

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington

MOTION NO. 25-184

RELATED TO THE OFFICE OF THE COUNTY PERFORMANCE AUDITOR;
ADOPTING THE 2025 AUDIT PLAN

WHEREAS, Chapter 2.700 SCC establishes the Office of County Performance Auditor for the purpose of reviewing, evaluating, and reporting on the integrity of the county's financial management system, the accuracy of financial recordkeeping, compliance with applicable laws, policies, guidelines and procedures, and the efficiency and effectiveness of operations and programs; and

WHEREAS, the 2025-2026 Biennial Budget was adopted via Amended Ordinance 24-083 on November 25, 2024, and included \$85,000 in expenditure authority for audits and audit related work in 2025; and

WHEREAS, SCC 2.700.030 provides that the Performance Auditor shall annually prepare, in consultation with the Performance Audit Committee (PAC), a *Performance Audit Plan* for the County Council to consider adopting for the upcoming year; and

WHEREAS, the Performance Auditor submitted the 2025 Audit Plan & Audit Approach Memorandum dated December 31, 2024, which included a list of possible audits for the County Council to consider; and

WHEREAS, following additional input on possible audits, the Performance Auditor submitted an updated 2025 Audit Plan & Audit Approach Memorandum dated February 12, 2025; and

WHEREAS, the Performance Auditor solicited input from the PAC requesting recommendations for a 2025 Performance Audit Plan on March 10, 2025; and

WHEREAS, the PAC recommended the Council consider conducting Audit A – Human Services, Audit G – Health Department, or Audit E – Countywide Contracting Practices;

NOW, THEREFORE, ON MOTION, the Snohomish County Council approves the attached 2025 Audit Plan.

PASSED this 23rd day of April, 2025.

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington



Council Chair

ATTEST:



Deputy Clerk of the Council

2025 Audit Plan
&
Audit Approach Memorandum

March 2025



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2025 Audit Plan & Audit Approach Memorandum

Pursuant to County Code [§2.700.030], the Snohomish County (County) Council directed the Office of the County Performance Auditor to submit the *2025 Audit Plan* for its consideration. County Code requires the County Performance Auditor to prepare an annual audit plan for the following year in consultation with the performance audit committee and submit the plan for approval by the County Council, which may amend the annual audit plan at any time after review and comment by the committee of record. Final authority for selection of audit areas shall reside with the council. The scope of such audits may include performance or financial audits and/or studies, as determined by the county council, to determine whether:

- a) Activities and programs being implemented have been authorized by county charter, county code, county policy, or applicable state or federal law or regulations;
- b) Activities and programs are being conducted in a manner calculated to accomplish the objectives intended by county charter, county code, county policy, or applicable state or federal law or regulations;
- c) Activities and programs are performing efficiently, effectively, and economically when compared against objective criteria;
- d) Management has established, implemented, and adhered to adequate internal controls;
- e) Other criteria specified in the annual audit plan are satisfied.

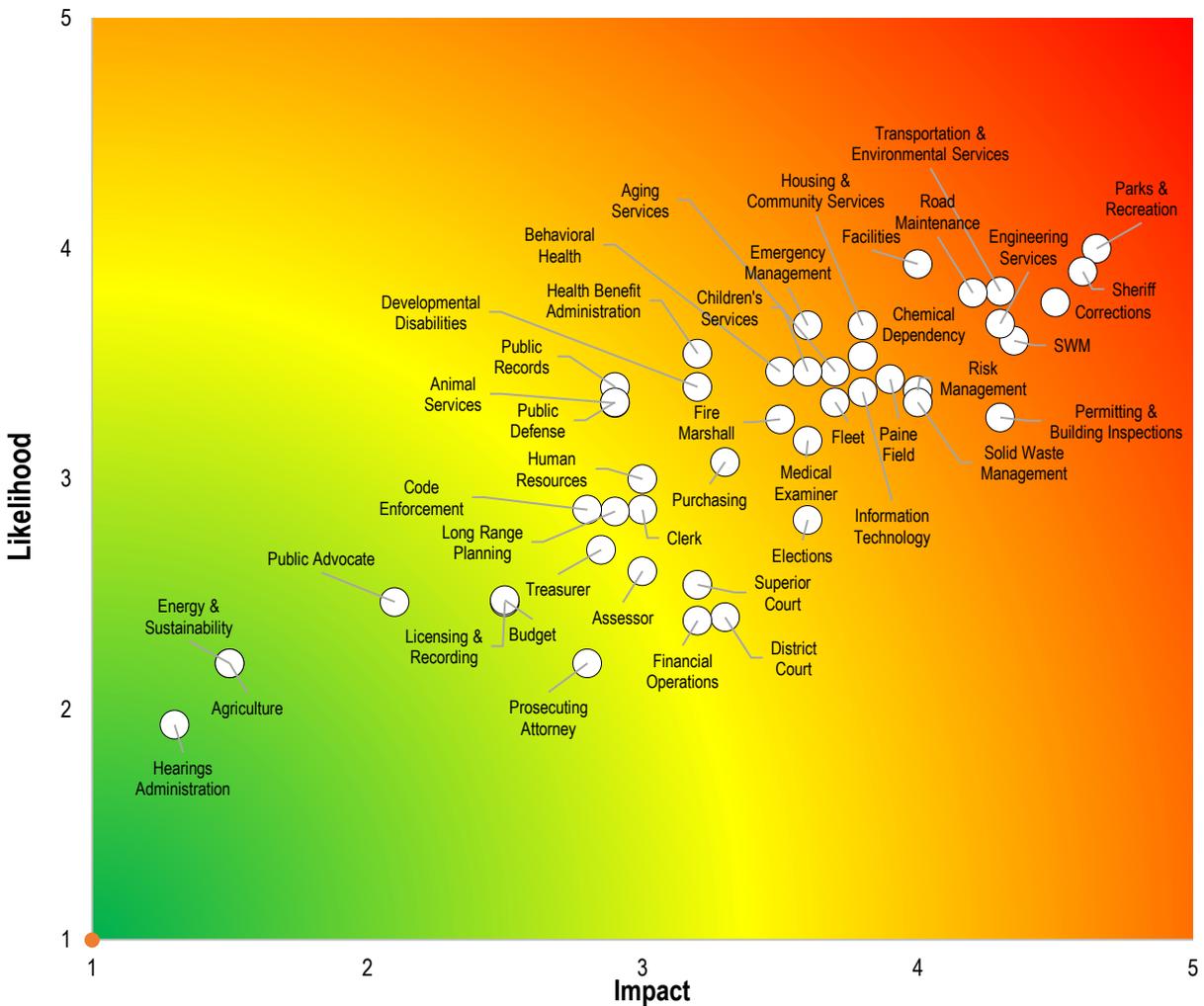
Risk Assessment Results

In 2021, the County Performance Auditor conducted a countywide risk assessment to inform the development of subsequent annual audit plans. Audit standards issued by the Institute of Internal Auditors require that the chief audit executive establish a risk-based plan to determine the priorities of the management audit activity, and that the plan be consistent with the organization's goals. The purpose of a risk assessment is to help ensure that limited audit resources are deployed in a manner that fulfills the purpose of the County Council by identifying inherent risks to the successful execution of County operations, programs, and services; and differentiating between all the potential risks and areas of interest and prioritizing them based on the potential value that the audit may provide to the County. This process is intended to facilitate a deliberative approach to directing limited audit resources and to inform management of potential areas of risk for which it may wish to take action. A risk assessment is not intended to provide specific conclusions regarding an organization's operations or programs, or to present specific recommendations for improvement.

The risk assessment process resulted in the identification of key County organizational units and programs, their core functions and responsibilities, and potential risks that could impede effective delivery of services, reduce operational efficiency, or impair transparency and public accountability. This culminated in "risk profiles" for each department, Office, and court, with each risk profile reflecting general indicators of the size of the unit program, a description of core functions and responsibilities, inherent risks and general concerns associated with operations, and potential audit topics.

In addition to the departmental risk profiles, the risk assessment provided a countywide heat map, differentiating our assessment of risk among each of the County's key programs and operations. In the lower left corner, there are several units or programs that present relatively low risk, and in the upper right corner there are several divisions or programs for which we find reason to prioritize a performance audit. These include those programs or operations involving the most resources and having a substantial impact on the County.

EXHIBIT 1. COUNTYWIDE PROGRAM RISK RATINGS



While this report presents risk ratings for key departments, divisions, and programs, it is important to note that a high-risk score is not indicative of poor performance, the lack of internal controls, or bad business practices. Rather, risk scores indicate the extent to which key programmatic or operational areas within the programs present sufficient inherent risks to warrant audit resources, and the extent to which we believe a performance audit of that area will yield value to the County.

Audit Plan Considerations

In selecting audit topics for inclusion in annual audit plans, there are three key factors auditors should consider:

- 1) Identifying “high-risk” programs or operations—e.g., those involving the most resources, impacting the most residents, experiencing the greatest challenges, etc. This is achieved through the risk assessment.
- 2) Ensuring broad coverage throughout the County’s departments, offices, and courts. Audit plans cannot focus only on programs with a “high” risk rating, as this would result in the same programs being audited over time while other areas are ignored. As resources permit, it is considered best practice to develop an audit cycle that ensures that the performance, programs, and/or activities of every department or office are audited, at least in part, on a periodic basis—such as every three to five years.
- 3) Understanding contextual factors, such as timing. Which audit topics are ripe in the moment? Which audit topics would address the pressing needs currently faced by the County? For instance, has a department undergone a recent organizational change, or implemented a new information system, or experienced recent operational problems? Such contextual factors, when aligned with an independent assessment of risk, often present the greatest value to an organization at any given point.

This approach was designed to inform the Snohomish County Council in its deliberations in its review and deliberations of the annual audit plan, discuss audit priorities, and determine the focus of limited audit resources.

The 2021 risk assessment resulted in the identification of 26 potential audits for consideration of the Snohomish County Council. Each is summarized below. As is evident, some are relatively narrow in scope, and some are quite expansive. A larger audit could include the full range of objectives for a department, while a smaller audit could address just one or two of the topics listed for a program. The potential audit topics include, in alphabetical order by department, office, or court:

- 1) Conduct a performance audit of the **Snohomish County Auditor’s Office**, which could include the following potential audit topics:
 - a) Internal controls over payment processing and oversight of subagents.
 - b) Operational efficiencies and performance designed to ensure the easy and prompt recording of publicly recorded documents.
 - c) Evaluating elections functions within the County, including
 - i. The Auditor’s Office performance during past and/or upcoming elections.
 - ii. The resources, physical and staffing resources, available to the Auditor’s Office to carry out elections in the future.

- d) Animal Services operations, including:
 - i. An assessment of internal controls over sensitive assets (weapons, drugs, equipment, etc.), the operating relationship between the City of Everett’s animal shelter and Snohomish County, and consistency with best practices in animal services.
 - ii. Evaluating whether the Auditor’s Office represents the appropriate placement with the County structure for the Animal Services program.
- 2) Conduct a broad-scope review of the **County’s Boards and Commissions**, including potential opportunities for improvement related to the existing structure and role of County boards and commissions, the methods employed by the County to engage residents in County government, and efficiencies related to both.
- 3) The **Snohomish County Court System** is made up of the Superior Court, Court Clerk, and the District Court. When viewed collectively, the system is significant in size (e.g., budget and FTE) and complexity, and the efficiency of its operations affect other County offices, such as the Prosecuting Attorney, Assigned Counsel, and Sheriff. A performance audit of the system could include the following objectives:
 - a) Determine whether the Courts have established sound internal controls over cash collections, evidence storage, and other assets.
 - b) Evaluate whether the processes employed by the Courts to record judicial decisions and fee/fine collections ensures accuracy and correct distribution of fee and fine revenue.
 - c) Assess overall efficiency of court operations, case management, scheduling, and administration of key court programs.
- 4) Conduct a performance audit of the **Snohomish County Department of Conservation and Natural Resources**, which could include the following potential audit topics:
 - a) Determine the extent to which the Department has successfully merged the core missions and visions of four distinct offices, departments, and functions into an efficient organization focused on a unified mission.
 - b) Evaluate the Department’s strategic planning, particularly as it relates to:
 - i. Capital asset planning and the impacts on future operating costs.
 - ii. Recreational programming, utilization, and responsiveness to community needs.
 - iii. Maintenance programming and the approaches taken by the Department to assess and maintain its asset infrastructure.

- c) Evaluate the Department's performance measurement system and its effectiveness in capturing relevant metrics regarding the utilization of park assets and recreational programming.
- 5) Conduct a performance audit of **Emergency Management**, which could include the following potential audit topics:
 - a) Evaluating the Department's Disaster Preparedness Plans and conducting a response assessment in the aftermath of the pandemic to assess lessons learned.
 - b) Evaluating the Finance unit's processes for recording, tracking, and monitoring grant funds and reporting to ensure full compliance and recovery.
 - c) Assessing the overall strategic purpose, design, and execution of the County's Emergency Management Program as a whole.
- 6) Evaluate the Department of Fleet & Facilities' **Facilities Maintenance Program**, including:
 - a) Assessing the Department's overall approach to project management for construction projects, including its project delivery manual and guidelines, and determine the extent to which it is consistent with best practices.
 - b) Evaluating the Department's ongoing control, monitoring, assessment, and maintenance of County facilities and properties to identify opportunities to enhance efficiencies and protect County assets.
 - c) Examine efforts to determine ongoing and future facility needs given the potential long-term impacts of the pandemic on remote work.
- 7) Evaluate the Department of Fleet & Facilities' **Fleet Management Program**, including determining the extent to which:
 - a) Fleet Management is performed in a manner consistent with best practices,
 - b) Controls over sensitive assets are effective to prevent misuse,
 - c) Routine and preventive maintenance is performed in accordance to acceptable guidelines,
 - d) The potential for abuse of County vehicles/fuel/equipment is appropriately mitigated, and
 - e) Practices are both efficient and effective.
- 8) Conduct performance audit(s) of the **Finance Department**, which could include the following potential audit topics:

- a) Performance Audit of Public Records Administration; as a new office working closely with the Executive Office, evaluate its organizational structure and protocols for administering public records requests, ensuring compliance with State Law, and reducing liability to the County.
 - b) Countywide performance audit of procurement contracting practices to ensure consistency with Finance and Council policies.
 - c) Follow-Up audit of the County's Risk Management practices.
 - d) Performance audit of the County's health benefits administration protocols, structure of health plan offerings, and cost-effectiveness of the County's approach.
 - e) Performance audit of the County's budget process.
 - f) Performance audit of collective bargaining agreement provisions related to compensation—payroll and benefits administration—to determine whether the approach taken has resulted in an efficient and effective model for compensating County employees.
 - g) Performance audit of the Department's Records Management Division, including its coordination with every County department, to determine the Division's application of Countywide policies and procedures, the extent to which the record retention policy is cost-effective from a risk management perspective.
 - h) Performance audit of the County's approach to collections activities, the role of the Department in establishing Countywide policies relating to collections, and the methods employed to utilize collections processes by different County departments, offices, and courts.
- 9) Conduct a performance audit of the **Office of the Hearing Examiner** to evaluate the Office's policies and protocols for administering the function of the hearing examiner, and an evaluation of the extent to which the office operates in a manner consistent with best practices.
- 10) Conduct a follow-up audit of the **Human Resources Department** to determine whether sufficient progress has been made to ensure the County's human resources management activities are consistent with industry standards; sufficient to ensure compliance with federal, state, and local laws and regulations; and effective in attracting, retaining, and motivating a highly talented, qualified, and effective workforce.
- 11) Conduct a performance audit of the County's processes for the development and administration of labor agreements, including the centralized role of the **Human Resources Department** in labor negotiations, with a focus on the potential inconsistencies between labor agreements and overly cumbersome and bureaucratic administrative processes implemented to address these inconsistencies.

- 12) Conduct a performance audits of the **Human Services Department**, with a particular focus on its contracting practices and related internal controls. In conducting such an audit, consideration may be given to:
- a) Department internal controls over contracting and monitoring practices.
 - b) Subrecipient Compliance and the agency's methods and procedures for monitoring subrecipients.
 - c) Outreach efforts designed to ensure those that are in need are in fact aware of available services.
 - d) Efforts to expand the agency's grant footprint to render the agency less susceptible to fluctuations in grant funding streams.
 - e) Assessment of unmet needs and benchmarking research addressing best practices.
 - f) Performance measurement that goes beyond federal or state mandates and which focus on outcomes, targeting resources to the greatest needs, and incentivizing excellent performance.
 - g) The Department's use of various funding sources, including less restrictive sources (e.g., general fund) and more restrictive sources, to optimize program funding *and* the funding of essential administrative functions.
 - h) The Department's use of data and data analytics in serving its clients.
- 13) Conduct a performance audit of the County's **Department of Information Technology**, a topic generally considered to be a moderate- to high-risk function of local government, which could focus on the following topics:
- a) Cybersecurity and network hygiene;
 - b) Data management;
 - c) Customer service (both workforce and county resident);
 - d) Cost-effectiveness of operations, including contracting and purchasing; and
 - e) Information technology project management policies, processes, and practices, and the consistency of Department's efforts with best practices.
- 14) Conduct a performance audit of the County **Medical Examiner's Office**, with a particular focus on the ongoing modernization of the Office its existing infrastructure, including its new case management system and the physical office, laboratory, and cooler space needs reasonably anticipated for the future.

- 15) **Paine Field** recently transitioned from a general aviation airport to a commercial airport operated by a private operator, and has grown in both complexity and strategic importance since the 2017 Risk Assessment. A performance audit of the Airport could include the following key objectives:
- a. Determining the extent to which the Airport ensures ongoing self-sustainability;
 - b. Evaluating the effectiveness and efficiency of internal controls associated with overseeing and administering a wide range of third-party contracts and agreements;
 - c. Ensuring compliance with federal regulations relating to the use of aviation and non-aviation designated properties;
 - d. Ensuring efficiency in operations, maintenance and planning, public safety, and other airport operations.
 - e. Evaluating the extent to which capital improvement planning and construction project management adhere to best practices
- 16) Conduct a performance audits of the **Planning and Development Services Department**, with a particular focus on the following:
- a) The Department's recent organizational, technological, process improvements, and cost-recovery efforts implemented over the past several years—particularly as they relate to permitting operations.
 - b) The Department's Code Enforcement operations, including the methods employed to elicit voluntary compliance and its methods for implementing punitive measures such as citations, fines, and assessments.
- 17) Conduct a performance audit of the County's **Prosecuting Attorney's Office**, with a focus primarily related to countywide issues with which the Prosecuting Attorney's Office intersects, including the following potential audit objectives:
- a) The County's Record Retention Policy and its application Countywide, and determine the extent to which the Record Retention Policy is cost-effective and consistent with the County's Risk Management guidelines.
 - b) The County's Public Records Request policies and protocols, and determine the extent to which practices comply with state law, are consistent with the County's Risk Management guidelines, and are cost-effective both with respect to the cost of implementing existing practices and the cost of resulting claims.
 - c) The types and prevalence of civil claims addressed by the Office for the purpose of identifying factors within County departments, offices, and courts that may contribute to claims and losses.

- 18) Conduct a performance audit of the operations of the **Public Advocate**, with an emphasis of the Office's role in enhancing the County's engagement with and service to the public, including:
 - a) An evaluation of existing practices as compared to best practices; and
 - b) Opportunities for improvement in how the Office and the County engages with the public, responds to inquiries and complaints, and generally increases accessibility to residents and businesses.

- 19) Conduct a performance audit of the operations of the **Public Works Department**, a program generally considered moderate- to high-risk, primarily because of the amount of public resources allocated to the development and preservation of public infrastructure. Specific audit objectives that present the greatest value to the County include:
 - a) Revenue-Generating Programs and the Department's administration of cost recovery fees, franchise agreements and fees, and other revenue-generating activities.
 - b) Management of the County's Capital Improvement Plan and approach to project management.
 - c) The Department's grant management and administration activities.
 - d) The Department's administration of various franchise agreements (cable, telecom, waste, utilities, etc.), with an emphasis on franchisee compliance, revenue optimization, and the extent to which the agreements are consistent with best and leading practices.

- 20) Conduct a performance audit of the operations of the **Sheriff's Department**, an inherently high-risk function of local government, with a particular focus on the following two objectives:
 - a) Inventory management, including equipment, cash, weapons, evidence, and other sensitive assets;
 - b) The Office's progress toward achieving accreditation; the steps required to achieve full accreditation; and the role accreditation will fulfill in providing external reviews of the Office.

- 21) An evaluation of best practices and alternatives available to the County in the potential implementation of a **Countywide Whistleblower Program**.

- 22) An evaluation of best practices and alternatives in the manner **Countywide Policies and Procedures** are maintained, updated, made available and communicated to all relevant parties, and consistently applied across County offices, departments, and Courts.

- 23) Performance audit of the **Office of Social Justice** to evaluate the structure, organization, and funding of the Office, as a relatively newly created department, and to provide recommendations to better ensure its success.

- 24) Performance audit of the **Office of Recovery & Resilience** to evaluate the structure, organization, and funding of the Office, as a relatively newly created department, and to provide recommendations to better ensure its success.
- 25) Performance audit of the **County's approach to performance measurement** to evaluate existing methods, best practices, and the efforts the County could undertake to better inform stakeholders, policymakers, and the public of the County's performance in carrying out core functions.
- 26) Conduct a performance audit of the operations of the **Treasurer's Office**, an inherently moderate-to-high-risk function of local government, with a particular focus on the following three objectives:
 - a) The overall efficiency of tax administration operations, including billings, collections, and distributions.
 - b) Investment and cash management functions of the Treasurer, including the extent to which investment and cash management activities adhere to best practices and established investment policies.
 - c) Processes surrounding real estate excise taxes, the split responsibilities between the Treasurer and the Auditor, and opportunities for efficiencies.

Potential Audit Topics for the *2025 Audit Plan*

Over the prior two years, members of the County Council and the Performance Audit Committee have expressed interest in potential performance audits involving a small number of county departments, which are presented below for consideration.

- 1) Department of Human Services
- 2) Department of Emergency Management
- 3) Department of Conservation and Natural Resources
- 4) Department of Fleet & Facilities – Facilities Maintenance
- 5) Countywide Contracting
- 6) Department of Planning and Development
- 7) Snohomish County Health Department
- 8) Countywide Risk Assessment

Project scoping documents are presented in **Appendices A** through **H**.

In March 2024, the Performance Audit Committee discussed these potential audit topics, and identified three performance audit topics and the Risk Assessment as top priority considerations for the *2025 Audit Plan*, as well as the scheduling of an updated Countywide Risk Assessment. Specifically, the Committee recommended the following audit topics: Department of Human Services, Countywide Contracting, Snohomish County Health Department, and a Countywide Risk Assessment.

Appendix A: Audit Scope – Human Services

Propose Audit Engagement

Performance Audit of Human Services Grant Administration & Outsourced Services Contract Management Practices.

Audit Objectives

To determine whether the Human Services contract monitoring process effectively supports the achievement of outsourcing objectives.

Audit Scope

Existing practices, including a review of activities during the five Fiscal Years 2019-2023.

Audit Approach

- Interview Human Services management and key staff and review pertinent background information, applicable state laws, local ordinances, policies, and procedures to identify core responsibilities and functions of programs offered, including contractors hired, contract management practices, and significant activities designed to carry out these functions.
- Interview service providers to gain an understanding of services provided, processes and controls in place, organization structure, staffing, and workload.
- Review written policies and procedures for monitoring and tracking work performed by contractors for outsourced services.
- Assess performance metrics used and how the department measures its effectiveness in meeting the goals and objectives of programs offered.
- Review results of any customer satisfaction or public outreach efforts to assess customer service, public perception, and achievement of outsourcing objectives.
- Select a sample of outsourced service contracts for review.
 - Determine compliance with contract terms and conditions, performance requirements, and reporting.
 - Select a sample of invoices for testing to determine whether amounts invoiced are within contract limits and rates, services charged are allowable, invoices are supported by underlying documentation such as timesheets, and invoices were approved by authorized County personnel prior to payment.

Preliminary Proposed Budget

We propose to complete this audit engagement with a budget of \$80,000.

Appendix B: Audit Scope – Emergency Management

Propose Audit Engagement

Performance Audit of the Department of Emergency Management

Audit Objective

To identify potential opportunities for improvement that can be made within the Department of Emergency Management to better ensure the County is prepared for, can respond to, and recover from disaster.

Audit Scope

Existing practices, including a review of activities during Fiscal Years 2019-2023.

Audit Approach

- Interview Department management and key staff and review pertinent background information, applicable state laws, local ordinances, policies, and procedures to identify core responsibilities and functions related to the Department.
- Identify best practices for emergency management at the local government level, including the Emergency Management Accreditation Program, National Preparedness Guidelines, and Comprehensive Preparedness Guide.
- Obtain and review the Department's policies and procedures, performance measures, customer surveys, strategic planning documents, and recent accreditation artifacts.
- Review training records of Department staff and volunteers.
- Request and review public education plans and documentation of public outreach efforts.
- Evaluate grant management efforts, including the recording, tracking, and monitoring grant funds.
- Review plans for emergency communication between County departments and methods for communicating with the public during an emergency.
- Perform site visits and walk-through key business processes, and map out the "as is" business processes of the department and identify potential administrative efficiencies.
- Evaluate the accreditation process recently undergone by the Department, which was achieved in January 2023, and identify those activities of the Department's operations covered by the accreditation and those that were not; evaluate those areas not covered during the accreditation process for efficiency and effectiveness.
- Review the Department's responses to prior incidents, its assessments of lessons learned, and whether continued opportunities for improvement exist.

Preliminary Proposed Budget

We propose to complete this audit engagement with a budget of \$75,000.

Appendix C: Audit Scope – Conservation & Natural Resources

Propose Audit Engagement

Performance Audit of the Department of Conservation & Natural Resources

Audit Objective

To evaluate the overall efficiency and effectiveness of the structure and organization of the Department's consolidation of previously existing departments, divisions, and programs.

Audit Scope

Existing practices, including a review of activities between the creation of the Department through the end of 2023.

Audit Approach

- Interview Department management and key staff and review pertinent background information, applicable state laws, local ordinances, policies, and procedures to identify core responsibilities and functions related to the Department.
- Perform site visits and walk-through key business processes.
- Identify efficiencies gained through the consolidation, including the extent to which administrative processes have been consolidated to reduce redundancies.
- Map out the “as is” business processes of the department and evaluate the extent to which key business processes are integrated, formalized, and efficient.
- Assess the overriding mission and purpose of the Department and the interdependencies that exist between the divisions and programs within the consolidated department, as well as those between the Department and other county offices, departments, and courts.
- Ascertain the extent to which the Department was established in a manner best suited to achieve success, and whether opportunities for improvement exist.

Preliminary Proposed Budget

We propose to complete this audit engagement with a budget of \$80,000.

Appendix D: Audit Scope – Facilities Maintenance

Propose Audit Engagement

Performance Audit of the County's Facilities Maintenance Program

Audit Objective

To evaluate the effectiveness and efficiency of Department of Fleet & Facilities' operation of the County's facilities maintenance program.

Audit Scope

Existing practices, including a review of activities during the three Fiscal Years 2022-2024.

Audit Approach

- Interview Department management and key staff and review pertinent background information, applicable state laws, local ordinances, policies and procedures to identify core responsibilities and functions of the facilities maintenance program.
- Conduct benchmarking research to identify best practices in facilities maintenance.
- Walk through key business processes, information and work order management systems, preventive maintenance programs, work order systems and programs for reactive maintenance requests, and other efforts designed to meet the facility needs of County departments, offices, and courts.
- Obtain and review data demonstrating key inputs (resources) and outputs (completed jobs, condition assessments, etc.), resource utilization, workload trends, and other metrics illustrating program performance.
- Evaluate the Department's allocation of staffing resources to meet workload demands, as well as its use of outsourced service providers and the contracting methods employed.
- Survey departments, offices, and courts to obtain their perspectives regarding the condition of County facilities and the services provided by the facilities maintenance program.
- Assess the Department's overall approach to project management for construction projects, including its project delivery manual and guidelines, and determine the extent to which it is consistent with best practices.
- Evaluate the Department's ongoing control, monitoring, assessment, and maintenance of County facilities and properties to identify opportunities to enhance efficiencies and protect County assets.
- Examine efforts to determine ongoing and future facility needs given the potential long-term impacts of the pandemic on remote work.

Preliminary Proposed Budget

We propose to complete this audit engagement with a budget of \$80,000.

Appendix E: Audit Scope – Countywide Contracting Practices

Propose Audit Engagement

Performance Audit of the Structure and Staffing of the Executive Office and Council Office

Audit Objective

To determine whether the County’s current practices comply with applicable County code, rules, and regulations.

Audit Scope

Existing practices, including a review of activities during the three Calendar Years 2022-2024.

Audit Approach

- Interview County management and key staff and review pertinent background information, applicable state laws, local ordinances, policies, and procedures to identify core responsibilities and functions related to procurement and contracting.
- Review applicable specific laws, rules and regulations and management best practices related to procurement and contracting.
- Map out the “as is” procurement and contracting processes, identifying key stakeholders and departments involved, required reviews and approvals, controls, thresholds for purchases, and systems and tools used.
- Identify gaps, control weaknesses, and opportunities to improve processes to better ensure compliance with applicable County code, rules, and regulations and enhance the efficiency and effectiveness of County procurement and contracting activities.
- Review the controls over procurement and contracting activities and assess whether industry best practices are in place.
- Perform site visits to observe and document procurement and contracting activities and to determine if established policies and procedures are followed.

Preliminary Proposed Budget

We propose to complete this audit engagement with a budget of \$70,000.

Appendix F: Audit Scope – Planning and Development

Propose Audit Engagement

Performance Audit of the Planning and Development Department's Permitting Operations.

Audit Objective

To evaluate the overall efficiency and effectiveness of the permitting and code enforcement operations of the Department.

Audit Scope

Existing practices, including a review of activities during the three Fiscal Years 2022-2024.

Audit Approach

- Gain an understanding of the overall mission, vision, philosophy, goals, and objectives of the Planning and Development Department—particularly as they pertain to permitting processes, fee assessment and collection activities, code enforcement, relevant performance measures, and project oversight practices.
- Interview Planning and Development management and key staff and review pertinent background information, applicable state laws, local ordinances, policies, and procedures to identify core responsibilities and functions of the permitting program, including significant activities designed to carry out these functions, and code enforcement activities.
- Review applicable specific laws, rules and regulations governing public utility renewable portfolio standards—such as the County Code, Government Code, Uniform Building Code, Federal Emergency Management Agency, and other applicable regulations.
- Determine key performance measures relative to meeting County goals, and understand the Department's processes in gathering, recording, and reporting performance data—including assessing associated risks that may affect the accuracy, reliability, and timeliness of this data.
- Obtain and review standard budgetary, financial, and performance reports utilized by Building Services management to manage and monitor department activities, as well as those reports made available to the Executive Office, County Council, and the public.
- Examine process for charging customers, including controls over cash receipts and billing.
- Assess recent organizational, technological, process improvements, and cost-recovery efforts implemented over the past several years—particularly as they relate to permitting operations.
- Evaluate Code Enforcement operations, including the methods employed to elicit voluntary compliance and its methods for implementing punitive measures such as citations, fines, and assessments.

Preliminary Proposed Budget

We propose to complete this audit engagement with a budget of \$80,000.

Appendix G: Audit Scope – County Health Department

Propose Audit Engagement

Performance Audit of the Snohomish County Health Department

Audit Objective

Evaluate the consolidation of the Health Department into County government and determine whether opportunities exist to enhance efficiency in operations.

Audit Scope

The scope of this project will include Department operations during calendar years 2023 through 2024.

Audit Approach

- Obtain and review relevant background documents, such as organizational charts, strategic plans, mission and goals, budget information, performance metrics, annual reports, relevant state statutes, local codes and ordinances, and other general information regarding the role, responsibilities, functions, performance, and initiatives of the Department.
- Conduct interviews with management and key staff to identify key roles and responsibilities and to gain an understanding of the organizational structure of the department, the functional responsibilities of key personnel and organizational units, the allocation of workload to such units and personnel, and the efficiency of those units (e.g., the efficiency of permit processes).
- Identify the core responsibilities of the Department, the support and administrative functions of the Department, and the ways that the Department relies on other County departments (e.g., Finance, Information Technology, Human Resources) to meet its operational needs.
- Evaluate the organizational structure of the Department, and including reporting relationships, span of control, and the allocation of staffing resources.
- Conduct benchmark research to gain an understanding of how health departments and districts are structured elsewhere in the State.
- Obtain and analyze historical budget and staffing data for the Department.

Preliminary Proposed Budget

We propose to complete this audit engagement with a budget of \$85,000.

Appendix H: Audit Scope – Risk Assessment

Propose Audit Engagement

Countywide Risk Assessment

Audit Objective

Develop a risk assessment that will help to identify and prioritize potential audit topics for future consideration.

Audit Scope

County offices, departments, courts—including the programs, services, and activities of each—in place at the time the Risk Assessment is conducted.

Audit Approach

- Obtain current and historical background information for each office, department, court, and relevant special districts, including organizational charts, budget/fiscal information, program descriptions, performance indicators, press releases and articles, council actions, strategic plans and annual reports, prior audits, and evaluations, etc.
- Follow-up on audit findings and recommendations between 2014 and 2024.
- Develop a risk assessment matrix and incorporate pertinent information from each of the data sources listed above.
- Obtain input from elected officials, department directors, and other key County officials.
- Present to the County Council the results of the risk assessment, identifying which areas of County government (e.g., organizational units, functions, programs, services, etc.) are ranked “high,” “medium,” or “low,” and why.

Preliminary Proposed Budget

We propose to complete this audit engagement with a budget of \$50,000.