

BEFORE THE BOARD OF COUNTY COMMISSIONER
FOR COLUMBIA COUNTY, OREGON

In the Matter of Approving the Corrective) ORDER NO. 20-2024
Action Plan for the FY2023 Audit)

WHEREAS, five deficiencies were found during the FY 2022-2023 annual audit of Columbia County and its component units; and

WHEREAS, the Columbia County Finance Director has developed a Corrective Action Plan to address the deficiencies;

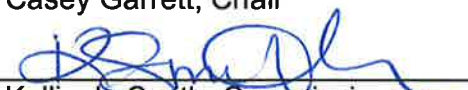
NOW, THEREFORE, IT IS HEREBY ORDERED as follows:

1. The Board of County Commissioners approves the Corrective Action Plan which is attached hereto as Attachment 1 and is incorporated herein by this reference.
2. The Columbia County Finance Director shall file a copy of the Corrective Action Plan with the Oregon Secretary of State.

DATED this 12 day of June, 2024.

BOARD OF COUNTY COMMISSIONERS
FOR COLUMBIA COUNTY, OREGON

By: 
Casey Garrett, Chair

By: 
Kellie Jo Smith, Commissioner

By: NOT Present
Margaret Magruder, Commissioner

Approved as to form

By: 
Office of County Counsel



COLUMBIA COUNTY

Department of Finance and Taxation

Pam Smith, Director

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June 14, 2024

Oregon Secretary of State
Audits Division
255 Capitol St. NE, Suite #500
Salem, OR 97310

Plan of Action for Columbia County Oregon

Columbia County respectfully submits the following corrective action plan in response to deficiencies reported in our audit of fiscal year ended June 30, 2023. The audit was completed by the independent auditing firm of Moss Adams. The plan of action was adopted by the Columbia County Board of Commissioners at their meeting on June 12, 2024, as indicated by signatures below.

The deficiencies are listed, including the adopted plan of action and timeframe for each.

1. Deficiency #1

A. FINDING 2023-001 – Material Weakness in Internal Controls over Financial Reporting – Lack of Financial Close and Reporting Process

Cause – The County does not have an adequately documented financial close and reporting process.

Recommendation – We recommend the County formally implement a financial close and reporting process to guide the County's closing process to ensure all reconciliations and journal entries are prepared and reviewed appropriately. We further recommend documentation of this process, which includes documentation of the review, to ensure an appropriate audit trail. Additionally, we recommend management review user access to the County's accounting system and verify user account permissions are in line with a proper business purpose. This review should be documented on a periodic basis as determined by management. Additionally, we recommend that management work with professionals experienced with their accounting system to develop a general ledger report in a format suitable for analysis and review.

B. Corrective Action Plan:

Since taking the position of Finance Director in July of 2023, I have instituted a comprehensive program to address the issues noted by the auditors as well as developing policy and procedures to assure compliance with GAAP and GASB pronouncements. We are working in our department to address these issues, and then have plans to do training with the other Departments so timing and expectations can be met. Some of the things we have or will have in place are as follows:

COLUMBIA COUNTY OREGON DEPARTMENT OF FINANCE AND TAXATION

We are closing the financials monthly, by the 15th of the month following.

Subledgers are reconciled monthly.

All bank accounts are reconciled monthly.

Payroll, Cash Receipting and Accounts Payable are reviewed and signed off on prior to being processed by the Assistant Finance Director and/or the Finance Director.

Capital Assets and depreciation schedules will be reviewed quarterly and verified by Assistant Finance Director and/or the Finance Director.

Inventories will be reviewed and updated quarterly and verified by Assistant Finance Director.

All debt agreements and amortization schedules are being reviewed for compliance with covenants and restrictions. We will then verify on a monthly/quarterly basis that each obligation is following the covenants of the agreements on file.

As noted above, all Grants will be tracked for compliance on a master schedule which will be reviewed monthly.

We have set up documentation to review current users and access authority in the Caselle system. We are developing a checklist to use when a new user is added to the system to guarantee compliance with all current finance policies and restrictions, as well as deleting User access when an employee leaves their employment with the County.

C. Anticipated Completion Date – Ongoing with completion review NLT 12/31/24

2. Deficiency #2

A. FINDING 2022-002 – Material Weakness in Internal Controls over Financial Reporting – Adoption of GASB Statement No. 87, Leases

Cause – The County did not perform an evaluation of leases under GASB 87.

Recommendation – We recommend the County evaluate all leases to ensure all active leases that are material are appropriately recorded in accordance with GASB 87.

B. Corrective Action Plan:

The County is currently in the process of evaluating all leases to assure we follow GASB 87 recording and reporting. We are applying these criteria to all new leases and reviewing existing leases to be sure they comply so our fiscal reporting for the year just ended is correct. Going forward into Fiscal Year 2024-2025, we are setting up a "Lease Master List" that details every Lease the County is currently administering, the dates of the lease, payment structure and whether it is a "lease to own" or "lease to use" product. We will review that each lease is recorded correctly. We will be working closely with the Departments involved so everyone is on the same page around expectations and requirements. We are as well looking at Lease Software that would automatically track and record leases in accordance with GASB 87 requirements.

C. Anticipated Completion Date – NLT December 31, 2024

3. Deficiency #3

A. FINDING 2022-003 – Material Weakness in Internal Controls over Financial Reporting – SEFA Preparation

Cause – The County did not have the appropriate controls in place to review the federal award, federal program name, identification number, and total expenditures for reporting on the SEFA.

Recommendation – We recommend the County perform a review of all programs on the SEFA to ensure that all funds are federal awards and that the correct federal program name, identification number, and total expenditures are included, that a person knowledgeable of the grant review these determinations, and that supporting documentation of the correct federal program name and identification number is retained. We recommend that the County periodically update this review for long-running federal programs. We recommend that the County implement a checklist or other controls over SEFA reporting to ensure that the SEFA is prepared correctly and includes only federal award expenditures and does not include federal award receipts or federal payment expenditures.

B. Corrective Action Plan:

Being new to the position of Finance Director in July of 2023, and having limited experience with SEFA reporting, the 2022-2023 audit work was my first experience with preparing the SEFA reporting. I used previous administrators' worksheets to prepare the report to the best of my understanding. After review with the auditors around the SEFA reporting requirements, I better understand these requirements and am setting up an accurate system to track, review and report on the Federal Grants.

C. Anticipated Completion Date – NLT September 30, 2024

4. Deficiency #4

A. FINDING 2022-004 – Material Weakness in Internal Controls over Financial Reporting – Fund Transfers

Cause – The County does not have a control in place to prevent or detect the posting of journal entries that cause fund transfers to become out of balance.

Recommendation – We recommend the County implement processes and procedures to review fund transfers to ensure they balance.

B. Corrective Action Plan: Starting in July of 2023, we developed a master file for transfers In/Out that were being posted monthly in order to be sure they were being recorded correctly. Part of the Fund Transfer issue was the PERS Debt reporting, which was previously in Payroll and was moved to Transfers Out. This is being tracked and recorded monthly as well.

C. Anticipated Completion Date – Ongoing and Comple

COLUMBIA COUNTY OREGON DEPARTMENT OF FINANCE AND TAXATION

Respectfully submitted by:

Pamela Smith
Director of Finance and Taxation
Columbia County, Oregon

Reviewed and Accepted:

Casey Garrett
Governing Body Chair


Signature

June 12, 2024
Date

Sarah Hanson
County Counsel


Signature

June 12, 2024
Date