lifecycle should be included such as the procedures and expectations in the acquisition process, management and monitoring, and disposal stage. If an asset should be auctioned, donated, or moved to surplus, criteria should be included.

Elements of the policy should also address:

- roles and responsibilities of departments and central finance
- expectations and guidance on what departments should be monitoring and tracking
- what asset identification number should be used across all tracking systems
- the frequency of and how a physical asset verification for tracked assets should be conducted
- where sensitive assets should be returned for disposal (i.e., employee badges, procurement cards)
- minimum asset management standards and practices
- other relevant policies and procedures

### **Management Response**

Finance will lead the policy documentation and begin the change management process with a presentation to county's executive management team. This process will take approximately nine months to complete to have a policy and procedures for asset identification and tracking. Target completion date will be June 2026.



## **Enhance documentation of physical review and validation of capital assets.**

When conducting the physical review and validating the capital asset listing from central finance, departments should document key elements of the physical review such as:

- when the review was conducted
- who conducted the review
- what assets were reviewed
- what were the states of the assets reviewed

The county should consider a “rolling inventory” strategy to ensure 100% coverage during a predetermined time (e.g. once every year, every 3 years, or every 5 years).

### **Management Response**

Finance will include the review procedures in the Capital Asset Management policy and procedures. Target completion date will be June 2026.

# V. Objectives, Scope and Methodology







# Objectives, Scope and Methodology

The Office of County Internal Audit allocated resources in the FY24 Clackamas County Office of Internal Audit audit plan to conduct an audit of the Clackamas County asset management. County internal audit engagements are selected and designed to address high risk potential, while maximizing county internal audit resources and impact. Selection as a topic for an internal audit engagement does not mean the department is being managed ineffectively or policies and procedures are inadequate. It indicates that the services or functions the department is responsible for are, by nature, high priority activities with high-risk potential because of factors such as a large amount, or high degree, of:

- reported expenditures or revenues
- available liquid or sensitive assets, such as cash, technology or protected data
- potential risks identified by management
- public interest

General objectives for the Clackamas County asset management assurance engagement were to:

- independently assess the management and monitoring of county assets.
- independently test for the existence of county assets, specifically capital assets and sensitive assets.

Strategic objectives for all Office of County Internal Audit engagements are to:

- identify opportunities for growth and enhanced effectiveness and efficacy.
- advocate for a culture of continuous improvement through observations and recommendations.
- create transparency and demonstrate accountability for the county.



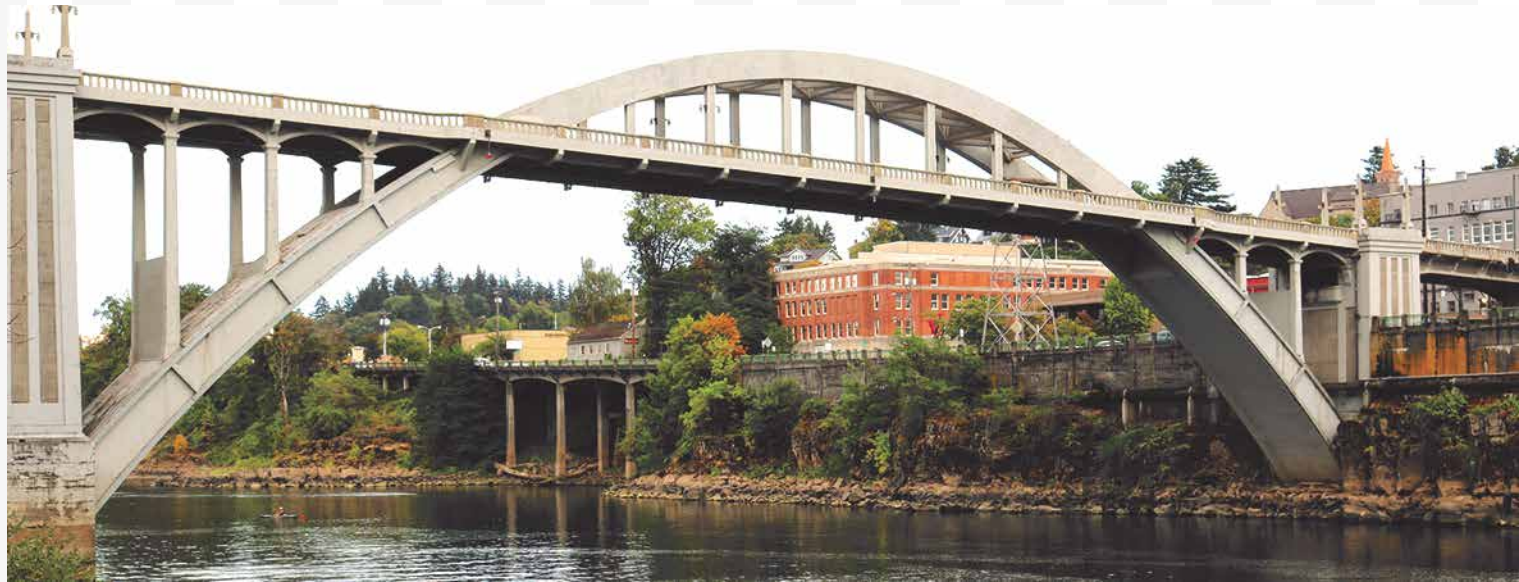


The scope of this engagement was focused on two main groups of assets: capital assets and sensitive assets (i.e., laptops, employee badges, procurement cards, and assets in an employee's telework site). Capital assets were as of June 30, 2023, and sensitive assets were as of fieldwork date.

To achieve engagement objectives, the Office of County Internal Audit, among other activities:

- Reviewed the county's asset policies, capital asset policies, procedures, and guidance provided to staff.
- Reviewed Government Finance Officers Association for asset best practices.
- Reviewed the Oregon Accounting Manual for best practices.
- Obtained capital asset listings, employee access badges listing, laptop listing, procurement card listing, and teleworking employees listing.
- Tested the existence of various assets through observations at county buildings, properties, employee workspaces.
- Interviewed employees regarding assets assigned to them.
- Observed processes and practices for tracking assets.

## VI. About the Office of County Internal Audit





# About the Office of County Internal Audit

## Our mission and vision

The Office of County Internal Audit provides assurance, advisory, and investigative services to the public, employees, volunteers, and departments of Clackamas County so they can feel confident that the public's interests are protected and can engage with an accountable, high performing, and transparent local government. The office helps Clackamas County accomplish its mission by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management, and control processes.

## Our professional standards

The Office of County Internal Audit governs itself by adherence to The Institute of Internal Auditors' Global Internal Audit Standards<sup>17</sup>. Audit functions are independently evaluated to assess conformance with professional standards. The office received the highest rating of "Generally Conforms" in its most recent peer review.

## Our independence

The county internal auditor reports functionally to the Clackamas County Internal Audit Oversight Committee and administratively through the publicly elected county treasurer's office. This structure and authority allow the Office of County Internal Audit to provide independent, objective, and risk-based assurance, advice, and insight. The office is designed to add value, support county operations and enhance the county's ability to serve.

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<sup>17</sup> [The Institute of Internal Auditors Global Internal Audit Standards](#)





## **Our team**

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## **Contact us**

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