



**Total Recommendations**

**6**

# **Follow-up Reports**

## **Elected District Attorney**

### **Transition**

(Internal Audit report #22/23-4 issued January 2023)

**And**

# **Office of the District Attorney**

## **Cash Handling**

(Internal Audit Report # 23/24-4 Issued September 2023)

**The Office of County Internal Audit:**

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## **1. Introduction**

### Audit Authority

The Deschutes County Audit Committee has suggested that follow-ups occur within nine months of the report. The Audit Committee would like to make sure offices satisfactorily address recommendations.

We are reporting the results of two follow-ups in one report because the Office of the District Attorney reported the status of recommendations for both audits at the same time.

### **Background on the Office and Original Transition Audit**

The Office of the District Attorney has been under the direction of the Elected District Attorney, John Hummel, since 2014. John Hummel announced his decision to not seek reelection after the end of his term on January 2, 2023. Subsequently, Steve Gunnels was elected in the May 2022 primary election to become the next Elected District Attorney and was sworn into office on January 3, 2023.

Deschutes County has been in the practice of performing a basic fiscal level internal audit whenever an elected official leaves office. While the transition process was as seamless as possible, establishing a written transition plan could be useful to transitioning the Elected District Attorney position in the future. A transition plan can be an important resource for identifying necessary tasks and responsibilities specific to the position. The Office information technology purchasing could be improved through the use of County Information Technology resources and purchasing agreements.

Overall, the Office performed well in providing fiscal controls. Additional areas noted for improvement include:

- using Munis to enter and provide receipts for collected monies, balance daily revenues, and prepare deposits; and
- performing daily deposit of collected monies.

The Office has implemented comprehensive written procedures in compliance with Oregon law. However, certain subject areas require further development to fully conform to these regulations.

### **Background on the Original Cash Handling Audit**

The Deschutes County Audit Committee authorized the review of cash handling practices for the Office of the District Attorney in the Internal Audit Program Work Plan for 2022-2023. Internal audits of fiscal controls are routinely performed for identified County departments or functions.

The Office of District Attorney did not comply with County cash handling policy when processing smaller and infrequent payments related to items like discovery. They did not make deposits daily which meant checks were sitting around unaccounted for. They also did not issue pre-numbered receipts, which made it easier to dispute transactions.

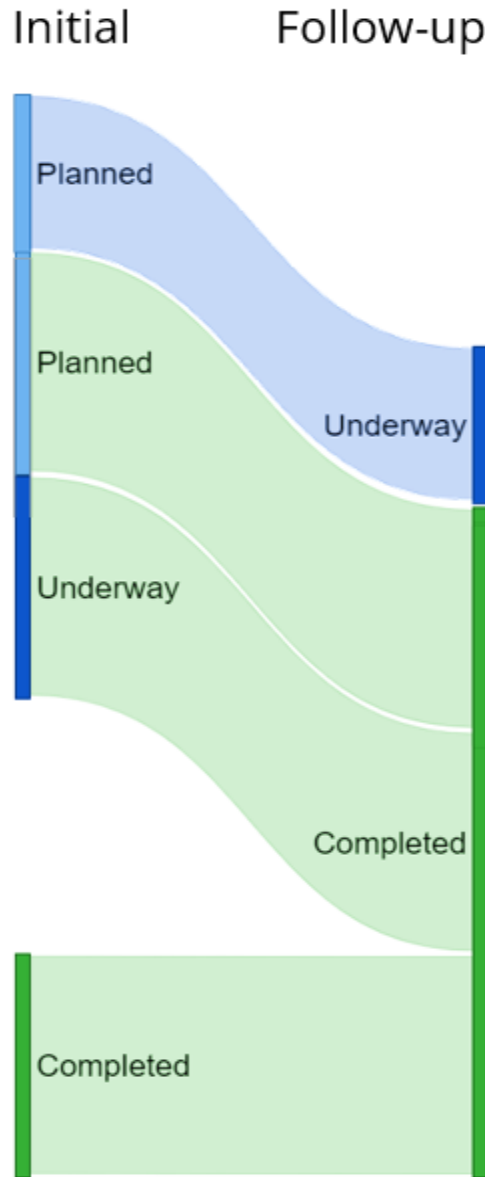
These smaller payments made up less than 0.1 percent of Office revenue. The small amount of these collections might make this area seem low risk, but the same factor makes them vulnerable to fraud.

Staff did not comply with County policy because the Office had outdated procedures in place which did not ensure compliance. Staff were working on updating procedures, but they were not yet complete.

## **2. Follow-up Results**

This follow-up includes five outstanding recommendations from the transition audit and one outstanding recommendation from the cash handling audit that were agreed to by the Office of the District Attorney. **Figure I** provides an overview of the resolution status of the recommendations. The Office of the District Attorney provided an update on the cash handling audit recommendation in advance of the nine-month timeline set forth by the Audit Committee.

**Figure I -**  
How were  
recommendations  
resolved?



With this follow-up, eighty-three percent (83%) of the outstanding recommendations have been fully addressed, as indicated in the provided responses.

The details of the follow-up are included at the end of the report in **Appendix A**. In interpreting the status, Internal Audit may sometimes raise or lower the status provided by the office based on communication received from the office.

**3. Appendix A: Updated Transition workplan (status as of November 2023)**

Recommendation	Status	Date Resolved	Updated Comments
It is recommended the Elected District Attorney document transitional information for their successor.	Underway		We have successfully compiled an outline of transitional information and are presently in the process of collecting data and making real-time updates as new items arise.

Recommendation	Status	Date Resolved	Updated Comments
It is recommended the Office of the District Attorney utilize County purchasing agreements for technology related purchases.	Resolved	March-23	Upon this audit recommendation our DCDA IT Department was notified to implement this immediately, if applicable. Since then, IT has actively utilized the purchase agreement the County holds with DELL to complete technology-related purchases. They will continue to seek out other purchasing agreements, as needed.
It is recommended the Office of the District Attorney utilize Munis to enter and provide receipts for collected monies; balance daily revenues; and prepare deposits.	Resolved	November-23	In addition to the transitional audit, DCDA also underwent a cash handling audit. Through that audit we identified a need to strengthen our cash handling process, as a whole. This comprehensive initiative involved the successful adoption of the Tyler MUNIS systems, the consistent practice of daily deposit procedures, and the formulation of structured cash handling protocols to enhance financial transparency and accountability within our office.
It is recommended the Office of the District Attorney deposit collected monies daily.	Resolved	November-23	See above
It is recommended the Office of the District Attorney complete written policies to be in conformance with State law.	Resolved	April-23	Revised policies were provided by the Office of the District Attorney prior to this follow-up.

**4. Appendix B: Updated Cash Handling workplan (status as of November 2023)**

Recommendation	Status	Date Resolved	Updated Comment
The Office of the District Attorney staff should update accounting procedures to help staff comply with the Deschutes County Cash Handling Policy and to decrease the chance cash is stolen.	Resolved	October-23	We have successfully implemented comprehensive cash handling procedures to align with recommended best practices. In addition, we have implemented the use of the Tyler MUNIS system for cash receipts, which will enhance efficiency and transparency in our financial operations. Another key change we have made is the enforcement of daily deposits, a crucial step in safeguarding the financial integrity of the office.

**5. Appendix C: Objective, Scope, and Methodology**

**Objective and Scope**



*“Audit objectives” define the goals of the audit.*

Objective:

The objective was to follow up on recommendations from the original audits.

Scope and timing:

The follow-up included five recommendations from the internal audit report for [Elected District Attorney Transition](#) issued in January 2023 and one recommendation from the internal audit report for [Office of the District Attorney - Cash Handling](#) issued in September 2023. The original internal audit reports should be referenced for the full text of the recommendations and associated discussion. The follow-up reflects the status as of November 2023.

## **Methodology**

The follow-up report was developed from information provided by Jessica Chandler, Senior Management Analyst and Assistant to DA Steve Gunnels. Follow-ups are, by nature, subjective. In determining the status of recommendations that were followed up, we relied on assertions provided by those involved and did not attempt to independently verify those assertions. The updates received were included in **Appendix A**.

Since no substantive audit work was performed, Government Auditing Standards issued by the Comptroller General of the United States were not followed.

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