

Dear Multnomah County Charter Review Committee members,

On behalf of the Multnomah County Auditor's Office, I would like to present proposed County Charter amendments to you. My office developed these amendments to make our office more transparent and accountable to the public, and strengthen our independence from the county operations we audit.

To prepare these amendments for your consideration, my staff and I studied the Association of Local Government Auditors' (ALGA) model legislation. We obtained feedback from ALGA's Advocacy Committee, elected Auditors at Metro and the City of Portland, and from my Community Advisory Committee, which played a central role in reviewing and shaping the proposed amendments.

The amendments I would like to bring to you for consideration would:

1. Remove an existing conflict of interest in budget-setting for the Auditor's Office.

Everything the Auditor can audit reports to the Chair, Sheriff, or DA. The Chair, as county CEO, proposes the county's budget, including the Auditor's budget. This process conflicts with ALGA's guidance and with the generally accepted government auditing standards that Charter says the Auditor is to follow. The standards say that decisions about funding for auditors should not be controlled by officials subject to audit; this raises the potential for the official to cut the auditor's budget in retaliation for audit results that the official doesn't like, or to simply maintain a budget level that does not allow for the auditor's office to grow with the jurisdiction. Amending the Charter to ensure the Auditor's budgetary independence from the Chair will ensure the Auditor is operating in compliance with the generally accepted government auditing standards that Charter requires, and will also enable the Auditor to conduct audits without the fear of budgetary retaliation.

2. Increase the number of audits under way at any one time by increasing budget resources to the Auditor.

Amending the Charter to ensure the Auditor's budgetary independence from the Chair will put the power to set the Auditor's budget in the peoples' hands. If the County Auditor's Office were funded similarly to the Metro Auditor and Portland Auditor's audit and ombuds functions, the County Auditor would receive an amount equal to at least 1% of a five-year rolling average of the county's adopted general fund expenditures budget. Currently, the Auditor receives about 0.32% of the general fund expenditures budget per year. We anticipate that funding at a 1% level would enable us to double the number of audits we conduct at any one time, while also making it possible for us to have dedicated staff for community engagement and audit teams specialized in specific subjects, such as health and public safety, in order to speed up audit processes.

3. Ensure the ongoing existence of the Good Government Hotline, which is the county's fraud, waste, and abuse of position hotline.

The County Auditor established the Good Government Hotline in 2007 to provide county employees and community members with a confidential method for reporting suspected fraud, waste, or abuse of position. In 2011, the state legislature passed a law called "Establishment of local government waste hotline." The Auditor has operated the Good Government Hotline in compliance with this law. But in 2019, the County Attorney and county leadership raised that the Good Government Hotline might not comply with the state's law because the Board of County Commissioners never established the hotline

in Code. The County Attorney also indicated to the Auditor that the Board cannot pass Code governing the Auditor, presenting a conundrum for how to ensure that the hotline complies with state law. Putting the hotline in Charter would solve this problem.

4. Establish an ombuds office for the County.

If the funding for the Auditor's Office increases to the 1% level described under Item 2, the Auditor would have the funding to establish an ombuds office. We seek to establish an ombuds similar to the one at the Portland Auditor's Office. An ombuds would respond to members of the public to resolve complaints about county services and practices. Ombuds conduct impartial investigations and resolve problems informally. They also have the authority to recommend remedial action or a change in policy. The hotline and ombuds functions would provide issue-specific accountability, while audits provide systems-level accountability.

5. Ensure the Auditor's Office's access to timely information.

One principle of government auditing standards is that auditor should have access to records and government officials as needed to conduct each audit. Adding this language to Charter would help the Auditor avoid repeats of situations in which county programs have not provided necessary access in a timely manner. For example, the Auditor did not have audit-level, read-only access to the county's financial and human resources data system after it went live in 2019. This was despite repeated inquiries from the Auditor starting in the fall of 2017 to ensure we would have comparable access to the new system as we did to the prior one. It took until the end of 2019 – and multiple meetings, requests, and examples of how other jurisdictions had provided auditors with access – for our office to get the access we need to be able to serve our accountability function. Amending the Charter to specifically include information about the Auditor's access to information would improve transparency with county employees and community members about the Auditor's authority to access information.

I appreciate your consideration of these proposed amendments and would be happy to meet with you or provide additional information. Thank you for your service to Multnomah County.