



# MEETING MINUTES

## Internal Audit Oversight Committee

Wednesday, April 9, 2025  
2:00 p.m. to 3:30 p.m.

Virtual meeting

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|--|---|--|--|---|--|--|
| <input checked="" type="checkbox"/> Minh Dan Vuong, IAOC Chair, Community Member | <input checked="" type="checkbox"/> Jeff Gibbs, Community Member          | <input checked="" type="checkbox"/> Wilda Parks, Community Member        | <input checked="" type="checkbox"/> Craig Roberts, Chair of Board of County Commissioners      | <input checked="" type="checkbox"/> Paul Savas, Vice-chair of Board of County Commissioners | <input checked="" type="checkbox"/> Gary Schmidt, County Administrator | <input checked="" type="checkbox"/> Jane Vetto, County Counsel |
| <input checked="" type="checkbox"/> Brian Nava, County Treasurer (Non-voting)    | <input checked="" type="checkbox"/> Jodi Cochran, County Internal Auditor | <input checked="" type="checkbox"/> Kathy Yeung, Senior Internal Auditor | <input checked="" type="checkbox"/> Garrett Teague, Senior Community Relations Specialist, PGA |   |  |  |

Issue	Presenter/ Staff Contact	Issue Description	Decision/Action/Assignments
Welcome and Introductions	Chair Minh Dan Vuong	<p>Chair Minh Dan Vuong opened the meeting and welcomed the Internal Audit Oversight Committee members. Chair Vuong Dan went over the purpose of this meeting and the role/responsibilities of the Oversight Committee.</p> <p>County Internal Auditor Jodi Cochran performed a roll call. It was noted a committee quorum was present. Board of County Commissioners Chair Craig Roberts, absent during roll call, joined later in the meeting after the Office of County Internal Audit External</p>	None

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		<p>Quality Assessment presentation. Chair Vuong welcomed Board of County Commissioners Vice Chair Paul Savas back to the Oversight Committee.</p> <p>It was announced that the meeting is a public meeting and is accessible via ZOOM to any member of the community who would like to observe. Public comment will not be taken during the meeting but can be emailed to <a href="mailto:OCIA@Clackamas.us">OCIA@Clackamas.us</a>.</p>	
Meeting minutes: October 9, 2024	Chair Minh Dan Vuong	<p>The draft October 9, 2024, Internal Audit Oversight Committee meeting minutes were presented. Wilda Parks moved to adopt the October 9, 2024, draft minutes as written. Jane Vetto seconded the motion. Only members present during the October 9, 2024, were called to vote. Wilda Parks, Gary Schmidt, Jane Vetto, and Minh Dan Vuong voted yes. The minutes were approved unanimously and adopted as written.</p> <p>Commissioner Savas suggested that because Jeff Gibbs was not present during the October 9, 2024, roll call but joined later in the meeting, the minutes should be updated to reflect his presence. A motion was made to amend the meeting minutes to indicate that Jeff Gibbs was present during the October 9, 2024, Internal Audit Oversight Committee meeting. Commissioner Savas moved to amend the minutes, and Jeff Gibbs seconded the motion. The motion was approved unanimously by voice vote. Jeff Gibbs voted yes to the motion to adopt the October 9, 2024, draft minutes as written.</p>	October 9, 2024, minutes approved as revised.
Office of County Internal Audit External Quality Assessment	Jodi Cochran, County Internal Auditor  External Assessment	Jodi Cochran presented the External Quality Assessment stating why the engagement is important, what was done, what was found, what was recommended, and what is being done. This was the Office's first independent assessment with 43 of 52 attributes and performance standards receiving the highest rating of generally conforms.	Informational — solicit feedback

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	<p>Team:</p> <p>Darrin Hotrum OJD CAE</p> <p>Nicole Pexton OLCC CAE</p> <p>Adam Ristick DOC</p>	<p>Nicole Pexton represented the external assessment team, and Darrin Hotrum and Adam Ristick were unable to attend. Nicole shared with the Oversight Committee that the results were positive as meeting all requirements is especially difficult for a small internal audit shop, commending both Jodi Cochran and Kathy Yeung.</p> <p>Chair Vuong thanked Nicole, Jodi, and Kathy for their commitment to the quality assessment review. Chair Vuong highlighted the quality assessment covered the five-year period from January 2020 to December 2024. The assessment also confirmed the Oversight Committee followed internal audit standards and affirms their confidence in the quality and processes of the Office.</p> <p>Wilda Parks asked if the external assessors would be the same in five years when the Office conducts another external quality assessment. Jodi answered that there are different approaches in conducting the quality assessment (e.g., the Association of Local Government Auditors, the Institute of Internal Auditors, Oregon Chief Audit Executive Council, etc.). This current cycle utilized the team through the State of Oregon Chief Audit Executive Council, which was a pleasant experience as they are familiar with local governance structure. However, the next quality assessment will include different external assessors.</p> <p>Wilda also commented her appreciation for the full report including the recommendations section and how the Office has accepted all recommendations.</p> <p>Commissioner Savas thanked Nicole for her participation and asked if there was feedback on the recommendation regarding a change from a seven-member to five-member committee. Nicole and Jodi commented that there are a lot of different ways to structure and balance both internal and external participation in the committee. External members, such as the three community members, provide independence from county operations. From the internal side, there are two members that represented the Board of County</p>	

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		<p>Commissioners (i.e., Board of County Commissioners Chair and Vice-Chair) and two members that represent county operations (i.e., County Administrator and County Counsel).</p> <p>Jane Vetto noted that as the committee structure is in the County Code, it will need final approval through the Board of County Commissioners. Jane was curious if there were two positions that would be eliminated. Jodi commented there are different models with different benefits and obstacles, and the restructuring of the committee will be discussed at later meetings. The Office will go through the process of amending the Code and have the appropriate public meetings. Chair Vuong added that this was the first step on the issue of structure and composition and that member composition has evolved over the decade to address the county's needs; specifics will be discussed in future meetings.</p> <p>As this was information, no further action was needed.</p>	
Financial Condition Analysis	Kathy Yeung, Senior Internal Auditor	<p>Kathy Yeung presented the Financial Condition Analysis, discussing what is a financial condition, what was found, where the report is located, and what the indicators were based on. Jodi also noted that the report is a great tool and is useful for the budget process. She would like to continue seeing this report more often, recognizing that the Annual Comprehensive Financial Report was received in the beginning of March and required reprioritization of resources to get the report done.</p> <p>Commissioner Savas discussed the financial pressures placed on the county for the courthouse payment and recognized a forecast would help ensure sound financial health. Jodi added that the financial condition, annual comprehensive financial condition, and forecast are all tools to support one another. Currently, the financial condition report is retrospective and as courthouse obligations are more relevant, the financial condition will be more helpful.</p>	Informational — solicit feedback

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		<p>Brian Nava asked if the indicators on the executive summary table would include a red indicator if there was extreme distress. Jodi replied that if that was the case, there would be a red indicator.</p> <p>Chair Vuong thanked Kathy for the thoroughness and details in the report and hopes the decisionmakers in the county will use the report to see long-term trends and impacts.</p> <p>As this was informational, no further action was needed.</p>	
Audit Recommendation Monitoring – Status 12/2024	Jodi Cochran, County Internal Auditor	<p>Jodi Cochran presented the audit recommendation monitoring status, highlighting the number of recommendations made, percentage completed, and the engagement associated with the outstanding recommendation. Jodi noted that the Office doesn't have the authority to reprioritize county resources. If management declines a response, management is required to articulate why an action is or is not being taken, why is the identified risk considered acceptable, and what is the competing priority.</p> <p>Standards require the County Internal Auditor to notify the Oversight Committee if, in her professional opinion, county management is assuming significant risk and not implementing mitigating controls. Jodi stated that she has no concerns that risks communicated to management through audit recommendations are not being adequately addressed. Management actions indicate that the county is aware of the risks that the Office has identified and that the county is taking appropriate actions towards mitigating those risks. If such a situation occurred, Jodi would bring her concerns to county management and to the Oversight Committee immediately, as well as provide that assessment to the Oversight Committee during the annual status report.</p> <p>Chair Vuong inquired about how far back the recommendations spanned, and Jodi responded that the 120 recommendations represented all recommendations since the inception of the Office.</p>	Informational — solicit feedback

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Audit Risk Assessment and Audit Planning Preview	Jodi Cochran, County Internal Auditor	<p>Jodi Cochran presented the audit risk assessment and audit planning preview, providing information on how the committee will be engaged. The risk assessment process will begin in the upcoming month. A full analysis is expected to be conducted in May/June 2025.</p> <p>Jodi also noted the external assessment team recognized the Office's risk assessment process was a best practice as part of the external quality assessment. This successful best practice is comprehensive and a model to be followed by other shops; the methodology demonstrated the Office's independence.</p> <p>On June 25, the Oversight Committee will have a special meeting to look at the audit plan and will review key information.</p> <p>As this was informational, no further action was needed.</p>	Informational — solicit feedback
Quarterly status updates: FY25 Audit Plan  Quality Assurance & Improvement Program	Jodi Cochran, County Internal Auditor	<p>The Quality Assurance and Improvement Program status report was provided. The review of the report at the committee meeting is based on availability of time, and the report is typically provided at a high level.</p> <p>To provide context for the Quality Assurance and Improvement Program Quarterly Status update, a brief overview of auditing professional standards was presented.</p> <p>The Office of County Internal Audit complies with the Institute of Internal Auditors' Global Internal Audit Standards and is also informed by the United States Governmental Accountability Office's Government Auditing Standards. These are commonly referred to as the Red Book and Yellow Book, respectively.</p> <p>The quarterly Quality Assurance and Improvement Program status report assists in monitoring the activities of the office, progress toward its strategic goals and its compliance with professional standards.</p>	Informational — solicit feedback

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		<p>Jodi explained that timelines are typically optimistic, and goals will be reassessed as needed. Typically, engagements start in one year and conclude in another year. If there are unanticipated events or new risks, the Office will reprioritize as the plan is a fluid document.</p> <p>While not listed in the plan, the Good Government Hotline requires significant resources, and call volumes have been increasing. Two management letters have been issued since the last Oversight Committee meeting with one investigation resulting in an ongoing Oregon City police investigation. The Office will continue to monitor this demand to understand resource requirements.</p> <p>Jodi then discussed how the Office measures goals and performances, and how the Quality Assurance &amp; Improvement Program status update highlights some of the professional audit standards. Starting FY26, the results of that most recent quality assessment will lead to the development of the Office's strategic goals and milestones and reflect the new Global Internal Audit Standards.</p> <p>Jodi concluded that she is proud of the internal audit services provided and the confidence in quality and integrity. Performance of this nature was not possible without the support and engagement of the Oversight Committee.</p> <p>As this was informational, no further action was needed.</p>	
Round Table	All	As Board of County Commissioners Chair Craig Roberts is new to the Committee, Chair Vuong asked the Board of County Commissioners and community members to introduce themselves.	
Meeting adjournment	Chair Minh Dan Vuong	With no additional comments from the Committee, the meeting adjourned at 3:15 p.m.	

Issue	Presenter/ Staff Contact	Issue Description	Decision/Action/Assignments
		<p>Next scheduled meetings:</p> <p>Wednesday, June 11, 2025 2:00 p.m. to 3:30 p.m. Location: TBD</p> <p>Special Meeting – Review and Approval of FY26 Audit Plan Wednesday, June 25, 2025 4:00 p.m. to 4:30 p.m. Location: TBD (Date subsequently changed to July 16, 2025)</p>	<p>Submitted by: Kathy Yeung</p> <p>Approved as written by the Internal Audit Oversight Committee 06.11.2025</p>