

SECRETARY OF STATE

INNOVATIVE AUDIT PRESENTATION



Joint Legislative Audit Committee

April 15, 2021

WHY INNOVATE?

Audits Division Continuous Improvement Mentality

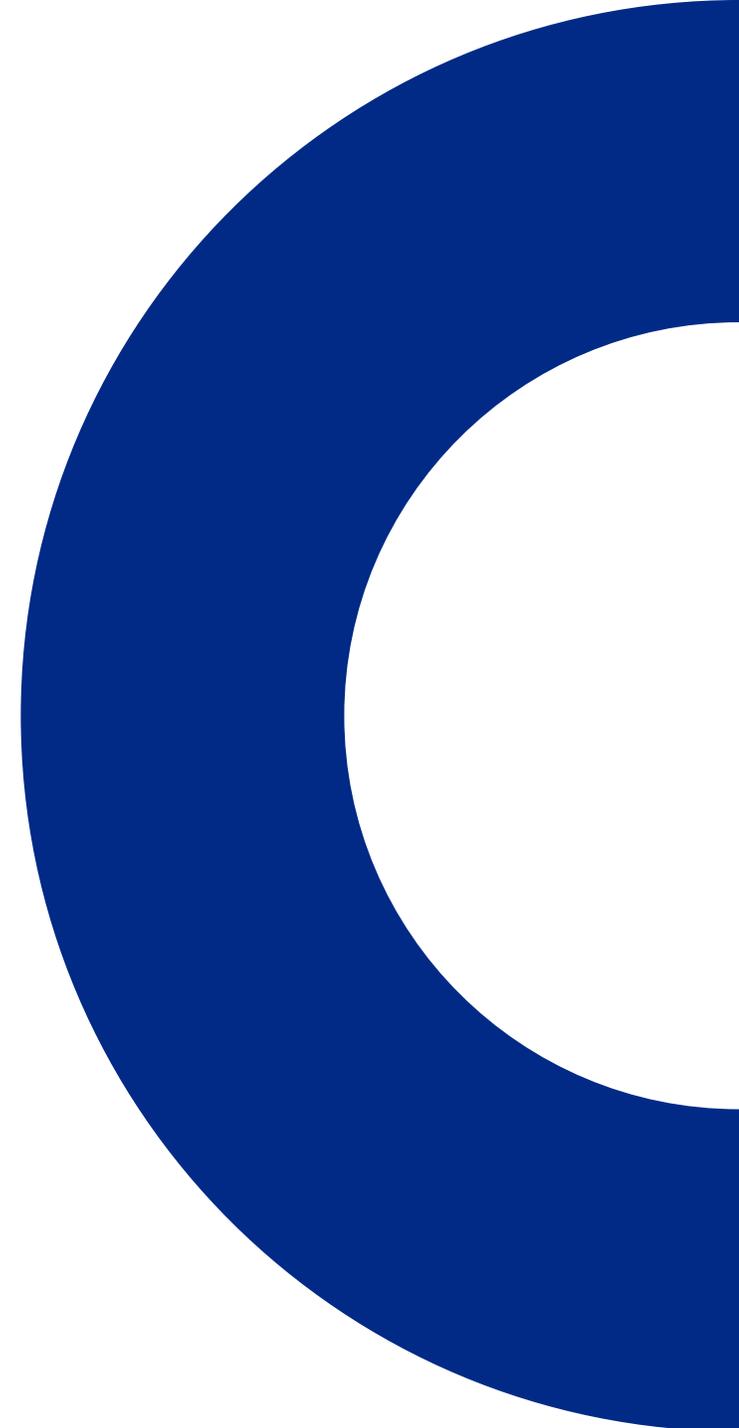
- Maximizing Audit Value and Impact
- Import of Public Sector Auditing – Public Trust, Effective Use of Public Resources, Equitable Service and Enforcement

Government Auditing Standards

- Definition and purpose of performance auditing
- History and evolution of performance auditing

Innovative Audit Strategy

- Timeliness, assurance, root cause analysis, focus on equity
- 2021-22 Audit Plan



INNOVATIVE AUDIT PORTFOLIO

Real-Time Auditing

- Timeliness
- Assurance
- Collaborative
- Proactive v. reactive
- Examples

Cultural Auditing

- Concept of “Tone at Top”
- Auditing Humans
Root cause analysis
- Internal Control
- Examples

Equity Auditing

- Definitions
- Types and Tools
- Risks
- Community Outreach
- Examples

Advisory Reports

- Timeliness
- Flexibility
- Less invasive
- Risks and Limitations
- Examples

REAL-TIME AUDITING

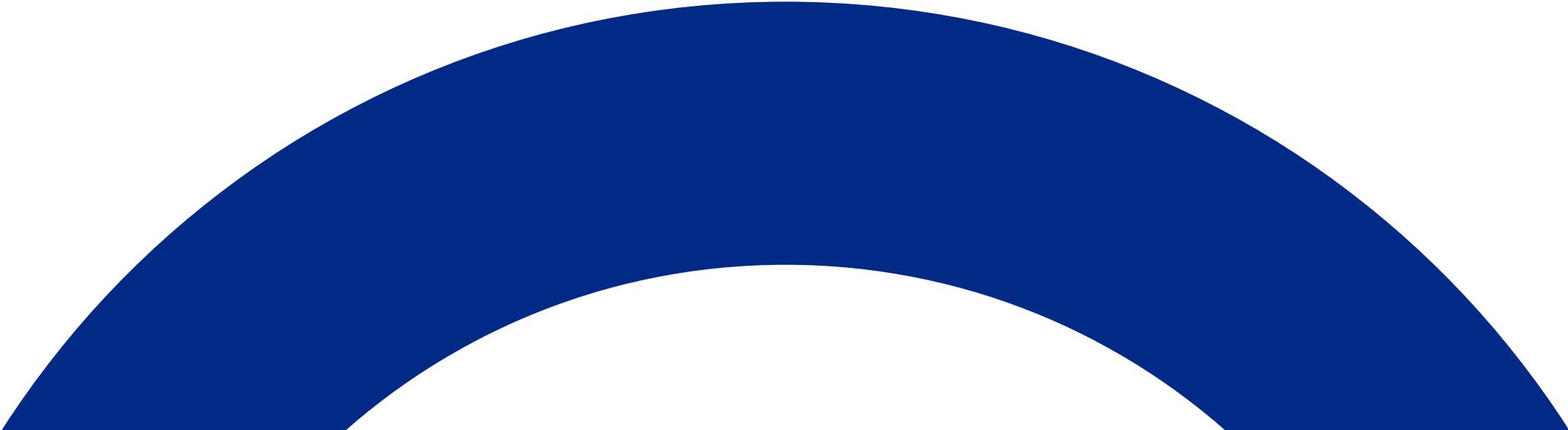
STRATEGY

- Collaborative
- Focused on unique and significant risks
- Enhanced stakeholder awareness
- Maintaining public trust

VALUE PROPOSITION

- Timeliness
- Assurance
- Real-time corrections
- Increased transparency
- Agency Relations

EXAMPLES

- Safe Kit audit
 - ODOT Transportation Package audit
 - Cares Act review
 - National Impact
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AUDITING CULTURE

STRATEGY

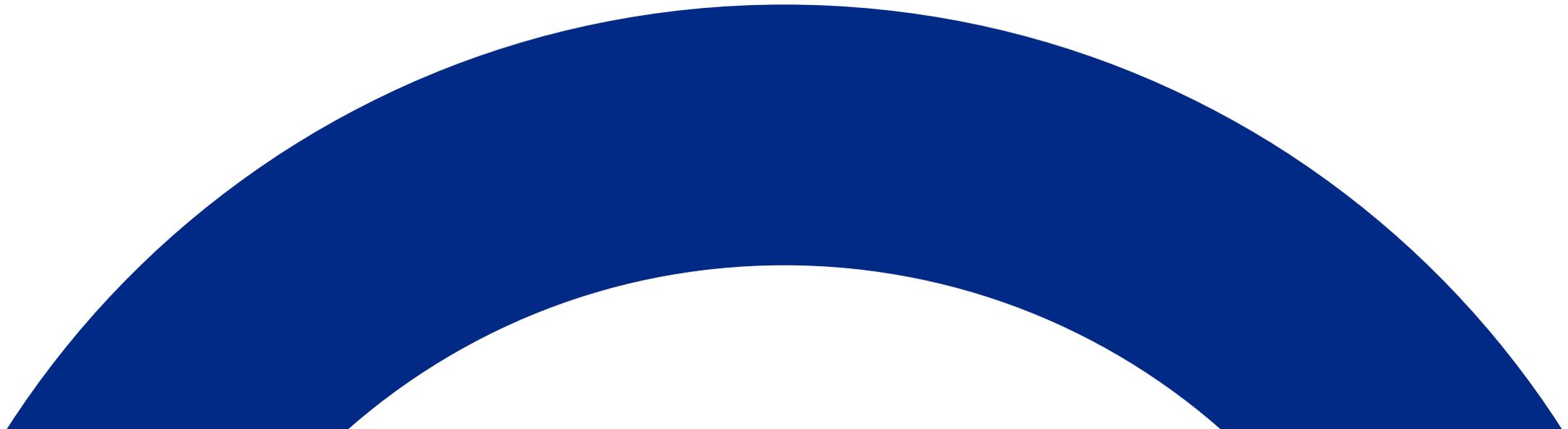
- Root Cause Analysis
- People Empowerment
- Healthy State Work Force
- Collaborative
- Innovative Audit Methods/Tools

VALUE PROPOSITION

- Improved Culture
- Improved Service Delivery
- Employee Retention & Morale
- Organizational Stability
- Reduced Legal Risks
- Public Relations

EXAMPLES

- SOS Foster Care
- DOR Culture Audit



AUDITING EQUITY

STRATEGY

- Formal focus on equity – governance, service provision, enforcement actions
- Accounting for history as a root cause – tackling institutional racism
- Stakeholder and community engagement
- Use of innovative methods – data analytics

VALUE PROPOSITION

- Equal treatment of all Oregonians by their state government
- Effective use of state resources
- Public Trust/Transparency
- State Economy Impacts

EXAMPLES

- ODE/PPS Equity Findings
- ODDs, ODE DD audits
- 2021-21 Audit Plan Audits: 9-1-1, Water Resources, Cannabis Licensing, Mortgage Interest Deduction

ADVISORY REPORTS

STRATEGY

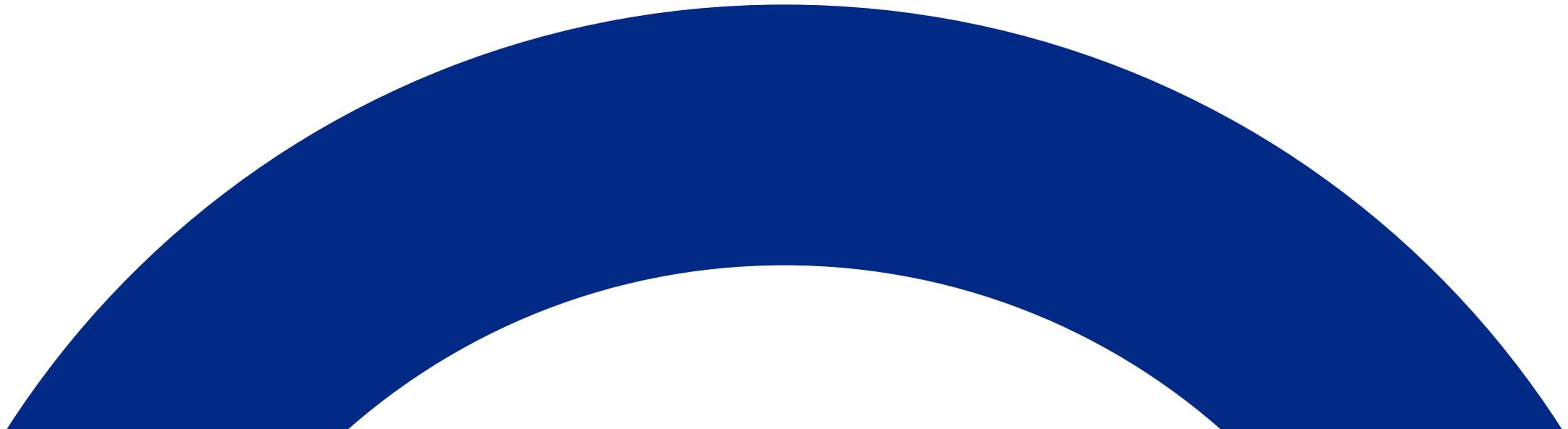
- Collaborative
- Focused on unique risks
- Greater stakeholder and community awareness
- Maximize audit tool belt/skills
- Less invasive and costly than audits

VALUE PROPOSITION

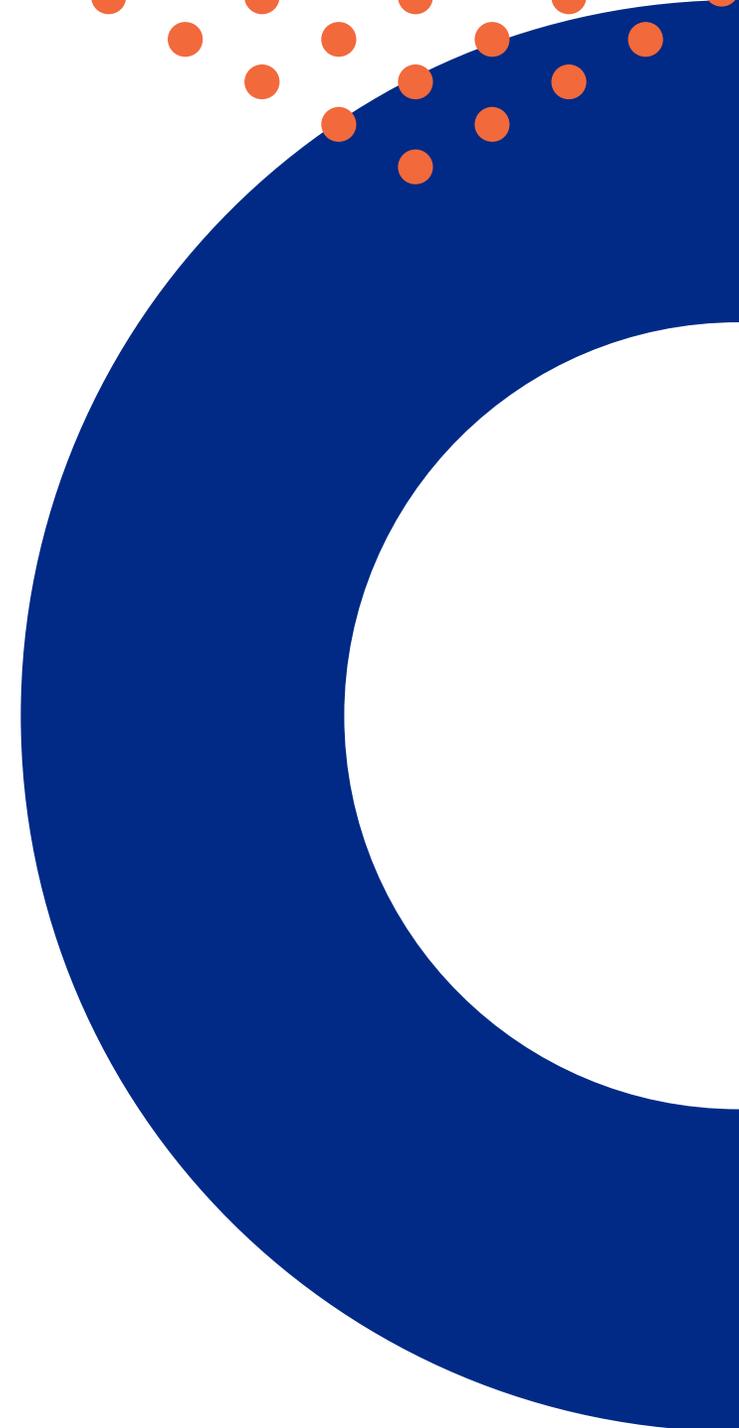
- Timeliness
- Assurance
- Flexibility
- Broaden Portfolio
- Public Trust and Transparency

EXAMPLES

- Financial Condition Report
- SNAP Fraud
- Columbia River Crossing
- Long Term Care Communicable Disease Risks



QUESTIONS?





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