

**Office of County Internal Audit**

Public Services Building  
2051 Kaen Road, Suite 460 | Oregon City, OR 97045

March 12, 2026

BCC Agenda Date/Item: \_\_\_\_\_

Board of County Commissioners  
Clackamas County

**First reading of an Ordinance to amend County Code  
Chapter 2.15: County Internal Auditor.  
No fiscal impact. No County General Funds are involved.**

<b>Previous Board Action/Review</b>	Chapter 2.15: County Internal Auditor was added to County Code through Ordinance #05-2020 on June 25, 2020.  This amendment was presented on March 3, 2026, at the Board Policy Session.		
<b>Performance Clackamas</b>	1. Public Trust in Good Government		
<b>Counsel Review</b>	Yes	<b>Procurement Review</b>	No
<b>Contact Person</b>	Jodi Cochran	<b>Contact Phone</b>	971.342.1644

**EXECUTIVE SUMMARY:**

The proposed Code amendment reinforces the organizational independence of the Office of County Internal Audit through two significant changes:

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- ✓ Decreasing the Internal Audit Oversight Committee from seven members to five, reclassifying the County Administrator and County Counsel as participants and not voting members.
- ✓ Adding a section to define the Internal Audit Administrator role and its general objectives, authority and responsibilities, clarifying the dual-reporting structure governing the Office of County Internal Audit.

The amendment enhances the Board's commitment to an independent internal audit function, as well as meets professional and industry standards.

**ATTACHMENTS:**

Exhibit A: Proposed Code Amendment - Chapter 2.15: County Internal Auditor Resolution

Exhibit B: Clean & Redline Version

**RECOMMENDATION:**

Staff respectfully request the Board hold a public hearing for the first reading of this ordinance and provide any requested changes and then schedule a second reading for adoption of this ordinance.



Jodi Cochran, CPA, CIA, CRMA  
County Internal Auditor

FIRST READING OF DRAFT ORDINANCE

Ordinance No. \_\_\_\_\_

**An Ordinance Amending the  
Clackamas County Code Chapter 2.15: County Internal Auditor**

**WHEREAS**, the Board finds the Office of County Internal Audit was created to provide independent and objective assurance, advisory and investigative services designed to add value and improve the county’s operations through improved performance and efficacy of government; and

**WHEREAS**, the Board finds opportunities to reinforce the organizational independence of the County Internal Auditor and the Office of County Internal Audit;

Now, therefore, the Board of Commissioners of Clackamas County ordains as follows:

**Section 1:** Clackamas County Code Chapter 2.15, County Internal Auditor, is hereby amended as shown in Exhibit “A,” attached hereto and incorporated herein by this reference.

ADOPTED this xx day of xx, 2026.

BOARD OF COUNTY COMMISSIONERS

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Recording Secretary

## **Chapter 2.15**

### **2.15 COUNTY INTERNAL AUDITOR**

#### **2.15.010 Office of County Internal Audit**

The Office of County Internal Audit is created and the person holding that office shall act as the head of the internal audit function for the County. The Office consists of the County Internal Auditor and such subordinate employee positions as the Board of County Commissioners may provide. It is the policy of Clackamas County to maintain the Office of County Internal Audit as a means of providing independent and objective assurance, advisory and investigative services designed to add value and improve Clackamas County's operations through improved performance and efficacy of governance, risk management, and control processes.

This code establishes the general authority and responsibility of the Office of County Internal Audit, the Internal Audit Oversight Committee and the Internal Audit Administrator. It supersedes any other internal audit charter or code.

#### **2.15.020 Appointment of County Internal Auditor**

The County Internal Auditor shall be appointed by or dismissed by the Internal Audit Administrator in consultation with the Internal Audit Oversight Committee.

#### **2.15.030 Qualifications**

The County Internal Auditor shall possess adequate professional proficiency. Preference will be given to those applicants holding at least one of the following designations: Certified Public Accountant, Certified Internal Auditor, or Certified Fraud Examiner.

#### **2.15.040 Independence**

- A. The County Internal Auditor has neither a management nor a policy role; and no operational authority nor responsibility. The County Internal Auditor provides independent and objective information about County programs and services.
- B. The County Internal Auditor governs the office by adherence to the Institute of Internal Auditor's *International Professional Practices Framework* and its Global Internal Audit Standards. The office will be considered independent as defined

by that framework and shall remain free of influence by any organizational elements.

- C. The County Internal Auditor reports functionally to the Internal Audit Oversight Committee and administratively to the Internal Audit Administrator.

#### **2.15.050 Authority**

- A. The County Internal Auditor is authorized to examine and evaluate the operations and activities of any office, department, political subdivision, or organization which receives appropriations from the Board of County Commissioners, or for which governing bodies are appointed by the Board of County Commissioners.
- B. The County Internal Auditor is authorized to perform special reviews and investigate allegations of fraud, waste, abuse, or misuse of County assets and resources.
- C. The County Internal Auditor shall have full, free and unrestricted timely access to all information, records, property, and personnel required to conduct an audit or otherwise perform audit duties, including confidential and legally privileged information and records so long as privilege is not waived as to third parties.
- D. The County Internal Auditor shall have full, free and unrestricted access to all contractually required financial and performance-related records; and property, equipment and services purchased in whole or in part with County funds, in custody of County contractors and subcontractors.
- E. The County Internal Auditor has the authority to request reasonable assistance from appropriate County personnel in acquiring requested records, documents and files, as well as inspection and entry privileges to all assets owned, leased, or borrowed by the County.

#### **2.15.060 Confidential Information**

The County Internal Auditor shall not disclose confidential or legally privileged information and records to the extent allowed by law. The County Internal Auditor shall maintain the confidentiality of information submitted in confidence and the identity of the provider of such information to the extent allowed by law, except as

the County Internal Auditor deems necessary to discharge the Auditor's duties or as directed by the appropriate legal authority pursuant to a public records request or by a court of competent jurisdiction.

**2.15.070 Duties**

The County Internal Auditor shall perform all day-to-day functions necessary for the independent administration and management of the Office of County Internal Audit. Such duties include but are not limited to:

- A. Develops and implements policies and procedures for the Office of County Internal Audit in compliance with the Institute of Internal Auditor's International Professional Practices Framework and its Global Internal Audit Standards.
- B. Delivers assurance, advisory and investigative services to the Board of County Commissioners and County Administrator, including financial and performance audits of any office, department, political subdivision, or organization which receives appropriations from the Board of County Commissioners, or for which governing bodies are appointed by the Board of County Commissioners.
- C. Advises the Board of County Commissioners, County Administrator, and County departments on the continuous improvement of county governance, risk management, and control processes.
- D. Makes recommendations to the Board of County Commissioners, County Administrator, and County departments to enhance the security of county assets, accuracy and reliability of financial and operational information, compliance with legal and regulatory requirements, quality of county services and programs, and the results achieved using tax dollars and other public resources.
- E. Provides final audit reports to the public, Board of County Commissioners, County Administrator, and County departments, as allowed by public records law.
- F. Selects, appoints, directs, supervises, disciplines and dismisses all Office of County Internal Audit staff consistent with County policies and procedures.

### **2.15.080 Internal Audit Oversight Committee**

- A. The Internal Audit Oversight Committee objectives are to ensure the Office of Internal Audit is independent and to promote the effectiveness and integrity of the Office.
- B. The Internal Audit Oversight Committee shall be comprised of five members, as follows:
  - a. Chair of the Board of County Commissioners,
  - b. One member of the Board of County Commissioners selected by the Board of County Commissioners for a term of twenty-four (24) months, and
  - c. Three members of the community appointed by the Internal Audit Administrator from a list of nominees submitted by the County Internal Auditor, for a term of twenty-four (24) months.
- C. The County Administrator and the County Counsel shall participate as guests at Internal Audit Oversight Committee meetings.
- D. The Internal Audit Oversight Committee shall perform functions necessary to meet its objectives. Such duties include but are not limited to:
  - a. Adopts an Internal Audit Oversight Committee charter and bylaws.
  - b. Approves the Office of County Internal Audit charter.
  - c. Reviews the County Internal Auditor's performance and compliance with Global Internal Audit Standards through independent external quality assessments.
  - d. Provides input regarding decisions to appoint or remove the County Internal Auditor prior to such actions.
  - e. Recommends internal audit priorities to the County Internal Auditor and approves a risk-based audit plan and the associated resource allocations.
  - f. Ensures the County Internal Auditor is not subjected to undue influence or unreasonable restrictions.
  - g. Receives and reviews audit reports.
  - h. Evaluates management's responses to audit recommendations and noted opportunities for improvement.
  - i. Facilitates transparent communication between the County Internal Auditor, County Administrator, and Board of County Commissioners.

**2.15.90 Internal Audit Administrator**

- A. The Internal Audit Administrator objectives are to ensure the Office of Internal Audit is independent and to promote the effectiveness and integrity of the Office.
- B. The elected County Treasurer shall serve as the Internal Audit Administrator.
- C. The Internal Audit Administrator shall participate as a guest at Internal Audit Oversight Committee meetings.
- D. The Internal Audit Administrator shall perform functions necessary to meet its objectives. Such duties include but are not limited to:
  - a. Adopts the Office of County Internal Audit charter.
  - b. Facilitates the Office of County Internal Audit budgetary processes.
  - c. Administers county personnel activities supporting the County Internal Auditor position, including the appointment and removal of the County Internal Auditor with input from the Internal Audit Oversight Committee prior to such actions.
  - d. Reviews the County Internal Auditor's performance and compliance with Global Internal Audit Standards
  - e. Ensures no unreasonable budgetary or access restrictions are placed on the County Internal Auditor.
  - f. Facilitates transparent communication between the County Internal Auditor, County Administrator, and Board of County Commissioners.

## Chapter 2.15

### 2.15 COUNTY INTERNAL AUDITOR

#### 2.15.010 Office of County Internal Audit

The Office of County Internal Audit is created and the person holding that office shall act as the head of the internal audit function for the County. The Office consists of the County Internal Auditor and such subordinate employee positions as the Board of County Commissioners may provide. It is the policy of Clackamas County to maintain the Office of County Internal Audit as a means of providing independent and, objective assurance, and consulting advisory and investigative services designed to add value and improve Clackamas County's operations through improved performance and efficacy of governance, risk management, and control processes.

This code establishes the general authority and responsibility of the Office of County Internal Audit, and the Internal Audit Oversight Committee and the Internal Audit Administrator. It supersedes any other Internal internal Audit audit charter or code.

#### 2.15.020 Appointment of County Internal Auditor

The County Internal Auditor shall be appointed by or dismissed by the County Treasurer Internal Audit Administrator in consultation with the County Administrator and the Internal Audit Oversight Committee.

#### 2.15.030 Qualifications

The County Internal Auditor shall possess adequate professional proficiency. Preference will be given to those applicants holding at least one of the following designations: Certified Public Accountant, Certified Internal Auditor, or Certified Fraud Examiner.

#### 2.15.040 Independence

- A. The County Internal Auditor has neither a management nor a policy role; and no operational authority nor responsibility. Rather the The County Internal Auditor provides independent and objective information about County programs and services.

- B. The County Internal Auditor governs the office by adherence to the Institute of Internal Auditor's *International Professional Practices Framework* and its ~~mandatory guidance~~Global Internal Audit Standards. The office will be considered independent as defined by that framework and shall remain free of influence by any organizational elements.
- C. The County Internal Auditor reports functionally to the Internal Audit Oversight Committee and administratively to the ~~elected County Treasurer~~Internal Audit Administrator.
- ~~C. – If the office conducts an audit of an activity for which the County Treasurer is or was responsible, the audit scope will state that the auditors are not organizationally independent with regard to the entity being audited.~~

#### **2.15.050 Authority**

- A. The County Internal Auditor is authorized to examine and evaluate the operations and activities of any office, department, political subdivision, or organization which receives appropriations from the Board of County Commissioners, or for which governing bodies are appointed by the Board of County Commissioners.
- B. The County Internal Auditor is authorized to perform special reviews and investigate allegations of fraud, waste, abuse, or misuse of County assets and resources.
- C. The County Internal Auditor shall have full, free and unrestricted timely access to all information, records, property, and personnel required to conduct an audit or otherwise perform audit duties, including confidential and legally privileged information and records so long as privilege is not waived as to third parties.
- D. The County Internal Auditor shall have full, free and unrestricted access to all ~~contractually required~~contractually required financial and performance-related records; and property, equipment and services purchased in whole or in part with County funds, in ~~the custody~~custody of County contractors and subcontractors.
- E. The County Internal Auditor has the authority to request reasonable assistance from appropriate County personnel in acquiring requested records, documents

and files, as well as inspection and entry privileges to all assets owned, leased, or borrowed by the County.

**2.15.060 Confidential Information**

The County Internal Auditor shall not disclose confidential or legally privileged information and records to the extent allowed by law. The County Internal Auditor shall maintain the confidentiality of information submitted in confidence and the identity of the provider of such information to the extent allowed by law, except as the County Internal Auditor deems necessary to discharge the Auditor’s duties or as directed by the appropriate legal authority pursuant to a public records request or by a court of competent jurisdiction.

**2.15.070 Duties**

The County Internal Auditor shall perform all day-to-day functions necessary for the independent administration and management of the Office of County Internal Audit. Such duties include but are not limited to:

- A. Develops and implements policies and procedures for the Office of County Internal Audit in compliance with the Institute of Internal Auditor’s International Professional Practices Framework and its Global Internal Audit Standardsmandatory guidance.
- B. Delivers assurance, ~~and consulting advisory and investigative~~ services to the Board of County Commissioners and County Administrator, including financial and performance audits of any office, department, political subdivision, or organization which receives appropriations from the Board of County Commissioners, or for which governing bodies are appointed by the Board of County Commissioners.
- C. Advises the Board of County Commissioners, County Administrator, and County departments on the continuous improvement of County-county governance, risk management, and control processes.
- D. Makes recommendations to the Board of County Commissioners, County Administrator, and County departments to enhance the security of county assets, accuracy and reliability of financial and operational information, compliance with legal and regulatory requirements, quality of county

- services and programs, and the results achieved ~~through the use of~~ using tax dollars and other public resources.
- E. Provides final audit reports to the public, Board of County Commissioners, County Administrator, and County departments, as allowed by public records law.
  - F. Selects, appoints, directs, supervises, disciplines and dismisses all Office of County Internal Audit staff consistent with County policies and procedures.

**2.15.080 Internal Audit Oversight Committee**

- A. The Internal Audit Oversight Committee objectives are to ensure the Office of Internal Audit is independent and to promote the effectiveness and integrity of the Office.
- B. The Internal Audit Oversight Committee shall be comprised of ~~seven~~ five members, as follows:
  - a. Chair of the Board of County Commissioners,
  - b. ~~One Vice Chair of the~~ member of the Board of County Commissioners selected by the Board of County Commissioners for a term of twenty-four (24) months, and
  - ~~c. County Counsel,~~
  - ~~d. County Administrator, and~~
  - ~~e.c.~~ Three members of the community appointed by the County Treasurer Internal Audit Administrator from a list of nominees submitted by the County Internal Auditor, for a term of twenty-four (24) months.
  - ~~f. The County Treasurer may serve as a non-voting member.~~
- ~~C.~~ The County Administrator and the County Counsel shall participate as guests at Internal Audit Oversight Committee meetings.
- ~~C.D.~~ The Internal Audit Oversight Committee shall perform functions necessary to meet its objectives. Such duties include but are not limited to:
  - a. Adopts an Internal Audit Oversight Committee charter and bylaws to allow the Internal Audit Oversight Committee to perform its necessary functions in an open, orderly, and transparent manner.
  - b. Approves the Office of County Internal Audit charter and recommends charter for Board of County Commissioners adoption.

- c. Reviews the County Internal Auditor’s performance and compliance with Global Internal Audit Standards through independent external quality assessments.
- a.d. Provides input regarding decisions to appoint or remove the County Internal Auditor prior to such actions.
- b.e. Recommends internal audit priorities to the County Internal Auditor and approves a risk-based audit plan and the associated resource allocations.
- f. Ensures the County Internal Auditor is not subjected to undue influence or unreasonable restrictions.
- c.g. ~~Reviews and analyzes~~ Receives and reviews all audit reports.
- d.h. Evaluates management’s responses to audit recommendations and noted opportunities for improvement.
- e. ~~Ensures no unreasonable restrictions are placed on the County Internal Auditor.~~
- f.i. Facilitates transparent communication between the County Internal Auditor, County Administrator, and Board of County Commissioners.
- ~~g.a. Adopt bylaws to allow the Internal Audit Oversight Committee to perform its necessary functions in an open, orderly, and transparent manner.~~

#### **2.15.90 Internal Audit Administrator**

- A. The Internal Audit Administrator objectives are to ensure the Office of Internal Audit is independent and to promote the effectiveness and integrity of the Office.
- B. The elected County Treasurer shall serve as the Internal Audit Administrator.
- C. The Internal Audit Administrator shall participate as a guest at Internal Audit Oversight Committee meetings.
- D. The Internal Audit Administrator shall perform functions necessary to meet its objectives. Such duties include but are not limited to:
  - a. Adopts the Office of County Internal Audit charter.
  - b. Facilitates the Office of County Internal Audit budgetary processes.

- c. Administers county personnel activities supporting the County Internal Auditor position, including the appointment and removal of the County Internal Auditor with input from the Internal Audit Oversight Committee prior to such actions.
- d. Reviews the County Internal Auditor’s performance and compliance with Global Internal Audit Standards
- e. Ensures no unreasonable budgetary or access restrictions are placed on the County Internal Auditor.
- f. Facilitates transparent communication between the County Internal Auditor, County Administrator, and Board of County Commissioners.