



Charter Review

**Chair Kafoury and Invited
Guests**

**Review of Auditor's Proposals
April 28, 2022**

Responses to the Auditor's Proposal

1. Conflict of Interest in Budget Setting
2. Increase budget resources to the Auditor, thereby increasing the number of audits
3. Codify the Good Government Hotline
4. Establish an ombuds office for the County
5. Ensure the Auditor's Office has access to timely information
6. Expand the Auditor's duties to include audits of Boards and Commissions and "ensuring the implementation of their office's recommendations."



Proposal 1: Conflict of Interest in Budget Setting

The ALGA states that:

“When establishing an audit function, it is very important to be explicit in protecting auditors’ impartiality and objectivity in conducting their work so decision-makers and the public can rely on audit findings and recommendations.” Furthermore, among the potential threats to an Auditor’s independence identified by ALGA, one such threat includes “the threat that a financial or other interest will inappropriately influence an auditor’s judgment or behavior.”

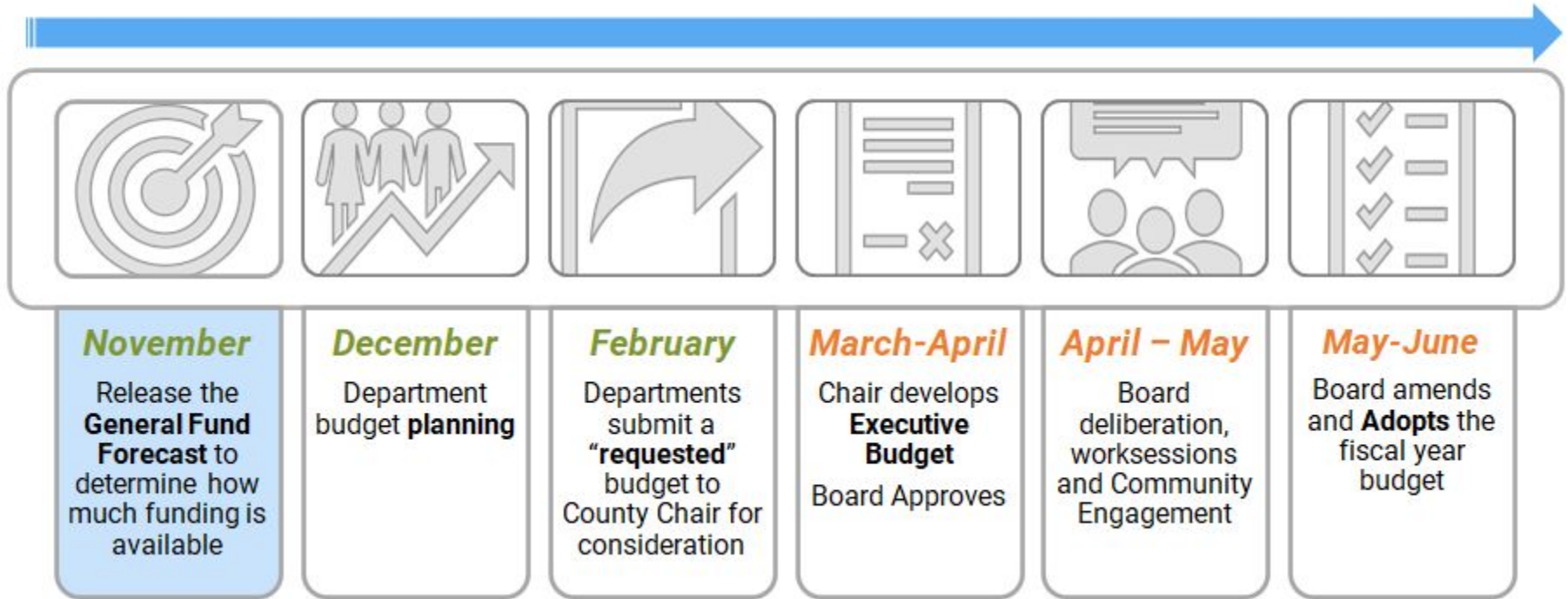
ALGA Model Legislation Guidelines

“**Funding: Sufficient funds** shall be proposed and approved to carry out the responsibilities specified herein. The Auditor’s budget shall be **submitted to Council directly by the Auditor** or by the Audit Committee”.

Current Multnomah County practices are more in-line with these standards than the proposed amendments.



Proposal 1: Conflict of Interest in Budget Setting



- **Auditor's budget is drafted and submitted by the Auditor** first to the County Chair for consideration in the Executive/Proposed Budget
- **Public review** of the Budget including Public Hearings and Board Worksessions with the full Board acting as the **Budget Committee**
- **Budget Adoption** by the elected **Board of Commissioners** as the **Budget Committee**

Budgeting , Priorities, and Tradeoffs

A budget is a **reflection** of the County's **values, priorities, and vision** for how the we can get the best value for the taxpayer and the best outcomes for our community. The nature of a budget means the County has to **prioritize** funding and services.

- The Budget is the legislative prerogative of the County Board (Budget Committee)
- General Fund Expenditures are an inaccurate representation of County resources and can fluctuate significantly year-to-year
- 1% is an arbitrary figure that almost triples the Auditor's budget
- If you add money to one program, you have to reduce other programs



Proposal 2: Increase Auditor's Resources to 1% of General Fund

ALGA Model Legislation Guidelines: Sample Enabling Legislation

“Funding: Sufficient funds shall be proposed and approved to carry out the responsibilities specified herein.”

Auditor Charter Review Proposal Analysis (1% of Adopted CGF Expenditures)

	FY 2019	FY 2020	FY 2021*	FY 2022	FY 2023**
Adopted CGF Expenditures	641,514,291	688,660,729	692,550,222	721,650,471	
Estimated Auditor Budget Under Proposal	6,415,143	6,886,607	6,925,502	7,216,505	6,860,939
Actual Auditor Adopted Budget	1,737,800	1,858,470	1,828,743	1,877,700	1,971,440
FTE	8.58	8.59	8.59	8.84	9.00
% <i>Budget Increase</i>		6.94%	-1.60%	2.68%	4.99%
Increase Auditor Budget Under Proposal	4,677,343	5,028,137	5,096,759	5,338,805	4,889,499
Percent Increase	269.2%	270.6%	278.7%	284.3%	248.0%

In FY 2021 the Debt Service for all space at the Multnomah Building was paid off reducing the facilities costs for the Auditor

*FY 2023 Auditor Budget is In-Target, Submitted Budget. 1% of Adopted CGF Expenditures in FY 2023 is average of 1% expenditure: in previous years.



Increasing the Auditor's budget by **\$4.9** would create trade offs including possible reductions like:

- **400** emergency shelter beds
- 26% of our total jail bed capacity (**291 beds** at the Inverness Jail)
- 15% of the District Attorney's General Fund budget equal to **20 prosecutors** (27% of the total prosecutors)
- **Eliminate** the **Elections Division** (11.00 FTE)
- **Eliminate** the following programs in **Behavioral Health**
 - Mental Health Treatment & Medication for the Uninsured (\$1.35M)
 - Culturally Specific Mental Health Services (\$1.8M)
 - Early Childhood Mental Health Services (\$1.6M)

Proposal 3: Good Government Hotline

- The County supports the Good Government Hotline and has supported it for a number of years.
- The County could support having the hotline enshrined in the Charter, if it is properly scoped.
- Alternatively, the Good Government Hotline could be recognized in County Code.



Proposal 4: Ombuds Office

In the proposed language, the Auditor is responsible for:

“Investigating the actions of a County department, office, or other county operation, and the official conduct of any County officer, employee or agent as provided under this Charter.”

The proposed language as written expands the Auditor’s duties beyond the creation of an ombuds office and is in conflict with the Chair’s authority as the Chief Executive and Chief Personnel Officer of Multnomah County.

Multnomah County Charter

Chapter VI. Administration, 6.10 Chair of the Board

(1) Shall be the chief executive officer and personnel officer of the county ...

(3) Shall have sole authority to appoint, order, direct and discharge administrative officers and employees of the county, except for the personal staff, employees or agents of elective county offices.

The Auditor has not provided evidence that the County has a problem holding personnel responsible for their conduct. The County has many robust processes to ensure the proper conduct of its employees, and hold them accountable when necessary. No audit has indicated that County personnel investigations are lacking.



Proposal 5: Timely Access to Information

- The County fully agrees that the Auditor is entitled access to timely information. **When the Auditor asks for information, the County provides it.** This clause is not necessary in the Charter.
- Delays in sharing Workday data were caused by technical confusion surrounding a new system. County staff acted in good faith and with the intent to provide access.



Proposal 6: Expanding Duties

The Auditor proposes the following amendments:

8.10 Auditor

(6) Duties in General

(a) (i) “Performing or causing to be conducted all performance audits of County operations and financial affairs, including audits of its boards and commissions and contracts as provided under this Charter”

(a) (vii) - “Ensuring the implementation of their office’s recommendations”

The role of the auditor is to provide independent **recommendations** on County functions. The Charter establishes *implementation* is the duty of the Chair: “(4) shall execute the policies of the board and the ordinances of the county”.

The proposed language raises serious concerns surrounding **conflict of interest and Charter inconsistencies** around duties. The proposed language expands the duties of the Auditor and infringes on duties of the Chair as CEO and chief personnel officer.



Questions?

