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November 12, 2021

Jennifer McGuirk  
Multnomah County Auditor  
501 SE Hawthorne Blvd, Room 601  
Portland, OR 97214

Dear Auditor McGuirk,

Thank you for your audit of Multnomah County's pandemic fund management. Responding to and recovering from the COVID-19 pandemic has been a long hard road for Multnomah County and the community we serve. It was the County's intention to meet the urgency of pandemic by getting resources into the community quickly (including direct financial assistance to those most in need) while nevertheless doing so in a manner that was transparent and met basic financial controls. We were pleased to see the report's recognition that the County met its intent. Leading with race is important to us so we are glad to read your assessment that the County spent pandemic funds in alignment with that commitment by engaging in partnerships with culturally specific agencies.

In the following letter, please find specific responses to your recommendations.

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**Recommendation 1:** *"We recommend that Central Accounts Payable provide enhanced procurement card (p-card) training to all county staff that use and/or manage p-card transactions by December 31, 2021. We recommend this enhanced training highlight that services cannot be paid for by p-card, p-cards are not to be used to circumvent accounts payable controls, the responsibility of the review and approval roles, and emphasize the consequences of not following county policies, which include but are not limited to p-card privileges being revoked."*

County policy/procedure does not allow for usage of procurement cards for the payment of services or goods that can be invoiced by a supplier. This standard aims to prevent duplicate payment and instances where procurement thresholds are circumvented. Procurement cards are meant to be used for small, ad-hoc, and infrequent small purchases. Central Accounts Payable will be working to enhance its procurement card quick reference guide and training to more clearly emphasize the requirement. The quick reference guide and training will be enhanced before December 31, 2021.

Central Accounts Payable will be sending out a targeted communication to procurement card holders and managers that will highlight the requirement and share the updated reference educational materials and training. In addition, the County's CFO briefed Department Directors in October 2021 on the proper usage of procurement cards as it pertains to services and goods that can be invoiced by suppliers. A detailed plan to enhance educational materials was shared with department directors and we asked them to reinforce adherence to County Policy with their particular departments.

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**Recommendation 2:** *"We recommend the Chief Financial Officer's office develop a centralized detective control for identifying improper use of p-card transactions. A detective control is a procedure to identify errors or problems after they have occurred. This process should be in addition to Central Accounts Payable periodic audits and include a comparison of p-card vendors to the federal Systems for Award Management (SAM.gov) list. We recommend this process be performed at least quarterly and be put in place by December 31, 2021."*

Central Accounts Payable currently performs a supplier federal exclusion scan (using Federal Systems for Award Management) and tags excluded suppliers in Workday to prevent (hard stop) federal dollars from being used. The current process does not include procurement card transactions as we don't expect procurement cards to be used on supplier payments that can be invoiced. Central Accounts Payable is working to enhance its current supplier federal exclusion process to incorporate procurement card transactions. This enhancement will add a detective control to identify any instance of misuse of federal dollars in a timely manner. We intend to have enhancement operational by December 31, 2021.

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**Recommendation 3:** *"From the issuance of this report through at least the end of 2022, the County Chair and Government Relations should continue to communicate frequently with Oregon's state legislature and federal delegation about rent assistance requirements that were barriers to helping people in need, particularly Black, Indigenous, and People of Color community members, receive assistance during the COVID-19 pandemic."*

The Multnomah County Government Relations office has frequent conversations with Members of Congress, State Legislators, Governor's office and state agency representatives related to barriers in accessing rent assistance, the need for additional rent assistance, and the need for expanded vouchers programs. The Director of Government Relations holds primary responsibility for this work.

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**Recommendation 4:** *"We recommend that by December 31, 2021 the Health Department evaluate the employees assigned to approval roles to ensure their workload capacity is appropriate to effectively and adequately review transactions before completing an approval step in Workday."*

The Health Department will continue to evaluate approval roles and assign them to employees closest to the transactions, which will ensure effective and adequate review before approving in Workday. In instances where a manager's workload does not allow for adequate review, the Health Department is working with them to identify delegates that can perform this review and approval step. In addition, the Health Department will send a targeted communication to those holding approver roles, emphasizing the

importance of reviewing transactions, including reviewing scanned invoices, prior to approving in Workday to prevent errors.

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**Recommendation 5:** *“We recommend that by December 31, 2021 the Health Department enhance their detective controls to ensure that routine reconciliations of vendor payments are performed, to help identify any mispayments, such as monthly contract reconciliations of vendor invoices for what has been paid compared to what has been invoiced, to date.”*

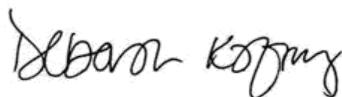
The Health Department is now manually tracking vendor payments to ensure vendors are being paid appropriately and to identify mispayments. We are prioritizing COVID related grants and contracts. We are also developing a contract dashboard, which will compare contract amount, spend-to-date and percentage of contract utilized. This should make identifying issues easier and with less manual tracking.

In addition, ERP Finance Support is in the process of making a Workday enhancement to the supplier invoice business process that will add a message to approvers (in the approval screen) reminding them what is required of supplier invoice review prior to approving (e.g. supplier matches attached invoice, amount in workday matches attached invoice, cost objects are correct, etc.). This enhancement is currently being tested in Workday and will be moved to production before the end of the calendar year.

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We appreciate the opportunity to respond to the pandemic funds audit report.

Sincerely,



Deborah Kafoury  
Multnomah County Chair



Serena Cruz  
Chief Operating Office and  
Department of County Management Director