

Opinion

# Opinion: County auditor's office needs greater budget independence

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Multnomah County Auditor Jennifer McGuirk talks with residents about county redistricting and her office's responsibilities at an event hosted by the Rosewood Initiative in September 2021. McGuirk writes that the current funding structure poses a conflict of interest that puts her office's independence at risk.

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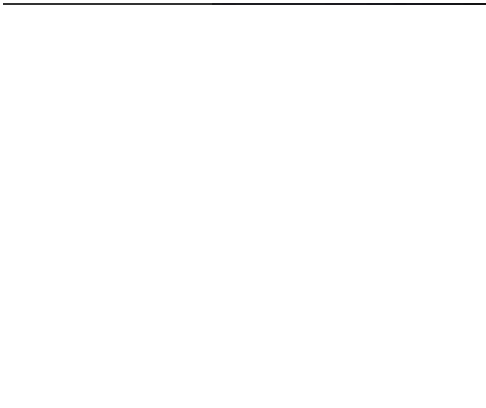
By [Guest Columnist | The Oregonian](#)

### Jennifer McGuirk

*McGuirk is the Multnomah County auditor.*

Multnomah County does not have a history of providing sufficient resources to the county auditor's office, the office dedicated to ensuring accountable, effective, transparent and equitable government. In 1998, the auditor wrote about having seven staff auditors and needing more. It's now 2022. Guess how many staff auditors I oversee as your independently elected Multnomah County auditor? Seven.

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While the auditor's office has not grown, the county has. Since 2014, the county's general fund expenditures budget has grown from \$414 million to \$638 million and the number of employees has grown 15%. County functions have also expanded, including the creation of the Joint Office of Homeless Services and the Preschool for All program.

However, when the auditor's office does not keep pace with the county, the accountability we provide diminishes. We simply cannot conduct "performance audits of all county operations and financial affairs," as the charter mandates, nor can we provide the scrutiny voters deserve to make sure the county's taxpayer funded programs are operating efficiently and responsibly.

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That's why my office is seeking greater independence from county management with a proposal to create a minimum level of funding for the auditor's office, based on the overall county budget. It's one of four proposals my team and I made as part of the charter review process that occurs every six years, in which community members examine possible amendments to put before voters in November. And while three of our ideas have advanced for further consideration – proposals to create an ombudsman, enshrine the fraud, waste and abuse hotline into the charter and ensure my office's access to information – our most critical proposal for budget independence is getting the cold shoulder.

The problem we're trying to solve is structural, not personal. As the chief executive officer, the county chair oversees most of the programs that the auditor can audit. But the chair also proposes the county budget, including how much to allocate to the auditor's office. That's a conflict of interest, given that my job is to assess and, often, criticize operations that report to the chair. Generally accepted government auditing standards state that this budgetary structure presents a threat to my office's independence.

In proposing the budget, the chair effectively defines the number of audits that the auditor's office can conduct. That means even as the county's spending and services greatly expand, I am limited in how many initiatives my staff can examine.

But more concerning is that nothing in the current structure could stop a county chair, unhappy with an audit, from retaliating by proposing to cut the auditor's budget.

That hasn't happened in my experience. In fact, at the same time I proposed the budget amendment, I requested additional resources for my office as part of the annual budget process. Chair Deborah Kafoury has included my office's request for four additional staff auditors in her proposed budget for the upcoming fiscal year. But this provides no assurance that the county's future growth will be complemented by commensurate growth in the auditor's office. It also does not change the fact that the process itself is deeply flawed.

Several auditors have already written in support of the proposal I put forward, and Portland voters have already approved changes granting greater independence for the city auditor. I have suggested an allocation as little as 0.5% of the county's general fund expenditures budget on a five-year rolling average.

But the subcommittee of volunteers vetting proposals chose not to advance the concept to the full Charter Review Committee for consideration at its June 15 meeting. This is very troubling because it essentially says that the chair's ability to propose the auditor's budget is more important than the auditor's budgetary independence from county management. The CEO of the organization, however, shouldn't get to set the size of your accountability office - or influence the number of audits it can carry out on your behalf.

I am disappointed by the subcommittee's decision. If you would like the opportunity to vote on this matter, I ask you to submit a public comment to the Charter Review Committee by 12 noon on Friday, June 10, prior to its next meeting. [Fill out this form to submit your comments](#), or you can send an email to [Kali.Odell@multco.us](mailto:Kali.Odell@multco.us) with the subject line "Public Comment."

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## Association of Local Government Auditors

May 20, 2022

Dear Government Accountability Subcommittee members,

The Association of Local Government Auditors recently became aware of proposed amendments to the Multnomah County Charter that will enhance the independence of the County Auditor's Office and provide greater transparency to the public about the County Auditor's roles and responsibilities. Specifically, the proposed amendments will:

- Ensure that the existing fraud, waste, and abuse hotline reports to the County Auditor and will be operated in accordance with state law and with best practices for fraud, waste, and abuse hotlines
- Establish a county ombudsman who reports to the County Auditor
- Ensure the County Auditor's access to information, data, and officials
- Remove the threat to County Auditor independence that exists in Multnomah County's budgeting-setting process

ALGA is a professional organization with more than 300 member organizations located primarily in the United States and Canada. ALGA is committed to supporting independent performance auditing in local governments, and membership includes local government auditors as well as local government inspectors general.

ALGA believes that an independent performance audit function, operating under applicable auditing standards, plays a key role in effective governance and public accountability. An independent audit function also provides assurance to elected officials, residents, and management that resources are protected by strong management controls and practices; reports on the results and outcomes of programs and services; and helps ensure compliance with laws, policies and procedures.

ALGA has published best practices for local government auditing on our website, at [www.algaonline.org](http://www.algaonline.org) under the "Build an Audit Function" tab. These publications include [\*Auditor Independence\*](#) and [\*Model Legislation Guidelines for Local Government Auditors\*](#). We note the proposed charter amendments are consistent with our guidelines and model legislation. For example:

- Model legislation states that auditors should have unrestricted access to local government employees, officials, records, and physical properties. Clarifying language in the Multnomah County Charter about the Auditor's access to information would provide a needed safeguard and improve transparency about the Auditor's information access.



## Association of Local Government Auditors

- Model legislation states, “Auditor’s budget shall be submitted to the governing body directly by the Auditor or by an Audit Committee independent of management” and notes that some jurisdictions allocate funding to the audit function through a percentage formula. Because the Multnomah County Chair is both the chief executive officer and a member of the legislative body, there is no budget consideration that is independent of management. The proposed amendment to set the Auditor’s budget by establishing an allocation formula removes a threat to independence based upon funding decisions being controlled by managers or officials subject to audit.
- Model legislation states that legislation to support auditor independence “should be enacted at the highest possible level of authority, such as by voter-enacted amendments to a city charter or other applicable legislation.” Enacting the proposed amendments in the County Charter enhances the Auditor’s independence.

ALGA's Advocacy Committee would be happy to offer additional information, or to meet with you to discuss these matters. You can reach me at [anoble@atlantaga.gov](mailto:anoble@atlantaga.gov) or 404-330-6750.

Sincerely,

Amanda Noble, CIA, CISA  
Atlanta City Auditor  
Chair, ALGA Advocacy Committee

CC: Justin Anderson, ALGA President

May 19, 2022

Dear Government Accountability Subcommittee Members,

As the County Auditor-Elect of Washington County, Oregon, I want to express my strong support for the proposed amendments to the Auditor portion of the Multnomah County Charter. The goals of the County Auditor's proposed amendments are to support the independence of the Auditor's Office and to provide greater transparency to the public about the County Auditor's roles and responsibilities.

Specifically, I support the County Auditor's priority amendments to the Multnomah County Charter that will:

- Ensure that the existing fraud, waste, and abuse hotline reports to the County Auditor and will be operated in accordance with state law and with best practices for fraud, waste, and abuse hotlines.
- Establish a county ombudsman who reports to the County Auditor.
- Ensure the County Auditor's access to information, data, and officials.
- Remove the threat to County Auditor independence that exists in Multnomah County's budgeting-setting process.

The County Auditor portion of the Multnomah County Charter has not been updated for a couple of decades. Since that time, the Association of Local Government Auditors (ALGA) has developed and updated model legislation for local government auditing. The model legislation is based on Generally Accepted Government Auditing Standards (GAGAS). These are set by the U.S. Government Accountability Office, which is the top government auditing organization for the United States. Multnomah County's Charter Review process provides a unique opportunity for Multnomah County to align the Auditor portion of the Charter with ALGA's the model legislation and current government auditing standards.

Government auditing standards include, for example, that auditors should have access to records and documents related to the agency, program, or function being audited and access to government officials or other individuals as needed to conduct the engagement. Auditors are also to report when they experience denials of, or excessive delays in, access to certain records or individuals.

Auditors should have unrestricted access to local government employees, officials, records, and physical properties. As County Auditor Jennifer McGuirk has shared with the Subcommittee, the Auditor's Office's access to information and properties has been negatively impacted during audits. While the County Auditor has so far succeeded in eventually obtaining needed information, the delays have impeded the work of the County Auditor's Office. I have these challenges in my own audit organization, and it is frustrating, because this work is carried out in the public interest and to support the transparency and accountability of government. There is also no guarantee that the Multnomah County Auditor's Office will continue to be successful in obtaining necessary access to records, officials, and properties. Having clear language in the

Multnomah County Charter about the Auditor's access to information would provide a needed safeguard and improve transparency about the Auditor's information access.

Another way in which the proposed amendments will align the Multnomah County Auditor's Office with ALGA's model legislation and government auditing standards is to strengthen the Auditor's budgetary independence. The County Auditor's Office has correctly identified a threat to its independence in the form of restrictions on funds or other resources provided to the audit organization. These adversely affect the audit organization's ability to carry out its responsibilities. The audit activity must have funding appropriate to its responsibilities, and decisions about funding for the audit organization should not be controlled by managers or officials subject to audit. I have seen other jurisdictions establish a minimum threshold, or an allocation method, for the audit budget to address this issue. I encourage this approach, because it takes any politics out of the budget process when it comes to the County Auditor's Office.

I strongly advocate the proposed amendments to the Auditor section be made in the Multnomah County Charter, and not in code. The provisions should have the highest possible level of authority. The County Auditor is elected on a countywide basis and is directly accountable to voters. Voters should have the opportunity to weigh in on how their County Auditor's Office functions.

I ask you to support bringing the County Auditor's proposed amendments to the Auditor portion of the Multnomah County Charter to voters.

With many thanks,

Kristine Adams-Wannberg, CIA, CGAP  
Washington County Auditor-Elect

kristine4auditor@gmail.com  
1457 SE 53<sup>rd</sup> Ave  
Hillsboro, OR 97123

Cc: Multnomah County Auditor Jennifer McGuirk