

# Multnomah County Board Meeting Presentation of Audit Results

February 11, 2016

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Certified Public Accountants | Business Consultants



## WHAT WE WILL COVER

- Audit team
- Nature of services provided
- Auditor's opinion and reports
- AU-C 260 (SAS 114) required communications
- Best practices observations and recommendations
- New accounting and auditing standards
- Comments

# AUDIT TEAM



**James Lanzarotta**  
**Partner**  
Responsible for Overall Engagement,  
Technical Review of CAFR

**Jenna Sessions**  
**Manager**  
Financial Statement and A-133  
Procedures



**Jim Thompson**  
**Partner**  
Concur Review

**Michelle Wattier**  
**Senior**  
Financial Statement and A-133  
Procedures



**Greg Damon**  
**Senior Manager**  
IT Audit

**Maggie Elliott**  
**Staff**  
Financial Statement and A-133  
Procedures



**Steve Sharpe**  
**Senior Manager**  
On-site Direction of Fieldwork

**Harvey Wang**  
**Staff**  
Financial Statement & A-133  
Procedures





## NATURE OF SERVICES PROVIDED

- Audit of the financial statements
- Testing the County's internal controls
- Testing for Oregon Legal Compliance
- Testing County compliance with Federal Grant requirements
- Technical review of the County's Comprehensive Annual Financial Report
- Assessment of the County's technology environment



## AUDIT OPINIONS & REPORTS, COUNTY

- Un-modified (clean) opinion, pages 15-17
- Report on State Legal Compliance, pages 195-196
  - One instance of State noncompliance to report (budgetary over-expenditure)



# AUDIT OPINIONS & REPORTS, COMPONENT UNITS

- Un-modified (clean) opinions
  - Dunthorpe-Riverdale Service District No. 1
  - Mid County Service District No. 14
  - Multnomah County Library District
- Report on State Legal Compliance
  - No instances of non-compliance noted



## AUDIT OPINIONS & REPORTS CONTINUED

- Report on compliance and internal controls required by Government Audit Standards
  - No significant deficiencies / material weaknesses in internal control over financial reporting
    - Multnomah County
    - Dunthorpe-Riverdale Service District No. 1
    - Mid County Service District No. 14
  - Material weakness in internal control over financial reporting reported for the Multnomah County Library District



## AUDIT OPINIONS & REPORTS CONTINUED

- Report on compliance and internal controls over Major Federal Grant Programs
  - Clean opinion on Federal grant compliance



## AU-C 260 (SAS 114) REQUIRED COMMUNICATIONS

- Significant difficulties encountered in the audit – None.
- Corrected and uncorrected misstatements – One.
  - Library District – capital assets transferred from the County to the Library District were not initially included in the Library District’s financial statements. Reported as a material weakness in internal control over financial reporting
- Disagreements with management – None.



# BEST PRACTICES / RECOMMENDATIONS

- Prior year observations
  - No management letter issued
  - Minor observations noted, many already addressed by management
- Current year observations
  - No management letter issued
  - Minor observations noted, many already addressed by management



# THE ACCOUNTING STANDARDS

- New accounting standards – effective for fiscal year 2015
  - GASB 68 – Accounting and Financial Reporting for Pensions
  - GASB 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date (amendment to No. 68)



# THE ACCOUNTING STANDARDS CONTINUED

- New accounting standards – released but not yet effective
  - GASB 72 – Fair Value Measurement and Application  
(effective FYE 6/30/2016)
  - GASB 73 – Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68  
(effective FYE 6/30/2016)
  - GASB 74 – Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans  
(effective FYE 6/30/2017)



# THE ACCOUNTING STANDARDS CONTINUED

- New accounting standards – released but not yet effective
  - GASB 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions  
(effective FYE 6/30/2018)
  - GASB 76 – The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments  
(effective FYE 6/30/2016)
  - GASB 77 – Tax Abatement Disclosures  
(effective FYE 6/30/2017)



# THE ACCOUNTING STANDARDS

Standards in the works:

- Sustainability reporting
- Conceptual Framework – recognition & measurement
- Research phase – financial reporting model
- Leases
- Blending Requirements for Certain Component Units
- Oregon Legislative Assembly House Bill 2174 – amends ORS 297 Municipal Audit Law

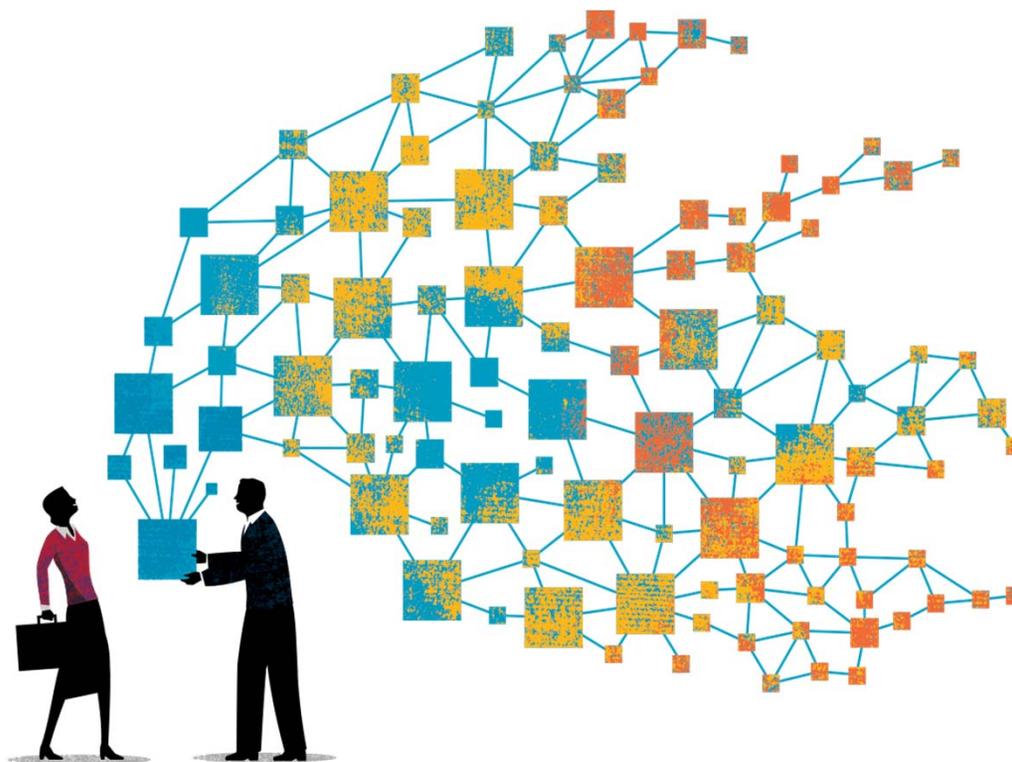
Uniform Administration Requirements – Subpart F  
Audit Requirements will be effective for FY 2016



# CHANGES IN AUDITING STANDARDS

- No new standards applicable to FY 2015 audit

# QUESTIONS?





## ACKNOWLEDGMENTS

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